

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 Revenues and Benefits performance information in respect of Quarter 2 2021/22.
- 2.2 This year, the Revenues and Benefits Shared Service reached its ten-year anniversary of formation, having been in operation since 1st June 2011. Levels of performance have largely 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 9th September 2021 meeting of this Committee, a report was presented detailing Revenues and Benefits performance to the end of Quarter 1 2021/22.
- 3.2 Performance is reported to this Committee on a quarterly basis.
- 3.3 Performance continues to be impacted by Covid-19. Officers have continued to proactively respond to Covid-19, including;
- Deferrals of Council Tax and Business Rates payments being permitted where applicable and appropriate.
 - 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 payments (such as Test and Trace Support payments).

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 2 2021/22, in-year collection for Lincoln and North Kesteven was

down by 0.95% and up by 0.52%, respectively. Due to the financial impacts of Covid-19 on residents' incomes, it is anticipated the recovery of monies will remain a real challenge throughout 2021/22, and potentially beyond too. Net collectable debit for 2021/22 (compared to 2020/21) has increased by £3.2m for Lincoln and £3m for North Kesteven.

Description		September 2021	Compared to September 2020	Compared to September 2019
Council Tax Collection	City of Lincoln	49.59%	Down 0.95%	Down by 3.28%
Council Tax Collection	North Kesteven	56.52%	Up by 0.52%	Down by 0.9%
Council Tax Net liability	City of Lincoln	£49,344,922	Up by £3,221,154	Up by £4,446,710
Council Tax Net Liability	North Kesteven	£71,813,119	Up by £3,020,847	Up by £5,826,859

- 4.3 As a reflection of economic impacts on Covid-19 on residents' incomes, Council Tax Support caseloads increased sharply in 2020 and have now plateaued somewhat and started to fall, as shown in the table below. Of course, this may change again as impacts of certain national 'protections' on residents' incomes such as the furlough scheme ending become clearer.

	City of Lincoln	North Kesteven
September 2021	8,799	5,655
September 2020	9,031	5,855
September 2019	8,542	5,564

- 4.4 Remaining Council Tax Hardship fund monies are being considered at present to be allocated to Council Tax accounts within the financial year 2021/22 – which will continue to help to mitigate hardship for those eligible, also having a positive impact on in-year collection performance.

4.5 Business Rates

- 4.6 Up to the end of Quarter 2 2021/22, compared to the same point in 2020/21 in-year collection is down for all three local authorities: Lincoln (by 9.45%), North Kesteven (by 2.98%) and West Lindsey (by 2.44%). However, these figures are significantly 'skewed' by the new reliefs available in 2020/21 (namely Expanded Retail Discount - ERD) and into 2021/22 – so comparing 2021/22 to 2020/21, and to 2019/20, is not 'like for like'. Positively, each local authority's in-year collection is 'less down' compared to the end of Quarter 1 2021/22 – indicating a positive direction of travel.

Description		September 2021	Compared to September 2020	Compared to September 2019
Business Rates collection	City of Lincoln	55.70%	Down by 9.45%	Down by 3.88%
Business Rates collection	North Kesteven	61.72%	Down by 2.98%	Down by 1.28%
Business Rates collection	West Lindsey	53.73%	Down by 2.44%	Down by 5.07%
Business Rates Net Liability	Lincoln	£35,945,862	Up by £16,756,029	Down by £9,160,743
Business Rates Net Liability	North Kesteven	£26,218,957	Up by £5,965,361	Down by £2,059,361
Business Rates Net Liability	West Lindsey	£16,288,957	Up by £4,406,162	Down by £1,599,919

4.7 It is important to bear in mind the changes to the ERD – where the 100% relief from 2020/21 is extended for the first three months of 2021/22 then reduces to 66% relief from 1st July 2021 to the end of March 2022. Therefore, businesses who qualify have nothing to pay in the first three months of 2021/22, but for statistics/collection purposes officers are still treating liability as if it were equally distributed across the year. Therefore, officers are not comparing 'like for like' throughout the year – however, by the end of Quarter 4 2021/22 this comparison should align over the whole twelve months. Positively, the 'direction of travel' all three in-year collections is positive, with each being 'less down' than at the end of Quarter 1 2021/22.

4.8 In terms of the Business Rates bases in respect of Lincoln and North Kesteven, the table below show key movements in the second quarter of 2021/22.

2021/22 NDR 1 Figures and comparison – City of Lincoln Council				Key business movements
NNDR Account information as at £	Original Budget NDR 1 for 2021/22 £ <i>These figures include an estimate for growth/decline</i>	2021 only Position at end of September 21 <i>These are the actual figures and no longer include estimate for growth/decline</i>	All years – 2021 and changes to previous years made in the current year Position at end of September 21 (At the end of March 22 – these figures will equate to the NDR3 position)	For the year 2021-22 – Retail Relief was not announced until March 2021. Therefore, there was no allowance for retail relief included in the NDR 1 for 2021 which is produced in January 2021. The retail relief scheme for 2021 is not as generous as the 2020 scheme, as for the customers that meet the criteria the scheme gives them rate relief of 75% over the whole year, and several companies do not qualify due to some capping that was introduced in the 2021 scheme.
Forecast Gross Rates (GRP and SBRR yield)	57,222,633	57,125,358	55,963,237	We are still receiving applications for the retail
Transitional Arrangements	21,043	17193	190,571	
Mandatory Relief – inc SBRR and charity relief	-9,024,919	-9,094,418	-8,745,783 (this reduction is due to various reductions in Rateable value at the University)	
Unoccupied Property relief	-2,000,000	-2,494,398	-2,597,250	

Discretionary relief includes charity top up , not for profit and rural rate relief (unfunded) Includes business growth budget	-386,967	-234,122	-236,967	relief.
S31 Grant Discretionary Relief	-6,904	-9,538,193	-9,389,820	
Net Rates Payable	45,324,886	35,781,419	35,150,979	

2021/22 NDR 1 Figures and comparison – North Kesteven District Council				Key business movements
NNDR Account information as at £	Original Budget NDR 1 for 2021/22 £ <i>These figures include an estimate for growth/decline</i>	2021 only Position at end of September 21 <i>These are the actual figures and no longer include estimate for growth/decline</i>	All years – 2021 and changes to previous years made in the current year Position at end of September 21 (At the end of March 22 – these figures will equate to the NDR3 position)	<p>For the year 2021-22 – Retail Relief was not announced until March 2021. Therefore, there was no allowance for retail relief included in the NDR 1 for 2021 which is produced in January 2021.</p> <p>The retail relief scheme for 2021 is not as generous as the 2020 scheme, as for the customers that meet the criteria the scheme gives them rate relief of 75% over the whole year, and several companies do not qualify due to some capping that was introduced in the 2021 scheme.</p> <p>We are still receiving applications for the retail relief.</p>
Forecast Gross Rates (GRP and SBRR yield)	38,080,694	38,063,812	37,907,947	
Transitional Arrangements	-201,936	-341,982	-387,944	
Mandatory Relief – inc SBRR and charity relief	-6,355,666	-6,478,622	-6,567,112	
Unoccupied Property relief	-609,392	-765,595	-774,863	
Discretionary relief includes charity top up , not for profit and rural rate relief (unfunded)	-169,077	-283,564	-283,718	
S31 Grant Discretionary Relief – this includes the original retail relief scheme at 50%	-40,768	-3,954,513	-3,941,964	
Net Rates Payable	30,703,855	26,239,535	25,952,346	

4.9 Outstanding Revenues Customers

- 4.10 The number of outstanding Revenues Customers at the end of Quarter 2 2021/22 is 5,133 (split Lincoln 3,454, North Kesteven 1,679) – this has continued to increase as has been the trend over the last nine months. However, it should be noted that previous reported statistics are not comparable to those now being reported, due to outstanding customer e-mails now also being captured in the Revenues Document Management System, which was not the case before – so these are now also included as outstanding work waiting to be processed. Therefore, the reported figure that was reported at the end of Quarter 1 2021/22 effectively becomes the new ‘baseline’.
- 4.11 The volume of Revenues work has been unprecedented during the Covid-19 pandemic, - the main area of outstanding work is Council Tax documents.

Just before lockdown in March 2020, the team processed a review for Council Tax Annexe discounts. Officers regularly review a number of discounts provided to customers on our systems – there are a number of review forms that are still waiting to be processed.

The team has also undertaken both a single person discount review in April–July 2021, and an empty homes review from July–September 2021. Both exercises should have taken place in the previous year but were adjourned to this year due to the pandemic. Queries from the public regarding both of these reviews has taken up a lot of officer time but this is a part of the duty our service has to review discounts and exemptions.

Officers are working hard to address the level of outstanding work, which is starting to reduce, but not at the rate required to reach an ideal low level before new year Council Tax billing. Options are currently being considered to bring in additional temporary resources to assist in clearing outstanding Council Tax work.

- 4.12 Demands on the Revenues Team remain high, in terms of incoming correspondence, telephone calls and e-mails. An action plan is in place to address the level of outstanding work – an update on progress will be provided to Joint Committee on 25th November.

4.13 Housing Benefit Overpayments

- 4.14 As at the end of Quarter 2 2021/22, in period collection of Housing Benefit overpayments stands at:
- City of Lincoln: 162.20%,
 - North Kesteven: 113.30%.
- 4.15 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 2 2021/22:
- City of Lincoln: £2,911,280,
 - North Kesteven: £1,422,980.

5. Benefits Performance

- 5.1 As at the end of Quarter 2 2021/22, there are 2,001 Benefits customers outstanding (split Lincoln 1,411, North Kesteven 590). This figure has decreased overall, from 3,375 at the end of Quarter 1 2020/21 (split Lincoln 2,587, North Kesteven 788). Additional temporary resources have been allocated to assist in achieving this decrease, however Quarter 3

2021/22 is already proving to be a 'challenging' period due to the extremely high number of Universal Credit change documents being received. A verbal update will be provided to Joint Committee on 25th November.

- 5.2 Despite the significant demands on the Benefits Team, officers continue to turn around claims and reported changes of circumstance promptly, and accurately. As at the end of Quarter 2 2021/22

End Quarter 2 2021/22	City of Lincoln	North Kesteven
New Claims	17.50 days <i>(End Quarter 2 2020/21 16.69 days)</i> <i>(End Quarter 2 2019/20 23.43 days)</i>	16.69 days <i>(End Quarter 2 2020/21 15.93 days)</i> <i>(End Quarter 2 2019/20 21.59 days)</i>
Changes of Circumstance	5.49 days <i>(End Quarter 2 2020/21 4.63 days)</i> <i>(End Quarter 2 2019/20 5.22 days)</i>	4.45 days <i>(End Quarter 2 2020/21 3.26 days)</i> <i>(End Quarter 2 2019/20 5.20 days)</i>

The most recent national figures on Housing Benefit processing times were released on 27th October 2021, and are in respect of Quarter 1 2021/22. These figures stated that the national averages to be 20 days for processing New Claims and 7 days for Changes of Circumstance, - demonstrating the positive nature of Lincoln and North Kesteven Housing Benefit processing times:

- 5.3 In terms of the claims checked that were 'correct, first time' (with even £0.01p 'out' being classified as an incorrect assessment), at the end of Quarter 2 2021/22:

- City of Lincoln: 95.26% (261 out of 274 checked),
- North Kesteven: 96.50% (441 out of 457 checked).

These checks are in addition to the significant amount of checks also carried out under the audit requirements of the annual Housing Benefit Subsidy claims.

6. Welfare and Benefits Advice

- 6.1 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 Quarter 2 2021/22, the team has achieved the following:

Quarter 2 2021/22	<u>City of Lincoln</u>	<u>North Kesteven</u>
Advice provided enabling weekly value of additional benefits	£4,672	£1,896
Advice provided enabling lump sum award of additional benefits	£95,208	£23,296
No. of customers to whom help provided	1,391	297
No. money advice referrals	33	10

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 8th February 2022.

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 2 2021/22

List of Background Papers:

None

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