

SUBJECT: PERFORMANCE UPDATE

DIRECTORATE: CHIEF EXECUTIVE

REPORT AUTHOR: MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

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 up to the end of Quarter 3 2020/21.
- 2.2 The Revenues and Benefits Shared Service has now been in operation since 1st 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, - these impacts are likely to continue for many more months.

3. Background

- 3.1 At the 26th November 2020 meeting of this Committee, a report was presented detailing Revenues and Benefits performance up to the end of October 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 – only courts dates for summoned monies have been available (on 16th December 2020 and 21st January 2021);
 - Deferrals of Council Tax and Business Rates payments being permitted;
 - Processing a significant increase in Housing Benefit and Council Tax Support claims, and Universal Credit related documents;
 - 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 Quarter 3 2020/21, in-year collection for Lincoln and North Kesteven is down by 2.83% and 1.47% respectively, compared to the same point in 2019/20. 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. Therefore in the current climate, these reduced levels of collection are not unexpected. The table below shows how in-year collection has compared quarter-on-quarter in 2020/21, in comparison to equivalent quarters 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.

	Quarter 1	Quarter 2	Quarter 3
City of Lincoln	Down by 0.81%	Down by 2.34%	Down by 2.83%
North Kesteven	Down by 0.91%	Down by 1.41%	Down by 1.47%

- 4.3 Net collectable debit for 2020/21 (compared to 2019/20) has increased by £1.3m for Lincoln and £2.8m for North Kesteven.

4.4 Business Rates

- 4.5 Up to the end of Quarter 3 2020/21 (compared to the end of Quarter 2 2019/20), 2020/21 in-year collection for Lincoln is up by 7.03%, but down by 0.78% and 1.01% for North Kesteven and West Lindsey, respectively. The Lincoln figure in particular by the demographic of business types, remains 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, predominantly the Expanded Retail Discount.

- 4.6 The table below shows how in-year collection has compared quarter-on-quarter in 2020/21, in comparison to equivalent quarters in 2019/20. With the third national lockdown now in place and the subsequent impact on businesses, it is anticipated that the final quarter of this financial year will continue to provide some real challenges in this area of collection.

	Quarter 1	Quarter 2	Quarter 3
City of Lincoln	Up by 6.82%	Up by 5.57%	Up by 7.03%
North Kesteven	Up by 3.12%	Up by 1.70%	Down by 0.78%
West Lindsey	Down by 0.55%	Down by 2.63%	Down by 1.01%

4.7 Outstanding Revenues Customers

- 4.8 As at the end of Quarter 3 2020/21, outstanding Revenues customers stood at a total of 1,309 (split Lincoln 936, North Kesteven 373). Although this figure has increased in recent months, this is as a direct result of the first and second Covid-19 national lockdowns 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 Quarter 3 2020/21, in-year collection rates and outstanding monies are as shown in the table below:

End Quarter 3 2020/21	City of Lincoln	North Kesteven
In-year collection rate	158.66%	123.51%
Amount collected	£771,141	£283,661
Outstanding Housing Benefit overpayments debt	£3,257,097	£1,442,859

- 4.11 Performance in this area continues to be positive – 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 Quarter 3 2020/21, there are 2,170 Benefits customers outstanding (awaiting assessment) – split Lincoln 1,835 – oldest item dated 4th December 2020, North Kesteven 335 – oldest item dated 20th December 2020). However, the overall position has already improved markedly in 2021 so far, and as at writing this report (on 22nd January 2021), outstanding work has now improved to:

- Lincoln: 1,587 (oldest item dated 2nd January 2021);
- North Kesteven: 316 (oldest item dated 2nd January 2021).

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, and 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.

End Quarter 3 2020/21	City of Lincoln	North Kesteven
New Claims – average time to process	16.72 days (End Quarter 3 2019/20	14.98 days (End Quarter 3 2019/20

	<i>21.73 days)</i>	<i>20.19 days)</i>
Changes of Circumstance – average time to process	4.27 days <i>(End Quarter 3 2019/20 5.84 days)</i>	3.10 days <i>(End Quarter 3 2019/20 4.58 days)</i>

- 5.3 The importance in processing Benefits claims accurately remains of paramount importance, – i.e. ‘getting it right, first time’. In 2020/21, up to the end of Quarter 3 2020/21, City of Lincoln’s ‘right first time’ assessment of cases checked is 92% (300 out of 325) and for North Kesteven 96% (514/535).

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 third quarter of 2020/21, the team has achieved the following:

Quarter 3 2020/21	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£5,181	£2,399
Advice provided enabling lump sum award of additional benefits	£67,186	£35,029
No. of customers to whom help provided	1,318	227
No. money advice referrals	30	17

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 22nd June 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 to end Quarter 3 2020/21

List of Background Papers:

None

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