

<b>SUBJECT:</b>	<b>PERFORMANCE UPDATE</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE</b>
<b>REPORT AUTHOR:</b>	<b>MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS</b>

## **1. Purpose of Report**

- 1.1 To provide Members with an update on performance in the Revenues and Benefits shared service.

## **2. Executive Summary**

- 2.1 This report provides an update on Revenues and Benefits performance 2020/21, up to the end of October 2020.

- 2.2 The Revenues and Benefits Shared Service has now been in operation since 1<sup>st</sup> June 2011, and performance has been maintained and improved whilst continuing to provide value for money. Continual improvement and success is being achieved in terms of both statistical and financial performance, as well as positive outcomes for customers of the partner local authorities. However, the Covid-19 global pandemic has understandably impacted on some areas of performance.

## **3. Background**

- 3.1 At the 10<sup>th</sup> September 2020 meeting of this Committee, a report was presented detailing Revenues and Benefits performance up to the end of July 2020.

- 3.2 Performance is reported to this Committee on a quarterly basis.

- 3.3 Performance continues to be impacted by Covid-19 – a separate report on the impacts on Revenues and Benefits is also included on today's Committee Agenda. Officers have proactively responded to Covid-19, including;
- Reduced levels of recovery action being taken in the first half of 2020/21;
  - Deferrals of Council Tax and Business Rates payments being permitted;
  - Processing a significant increase in Housing Benefit and Council Tax Support claims;
  - Assessment and award of new government reliefs and grants.

Performance is likely to be impacted for many more months due to the cumulative effects of Covid-19 on household and business incomes.

## 4. Revenues Performance

### 4.1 Council Tax

4.2 Up to the end of October 2020, in-year collection for Lincoln and North Kesteven is down by 2.49% and 2.38% respectively, compared to the same point in 2019. Due to the financial impacts of Covid-19 on residents' incomes, officers have been allowing deferrals of payments in relevant circumstances, although this means that these deferred monies will still need to be collected in the coming months. Also, considering payments that have not been made (i.e. aside from deferral requests allowed), these reduced levels of collection are not unexpected. The table below shows how in-year collection is becoming 'further down' month-by-month (compared to the equivalent points in 2019/20). Whilst every effort is being made to collect monies due, in the current climate this is a real challenge – and, with the latest Covid-19 lockdown – is unlikely to improve in the immediate future.

	End Oct 2020	End Sept 2020	End Aug 2020	End Jul 2020	End Jun 2020	End May 2020	End Apr 2020
<b>City of Lincoln</b>	2.49% ↓	2.34% ↓	2.29% ↓	1.30% ↓	0.81% ↓	0.56% ↓	0.22% ↓
<b>North Kesteven</b>	2.38% ↓	1.41% ↓	1.36% ↓	1.11% ↓	0.91% ↓	0.78% ↓	0.42% ↓

4.3 Net collectable debit for 2020/21 (compared to 2019/20) has increased by £1.2m for Lincoln and £2.8m for North Kesteven.

### 4.4 Business Rates

4.5 Up to the end of October 2020 (compared to the end of October 2019), 2020/21 in-year collection for Lincoln and North Kesteven is up by 3.94% and 1.55% respectively. However, these figures remain somewhat 'skewed' by the new reliefs available this year in light of the new measures announced as part of the government's Covid-19 response. For Lincoln there is still £5.5m to be collected as at the end of October 2020, with the equivalent figure for North Kesteven being £5.9m. West Lindsey in-year collection is down by 2.54% at the end of October 2020 - again, net liability is greatly reduced due to reliefs applied – there remains £1.7m to be collected in respect of 2020/21.

4.6 The table below shows, for Lincoln and North Kesteven, that since the award of Expanded Retail Discount in-year collection is generally 'less up' month-on-month, as a truer picture in-year collection becomes apparent. With the second national lockdown now in place and the subsequent impact on businesses, it is anticipated that the final five months of this financial year will continue to provide some real challenges in this area of collection.

	End Oct 2020	End Sept 2020	End Aug 2020	End Jul 2020	End Jun 2020	End May 2020	End Apr 2020
<b>City of Lincoln</b>	3.94% ↑	5.57% ↑	6.54% ↑	8.50% ↑	6.82% ↑	7.71% ↑	0.47% ↑
<b>North Kesteven</b>	1.55% ↑	1.70% ↑	2.18% ↑	2.61% ↑	3.12% ↑	2.65% ↑	9.97% ↓
<b>West Lindsey</b>	2.54% ↓	2.63% ↓	1.21% ↓	1.00% ↓	0.55% ↓	1.08% ↓	4.30% ↓

#### 4.7 Outstanding Revenues Customers

4.8 As at the end of October 2020, outstanding Revenues customers stood at a total of 845 (split Lincoln 621, North Kesteven 224). Although this figure has increased in recent months, this is as a direct result of the first Covid-19 national lockdown ending and house moves increasing resulting in increased enquiries to the Revenues Team.

#### 4.9 Housing Benefit Overpayments

4.10 As at the end of October 2020, in-year collection rates and outstanding monies are as shown in the table below:

2020/21 – to end October 2020	City of Lincoln	North Kesteven
In-year collection rate	150.78%	119.29%
Outstanding Housing Benefit overpayments debt	£3,360,195	£1,471,887

4.11 Positively, outstanding debt continues to decrease and in-period collection exceeds 100% for both partner Councils.

### 5. Benefits Performance

5.1 As at the end of October 2020, there are 1,644 Benefits customers outstanding (split Lincoln 1,347 – oldest item dated 14<sup>th</sup> October, North Kesteven 297 – oldest item dated 26<sup>th</sup> October). The ongoing impacts of Covid-19 from mid-end March 2020 cannot be underestimated – with a significant increase in benefit claims over the course of the year so far. The number of Universal Credit (UC) documents requiring processing continues to have a real impact.

5.2 Despite the increase in claims, Benefit claims continue to be processed on a timely basis – as shown in the table below.

<b>2020/21 – to end October 2020</b>	<b>City of Lincoln</b>	<b>North Kesteven</b>
New Claims – average time to process	16.61 days <i>(End October 2019 21.35 days)</i>	15.38 days <i>(End October 2019 19.89 days)</i>
Changes of Circumstance – average time to process	4.75 days <i>(End October 2019 5.52 days)</i>	3.41 days <i>(End July 2019 4.70 days)</i>

5.3 Prompt processing of claims remains vital, but of equal importance is accuracy of processing and ‘getting it right, first time’. In 2020/21, up to the end of October 2020, City of Lincoln’s ‘right first time’ assessment of cases checked is 92% (170 out of 184) and for North Kesteven 96% (380/395). These checks are in addition to those carried out through the checks required to be carried out under the requirements of the annual Housing Benefit Subsidy claims.

## 6. Welfare and Benefits Advice

6.2 Providing benefits and money advice continues to be key, with a team of dedicated and knowledgeable officers providing invaluable support to residents of Lincoln. In the second quarter of 2020/21, the team has achieved the following:

<b>Quarter 2 2020/21</b>	<b>City of Lincoln</b>	<b>North Kesteven</b>
Advice provided enabling weekly value of additional benefits	£3,930	£1,453
Advice provided enabling lump sum award of additional benefits	£68,776	£29,934
No. of customers to whom help provided	1,009	204
No. money advice referrals	28	11

## 7. Strategic Priorities

7.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Three that have an impact on the Revenues and Benefits Service are:-

- Lincoln: “Let’s reduce all kinds of inequality”.
- North Kesteven: “Our Communities”, “Our Economy”.

7.2 The Benefits Service plays a key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. The Revenues Section is also mindful of the strategic priorities when engaging with business ratepayers as they recover business rates – and also promoting and encouraging growth in the districts. Digital Inclusion, Channel Shift / Customer Experience, Financial Inclusion and Partnership Working are all key priorities for the shared service.

## 8. Organisational Impacts

8.1 Finance: There are no direct financial implications arising from this report.

8.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.

8.3 Equality, Diversity & Human Rights: There are no direct implications arising from this report.

## 9. Risk Implications

9.1 A Risk Register is in place for the Revenues and Benefits shared service.

## 10. Recommendations

10.1 Note the performance information as set out in this report.

10.2 Note that a performance update will be presented at the next meeting of this committee on 23<sup>rd</sup> February 2021.

**Is this a key decision?** Yes/No

**Do the exempt information categories apply?** Yes/No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** Yes/No

**How many appendices does the report contain?** Appendix 1: Performance Data 2020/21 to end October 2020

**List of Background Papers:** None

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