

**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 3 2022/23.
- 2.2 The Revenues and Benefits Shared Service has now been in operation for more than eleven years, forming on 1<sup>st</sup> 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 24<sup>th</sup> November 2022 meeting of this Committee, a report was presented detailing Revenues and Benefits annual outturn performance for Quarter 2 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 3 2022/23, in-year collection for Lincoln and North Kesteven was up by 1.76% and up by 0.75%, respectively. It should continue to 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 are monitoring and managing collection closely.

Description		End Quarter 3 2022/23	Compared to End Quarter 3 2021/22
Council Tax Collection	City of Lincoln	77.58%	Up by 1.76%
Council Tax Collection	North Kesteven	84.99%	Up by 0.75%
Council Tax Net liability	City of Lincoln	£51,153,938	Up by £2,858,315
Council Tax Net Liability	North Kesteven	£76,308,739	Up by £4,515,120

- 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, - however, with the ongoing cost of living pressures on residents there is the potential that caseloads may rise again.

	City of Lincoln	North Kesteven
December 2022	8,469	5,368
November 2022	8,453	5,419
October 2022	8,448	5,421
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 3 2022/23, compared to the same point in 2021/22 in-year collection is up for all three local authorities: Lincoln (by 1.40%), North Kesteven (by 4.57%) and West Lindsey (by 7.62%). 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). All three collections are less 'up' compared to the end of Quarter 2 2022/23, so is perhaps starting to demonstrate a more accurate position on collection as the inflated performance due to CARF starts to 'even out' as the financial year continues to progress.

Description		End Quarter 3 2022/23	Compared to End Quarter 3 2021/22
Business Rates collection	City of Lincoln	85.51%	Up by 1.40%
Business Rates collection	North Kesteven	88.82%	Up by 4.57%
Business Rates collection	West Lindsey	86.31%	Up by 7.62%
Business Rates Net Liability	Lincoln	£42,152,713	Up by £6,805,274
Business Rates Net Liability	North Kesteven	£29,124,686	Up by £2,966,681
Business Rates Net Liability	West Lindsey	£17,711,985	Up by £1,521,946

#### 4.6 Outstanding Revenues Customers

4.7 The number of outstanding Revenues Customers at the end of Quarter 3 2022/23 is 656 (split Lincoln 444, North Kesteven 212) – a significant reduction from the end of Quarter 2 2022/23 (where 4,138 items were outstanding). This has taken place due to a number of reasons – staffing vacancies being recruited to (further appointments to follow within establishment), ‘trawling’ of outstanding work queues to complete items which have already been processed through other routes, - as well as the intensive resources that had been required for the Council Tax energy Rebate scheme having reduced. With annual Council Tax billing due to take place in Quarter 4 for 2023/24, being as up-to-date as possible with Revenues work is vital to enable accurate bills to be issued.

#### 4.8 Housing Benefit Overpayments

4.9 As at the end of Quarter 3 2022/23, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 137.75%,
- North Kesteven: 139.43%.

4.10 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 3 2022/23:

- City of Lincoln: £2,403,988,
- North Kesteven: £1,303,080.

### 5. Benefits Performance

5.1 As at the end of Quarter 3 2022/23, there are 1,859 Benefits customers outstanding and awaiting assessment (split Lincoln 1,373, North Kesteven 486). The positive direction of travel with regard to outstanding workload reduction continues, - as with Revenues work it is vital to be as up-to-date as possible before annual Council Tax billing and benefits upratings for 2023/24. Demands on the team will be significant on quarter 4, as annual changes in circumstances are reported – e.g., rent increases, pension increases, etc. There also 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, as well as Discretionary Housing Payments 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 3 2022/23:

End Quarter 3 2022/23	City of Lincoln	North Kesteven
New Claims	15.97 days <i>(End Quarter 3 2021/22 16.45 days)</i>	19.93 days <i>(End Quarter 3 2021/22 16.54 days)</i>
Changes of Circumstance	5.76 days <i>(End Quarter 3 2021/22 5.37 days)</i>	4.10 days <i>(End Quarter 3 2021/22 3.99 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 continuing to reduce – 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 1.64 days – to 19.93 days – by the end of Quarter 3 2022/23.

The most recent national figures for Housing Benefit (HB) processing times were released on 25<sup>th</sup> January 2023, and are in respect of Quarter 2 2022/23. The key points were as below:

- *The average speed of processing for new HB claims is 21 calendar days in the latest quarter, which is one day lower than last quarter and one day higher than quarter 2 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 9 calendar days in the latest quarter, which is one day higher than last quarter and one day higher than quarter 2 2021 to 2022. Since quarter 4 2020 to 2021, the rolling average year-end figures show the trend to be slightly increasing.*

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 2022/23:

- City of Lincoln: 95.69% (1,087 out of 1,136 checked),
- North Kesteven: 96.41% (833 out of 864 checked).

As requested through this Committee on 24<sup>th</sup> November 2022, further analysis has been undertaken on the level of ‘incorrectness’ in assessment:

- City of Lincoln:
  - No financially incorrect Housing Benefit cases
  - Of the cases identified as financially incorrect – total Council Tax Support overpayments £18.03, total Council Tax Support underpayments £28.56
    - = net Council Tax Support underpayment £10.53

- North Kesteven:
  - Of the cases identified as financially incorrect – total Housing Benefit overpayments £47.66, total Housing Benefit underpayments £37.51
    - = net Housing Benefit overpayment £10.15
  - Total Council Tax Support overpayments £76.27, total Council Tax Support underpayments £46.11
    - = net Council Tax Support overpayment £30.16.

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 2022/23, the team has achieved the following:

Quarter 3 2022/23	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£6,354	£2,441
Advice provided enabling lump sum award of additional benefits	£80,404	£39,293
No. of customers to whom help provided	2,080	422
No. money advice referrals	29	15

## 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 27 June 2023.

**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 to end Quarter 3 2022/23

**List of Background Papers:** None

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