

# Report of the Anglia Revenues and Benefits Partnership Joint Committee: 8 December 2020

<b>Report number:</b>	<b>CAB/WS/21/002</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	9 February 2021
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**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/21/002, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.**

## 1. Context to this report

1.1 On 8 December 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 Financial Performance 2020 to 2021;
3. ARP Joint Committee Partnership Budget;
4. Anglia Revenues Partnership Service Delivery Plan and Risk Register;
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: October 2020 (agenda item 5)**

2.1.1 **a. Joint Committee performance report: October 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:

[Performance Report 2020-21 Qtr 3 October.pdf \(breckland.gov.uk\)](https://www.breckland.gov.uk/Performance%20Report%2020-21%20Qtr%203%20October.pdf)

The report indicated that when considering performance as a whole for all partner councils, the majority of targets as at October 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 October 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 £1,900,871. 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, with bookings only been taken from January 2021. In addition, the amount of council tax support awarded has increased during the first part of the 2020 to 2021 financial year, reducing the amount to be collected.

Further recovery action in the 2020 to 2021 financial year has resulted in collection of £63,742, with enforcement action resulting in collection of £272,544. Charging orders have been obtained to secure £469,008 debt.

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

- a. **Enforcement:** All enforcement visits were suspended by the Ministry of Justice in March 2020 and re-commenced on 24 August 2020; however, while ARP's enforcement agency had resumed visits, the amounts collected had not yet risen to the levels achieved in 2019. 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 currently collected £1.966 million compared to £3.016 million at the same point last year. The team had also taken on the collection of parking fines for East and West Suffolk.
- b. **Further recovery:** With effect from March 2020 all recovery actions were temporarily suspended due to Covid-19 until the summer. While actions had recommenced, income of £340,000 in total has been received compared to £791,000 at the same point last year. ARP has £1.925 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. A new set of business grants was rolled-out for the recent lockdown in November 2020 which added further pressure to the team; however, the additional work was handled efficiently and effectively.

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 to 2021.

- 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 October 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 issued in August 2020 for customers in arrears for the 2019 to 2020 financial year and behind by three instalments or more for the current year. The magistrates' courts have now re-opened and hearing dates have been booked for the new year.

Throughput for council tax billing is up 26 per cent on last year overall and following the lifting of the first lockdown restrictions, 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 workloads 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 a prolonged 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 ARP has seen significant

increases in claims, and throughput overall for benefits has been approximately a third up on the 2019 to 2020 financial year.

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 more easily.

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.

Since the end of September 2020, ARP has worked with the Department for Health and Social Care (DHSC) to implement the Covid-19 Test and Trace Self-Isolation payment scheme. This scheme pays £500 to each eligible person notified of a requirement to self-isolate. Whilst funded by DHSC, ARP are seeing demand outweigh the forecasted volumes and it is expected that demand will exponentially increase throughout the winter period.

- f. **Fraud and compliance:** The fraud team are pleased to confirm that in October 2020, it achieved a successful prosecution regarding tenancy fraud. The tenant was found guilty of sub-letting a housing association property and sentenced to 12 weeks, suspended for two years.

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. Desk based fraud and compliance work continues, which is undertaken by fraud team officers working from home. £1.5 million of fraud had been identified to date with the majority being due to single persons discount non-compliance.

Norfolk County Council has 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.

- g. **ARP systems and digital:** There continues to be an increase in ARP website activity by 60 per cent when compared with 2019 due to the effect of the pandemic. This is largely due to all the ARP offices continuing to be closed for face to face visits.

The ARP Technical Team Manager continues to work 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. There have been continued 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. Working with West Suffolk Council's ICT team, the ARP Technical Team Manager will be leading on a mandatory upgrade of the Capita platform for all five partners' databases. This is expected to be in place by 31 December 2020 in readiness for the annual billing project. Testing will begin in January 2021.

- 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 progressing plans to map out how best ARP can support customer service teams' new, emerging operating models. A gap analysis, and a set of plans for closing that gap is currently nearing completion. For example, discussions will have been held on how best to capitalise on increased online activity and interest and make sure ARP's 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.

In a separate but related strand, ARP is developing its change delivery and project management capabilities, which apply to Better Customer Journeys projects, the Performance Framework Programme, further automation and other standalone projects.

- 2.1.4 Discussion was specifically held at the meeting on the £1.5 million single persons discount non-compliance fraud that had been identified, and the measures and practices in place to help eliminate such fraudulent activities.

2.1.5 Reference was also given to the administration of and demand for the £500 Test and Trace Self-Isolation payment, which led to a discussion on the distributing the other Government support grants administered by ARP. Together with the added administrative burden placed upon ARP, the funding received from Government for the grants was being monitored by the s151 officers for each local authority within the partnership.

## 2.2 **ARP Financial Performance 2020 to 2021 (agenda item 6)**

2.2.1 The Joint Committee **noted** the financial performance report as at 31 October 2020, which currently showed an overspend against budget of £522,454 (5.33 per cent) for the whole of ARP. Appendix 1 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. A full review of income will be analysed for Quarter 3. It is worth noting that each partner council has directly received new burdens funding from the Government to cover the costs of administering the Covid-19 grant schemes. These grants will be retained by each authority to cover additional resource costs for administering the schemes internally. In addition, the Government is providing grants to individual local authorities to offset the losses from sales fees and charges income. Authorities are expected to absorb the initial five per cent of lost income against budget and after that the grant will provide 75 pence in every pound of lost income. The lost enforcement income will be claimed under this scheme for each partner.

Other budget 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. £66,409 is earmarked for projects in progress this year and there is a further £93,100 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 1. 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:

[ARP Financial Performance Report 2020 to 2021](#)

Appendix 1:

[Appendix 1 for ARP Financial Performance 2020-21.pdf \(breckland.gov.uk\)](#)

## 2.3 **ARP Joint Committee Partnership Budget (agenda item 7)**

- 2.3.1 The Joint Committee considered a [report](#) which sought approval for the partnership budget for 2021 to 2022.
- 2.3.2 When the budget was set for 2020 to 2021, an efficiency target of £120,000 was included to be achieved from 2021 to 2022 and this has been achieved through the customer experience work. This year a further target of £220,000 has been included to be achieved from 2022 to 2023 onwards through completion of succession planning work. In addition, increased income (and associated costs) has been included in this budget for the new parking enforcement work which has already commenced. The net benefit of this is budgeted at £249,000 per year.
- 2.3.2 In setting the budget the following key assumptions have been made:
- A pay award of 2% each year;
  - A vacancy factor of 2.5% in all years;
  - No inflation of general non contracted supplies and services
- 2.3.3 The overall budget shows a decrease of £151,000 when compared to 2020 to 2021. Behind this value are:
- Increased salary costs because of annual pay increases, salary increments and living wage pressures
  - Reduced travel costs and allowances through increased home working
  - Unavoidable inflationary increases on contracts (that is, software and licences)
  - Additional income from expansion of the enforcement service to include parking enforcement
  - A reduction in three of the partners costs share of £57,000 as a result of HR services being moved back in house (with the associated costs being moved to individual authority budgets)
- 2.3.4 Budget setting has been extremely difficult in the current circumstances and this budget was set on the assumption that services will continue 'as normal' in the future. It does not make any allowance for additional resource or resource reallocation which could be needed at short notice (for example, the administration of Covid-19 business grants, self-isolation grants and so on). The enforcement income totalling £1.9 million continues to be an area of risk; this budget assumes that income is able to be collected as it has been historically and also assumes a likelihood of increase in cases from external partners as previously planned.
- 2.3.5 [Appendix 1](#) sets out the proposed budget for 2021 to 2022 compared to the budget for 2020 to 2021, with indicative budgets for the following two years, as illustrated in the table below:



2.3.6	Description	2020 to 2021 Budget £	2021 to 2022 Budget £	2022 to 2023 indicative £	2023 to 2024 indicative £
	Employee costs	9,485,073	9,709,164	9,890,893	10,165,657
	Premises costs	285,440	275,886	282,774	290,676
	Transport costs	149,856	103,805	104,947	106,107
	Supplies and services	1,742,120	1,803,711	1,840,144	1,881,271
	Support services	555,000	495,228	502,585	510,091
	Income	(2,408,696)	(2,729,913)	(2,718,103)	(2,706,819)
	<b>Total partnership costs</b>	<b>9,808,793</b>	<b>9,657,881</b>	<b>9,903,239</b>	<b>10,246,983</b>

2.3.7 Further tables show the share of costs for each authority and the proportion that any additional costs or savings against the budget will be shared.

2.3.8 West Suffolk Council's current and future contribution to the total budget is set out below:

	2020 to 2021 £	2021 to 2022 £	2022 to 2023 indicative £	2023 to 2024 indicative £
West Suffolk	2,238,288	2,300,106	2,358,773	2,440,108

2.3.9 The Joint Committee thoroughly considered the budget for 2021 to 2022 and asked several questions of officers, particularly in relation to the Civil Parking Enforcement operations in East and West Suffolk.

The Joint Committee **resolved: That the Partnership Budget at Appendix 1 for 2021 to 2022, be approved.**

## 2.4 Anglia Revenues Partnership Service Delivery Plan and Risk Register (agenda item 8)

2.4.1 The Joint Committee considered a report, which sought approval for the revised Service Delivery Plan and Risk Register, as set out in the appendices attached to that report at:

[Service Delivery Plan and Risk Register](#)

[Appendix A - Action Plan](#)

[Appendix A - Risks](#)

[Appendix B - Action Plan](#)

[Appendix B - Risks](#)

2.4.2 The Joint Committee noted that ARP had seen significant success in 2020 to 2021, including (briefly):

- Housing benefit new claims and changes are meeting targets in 2020 to 2021 despite Covid-19 affecting the level of work and enquiries.

- The suite of forms and other functionality is available to all customer teams using Capita customer contact software to sign customers up to e-services and the number of those using e-services continues to rise.
- The further recovery work jointly funded by Norfolk and Suffolk County Councils secured recovery of over £1.36 million last year but due to the suspension of court hearings being able to proceed because of the pandemic, this has reduced the recovery in 2020 to 21. However, as at 31 October 2020 the further recovery officers have already secured over £340,000 which the Joint Committee agreed is commendable considering the circumstances.
- The fraud teams work, also jointly funded by the County Councils, identified over £2.4 million in fraud and error last year. Even with the restrictions caused by Covid-19 the team are on target to achieve similar values in 2020 to 2021.
- The East and West Suffolk merged databases were in place from April 2019 and the project to merge them was a great success meaning that performance was still maintained within target in all areas.
- The success of the enforcement team continues albeit performance has been restricted due to the virus. From the end of the 2020 to 2021 financial year, East and West Suffolk parking debts will be passed to the ARP enforcement team and so the fee income shared by the partners will increase in 2021 to 2022.

Other achievements relating to the Transformation Programme are detailed in the report presented to the Joint Committee, which related to:

- The progression of the Digital Transformation work stream
- The project to automate Universal Credit records is progressing well
- The success of new telephone technology, which allows ARP to manage calls to that less onerous calls are answered by less experienced staff and customers are offered online services as an alternative
- A number of temporary posts have been made permanent and appointments made
- The successful handling of administering the Covid-19 business support grants and self-isolation payments

2.4.3 The Joint Committee has reconsidered the strategic direction for the ARP (as previously reported to Cabinet in January 2020) and the Service Delivery Plan seeks to detail actions to achieve the visioning detailed in the report. In 2021 to 2022, emphasis will be placed on:

- investing time and resource into developing automated processes which have already delivered savings of over £120,000. In addition, a further £220,000 efficiency target is included in the budget from 2022 to 2023 onwards.
- Continuing to influence national initiatives such as Universal Credit
- Continuing to maintain a flexible workforce, including having resilience in key areas

- Ensuring appropriate actions continue to be put in place to enable the challenges and financial impact of the fundamental changes regarding welfare reform to be suitably handled and monitored.

2.4.4 The Joint Committee also considered the Partnership's Risk Register, which includes items relating to the risk surrounding income from business rates, which presently remains red because there remains a risk in relation to subsequent appeals that may be received and reduce rates payable. The Register also continues to highlight the need to monitor the impact of Universal Credit on customers and grant income.

2.4.5 Discussion was held at the meeting on the priorities of the Revenues and Benefits service which highlighted the introduction of "Colleagues". This was linked to building talent within the organisation and achieving an excellent workforce to be able to carry on the good work and succession planning when certain officers reached retirement age or left the organisation.

2.4.6 The Joint Committee **resolved that:**

- 1. The progress in respect of the December 2019 Service Delivery Plan, be noted; and**
- 2. the revised Service Delivery Plan and Risk Register at Appendix B of the report, be approved.**

## 2.5 **Welfare reform update (agenda item 9)**

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

- a. Universal Credit (UC):** From 1 April 2019, the Department for Work and Pensions (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. Parliament is required to consider the outcome of the trial, which due to Covid-19, was temporarily suspended.

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

- b. **Discretionary Housing Payment (DHP):** For the 2020 to 2021 financial year, the DWP increased funding to offset the impact of private sector rents increasing above the Local Housing Allowance (LHA) rates used to calculate housing benefit. Spend continues to be within the grant provided by the DWP, and is forecast that all grant monies would be allocated to customers. 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'.

2.5.2 Further details are contained in the report at:

[Welfare Reform Report](#)

## 2.6 **Forthcoming issues (agenda item 10)**

2.6.1 A discussion was held at the meeting on the arrangements for Breckland Council taking the HR services in-house. The Joint Committee requested that the Operational Improvement Board should discuss the new arrangement.

## 3. **Minutes**

3.1 For further information on the discussions held at the Anglia Revenues and Benefits Partnership Joint Committee meeting on 8 December 2020, the draft minutes of the meeting may be viewed on Breckland District Council's website at the following link:

[Draft Minutes - 8 December 2020](#)