

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, in respect of annual outturns for the financial year 2021/22.

- 2.2 The Revenues and Benefits Shared Service has now been in operation for eleven years, forming on 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 8th February 2022 meeting of this Committee, a report was presented detailing Revenues and Benefits performance up to the end of Quarter 3 2021/22.

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

4. Revenues Performance

4.1 Council Tax

- 4.2 For the financial year 2021/22, in-year collection for Lincoln and North Kesteven is down by 0.78% and up by 0.35% respectively, compared to 2020/21. The impacts of Covid-19 on residents' incomes has continued, making collection of Council Tax a balance of the importance of collecting monies due in a prompt manner, whilst making repayment arrangements where applicable and appropriate so that undue financial hardship to taxpayers is avoided.

- 4.3 The table below showing how performance has progressed since the shared service formed in June 2011.

Financial Year	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	94.00%	94.78%	96.77%	96.76%	97.17%	97.09%	97.12%	96.93%	96.56%	96.32%	96.80%
North Kesteven	98.38%	98.03%	98.89%	99.08%	99.20%	99.14%	99.16%	99.25%	99.16%	99.13%	99.40%

4.4 Net collectable debit for 2021/22 (compared to 2020/21) increased by £2,728,406 million for Lincoln and £3,115,475 for North Kesteven.

4.5 It should also be noted that it had been envisaged that outstanding Council Tax Hardship monies (City of Lincoln circa £200k, North Kesteven circa £90k) would have been allocated to identified cohorts within the latter part of 2021/22 – however, this requires a script from our ICT system supplier (NEC, previously Northgate). Understandably, NEC resources have been diverted to the Council Tax energy Rebate, - the script to allocate Council Tax Hardship monies is now being picked up again in the early part of 2022/23.

4.6 Business Rates

4.7 For the financial year 2021/22 in-year collection for Lincoln is down by 0.52%, North Kesteven up by 2.53% and West Lindsey down by 1.15%. 2021/22 is not wholly comparable to 2020/21 due to a reduction in Expanded Retail Discount.

4.8 The table below showing how performance has progressed since the shared service formed in June 2011.

Financial Year	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
City of Lincoln	98.45%	98.97%	98.89%	99.81%	98.87%	99.43%	99.78%	99.46%	99.31%	99.08%	99.20%
North Kesteven	99.74%	97.21%	99.43%	99.42%	99.89%	99.09%	99.46%	99.78%	99.53%	99.93%	99.70%
West Lindsey	96.75%	97.90%	98.88%	98.63%	98.53%	97.34%	99.44%	99.17%	99.12%	99.13%	98.90%

4.9

The tables below show key movements in the Business Rates bases over the last year.

2021/22 NDR 1 Figures and Comparison - City of Lincoln Council				
NDR account information	Original Estimates on the NDR1 Return. Includes an estimate for growth/decline	Final figures at the end of the financial Year for the relevant year	Final figures at the end of the financial year including changes to previous years	Key Business Movements
Forecast - Gross Rates	£55,625,179	£55,569,971	£53,249,699	<p>For the year 2021-22, the announcement of the new retail relief scheme was not made until after the NDR1 had been produced. A cap was included in the new scheme and a number of customers were ineligible for the new scheme. The retail relief for 2020 being approx £29m and the retail relief for 2021 being £9.6m.</p> <p>Empty properties continued to be a problem as the Covid pandemic still continued to hit businesses.</p>
Transitional arrangements	£21,043	£17,675	£186,314	
Mandatory reliefs - includes SBRR and Charity	-£7,927,465	-£8,118,272	-£8,884,485	
Unoccupied property relief	-£2,000,000	-£2,780,614	-£2,933,676	
Discretionary relief - includes charity top up, not for profit and rural rate relief	-£386,967	-£54,380	-£57,226	
S31 - funded , includes the original retail relief scheme	-£6,904	-£9,684,237	-£9,435,915	
Net Rates Payable	£45,324,866	£34,950,143	£32,124,711	

2021/22 NDR 1 Figures and Comparison - North Kesteven District Council				
NDR account information	Original Estimates on the NDR1 Return. Includes an estimate for growth/decline	Final figures at the end of the financial Year for the relevant year	Final figures at the end of the financial year including changes to previous years	Key Business Movements
Forecast - Gross Rates	£37,427,524	£37,545,709	£37,293,631	<p>For the year 2021-22, the announcement of the new retail relief scheme was not made until after the NDR1 had been produced. A cap was included in the new scheme and a number of customers were ineligible for the new scheme. The retail relief for 2020 being approx £9.5m and the retail relief for 2021 being £3.9m.</p> <p>Empty properties continued to be a problem as the Covid pandemic still continued to hit businesses.</p>
Transitional arrangements	-£201,936	-£338,683	-£372,915	
Mandatory reliefs - includes SBRR and Charity	-£5,702,496	-£6,601,042	-£6,728,135	
Unoccupied property relief	-£609,392	-£957,006	-£963,774	
Discretionary relief - includes charity top up, not for profit and rural rate relief	-£169,077	-£277,118	-£277,272	
S31 - funded , includes the original retail relief scheme	-£40,768	-£4,025,639	-£3,999,413	
Net Rates Payable	£30,703,855	£25,346,221	£24,952,122	

4.10 **Outstanding Revenues Documents**

4.11 As at the end of the financial year 2021/22, outstanding Revenues documents stood at a total of 3,022 (split Lincoln 2,046, North Kesteven 976). Although this figure is higher than the total figure at the end of 2020/21 (2,111), this is as a result of significant demand on the Council Tax Team – with house moves increasing sharply, as well as due to the ongoing impacts from Covid-19 during 2021/22, also unforeseen reductions in staffing resources at

points during the year. At the end of October 2021, there were 5,101 outstanding Revenues customers awaiting to be processed (split Lincoln 3,367, North Kesteven 1,734) which demonstrates progress made in the second half of 2021/22.

4.12 To give some context as to the workload of the Revenues Team, the table below shows some of the key demands the team has dealt with in 2021/22:

	Phone calls answered	Received Correspondence
Council tax (administration and recovery)	38,184	26,148
Non Domestic Rates/ BID Levy	3,997	10,786
Former Tenant Arrears	2,130	376
Sundry Debts	<i>Shares phone line with Former Tenant Arrears</i>	1,655
Overpayment of Housing Benefit	1,019	752
Council Tax - emails (administration)		20,463
Totals	45,330	60,180

4.13 Housing Benefit Overpayments

4.14 As at the end of the financial year 2021/22, in-year collection rates and outstanding monies are as shown in the table below:

Financial year 2020/21 outturn	City of Lincoln	North Kesteven
In-year collection rate	167.76%	102.89%
Amount collected	£992,963	£454,384
Outstanding Housing Benefit overpayments debt	£2,661,801	£1,418,662

4.15 Performance in this area continues to be positive – outstanding debt continues to decrease and in-period collection is exceeding 100% for both partner Councils.

5. Benefits Performance

5.1 As at the end of the financial year 2021/21, there were 2,768 Benefits customers outstanding (awaiting assessment) – split Lincoln 2,117, North Kesteven 651. This is a slight reduction from the outstanding figure of 2,866 at the end of 2020/21. The significant increase in work demands due to the substantial impacts of Covid-19 has meant it has been another challenging year for the team to keep on top of the workload, - especially with the Test and Trace Support Payments and Household Support Fund schemes also requiring considerable resources from the Benefits Service. The number of Universal Credit (UC) documents requiring processing continues to have a real impact on the team, too.

5.2 Despite the increase in claims and outstanding workload, due to efficient and proactive processes in place, Benefit claims were assessed on a timely basis – as shown in the table below.

Financial Year 2021/22	City of Lincoln	North Kesteven
New Claims – average time to process	16.54 days <i>(2020/21 16.91 days)</i>	17.34 days <i>(2020/21 15.42 days)</i>
Changes of Circumstance – average time to process	3.55 days <i>(2020/21 2.88 days)</i>	2.80 days <i>(2020/21 2.56 days)</i>

To give this some context, the latest national data available shows that in Quarter 3 2021/22 New Claims were processed in an average of 19 days by Councils, with Changes of Circumstance being processed in an average of 8 calendar days. This helps to reaffirm the positive nature of Lincoln and North Kesteven average processing times.

- 5.3 The importance in processing Benefits claims accurately remains of paramount importance, – i.e. ‘getting it right, first time’. In 2021/22, City of Lincoln’s ‘right first time’ assessment of cases checked is 97% (440 out of 453) and for North Kesteven 96% (820/853). The difference in the number of checks was due to the higher number of trainees working on North Kesteven work during 2021/22, hence more checks being undertaken.

It should be noted that 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

- 6.1 The table below shows the vital monies that our Welfare Team has continued to assist customers to access during 2021/22 (*comparing to 2020/21*). The demographics and demands are such in the districts, with Covid-19 undoubtedly having an impact in North Kesteven where home visits (which had pre-Covid been a key way of offering welfare/benefits advice) not being possible to deliver in the same way. As the new financial year 2021/22 moves forward, officers will further develop the new ways of working to ensure customers can access the services of this team through a variety of different methods.

6.2

	City of Lincoln		North Kesteven	
	2021/22	2020/21	2021/22	2020/21
Advice provided enabling weekly value of additional benefits	£22,752	£19,522	£9,839	£9,581
Advice provided enabling lump sum award of additional benefits	£299,193	£311,249	£128,069	£112,219
No. of customers to whom help provided	6,848	5,806	1,234	1,024
No. money advice referrals	134	102	59	50

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, Employment, Skills 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 September 2022.

Is this a key decision? No

Do the exempt information categories apply? No

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

How many appendices does the report contain? Appendix 1: Performance Data for the Financial Year 2021/22

List of Background Papers: None

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