

SUBJECT: PERFORMANCE UPDATE

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

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 1 2022/23.
- 2.2 The Revenues and Benefits Shared Service has now been in operation for more than 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 and 'cost of living challenges' have understandably impacted on some areas of performance, - these impacts are likely to continue for many more months.

3. Background

- 3.1 At the 31st May 2022 meeting of this Committee, a report was presented detailing Revenues and Benefits annual outturn performance for the financial year 2021/22.
- 3.2 Performance is reported to this Committee on a quarterly basis.

4. Revenues Performance

4.1 Council Tax

- 4.2 Up to the end of Quarter 1 2022/23, in-year collection for Lincoln and North Kesteven was up by 0.89% and up by 0.24%, respectively. This is a positive direction of travel, - officers will do everything possible to continue this trajectory going forward. Net collectable debit for 2022/23 (compared to 2021/22) has increased by £1.9m for Lincoln and £4.5m for North Kesteven.

Description		June 2022	Compared to June 2021
Council Tax Collection	City of Lincoln	25.99%	Up by 0.89%
Council Tax Collection	North Kesteven	29.02%	Up by 0.24%
Council Tax Net liability	City of Lincoln	£51,587,186	Up by £1,857,216
Council Tax Net Liability	North Kesteven	£76,242,561	Up by £4,450,452

In terms of the national context, the latest available figures are for annual Council Tax in-year collection outturns 2021/22. City of Lincoln Council's in-year collection was 266th (2020/21 238th) and North Kesteven 28th (2020/21 35th) out of 308 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2021/22, City of Lincoln and North Kesteven achieved 7th and 2nd highest collections, respectively.

- 4.3 The table below demonstrates the trend in Council Tax Support (CTS) caseloads. It can be seen that caseloads rose sharply in 2021 as an outcome of the impact of Covid-19 on the economy and residents' incomes. The caseload then plateaued somewhat and has been falling, - however, with the ongoing cost of living pressures on residents there is the potential that these reductions in caseloads may not continue.

	City of Lincoln	North Kesteven
June 2022	8,518	5,443
June 2021	8,940	5,701
June 2020	8,991	5,834
June 2019	8,235	5,570

- 4.4 There are some outstanding Council Tax Hardship monies still to be allocated to identified Council Tax accounts, which would have had a positive impact on 2021/22 in-year collection rates. However, with the significant pressures of delivering the Council Tax Energy Rebate Scheme resources have understandably been diverted, - however, these outstanding hardship monies are expected to be allocated shortly.

4.5 Business Rates

- 4.6 Up to the end of Quarter 1 2022/23, compared to the same point in 2021/22 in-year collection is up for all three local authorities: Lincoln (by 7.50%), North Kesteven (by 2.81%) and West Lindsey (by 2.04%). Collection has been 'skewed' somewhat in recent financial years due to varying criteria/awards of the Expanded Retail Discount (ERD).

Description		June 2022	Compared to June 2021
Business Rates collection	City of Lincoln	36.60%	Up by 7.50%
Business Rates collection	North Kesteven	41.16%	Up by 2.81%
Business Rates collection	West Lindsey	32.26%	Up by 2.04%
Business Rates Net Liability	Lincoln	£42,588,770	Up by £5,760,186
Business Rates Net Liability	North Kesteven	£29,476,504	Up by £3,105,756
Business Rates Net Liability	West Lindsey	£18,256,579	Up by £1,954,784

4.7 In terms of the national context, the latest available figures are for annual Business Rates in-year collection outturns 2021/22. City of Lincoln Council's in-year collection was 48th (2020/21 7th), North Kesteven 1st (2020/21 46th) and West Lindsey 170th (2020/21 28th) out of 308 local authorities whose performance was reported. Out of the seven Lincolnshire Districts, for 2020/21, City of Lincoln, North Kesteven and West Lindsey achieved 3rd, 1st and 4th highest collections, respectively.

It is a significant positive achievement for LiNK to have collected the highest Business Rates in-year collection rate in the whole country for 2021/22, in a year of unprecedented challenges economically as well as demands on our shared service.

In terms of West Lindsey's 2021/22 collection rate, this was adversely affected by significant values of non-payment from a small number of businesses. Appropriate recovery action continues to take place with these accounts.

4.8 **Outstanding Revenues Customers**

4.9 The number of outstanding Revenues Customers at the end of Quarter 1 2022/23 is 2,323 (split Lincoln 1,838, North Kesteven 485) – this compares to 3,354 (split Lincoln 2,255, North Kesteven 1,099) at Quarter 1 2021/22. This improvement is pleasing, even more so considering the level of outstanding work at the end of October 2021 was 5,101 (split Lincoln 3,367 North Kesteven 1,734), where demands on the team had remained significantly high over an extended period of time – also impacted by reduced staffing resources. The team, with officers in place to fill gaps in the establishment, has worked tremendously hard to pull performance round in this area. However, there are currently three positions out to recruitment advert on our Revenues Team – so there is now a pressure on resources – it is hoped that this will only be relatively short-term.

4.10 **Housing Benefit Overpayments**

4.11 As at the end of Quarter 1 2022/23, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 126.84%,
- North Kesteven: 141.71%.

4.12 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 1 2022/23:

- City of Lincoln: £2,604,637,
- North Kesteven: £1,357,357.

5. Benefits Performance

5.1 As at the end of Quarter 1 2022/23, there are 3,654 Benefits customers outstanding and awaiting assessment (split Lincoln 2,544, North Kesteven 1,110). This figure is higher than the same point in 2021/22 (total 3,375 – split Lincoln 2,587, North Kesteven 788), - and also from the end of March 2022 (total 2,768 – split Lincoln 2,117, North Kesteven 651). There continues to be a significant demand on the Benefits Team, particularly in relation to (but not exclusively) Universal Credit -related information impacting on Housing Benefit and Council Tax Support claims. At the same time, Benefits Officers are also working on Discretionary Housing Payments, Council Tax Energy Rebate and Household Support Fund.

Direction of travel is now improving though – for example, at 15th June 2022, there were a total of 4,802 Benefits customers outstanding – by 10th August 2022 (when this report was being written) – this figure had reduced to 2,027.

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 1 2022/23:

End Quarter 1 2021/22	City of Lincoln	North Kesteven
New Claims	17.77 days <i>(End Quarter 1 2021/22 16.81 days)</i>	21.57 days <i>(End Quarter 1 2021/22 13.77 days)</i>
Changes of Circumstance	6.49 days <i>(End Quarter 1 2021/22 4.88 days)</i>	4.37 days <i>(End Quarter 1 2021/22 4.29 days)</i>

Although average processing times have risen over Quarter 1 2022/23, work continues to be closely managed and monitored to follow-up claims where information is outstanding. The rising levels of outstanding work in Quarter 1 has impacted on turnaround times, however with the level of work outstanding currently reducing – average processing times should also decrease. For example, at the end of July 2022 North Kesteven average processing times had reduced slightly – to 21.49 days, demonstrating a positive direction of travel.

The most recent national figures for Housing Benefit (HB) processing times were released on 27th July 2022, and are in respect of Quarter 4 2021/22. The key points released were as below:

- *The average speed of processing for new HB claims has increased by one day since the previous quarter, to 20 calendar days. The general trend over the last 18 months, according to the rolling average year-end figures, continues to be an upward one.*
- *The average speed of processing for change of circumstances to an existing HB claim is 3 calendar days in the latest quarter, which is five days lower than*

last quarter and the same as quarter 4 2020 to 2021. Rolling average year-end figures show a slight increasing trend over the last 15 months.

It should be noted that the national figures published as above are for a specific quarter only (i.e., Quarter 4 2021/22) and not cumulative over the financial year – which is how officers report these areas of performance for our shared service. As a reminder, 2021/22 year outturns were: New Claims 16.54 days (Lincoln) 17.34 days (North Kesteven), Changes of Circumstances 3.55 days (Lincoln) 2.80 days (North Kesteven).

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 1 2022/23:

- City of Lincoln: 94.32% (216 out of 229 checked),
- North Kesteven: 94.09% (207 out of 220 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 1 2022/23, the team has achieved the following:

Quarter 1 2022/23	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£5,756	£1,979
Advice provided enabling lump sum award of additional benefits	£59,665	£22,561
No. of customers to whom help provided	2,043	385
No. money advice referrals	34	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 To note the performance information as set out in this report.
- 10.2 To note that a performance update will be presented at the next meeting of this committee on 24th November 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 1 2022/23

List of Background Papers: None

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