

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 3 2021/22.
- 2.2 The Revenues and Benefits Shared Service has 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 25th November 2021 meeting of this Committee, a report was presented detailing Revenues and Benefits performance to the end of Quarter 2 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, Household Support Fund).

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

down by 0.38% and up by 0.24%, respectively. Due to the financial impacts of Covid-19 on residents' incomes, it is anticipated the recovery of monies will remain a real challenge for the remainder of 2021/22, and potentially beyond too. Net collectable debit for 2021/22 (compared to 2020/21) has increased by £2.4m for Lincoln and £3.7m for North Kesteven.

Description		December 2021	Compared to December 2020	Compared to December 2019
Council Tax Collection	City of Lincoln	75.82%	Down 0.38%	Down by 3.21%
Council Tax Collection	North Kesteven	84.23%	Up by 0.24%	Down by 1.23%
Council Tax Net liability	City of Lincoln	£48,295,624	Up by £2,434,145	Up by £3,689,734
Council Tax Net Liability	North Kesteven	£71,793,618	Up by £3,044,719	Up by £5,837,770

- 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 going forward.

	City of Lincoln	North Kesteven
December 2021	8,605	5,465
December 2020	8,955	5,801
December 2019	8,466	5,548

- 4.4 Officers are aiming to allocate remaining Council Tax Hardship fund monies 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 The most recent national Council Tax collection data available shows that North Kesteven's in-year collection outturn for 2020/21 was 35th highest, with Lincoln 238th – out of 314 local authorities where data is available. This means that for 2020/21 North Kesteven Council Tax in-year collection was top quartile, City of Lincoln's 4th-quartile (but only just outside 3rd-quartile). Demographic and deprivation factors have not been taken into account in producing these figures, so they compare against authorities with a wide and varying range of such factors.

4.6 Business Rates

- 4.7 Up to the end of Quarter 3 2021/22, compared to the same point in 2020/21 in-year collection is down for Lincoln (by 6.31%), up for North Kesteven (by 0.75%) and down for West Lindsey (by 2.51%). It should be noted that these figures continue to be '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'.

Description		December 2021	Compared to December 2020	Compared to December 2019
Business Rates collection	City of Lincoln	84.11%	Down by 6.31%	Down by 3.88%
Business Rates collection	North Kesteven	84.26%	Up by 0.75%	Down by 1.28%
Business Rates collection	West Lindsey	78.69%	Down by 2.51%	Down by 5.07%
Business Rates Net Liability	Lincoln	£35,347,439	Up by £16,772,914	Down by £9,585,302
Business Rates Net Liability	North Kesteven	£26,158,005	Up by £5,874,704	Down by £2,132,340
Business Rates Net Liability	West Lindsey	£16,190,039	Up by £4,385,410	Down by £1,725,244

- 4.8 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.
- 4.9 The most recent national Business Rates collection data available shows that City of Lincoln’s in-year collection outturn for 2020/21 was 7th highest, North Kesteven 46th and West Lindsey 28th – out of 314 local authorities where data is available. This means that for 2020/21 in respect of the three local authorities for which LiNK administers Business Rates, all collection rates were top quartile.
- 4.10 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 December 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 December 21	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
Forecast Gross Rates (GRP and SBRR yield)	57,222,633	56,760,511	54,753,823	
Transitional Arrangements	21,043	61,751	247,384	
Mandatory Relief – inc SBRR and charity relief	-7,927,465	-9,136,995	-8,802,122	

Unoccupied Property relief	-2,000,000	-2,531,478	-2,650,535	introduced in the 2021 scheme.
Discretionary relief includes charity top up , not for profit and rural rate relief (unfunded) Includes business growth budget	-386,967 This figure includes £150k discretionary relief for the business growth fund but there has been little spent	-54,673	-57,518	
S31 Grant Discretionary Relief	-6,904	-9,679,288	-9,481,373	
Net Rates Payable	45,324,886	35,419,827	34,009,660	

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 December 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 December 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)	37,427,524	38,209,844	38,051,408	
Transitional Arrangements	-201,936	-341,982	-387,991	
Mandatory Relief – inc SBRR and charity relief	-6,355,666	-6,535,804	-6,646,542	
Unoccupied Property relief	-609,392	-829,388	-838,859	
Discretionary relief includes charity top up , not for profit and rural rate relief (unfunded)	-169,077	-277,040	-277,194	
S31 Grant Discretionary Relief – this includes the original retail relief scheme at 50%	-40,768	-4,042,373	-4,025,658	

Net Rates Payable	30,703,855	26,183,258	25,878,164	
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4.11 Outstanding Revenues Customers

4.12 The number of outstanding Revenues Customers at the end of Quarter 3 2021/22 is 2,174 (split Lincoln 1,506, North Kesteven 668), which is a significant decrease from the 5,133 items (split Lincoln 3,454, North Kesteven 1,679) at the end of Quarter 2 2021/22. This reduction has been achieved largely through implementing additional temporary resources, including sifting and actioning items in the outstanding documents queue.

4.13 It is vital the outstanding customers number is as low as possible before annual billing for the new financial year, therefore additional temporary resources remain in place until the end of February 2022. However, due to turnover of staff on the Council Tax Administration Team, there are also vacancies being recruited to at the time of writing this report.

4.14 Housing Benefit Overpayments

4.15 As at the end of Quarter 3 2021/22, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 171.76%,
- North Kesteven: 117.81%.

4.16 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 3 2021/22:

- City of Lincoln: £2,769,280,
- North Kesteven: £1,394,057.

5. Benefits Performance

5.1 As at the end of Quarter 3 2021/22, there are 2,269 Benefits customers outstanding (split Lincoln 1,664, North Kesteven 605). This figure has increased overall, reflecting the volume of workload, additional pressures and work demands on the Benefits Team. Staff overtime remains in place to reduce the outstanding workload as much as possible, during the period up to new financial year upratings. A verbal update will be provided to Joint Committee on 8th February.

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 3 2021/22

End Quarter 3 2021/22	City of Lincoln	North Kesteven
New Claims	16.45 days <i>(End Quarter 3 2020/21 16.72 days)</i> <i>(End Quarter 3 2019/20 21.73 days)</i>	16.54 days <i>(End Quarter 3 2020/21 14.98 days)</i> <i>(End Quarter 3 2019/20 20.19 days)</i>
Changes of Circumstance	5.37 days	3.99 days

	(End Quarter 3 2020/21 4.27 days)	(End Quarter 3 2020/21 3.10 days)
	(End Quarter 3 2019/20 5.84 days)	(End Quarter 3 2019/20 4.58 days)

The most recent national figures on Housing Benefit processing times were released on 27th January 2022, and are in respect of Quarter 2 2021/22. These figures state that the national averages are 20 days for processing New Claims and 8 days for Changes of Circumstance, - demonstrating the continuing 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 3 2021/22:

- City of Lincoln: 96.40% (321 out of 333 checked),
- North Kesteven: 96.25% (616 out of 640 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.

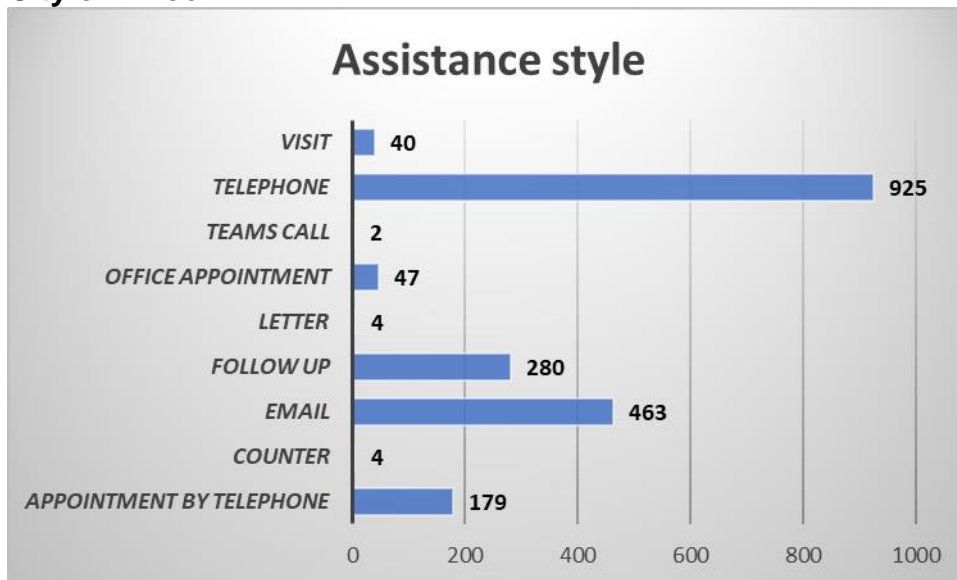
6. Welfare and Benefits Advice

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 3 2021/22, the team has achieved the following:

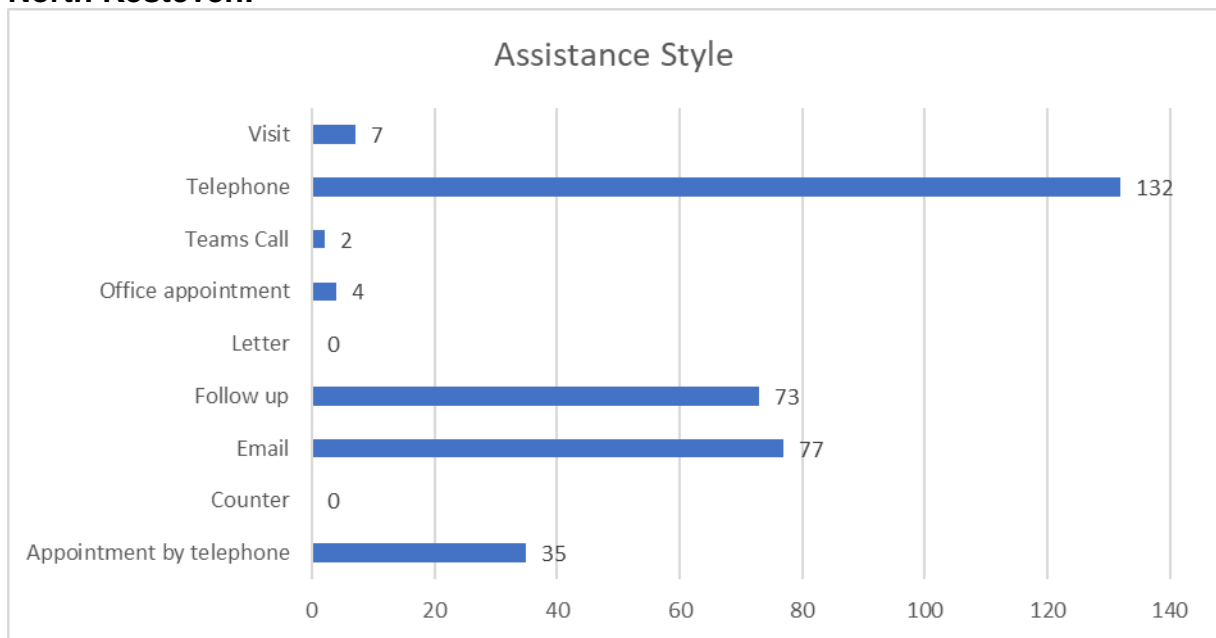
Quarter 3 2021/22	<u>City of Lincoln</u>	<u>North Kesteven</u>
Advice provided enabling weekly value of additional benefits	£4,609	£2,895
Advice provided enabling lump sum award of additional benefits	£50,146	£35,070
No. of customers to whom help provided	1,799	282
No. money advice referrals	36	14

6.2 The charts below show how assistance by the Welfare Team has been provided in Quarter 3 2021/22.

City of Lincoln:



North Kesteven:



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 31st May 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 3 2021/22

List of Background Papers: None

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