

SUBJECT: PERFORMANCE UPDATE

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: MARTIN WALMSLEY, ASSISTANT DIRECTOR – 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 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 8th September 2022 meeting of this Committee, a report was presented detailing Revenues and Benefits annual outturn performance for Quarter 1 2022/23.
- 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 2 2022/23, in-year collection for Lincoln and North Kesteven was up by 2.58% and up by 0.90%, respectively. However, it should be noted that in appropriate circumstances Council Tax Energy Rebate payments have been credited to Council Tax accounts, as well as Council Tax Hardship Fund monies being allocated, which will be ‘inflating’ collection performance. Officers will continue to monitor and manage collection closely.

Description		End Quarter 2 2022/23	Compared to End Quarter 2021/22
Council Tax Collection	City of Lincoln	52.17%	Up by 2.58%
Council Tax Collection	North Kesteven	57.42%	Up by 0.90%
Council Tax Net liability	City of Lincoln	£51,892,9906	Up by £2,548,068
Council Tax Net Liability	North Kesteven	£76,362,869	Up by £4,549,750

- 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
September 2022	8,454	5,407
August 2022	8,463	5,432
July 2022	8,472	5,436
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 Business Rates

- 4.5 Up to the end of Quarter 2 2022/23, compared to the same point in 2021/22 in-year collection is up for all three local authorities: Lincoln (by 7.29%), North Kesteven (by 8.86%) and West Lindsey (by 12.33%). Although this is positive, it should be noted that for all three local authorities Covid Additional Relief Fund (CARF) monies have been added to accounts – and where ratepayers paid in full last year – there may be a credit for 2021-22 which is offsetting against this year's liability. Collection also continues to be 'skewed' somewhat in recent financial years due to varying criteria/awards of the Expanded Retail Discount (ERD).

Description		End Quarter 2 2022/23	Compared to End Quarter 2021/22
Business Rates collection	City of Lincoln	62.99%	Up by 7.29%
Business Rates collection	North Kesteven	70.58%	Up by 8.86%
Business Rates collection	West Lindsey	66.06%	Up by 12.33%
Business Rates Net Liability	Lincoln	£42,216,197	Up by £6,270,335
Business Rates Net Liability	North Kesteven	£29,242,038	Up by £3,023,081
Business Rates Net Liability	West Lindsey	£17,897,069	Up by £1,608,112

4.6 **Outstanding Revenues Customers**

4.7 The number of outstanding Revenues Customers at the end of Quarter 2 2022/23 is 4,138 (split Lincoln 2,945, North Kesteven 1,193) – this compares to 5,133 (split Lincoln 3,454, North Kesteven 1,679) at Quarter 2 2021/22. Despite this improvement from the same point in 2021/22, - the outstanding figure has increased since the end of Quarter 1 2022/23. This is due to vacancies in the staffing establishment (which are in the process of being recruited to) as well as a significant amount of staff resource going into the Council Tax energy Rebate scheme during the last six months. It is anticipated the position will improve during Quarter 3.

4.8 **Housing Benefit Overpayments**

4.9 As at the end of Quarter 2 2022/23, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 162.20%,
- North Kesteven: 113.30%.

4.10 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 2 2022/23:

- City of Lincoln: £2,538,654,
- North Kesteven: £1,327,854.

5. **Benefits Performance**

5.1 As at the end of Quarter 2 2022/23, there are 2,285 Benefits customers outstanding and awaiting assessment (split Lincoln 1,553, North Kesteven 732). This figure is slightly higher than the same point in 2021/22 (total 2,001 – split Lincoln 1,411, North Kesteven 590), - but shows a positive direction of travel from Quarter 1 2022/23 – when at the end of June 2022 there were 3,654 Benefits customers outstanding (split Lincoln 2,544, North Kesteven 1,110). 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 continue to work on Discretionary Housing Payments, Council Tax Energy Rebate and Household Support Fund.

5.2 Despite the significant demands on the Benefits Team, officers continue to assess claims and reported changes of circumstance promptly. As at the end of Quarter 2 2022/23:

End Quarter 2 2022/23	City of Lincoln	North Kesteven
New Claims	16.41 days <i>(End Quarter 2 2021/22 17.50 days)</i>	20.55 days <i>(End Quarter 2 2021/22 16.69 days)</i>
Changes of Circumstance	6.44 days <i>(End Quarter 2 2021/22 5.49 days)</i>	4.17 days <i>(End Quarter 2 2021/22 4.45 days)</i>

Work continues to be closely managed and monitored to follow-up claims where information is outstanding. The rising level of outstanding work in Quarter 1 impacted on turnaround times, however with the level of work outstanding currently reducing – average processing times are also decreasing. For example, at the end of Quarter 1 2022/23 North Kesteven average processing time for New Claims was 21.57 days – this reduced by an average of more than 1 day – to 20.55 days – by the end of Quarter 2 2022/23.

The most recent national figures for Housing Benefit (HB) processing times were released on 26th October 2022, and are in respect of Quarter 1 2022/23. The key points were as below:

- *The average speed of processing for new HB claims is 22 calendar days in the latest quarter, which is two days higher than last quarter and two days higher than quarter 1 2021 to 2022. Since quarter 3 2020 to 2021 the rolling average year-end figures show the general trend to be an increasing one.*
- *The average speed of processing for change of circumstances to an existing HB claim is 8 calendar days in the latest quarter, which is five days higher than last quarter and one day higher than quarter 1 2021 to 2022. This increase in the latest quarter is somewhat of a seasonal trend and rolling average year-end figures show only a slight increasing trend over the last 18 months.*

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 2022/23:

- City of Lincoln: 95.56% (409 out of 428 checked),
- North Kesteven: 95.32% (448 out of 470 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 2022/23, the team has achieved the following:

Quarter 2 2022/23	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£7,459	£2,313
Advice provided enabling lump sum award of additional benefits	£87,680	£32,757
No. of customers to whom help provided	2,103	355
No. money advice referrals	33	8

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 23rd February 2023.

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 2022/23

List of Background Papers: None

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