

Report of the Anglia Revenues and Benefits Partnership Joint Committee: 15 September 2020

Report number:	CAB/WS/20/060	
Report to and date:	Cabinet	6 October 2020
Cabinet member:	Councillor Sarah Broughton Portfolio Holder for Resources and Performance Telephone: 07929 305787 Email: sarah.broughton@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Telephone: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	

Decisions Plan: **This item is not required to be included on the Decisions Plan.**

Wards impacted: **All wards**

Recommendation: **The Cabinet is requested to note the content of Report number: CAB/WS/20/060, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.**

1. Context to this report

1.1 On 15 September 2020, the Anglia Revenues and Benefits Partnership (ARP) Joint Committee met virtually where the following items of substantive business were discussed:

1. Performance and Service Updates;
2. ARP Forecast Financial Performance 2020-2021;
3. Covid-19 Response Report;
4. Welfare Reform Update; and
5. Forthcoming Issues.

This report is for information only. No decisions are required by the Cabinet.

2. Updates within this report

2.1 **Performance and service updates: July 2020 (agenda item 7)**

2.1.1 **a. Joint Committee performance report July 2020**

The Joint Committee received and **noted** an update on performance. This report provides relevant information relating to the performance of ARP as a whole and that of the individual partners. This detailed report can be viewed on Breckland Council's website at the following link:

<https://democracy.breckland.gov.uk/documents/s56827/Performance%20Report%202020-21%20Qtr%20%20July%20FINAL.pdf>

The report indicated that when considering performance as a whole for all partner councils, the majority of targets as at July 2020 were currently being met in respect of the following categories:

- Business rates collection
- Council tax collection
- Number of electronic forms received
- Fraud and compliance

2.1.2 In respect of West Suffolk Council's individual performance, all targets as at July 2020 were currently being met in respect of the following categories:

- Business rates collection
- Local council tax reduction
- Housing benefit
- Fraud and compliance

In respect of council tax collection, this was currently underachieving its target by £1,384,628. The Government is funding a hardship scheme which has provided up to £150 to each working age recipient of the Local

Council Tax Reduction Scheme. Targets have been adjusted to reflect these payments. Whilst Covid-19 has affected some customers ability to pay, ARP has not been able to take its normal action to recover outstanding amounts through the magistrates' court due to Covid-19 safety restrictions imposed. In addition, the amount of council tax support awarded has increased during the first part of the 2020/2021 financial year, reducing the amount to be collected.

2.1.3 Attention was drawn to the service updates as at 31 July 2020:

- a. **Enforcement:** All enforcement visits were suspended by the Ministry of Justice in March 2020 and re-commenced on 24 August 2020; however, ARP's Enforcement Agency are not permitted to enter properties to take control of goods. In the meantime, ARP has continued to try and engage with customers offering long term payment arrangements and assisting customers where possible. Consequently, the level of collection has reduced substantially. This year ARP has collected £1 million compared to £1.838 million at the same point last year.
- b. **Further recovery:** With effect from March 2020 all recovery actions were temporarily suspended due to Covid-19 until recently and ARP has now recommenced these actions. However, income of £216,000 in total has been received compared to £416,000 at the same point last year. ARP has £1.78 million debt secured through Charging Orders.
- c. **Non-domestic rates:** The team has had an increased workload over the first two months of this financial year due to the additional rate reliefs being awarded and the payment of grants to businesses as part of the mitigating the impacts of Covid-19. This has seen extremely high levels of telephone calls and correspondence; however, the team has worked hard to bring the outstanding work down to normal levels.

The revaluation planned to take place on 1 April 2021 has been postponed until 1 April 2023 with an antecedent date of 1 April 2021 (this is the date that the valuations are based on).

A bill to implement rate relief for public lavatories is currently before Parliament and it is intended to have a retrospective effect for 2020/2021.

The Government has issued a Call for Evidence in respect of its commitment to carry out a fundamental review of business rates. Views are being sought on the multiplier, reliefs, transitional relief, valuations, rating lists, the billing process and alternatives to business rates.

- d. **Council tax:** As expected Covid -19 has had an impact on collection during April and May 2020 but it is expected the application of the

hardship fund payments to accounts during July 2020 will significantly offset this and there will be a clearer picture of collection against target at that point. ARP has updated its website and phone message to provide help and support to those struggling to pay through this difficult time and are signposting customers to claim Universal Credit and Council Tax Support.

The option of a two month payment break has been offered to provide more flexibility during Covid-19. An online form has been produced to allow customers to request a two month payment break, a change from 10 to 12 instalments or a change of payment date. As at July 2020, ARP had received over 1,600 completed forms and the fraud and enforcement teams have helped ARP to process these requests in a timely manner.

ARP has sent two rounds of 'soft reminders' which have had a positive effect on collection. The reminders have signposted customers to the flexible payment form and other help available from the Council, Department of Work and Pensions (DWP) and other outside agencies and ARP has ensured that direct debit payments have not been collected where a hardship payment is due and the account balance is £150 or less. The first Statutory Reminders were expected to be issued in August 2020 for customers in arrears for 2019/2020 and behind by three instalments or more for the current year.

Throughput for council tax billing is up 26 per cent on last year overall and now that the lockdown restrictions are gradually lifting, this has seen an increase in the number of moves reported to almost the same level as the same period last year. ARP has remained in a great position workwise with outstanding work being well below the level it was at the same point last year. This is a direct result of the project to introduce Generic Council Tax Billing Officers which provide a resilient team who have been able to switch between billing and benefits to help cope with ever changing work loads and priorities during the pandemic. Being up to date and having the tiered phone messages in place has helped ARP maintain a level of 47 per cent fewer phone calls during May 2020 as compared to last year and achieve a handling rate of 99.01 per cent in billing.

- e. **Benefits:** Whilst both Council Tax Support and Benefits performance is presently achieving targets, there is a risk Covid-19 could cause an economic downturn with potentially significant increases in unemployment and claims.

ARP continues to see significant increases in claims since March 2020 compared to the same period last year and it is expected a second spike will occur when the furlough scheme ends. Throughput overall for benefits has been approximately a third up on 2019/2020.

In April 2020, ARP changed the Local Council Tax Support schemes for all partners to include a 'tolerance rule' which is applied to monthly changes in Universal Credit which are notified to ARP via Universal Credit Data Share (UCDS) from DWP. The new rule allows us to ignore changes in Universal Credit of under £15 per week, which has helped reduced the number of council tax adjustment notices being issued, and refund requests being received. It also allows customers to manage their payments easier.

The Council Tax Support Hardship Fund awards were issued to every qualifying working age customer by the end of July 2020, either by a credit of up to £150 on to their council tax account or by arranging a refund where one is due. ARP is monitoring expenditure given the rise in caseload due to Covid-19 to identify risk that the fund will exhaust prior to the end of the year. Representations continue to be made to the Ministry for Housing, Communities and Local Government (MHCLG) stating that the fund will not support awards to every customer.

- f. **Fraud and compliance:** In line with Government advice and guidance, property and business visits were temporarily suspended and Fraud and Compliance staff, where possible, were redeployed into other areas of the ARP business that were receiving a significant increase of incoming work as a result of the Covid-19 pandemic, as well as the usual increase as a result of the Annual Billing project.

A full risk assessment has now been agreed across the partnership and visits have successfully resumed, with social distancing restrictions in place and supplies of appropriate Personal Protective Equipment provided to all visiting officers.

Norfolk County Council have committed to continue providing funding until March 2022 and Suffolk County Council until March 2021, at which point a further review will take place.

During the pandemic it has not been possible to interview customers under caution on a face to face basis. Advice has been taken from the Law Society and the Crown Prosecution Service in relation to alternative methods of interviewing under caution. With assistance from the solicitor used for ARP Fraud prosecutions it has been agreed that customers will be interviewed by letter and a process and procedure has been set up to enable this.

The Fraud Team are also progressing relationships with social housing providers across the partnership looking at opportunities to investigate housing fraud. Paid investigations for two social housing providers have either been concluded or are currently being investigated. This has resulted in the successful recovery of a property as part of a paid for investigation and we are currently awaiting the court result in relation to the criminal case.

- g. **ARP website and online self service:** April 2020 had seen an increase in ARP website activity by 60 per cent when compared with April 2019 due to the effect of the pandemic. This was largely due to all the ARP offices being closed for face to face visits.

The ARP Strategic Support Manager has been working with Capita, the main software provider for Revenues and Benefits in establishing a design team to develop the self-serve portal that is easy to use and satisfies the requirements expected of a modern self-service option. Although at its early stage, there have been discussions between the ARP Management to Senior Managers at Capita offering a more collaborative approach in development of their products, making them relevant to the Revenues and Benefits Strategic Business needs.

- h. **Better Customer Journeys Programme:** Through the Better Customer Journeys Programme, ARP is identifying how to build on the major increases in ARP website visits and self-service usage. ARP partners' customer service heads are beginning to map out how best ARP can support customer service teams' new, emerging operating models. From this will come a gap analysis, and a set of plans for closing that gap. For example, discussions will be held on how best to capitalise on increased online activity and interest and make sure our communications with customers are pointing that way (allowing more opportunity to support traditional channels for people who need them).

Since April 2020, ARP has met every week with Capita's digital product and helpdesk teams. These sessions work alongside the design workshops and ensure the partnership can deliver on its self-service aspirations.

2.1.4 Discussion was specifically held at the meeting on the outstanding and tireless efforts of ARP staff and their commitment to handling the additional work throughout the pandemic. Recognition was given to the business continuity exercise undertaken by ARP in December 2019 which had put them in good stead to effectively handle the present situation.

2.1.5 Reference was given to the support given to businesses and methods to help prevent their loss altogether during these challenging times.

2.2 **ARP Forecast Financial Performance 2020-2021 (agenda item 8)**

2.2.1 The Joint Committee **noted** the financial performance report as at 31 July 2020, which currently showed an overspend against budget of £690,205 (7.04 per cent) for the whole of ARP. Appendix A attached to that report provided further details, together with details and reasons for the specific variances, which were largely due to the Covid-19 pandemic. As stated above, less income than forecast was currently being generated by the enforcement agency and had a significant effect on the budget. It is also

worth noting that each partner council has received grants from Government to cover the extra burden placed on the business rate team to award small business grants to those eligible businesses affected by Covid-19. These grants will be retained by each council and will not therefore show against the ARP overspend. Each council may also be able to claim a Government grant for a percentage of lost income relating to enforcement. Guidance was awaited from Government regarding this. Risks were also highlighted to members.

- 2.2.2 An update was also provided on the remaining transformation funding which had been set aside in previous years. £66,000 is earmarked for projects in progress this year and there is a further £93,000 available for future transformation projects.
- 2.2.3 Details of the funding held in the ARP ICT reserve, which had been approved as part of the budget setting process, was also contained in Appendix A. This reserve has been established to cover costs of ICT replacement in future years.
- 2.2.4 The reasons for other specific variances, together with other details, are contained in the report at:

<https://democracy.breckland.gov.uk/documents/s56813/ARP%20Forecast%20Financial%20Performance%202020-21.pdf>

Appendix A:

<https://democracy.breckland.gov.uk/documents/s56814/Appendix%201%20for%20ARP%20Forecast%20Financial%20Performance%202020-21.pdf>

2.3 **Covid-19 response report (agenda item 9)**

- 2.3.1 The Joint Committee **noted** the following issues that had been affected by the Covid-19 pandemic and ARP's response to it:

1. Timeline and summary of impact on ARP business continuity, specifically in relation to:
 - staff working from home
 - internal and external communications
 - continuation of essential services
2. Business rates, including the handling of new reliefs, grants and discretionary grants
3. Council tax billing and benefits, including that whilst there has been an increased demand due to Covid-19, ARP has processed and cleared a greater volume of work, with less outstanding, when compared to the same period in 2019.
4. Increases in Universal Credit claims
5. Impact of handling DWP claims
6. Impact on council tax collection (as summarised in section 1 above)

7. The effect on enforcement income (as summarised in section 1 above)
8. The impact on council tax and housing benefit overpayment recovery due to the temporary closure of magistrates' courts (as summarised in section 1 above)

2.3.2 Recognition was given at the meeting to ARP's handling of the situation and its outstandingly effective response.

2.3.3 Discussion was specifically held on the transition of office based staff to working from home and the support given, particularly from the Information and Communication Technology (ICT) teams, many of whom are based at West Suffolk Council, to learn and adapt to remote working practices.

2.3.4 This led to a discussion on whether plans were in place to bring people back into the office and managing face-to-face contact with customers and clients visiting the building, and in response, members were informed that the Customer Strategy Group (customer service leads from each partner council and ARP managers) were considering each council's plans for customers to access their buildings and ARP's role within those plans. In the meantime, additional support was being given to customers who were having difficulties using ARP's self-services online.

2.3.5 Further details are contained in the report at:

<https://democracy.breckland.gov.uk/documents/s56828/Covid%20-%2019%20response%20Report.pdf>

2.4 **Welfare reform update (agenda item 10)**

2.4.1 The Joint Committee **noted** an update on welfare reform, which included:

- a. **Universal Credit (UC):** From 1 April 2019, the DWP awarded a 12 month funding contract to Citizens' Advice to provide help to new Universal Credit customers to make a claim (Assisted Digital Support) and to help customers with budget monthly payments (Personal Budgeting Support). Having met with various Citizens' Advice branches across Cambridgeshire, Norfolk and Suffolk, ARP has established that the following arrangements are being implemented:

- Local advisors will dial into a national call centre.
- Web chat is being provided.
- Face to face arrangements will be in place – some on an appointment basis, others on a drop in basis or a mixture of the two. Rural provision may be patchy.

ARP has raised concerns that Citizens' Advice are only funded to help to the first UC payment received; however, Citizens' Advice have said they will continue to help vulnerable customers, drawing on their usual funding streams. Through regular liaison meetings ARP will monitor this.

DWP are yet to publish a six-month review of the service and future plans.

The summary of the latest position on the expansion of UC and concerns raised by officers regarding specific issues in respect of the expansion on a national level were contained in sections 2.1.9 and 2.2 of the report, and which were duly noted by the Joint Committee. During July 2020, DWP commenced a small scale managed migration trial at Harrogate Job Centre, to test various aspects of the service, details of which were provided in section 2.2.1. However, due to Covid-19, this pilot has temporarily ceased and a further update is awaited.

New matters arising via the DWP in respect of UC were provided in section 2.2.3

- b. **Discretionary Housing Payment (DHP):** Spend continues to be within the grant provided by the DWP, and is forecast to be closer to the limit, but within the grant. This grant is designed to help customers remain in their homes or to move to affordable and sustainable accommodation. The main area of expenditure continues to be to assist customers with rent shortfalls, in particular due to restrictions on housing benefit rent levels.
- c. **Benefit cap:** In November 2016, the maximum family income before the benefit cap applies reduced from £26,000 to £20,000 (£13,400 for single adults with no children). The Benefit Service continues to work with colleagues in Customer Service and Housing Options teams to seek to avoid homelessness and the cost of temporary housing.

DWP has provided New Burdens funding to assist councils with extra administrative costs and have increased discretionary housing payment grants to help customers with the reduction; however, it should be noted that the increase does not cover all reductions.

- d. **Social rented sector rent restrictions:** The Government has responded to consultation on funding for supported housing, removing proposals to move away from a subsidised demand led model to a grant model. For the foreseeable future, supported accommodation, including hostel tenancies will remain in within the Housing Benefit service and will not therefore move to Universal Credit.
- e. **Welfare benefit uprating - April 2020:** The Government has confirmed an end to the four year benefit uprating freeze. From April 2020, all benefits increased by Consumer Price Inflation (CPI) as of

September 2019, which equates to 1.7 per cent for the state pension rising by 3.9 per cent due to the 'Triple Lock'.

2.4.2 Further details are contained in the report at:

<https://democracy.breckland.gov.uk/documents/s56829/Joint%20Committee%20Report%20Welfare%20Reform%20September%202020%20-%20OIB.pdf>

2.5 **Forthcoming issues (agenda item 11)**

2.5.1 It was requested that an update be provided at a future meeting in respect of how Citizens' Advice provided to DWP customers concerning Universal Credit would be provided once the contract with Citizens' Advice ends.

3. **Minutes**

3.1 For further information on the discussions held at the Anglia Revenues and Benefits Partnership Joint Committee meeting on 15 September 2020, the draft minutes of the meeting may be viewed on Breckland District Council's website at the following link:

<https://democracy.breckland.gov.uk/documents/g4584/Printed%20minutes%2015th-Sep-2020%2011.00%20Anglia%20Revenues%20and%20Benefits%20Partnership%20Joint%20Committee.pdf?T=1>