

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 2023/24.
- 2.2 The Revenues and Benefits Shared Service has now been in operation for over twelve years, forming on 1 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 23rd November 2023 meeting of this Committee, a report was presented detailing Revenues and Benefits annual outturn performance for Quarter 2 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 3 2023/24, in-year collection for Lincoln and North Kesteven was down by 1.47% and up by 1.05%, respectively. Officers continue to undertake benchmarking locally and more widely, and it does appear there is an emerging and ongoing 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 resulting in residents 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. Officers continue to undertake careful monitoring and management of Council Tax in-year collection.

Description		End Quarter 3 2023/24	Compared to End Quarter 3 2022/23
Council Tax Collection	City of Lincoln	76.11%	Down by 1.47%
Council Tax Collection	North Kesteven	83.94%	Down by 1.05%
Council Tax Net liability	City of Lincoln	£53,552,761	Up by £2,398,823
Council Tax Net Liability	North Kesteven	£80,959,236	Up by £4,650,497

In terms of direction of travel, both in-year Council Tax collections are 'less down' compared to the end of Quarter 2 2023/24 – i.e. at end of Quarter 2 Lincoln was 1.70% down, North Kesteven 1.08% down.

- 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
December 2023	8,352	5,397
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 3 2023/24, compared to the same point in 2022/23 in-year collection is as follows:

- Lincoln – up by 0.09%;
- North Kesteven – down by 2.92%;
- West Lindsey – down by 0.24%.

Direction of travel is positive, as at the end of Quarter 2 2023/24 all three local authorities' in-year collection was down: Lincoln by 3.43%, North Kesteven by 6.48%, West Lindsey by 8.30%.

Comparing in-year collection year-on-year is almost impossible the last few years, due to varying criteria/awards of Expanded Retail Relief (ERD), as well as Covid Additional Relief Fund (CARF) being allocated to accounts in 2022/23.

Description		End Quarter 3 2023/24	Compared to End Quarter 3 2021/22
Business Rates collection	City of Lincoln	85.60%	Up by 0.09%
Business Rates collection	North Kesteven	85.90%	Down by 2.92%
Business Rates collection	West Lindsey	86.07%	Down by 0.24%
Business Rates Net Liability	Lincoln	£38,494,227	Down by £3,658,486
Business Rates Net Liability	North Kesteven	£30,901,914	Up by £1,777,227
Business Rates Net Liability	West Lindsey	£18,065,109	Up by £353,124

4.6 Outstanding Revenues Customers

4.7 The number of outstanding Revenues Customers at the end of Quarter 3 2023/24 is 849 (split Lincoln 550, North Kesteven 299). This is a slight increase from the figure at the end of Quarter 2 2023/24 (total 782), however with significant demands on the team plus recruitment taking place in respect of vacant positions – the team has performed well to maintain (relatively) this position. It is expected that Quarter 4 2023/24 (as is always the case in the final quarter of the financial year) will bring extremely high levels of customer contact – mainly due to issuing annual Council Tax and Business Rates bills.

4.8 Housing Benefit Overpayments

4.9 As at the end of Quarter 3 2023/24, in period collection of Housing Benefit overpayments stands at:

- City of Lincoln: 107.42%,
- North Kesteven: 103.78%.

4.10 Outstanding Housing Benefit overpayments debt also continues to decrease. As at the end of Quarter 3 2023/24:

- City of Lincoln: £2,324,486,
- North Kesteven: £1,233,565.

5. Benefits Performance

5.1 As at the end of Quarter 3 2023/24, there are 2,099 Benefits customers outstanding and awaiting assessment (split Lincoln 1,481, North Kesteven 618). This is an increase from the total outstanding (1,696) at the end of Quarter 2 2023/24. However, the team is working hard to further improve the position – which is generally positive, with significant demands on the Benefits Team not just in terms of ‘core’ processing work (i.e. Housing Benefit and Council Tax Support) but also in terms of cost of living support (including Household Support Fund),

Universal Credit documents and Discretionary Housing Payments.

- 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 2023/24:

End Quarter 3 2023/24	City of Lincoln	North Kesteven
New Claims	15.24 days <i>(End Quarter 3 2022/23 15.97 days)</i>	18.81 days <i>(End Quarter 3 2022/23 19.93 days)</i>
Changes of Circumstance	5.52 days <i>(End Quarter 3 2022/23 5.76 days)</i>	3.99 days <i>(End Quarter 3 2022/23 4.10 days)</i>

Performance levels in respect of 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 2 2023/24 New Claims were processed in an average of 20 days by Councils, with Changes of Circumstance being processed in an average of 9 calendar days. It should be noted that these national figures are for a specific quarter only (i.e. Quarter 2 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 3 2023/24:

- City of Lincoln: 92.29% (1,641 out of 1,778 checked),
- North Kesteven: 98.26% (678 out of 690 checked).

City of Lincoln's reduced level of performance in Quarter 1 2023/24 (87.85%) 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 4.44% from the end of Quarter 1 to Quarter 3, demonstrating a positive direction of travel.

These checks are in addition to the significant number 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 2023/24, the team has achieved the following:

Quarter 3 2023/24	City of Lincoln	North Kesteven
Advice provided enabling weekly value of additional benefits	£9,702	£5,538
Advice provided enabling lump sum award of additional benefits	£100,029	£74,080
No. of customers to whom help provided	1,491	528
No. money advice referrals	33	24

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, to ensure the team's vital work is promoted and utilised effectively and efficiently.

7. Storm Babet and Storm Henk

7.1 Both City of Lincoln Council and North Kesteven District Council residents were affected either directly or indirectly by Storm Babet in October 2023, and/or by Storm Henk in January 2024 .

Three departments of the Government announced 5 separate schemes to help with flood victims:

1. Council Tax relief for a minimum of 3 months
2. Business Rates relief for a minimum of 3 months
3. Council Tax Community Support Grant of £500
4. Business Recovery Grant of £2,500
5. Flood resilience Grants of £5,000 – to future proof flooded properties.

Schemes 1-4 are administered by the Revenues and Benefits Service and scheme 5 is administered by the Lead Flood Authority, Lincolnshire County Council.

7.2 Statistics for grants awarded by our Revenues and Benefits Service, are shown as below:

Storm Babet at 25th January 2024 (when scheme closed):

	Flooded	Affected, not flooded	Grants paid by end of scheme
North Kesteven DOMESTIC	182	3	95
North Kesteven COMMERCIAL	22	0	3
LINCOLN DOMESTIC	30	3	13
LINCOLN COMMERCIAL	5	11	0

Storm Henk at 6th February 2024 (scheme still open, figures continue to be updated):

	Flooded	Affected, not flooded	Grants paid to date	Affected by Babet
North Kesteven DOMESTIC	21	0	3	15
North Kesteven COMMERCIAL	3	0	0	3
LINCOLN DOMESTIC	2	0	0	2
LINCOLN COMMERCIAL	1	0	0	1

7.3 The District authorities would be repaid for any of the Grants that they provided and for Council Tax and/or Business rate relief.

The end date for the Council Tax Relief and the Business rate relief is when the customer returns to their property, or 31st March 2025.

The Revenues and Benefits Service is tasked with continuing to monitor these properties until all residents have returned to their properties.

Evidence must be obtained at regular intervals to ensure that the Council Tax relief or business rate relief is still applicable. The evidence must be kept for a period of 7 years and available for audit. The four schemes that the Revenues and Benefits Service are administering are resource-intensive due to the volume of properties affected. Customers who reported flooding online were contacted when they did not make an application for the flood support. Our visiting officer went out to speak to people who struggled to make a claim online, and officers dealt with contact from insurance companies where residents did not take photographs.

No new burdens are to be provided for the administration of either the Storm Babet flood support or the Storm Henk flood support.

8. Strategic Priorities

8.1 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.”

8.2 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.

9. Organisational Impacts

9.1 Finance

There are no direct financial implications arising from this report.

9.2 Legal Implications including Procurement Rules

There are no direct Legal or Procurement implications arising from this report.

9.3 Equality, Diversity & Human Rights:

There are no direct implications arising from this report.

10. Risk Implications

10.1 A Risk Register is in place for the Revenues and Benefits shared service.

11. Recommendations

11.1 To note the performance information as set out in this report.

11.2 To note that a performance update will be presented at the next meeting of this committee on 30 May 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 3 2023/24

List of Background Papers:

None

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