

**Present:** Councillor Ric Metcalfe (*in the Chair*),  
and Councillor Ray Cucksey

**Apologies for Absence:** Councillor Rosanne Kirk and Councillor John Money

**18. Confirmation of Minutes - 17 September 2018**

RESOLVED that the minutes of the meeting held on 17 September 2018 be confirmed.

**19. Declarations of Interest**

No declarations of interest were received.

**20. Financial Monitoring Quarter 2 2018/19**

Purpose of Report

To present the Joint Committee with the second quarter's financial performance for the Revenues and Benefits Shared Service for 2018/19.

**Decision**

That the report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

The approved budget for 2018/19 was agreed by the Revenues and Benefits Joint Committee on 20 February 2018 which set a budget of £2,285,710 for the service. This had since been increased after receipt of New Burdens Grants with the budget adjustment totalling £51,770.

Financial performance for the second quarter of 2018/19 was set out in Appendix 1 to the report but it was noted that there was an underspend against the approved budget of £46,748.

The forecast outturn for 2018/19 predicted that there would be an underspend against the approved budget of £100,831. A summary of the main forecast year-end variations against the approved budget was set out in paragraph 4.3 of the report, with the main variations being due to all salaries at career grades being budgeted at the top of their grades and receipt of New Burdens Grants.

In answer to a question regarding New Burdens Grants, it was noted that this funding did not have to be returned if it was unspent at the end of the financial year.

With regard to salaries, the current model of budgeting those salaries on career grades at the top of their grades would be changed moving forward to more accurately represent actual grades in the knowledge that not all officers were on the top of the career grade.

## **21. Performance Update**

### Purpose of Report

To provide the Joint Committee with an update on performance in the Revenues and Benefits Shared Service.

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

#### *Council Tax*

Comparing Council Tax in-year collection for quarter two 2018/19 to quarter two 2017/18 indicated that the City of Lincoln and North Kesteven was lower by the same percentage of 0.37%. It was noted, however, that the collectible debit for both the City of Lincoln and North Kesteven had increased from 2017/18 by £2.5 million and 3.8 million respectively.

In terms of the position as at the end of October 2018 compared to the position at the end of October 2017, the City of Lincoln was 0.32% lower and North Kesteven was 0.22% lower. A single person discount review had been undertaken for both the City of Lincoln and North Kesteven as part of a countywide process. As a result of this, single person discounts had been removed for 722 Lincoln accounts and 484 North Kesteven accounts. This had raised the amount of revenue to be collected by £218,724 for Lincoln and £153,176 for North Kesteven, which would have an impact on collection rates until this additional revenue was collected.

#### *Business Rates*

Comparing quarter two 2018/19 to 2017/18, the City of Lincoln was down by 0.56%, North Kesteven was up by 3.56% and West Lindsey was up by 0.11%.

In terms of the position at the end of October 2018 compared to the position at the end of October 2017, the City of Lincoln was 0.93% lower, North Kesteven was 0.27% higher and West Lindsey was 0.01% higher. It was noted that there were a number of factors affecting Lincoln's business rates at this point in time not only relating to collection but liability in general. These included an increase in empty and exempt properties and a large increase in net collectable debit.

In terms of the current collection levels, the total net receipt had increased from 2017/18 by 955,000 for the City of Lincoln, £1.1 million for North Kesteven and £790,000 for West Lindsey. Tables outlining the net collectible debit were set out in paragraph 4.10 of the report.

### *Business Improvement District Levy Collection*

The Business Improvement District financial year ran from 1 July to 30 June, so the figures set out in the report represented the collection up to the end of quarter two 2018.

A comparison of in-year collection rates between the Business Improvement District financial years ending 30 September 2017 and 30 September 2018 showed a decrease in collection by 1.27%. It was reported that officers did not consider this of major concern but would continue to monitor and manage it closely.

### *Outstanding Revenues Customers*

The number of outstanding revenues customers as at the end of quarter two 2018/19 showed an increase since 31 March 2018 which was due to reduced numbers of staffing through unforeseen circumstances during the first quarter. The position had been maintained during quarter two despite a considerable amount of additional work being undertaken on student reviews and single person discount enquiries. Due to the electronic forms which had been developed, processes were becoming more efficient and as a result almost all student properties had been reviewed three months earlier than usual. The Council Tax Administration Team was continuing to work with the City of Lincoln's Business Development Team to continue to implement and improve processes to channel shift customer contact, internal contact and adapt lean principles.

As at the end of October 2018 there were 768 outstanding revenues customers for the City of Lincoln and 321 for North Kesteven. Whilst this had increased since the end of quarter two for the City of Lincoln, the rate of increase was not as high as in previous months and could be attributed to the additional work undertaken, particularly around student accounts.

### *Housing Benefit Overpayments*

Quarter two of 2018/19 indicated that more monies had been recovered than raised, with the City of Lincoln equating to 106.75% and North Kesteven equating to 116.43%, as a result of the work being undertaken by the Housing Benefit Overpayment Recovery Team. In addition to this level of positive performance, the level of outstanding overpayments was starting to reduce as illustrated in the table set out at paragraph 4.19 of the report.

It was noted that a separate item on Housing Benefit overpayments would be considered at this meeting.

### Benefits Performance

As at quarter two for 2018/19 the City of Lincoln had 1,520 outstanding benefits customers awaiting assessment and North Kesteven had 471. It was important to note that for the City of Lincoln, although the customers awaiting assessment level was relatively high, this was due to the larger housing benefit caseload in

comparison to North Kesteven. The live caseload for the City of Lincoln was 6,887 with North Kesteven being 4,283. As a result of this the City of Lincoln received a higher volume of documents.

The rollout of Universal Credit Full Service had made a significant impact on processing performance, with the benefits team receiving 12,457 Universal Credit documents since April 2018. Officers were currently working on the automation of a number of Universal Credit documents which should improve efficiencies within the teams, with each of these documents currently requiring assessment.

A breakdown of benefits outstanding customers, split by those already in progress where the customer had been contacted and those where customers had not yet been contacted, was set out in paragraph 5.2 of the report. Members were pleased to see that the number of customers awaiting assessment for the City of Lincoln had reduced in month by 401 which was a direct result of the overtime and review of processes which had taken place. It was noted that the oldest case in the system dated back to 13 November for the City of Lincoln and 8 November for North Kesteven whereas the oldest case was over six weeks old when previously reported.

In terms of housing benefit average processing times, the table at paragraph 5.4 of the report showed the figures for new claims and changes of circumstances for the last five financial years. New claims performance levels had improved when compared to quarter one in 2018/19 with the City of Lincoln by 1.97 days and North Kesteven by 1.05 days.

The accuracy of processing claims was just as important as their prompt processing and the table at paragraph 5.5 of the report set out the number of claims checked under the service's quality checking regime since the formation of the shared service. During quarter two a total of 71 claims were checked for the City of Lincoln and 95 for North Kesteven.

Discussion ensued on the demand placed on the service, with the introduction of Universal Credit meaning that the service was having to do more with less resources. It was noted that this was one of the main reasons why there was a drive to introduce more efficient ways of working, such as electronic forms and self-service options for customers to utilise. The Head of the Shared Service explained that it was his role to ensure that the service was performing as expected and with optimal efficiency within the resources available. In the current climate, therefore, in answer to a question regarding the prospect of additional staffing it was noted that this was highly unlikely and that the service would be managed as effectively as possible despite reduced funding centrally.

## **22. Welfare Reform and Universal Credit Update**

### Purpose of Report

To provide the Joint Committee with an update regarding the national and local position of welfare reform, with a specific focus on Universal Credit.

### **Decision**

That the report be noted.

## Alternative Options Considered and Rejected

None.

## Reason for Decision

As Full Service roll-out progressed with Universal Credit, the number and range of people claiming Universal Credit was likely to grow quickly. As of 24 October 2018 there were 517 jobcentres running the Full Service with roll-out scheduled to be completed by December 2018. As of 13 September 2018, 1,220,443 households received Universal Credit which was a 10% increase from August 2018, of which 35% were in employment.

A number of changes to Universal Credit had been introduced as part of the Autumn 2018 budget announcements which impacted the following:

- Universal Support;
- Universal Credit Work Allowance increase;
- extra held for households moving onto Universal Credit;
- funding for previously announced measures;
- support for 18 to 21 year olds and supported housing;

A major announcement in respect of Universal Support was that Citizens' Advice would deliver the Full Service Universal Credit solely from April 2019. There was still a great deal of clarity required regarding how this arrangement may work, what the exact scope was and what local authorities' roles may be. Concerns were noted in respect of how the model may operate and whether or not it would match the holistic service to Universal Credit customers currently being provided by the shared service to residents of Lincoln and North Kesteven. A pilot would be undertaken to test the work needed prior to April 2019 and it was noted that no, or very little, consultation with local authorities had taken place ahead of this announcement which had been met with some surprise across the country. Officers were shortly due to meet with representatives of the Department for Work and Pensions and Citizens' Advice locally on 29 November 2018 to establish any further developments in respect of the announcement and what this may mean going forward.

Further details relating to these areas of change were set out in paragraphs 5 and 6 of the report.

The Welfare Reform and Project Officer had been working with the City of Lincoln Housing and North Kesteven Housing colleagues to monitor the impact Universal Credit claims were currently having on rent collection. The data showed that of the 863 City of Lincoln tenants in receipt of Universal Credit, as of 12 November 2018 there was an increase in arrears for 583 tenants totalling £177,113. For North Kesteven 77 tenants were in receipt of Universal Credit and an increase in arrears for 70 tenants totalled £36,870.

The Universal Credit Support Team continued to work on a rota basis and was located in Lincoln Jobcentre to be on hand to support customers and a dedicated email address and telephone number were in place for direct access to the team. This team provided assisted digital support for customers wishing to make a range of related claims, helped customers maintain their Universal Credit claim by providing assistance and also provided personal budgeting support. It was noted that the team continued to work very well and was providing an excellent

service to its customers. For the City of Lincoln, 432 customers had received assisted digital support and 176 customers had received personal budgeting support, whereas for North Kesteven 38 customers had received assisted digital support and 31 customers had received personal budgeting support.

Sleaford Jobcentre went live with Universal Credit on 14 November 2018 and officers had been reviewing the objectives and outcomes of the Universal Credit Support Team based in Lincoln to ascertain whether the positive partnership working arrangements with Jobcentre Plus and internal processes that needed to be and could be replicated in the Sleaford office. It was confirmed that this would be put in place which was very positive and demonstrated the excellent relationship that had been built up between the Shared Service and the Department for Work and Pensions. It was reported that rollout at the Sleaford office would be slower than that experienced at the Lincoln office but this would help staff ensure that they were prepared and adequately trained.

The Universal Credit performance dashboard had been updated with statistical information and provided key information relating to the teams' outputs along with regional and national updates as at the end of quarter two. These were appended to the report.

The Joint Committee congratulated the Revenues and Benefits Shared Service for securing the Institute of Revenues Rating and Valuation's Excellence in Partnership Working Award 2018, which was a prestigious national award. Whilst the submission for this award focussed on the Shared Service as a whole, there was also a key section around the service's Universal Credit support work with local Department for Work and Pensions colleagues and the 'flagship' service provided to its customers.

## **23. Business Rates Update**

### Purpose of Report

To provide the Joint Committee with an update on current issues within non-domestic rates.

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

#### *Supporting Small Business Relief Scheme 2017/18 – 2020/21*

The number of hereditaments that had been identified for 2018/19 and had benefitted from the scheme as at 30 June 2018 for each of the three authorities was as follows:

- City of Lincoln – eight had been identified, five had responded and a total award of £7,007 had been made;

- North Kesteven – 23 had been identified, 18 had responded and a total award of £24,178 had been made;
- West Lindsey – 26 had been identified, 15 had responded and a total of £19,926 had been made.

#### *Support for Pubs Scheme 2017/18 – 2020/22*

The number of application forms returned as at 30 June 2018 were noted as follows:

- City of Lincoln – 63 had been identified and 24 awards had been made totalling £23,975;
- North Kesteven – 40 had been identified and 30 awards had been made totalling £28,371;
- West Lindsey – 59 had been identified and 29 awards had been made totalling £26,118.

#### *Discretionary Relief Scheme 2018/19*

During quarter one of 2018/19 officers had undertaken a number of exercises to correctly identify those ratepayers who may be entitled to relief and calculated the cost of relief for all businesses affected by the revaluation, whereby the 2018/19 charge had increased as a result.

Since 2017/18 the number of accounts identified for all three districts had decreased and as a result the value of relief awarded was as follows:

- City of Lincoln – this was a banded scheme and the reward had remained the same for all bands with the exception of those facing an increase of between £25 and £500. The relief to be awarded for 2018/19 had increased from 50% to 70%, providing additional support to those ratepayers;
- North Kesteven – this was a banded scheme and the award had remained the same for the first two bands but all others had reduced to 80% of the 2017/18 award;
- West Lindsey – this was a percentage reduction scheme, with all identified ratepayers receiving a 50% reduction. This was a decrease from 2017/18 of 80%.

Chief Finance Officers had delegated authority to approve the 2018/19 scheme and, as a result, the relief had been awarded to all accounts identified and ratepayers had been issued with a decision notice and letter of explanation. This was much earlier than for the 2017/18 scheme and in doing this ratepayers could declare whether any relief awarded would not exceed the state aid limit.

A review of awarded relief would take place during November and December 2018. As a result, the schemes may be adjusted to ensure all funding was awarded up to 30 September 2019. The respective table set out in paragraph four of the report showed the number of accounts identified and the total cost of relief for both 2017/18 and 2018/19 for comparison purposes.

## *Business Rate Pilot – 100% Business Rates Retention in 2018/19 and 75% in 2019/20*

Based on an assessment of the amount of business rates that were expected to be collected during 2018/19, the additional resources currently estimated to be retained through the pilot was £18.6 million, of which £1.4 million was attributable each to the City of Lincoln and North Kesteven. Although the bids were only awarded for a one year period, the 2018/19 Local Government Finance Settlement promised a further round of new pilots in 2019/20.

Prior to the summer recess the Government took the opportunity to announce its plans for the 2019/20 business rates retention pilots. The main points included as part of that announcement were set out in paragraph 5.4 of the report.

Following consideration by the Chief Executives and Section 151 Officers, a bid for 2019/20 pilot status based on the existing pilot authorities was submitted in September. As part of the bid submission, a request had been made to form a Lincolnshire business rate pool should the 100% business rate retention not be approved. The outcome of the pilot bid was expected to be received at the time of the Local Government Finance Settlement scheduled for 6 December 2018.

### *Autumn Budget 2018*

The Autumn budget 2018 was announced on 29 October 2018 and key issues affecting business rates were noted as follows:

- The cutting of bills by one third for retail properties with a rateable value below £51,000 for two years from April 2019 in recognition of the challenges high streets faced from changing consumer behaviour;
- the introduction of business rates public lavatories relief;
- the introduction of business rates local newspaper discount;
- business rates treatment of self-catering and holiday let accommodation.

It was further announced that local authorities would be fully compensated for the loss of income as a result of the second and third measures, with further announcements expected as to how the first and fourth measure would be funded.

### *Recent Court of Appeal Decision – Automated Transaction Machines*

In 2013 a decision was taken by the Valuation Office for Automated Transaction Machines built into the front of a shop or petrol station to have a separate business rates bill. This ruling was upheld in 2017. As a result, cash machines were brought into the Valuation Rating List but this was further appealed by large chain supermarkets. On 9 November 2018, large chain supermarkets had their appeal heard by the Court of Appeal and the case was won resulting in cash machines no longer being given separate business rates bills.

In terms of the impact locally, dating back to the 2010 list, this had the following implications for the shared service:

- 36 machines in Lincoln resulting in a refund of £612,000;
- 14 machines in North Kesteven resulting in a refund of £293,000;
- 10 machines in West Lindsey resulting in a refund of £206,000.



It was noted that there was provision in the budget for refunds as a result of decisions on appeals taken by the Valuation Office, although due to the significance of these particular refunds there may be a budget pressure should any other large refunds be awarded during this financial year. In discussing this matter, Members made the point that it was the Valuation Office's decision to enter cash machines on the Valuation Rating List as opposed to local authorities.

## **24. Housing Benefit Overpayments Update**

### Purpose of Report

To provide the Revenues and Benefits Joint Committee with an update on the recovery of housing benefit overpayments.

### **Decision**

That the report be noted.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

The Housing Benefit Overpayment Recovery Action Plan was attached to the report at Appendix 1 and was being used as a working document to provide the Housing Benefit Team with a clear direction for the work which would be undertaken over the next nine months to address overpayments.

A number of actions had already taken place since the last meeting of the Joint Committee, as set out in paragraph 5.2 of the report.

As part of the formation of the housing benefit overpayment project, officers had reviewed all recovery methods available for all stages of debt, with stages broken down as follows:

- overpayments recovered from ongoing housing benefit;
- overpayments at sundry debtors less than four months old;
- overpayments at sundry debtors over four months old;
- write off.

Officers were therefore able to have a detailed understanding of what stage debts were at and, at a glance, whether the debts were increasing or decreasing and where resource allocation was needed.

The table at paragraph 6.2 of the report showed the improvements for quarter one and quarter two for 2018/19 for the City of Lincoln and North Kesteven since the project started in June 2018. Since the start of the project the total overpayments outstanding had reduced by £296,599, with £185,342 attributable to the City of Lincoln and £101,257 for North Kesteven.

It was noted that the rate of recovery of the overpayments was exceeding the creation of overpayments, which currently showed an in period collection rate of 106.75% for the City of Lincoln and 116.43% for North Kesteven.

## **25. Revenues and Benefits Shared Service Business Plan 2019/20**

### Purpose of Report

To provide the Joint Committee with an opportunity to consider the Revenues and Benefits Shared Service Business Plan 2019/20.

### **Decision**

That the Annual Business Plan for the Revenues and Benefits Shared Service 2019/20 be approved.

### Alternative Options Considered and Rejected

None.

### Reason for Decision

The Revenues and Benefits Shared Service Business Plan for the financial year 2019/20 was included as Appendix 1 to the report, with key features noted as follows:

- key achievements in 2018/19;
- savings in 2018/19;
- key activities for 2019/20;
- strategic priority schemes 2019/20;
- Towards Financial Sustainability projects 2019/20;
- key risks;
- safeguarding;
- equality actions;
- working in neighbourhoods;
- workforce development;
- social value;
- data protection and information governance.

It was agreed that 2018/19 had been another positive year for the Shared Service with most areas of performance progressing well, continued implementation and embedment of integrated e-forms as well as a whole host of improvement and partnership projects as set out in the report. Members noted that these noticeable achievements had been carried out under the ongoing demands placed on the service from both national and local challenges, such as welfare reform and the current economic climate.