

**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 an update on Revenues and Benefits performance, in respect of Quarter 2 2023/24.
- 2.2 The Revenues and Benefits Shared Service has now been in operation for over twelve 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 then 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 7<sup>th</sup> September 2023 meeting of this Committee, a report was presented detailing Revenues and Benefits performance year outturns for Quarter 1 2023/24.
- 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 2023/24, in-year collections for Lincoln and North Kesteven are down by 1.70% and 1.08%, respectively.

Officers are undertaking benchmarking locally and more widely, and it does appear there is an emerging trend of Council Tax collection being reduced compared to previous financial years. The Covid-19 pandemic had already impacted, and signs are now that cumulative impacts of cost of living pressures are meaning residents are struggling to pay bills. Officers will continue to strike a balance of collecting vital monies due to the Councils, whilst aiming to help residents avoid undue exceptional hardship. Careful monitoring and management of Council Tax in-year collection will continue to take place.

Description		End Quarter 2 2023/24	Compared to End Quarter 2 2022/23
Council Tax Collection	City of Lincoln	50.46%	Down by 1.70%
Council Tax Collection	North Kesteven	56.34%	Down by 1.08%
Council Tax Net liability	City of Lincoln	£54,362,611	Up by £2,469,621
Council Tax Net Liability	North Kesteven	£80,990,513	Up by £4,627,644

- 4.3 The table below demonstrates the trend in Council Tax Support (CTS) caseloads. It can be seen that caseloads rose sharply in 2020 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. Officers are also looking into CTS take-up activity, as it is felt this is possibly being underclaimed by residents.

	City of Lincoln	North Kesteven
September 2023	8,432	5,393
June 2023	8,458	5,419
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 2023/24, compared to the same point in 2023/24 in-year collection is down for all three local authorities, as follows:

- Lincoln by 3.43%;
- North Kesteven by 6.48%;
- West Lindsey by 8.30%.

Although at first sight these reductions in collection appear concerning, - they are compared to a point in 2022/23 when significant amounts of 'Covid Additional Relief Fund' (CARF) monies were added onto qualifying accounts. Therefore, in-year collection for Quarter 2 2022/23 was effectively 'inflated'. It is expected that the level of shortfall in 2023/24 in-year collection rate will reduce over Quarter 3 – and then into Quarter 4.

It should also be noted that collection has been 'skewed' somewhat in recent financial years due to varying criteria/awards of the Expanded Retail Discount (ERD).

Description		End Quarter 2 2023/24	Compared to End Quarter 2 2022/23
Business Rates collection	City of Lincoln	59.56%	Down by 3.43%
Business Rates collection	North Kesteven	64.10%	Down by 6.48%
Business Rates collection	West Lindsey	57.76%	Down by 8.30%
Business Rates Net Liability	Lincoln	£38,776,446	Down by £3,439,751
Business Rates Net Liability	North Kesteven	£30,935,084	Up by £1,693,046
Business Rates Net Liability	West Lindsey	£18,152,080	Up by £255,011

#### 4.6 Outstanding Revenues Documents

4.7 The number of outstanding Revenues Customers (measured through the Document Management System) at the end of Quarter 2 2023/24 is 782 (split Lincoln 420, North Kesteven 362) – this continues the positive direction of travel and position, achieved through improved processes and recruitment to vacant roles within the team. It should be noted though at the same point, 1,297 e-mails are outstanding to be dealt with by the Revenues Team – which are also being tackled, with the aim of responding to customer e-mails more promptly. There are also items of work through the newly implemented Revenues self-serve system which are being worked on in terms of responding to these requests on a more timely basis.

#### 4.8 Housing Benefit Overpayments

4.9 As at the end of Quarter 2 2023/24, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 108.72%,
- North Kesteven: 97.02%.

4.10 Outstanding Housing Benefit overpayments debt also continues to decrease overall. As at the end of Quarter 2 2023/24:

- City of Lincoln: £2,402,885,
- North Kesteven: £1,258,896.

Although North Kesteven collection has fallen to below 100%, and outstanding debt has risen (but only by £1,759) – there are no concerns as collection remains high.

### 5. Benefits Performance

5.1 As at the end of Quarter 2 2023/24, there are 1,696 Benefits customers outstanding and awaiting assessment (split Lincoln 1,156, North Kesteven 540). This compares favourably to the end of Quarter 2 2022/23 (total 2,285 outstanding) and is a significant reduction from the end of Quarter 1 2023/24 (3,682 items outstanding). This is an extremely positive achievement, considering the significant ongoing demands on this team, - although regular overtime has been in place due to gaps in staffing resources (which is being addressed) as well as to help address additional

demands on the service due to cost of living pressures.

- 5.2 Despite the high level of 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 2 2023/24:

End Quarter 2 2022/23	City of Lincoln	North Kesteven
Housing Benefit New Claims	16.61 days (End Quarter 2 2022/23 16.41 days)	18.58 days (End Quarter 2 2022/23 20.55 days)
Housing Benefit Changes of Circumstance	6.25 days (End Quarter 2 2022/23 6.44 days)	3.91 days (End Quarter 2 2022/23 4.17 days)

Direction of travel for all four average positions as above is positive, however it is recognised that New Claims performance for North Kesteven needs to further improve going forward.

To give this position some context, the latest national data available shows that in Quarter 1 2023/24 New Claims were processed in an average of 22 days by Councils, with Changes of Circumstance being processed in an average of 8 calendar days. It should be noted that these national figures are for a specific quarter only (i.e. Quarter 1 2023/24) and not cumulative over the financial year – which is how officers report these areas of performance for our shared service.

- 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 2023/24:

- City of Lincoln: 89.87% (639 out of 711 checked),
- North Kesteven: 97.77% (395 out of 404 checked).

City of Lincoln's reduced level of performance in Quarter 1 2023/24 was due to 200 more checks during the quarter than in the same quarter last year, including due to less experienced officers being part of the team, 100% of claims being checked, which can also mean more (small) errors being identified – and then corrected. Performance has improved by more than 2% from the end of Quarter 1 to Quarter 2, demonstrating a positive direction of travel.

## 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 and North Kesteven. In Quarter 2 2023/24, the team has achieved the following:

Quarter 2 2023/24	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£6,760	£5,528
Advice provided enabling lump sum award of additional benefits	£92,518	£61,434
No. of customers to whom help provided	1,497	513
No. money advice referrals	43	22

Outcomes and demands have generally continued to increase throughout the team, for both partner local authorities. There are a number of key reasons why the levels of Welfare/Money advice in Lincoln is higher than in North Kesteven, including:

- Differences in demographics;
- 'Customer journey' different at each Council;
- Significant number of foodbank vouchers issued at Lincoln compared to North Kesteven.

Demands and processes for the Welfare Team continue to be reviewed on an ongoing basis.

## 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 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 22<sup>nd</sup> February 2024.

**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 2 2023/24

**List of Background Papers:** None

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