

Report of the Anglia Revenues and Benefits Partnership Joint Committee: 22 June 2021

Report number:	CAB/WS/21/029	
Report to and date:	Cabinet	20 July 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/21/029, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.**

1. Context to this report

1.1 On 22 June 2021, the Anglia Revenues and Benefits Partnership (ARP) Joint Committee met virtually where the following items of substantive business were discussed:

1. Anglia Revenues Partnership Service Delivery Plan and Risk Register
2. Performance Reports
3. Welfare Reform Update
4. Quarter 4 ARP Financial Performance 2020 to 2021
5. Forthcoming Issues.

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

2. Updates within this report

2.1 **Anglia Revenues Partnership Service Delivery Plan and Risk Register (agenda item 7)**

2.1.1 The Joint Committee considered a report, which provided an update on the 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 Service Delivery Plan Risk Register](#)

2.1.2 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 2021 to 2022 even though Covid-19 has affected levels 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 £680,000. Even though Covid-19 led to the suspension of courts which has reduced the recovery in 2020 to 2021, the achievement is commendable considering the circumstances. Recovery in 2021 to 2022 is expected to reach the levels seen in previous years.
- The Fraud team's work, also jointly funded by the County Councils, identified over £2.3 million in fraud and error last year even with the restrictions caused by Covid. The team are on target to achieve similar values in 2021 to 2022.

2.1.3 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 use of ARP's enforcement services to collect parking debts following East Suffolk's and West Suffolk's move to Civil Parking Enforcement
- The successful handling of administering the Covid-19 business support grants and self-isolation payments
- Succession planning following as a result of two key members of the Senior Management Team recently retiring
- The progression of the Customer Journey Programme
- A review of the Council Tax Support Schemes for each partner council which should help to streamline the process for potential claimants
- The overall ARP budget for 2021 to 2022 is lower than in 2020 to 2021 due to savings in salaries and increased income from the enforcement team

2.1.4 The Joint Committee 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:

- The development of digital online solutions. Self service offers customers accessible services inside and outside opening hours.
- 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.

2.1.5 The Joint Committee also considered the Partnership's Risk Register, which showed that all elements within the register have reached their target scores. The appeals from hospitals for business rate relief has been withdrawn, and the impact of Covid-19 is being sufficiently managed and all staff are able to work remotely. The Register also continues to highlight the need to monitor the impact of Universal Credit on customers and grant income.

2.1.6 Discussion was held at the meeting on the impact of the pandemic on services but the intensity of the impact was continuing to lessen. Recognition was also given to the withdrawal of the potential appeals from hospitals for business rate relief from the risk register, which, if such appeals have progressed, could have had significant financial implications for the partnership.

2.2 Performance Report: January 2021 (agenda item 8)

2.2.1 a. Joint Committee performance report: March 2021

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 4 March .pdf \(breckland.gov.uk\)](#)

[Performance Report 2021-22 Qtr 1 April.pdf \(breckland.gov.uk\)](#)

The reports indicated that when considering performance as a whole for all partner councils, all targets for the 2020 to 2021 financial year and in Quarter 1 of 2021 to 2022 in respect of the following categories:

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

2.2.2 In respect of West Suffolk Council's individual performance, all targets had been met for the 2020 to 2021 financial year in respect of the following categories:

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

2.2.3 Attention was drawn to the service updates:

- 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 and amounts collected by the team have risen back to normal levels by the end of the financial year, the amounts collected remained below the levels achieved in 2019 with £3.9 million collected by 31 March 2021 compared to £6.3 million in 2019 to 2020. ARP continue to try and engage with customers offering long term payment arrangements and assisting customers where possible. The team had also taken on the collection of parking fines for East Suffolk and West Suffolk.
- Further recovery:** With effect from March 2020 all recovery actions were temporarily suspended due to Covid-19 until summer 2020. While actions had recommenced, this action had resulted in income amounting to £680,000 in total for 2020 to 2021 year compared to £1.37 million for 2019 to 2020. ARP has £2.060 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 continuation of administering business grants and the preparation for the new financial year has been a challenge; however, the additional work is being handled efficiently and effectively.

As a result of the Chancellor of the Exchequer's budget announcements on 3 March 2021, and in particular support provided to businesses during the 2021 to 2022 financial year, the retail, hospitality and leisure relief would be extended into the 2021 to 2022 financial year but from 1 July 2021 would be reduced to 66 percent. Rate relief for children's nurseries was similarly extended. Revised bills will be issued in June 2021 to reflect the changes.

Several businesses have raised appeals with the Valuation Office against their rateable values on the basis that Covid has affected the value. The Government has passed legislation which has meant these reductions cannot be considered and has announced that they will fund further discretionary rate relief to those businesses affected. Further guidance is awaited on this matter

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).

- d. **Council tax:** As expected Covid-19 has had an impact on collection despite the application of hardship fund payments to eligible accounts. 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.

ARP has sent two rounds of 'soft reminders' which have had a positive effect on collection. The magistrates' courts have now re-opened and hearing dates have been booked for the new year.

Demand for council tax billing continues to be significantly greater than last year, largely because of the direct impacts of the pandemic.

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 has provided increased flexibility in the use of ARP's resources and has supported the reduction in outstanding work.

A new statutory provision called 'Breathing Space' is being introduced on 4 May 2021. This gives debtors a 60 day moratorium from recovery action for their debts. Preparations are being made to ARP's processes and systems to ensure compliance with the new legislation.

- e. **Benefits:** Both Council Tax Support and Benefits performance has achieved targets, despite the increased demand attributed to Covid-19.

ARP continues to see significant increases in claims 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 ARP 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. As at 31 March 2021, the introduction of the tolerance rule has reduced the number of council tax support re-assessments resulting from DWP UCDS records by 32 percent, which is in line with the modelling undertaken during the consultation.

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 ensure the fund for each partner council is not overspent.

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, especially with the substantial increase in infections over the winter, linked to the third national lockdown. The scheme has now been extended to end on 30 June 2021 and now includes provision for parents of school age children required to self isolate being able to apply for a payment.

- f. **Fraud and compliance:** The fraud team, having had a successful prosecution regarding tenancy fraud, continue to work with social housing providers in an attempt to expand the commercial aspect of their investigation service.

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.

Both Norfolk and Suffolk County Councils have committed to continue providing funding for fraud and compliance work until March 2022, 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. A number of sanctions have now been conducted using this process.

- g. **ARP systems and digital:** The annual billing process for 2021 to 2022 has recently been completed. The team has worked exceptionally hard to adapt to the changes required at short notice as a result of the impacts of Covid-19. Interpreting the changes whilst ensuring bills were issued in a timely manner was paramount. This included the exceptional commitment of the teams to make Non-Domestic Rate amendments at very short notice following announcements made in the Chancellor's budget. Late amendments to the CTS hardship payments for 2021 to 2022 where excess allowance was available, and credit should be given to the combined effort across the partnership to achieve this.

Reviews will continue with Capita on portal and form developments and implementing 'change of address' automation.

- 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 has been completed. This showed there was a gap between the information ARP hold about service delivery, and how consolidated and easily accessible that information is to the wider team. The Customer Strategy Team (CST) is helping to make the partnership's performance framework even more focused on customer delivery;

from these metrics CST will be able to prioritise change projects it wants to sponsor within the revenues and benefits partnership. CST also proposed a new remit (approved by the Operational Improvement Board in October 2020) which mandated that it is now the central point of reference for any proposal or project that affects or seeks to change the way customers interact with the shared revenues and benefits service.

2.2.4 Discussion was specifically held at the meeting on a number of topics including the target number of days for responding to customer complaints; and the process involved following the customers' submission of their online forms.

2.3 **Welfare reform update (agenda item 9)**

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

2. **Universal Credit (UC):** From 1 April 2019, the Department for Work and Pensions (DWP) was awarded a 12 month (extended to the 2021 to 2022 year) 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 review of the Citizens' Advice Help to Claim service but have confirmed the Citizens' Advice arrangement will continue into the 2021 to 2022 year, with a review underway for provision from 2022.

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. Members were updated at the meeting that the 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, had recommenced following its temporary suspension due to Covid-19. Parliament is required to consider the outcome of the trial.

- 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. Funding for 2021/2022 has returned to 2019/2020 levels, despite concerns the pandemic will increase demand throughout this year. ARP are in close conversations with individual Housing teams to plan, profile and monitor demand and expenditure to meet requirements to ensure full spend, but not to exceed funding levels, given a budget does not exist to top up.
- 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.
- 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 2021:** The Government has confirmed an end to the four year benefit uprating freeze in 2020. From April 2021, all benefits increased by the September 2020 Consumer Price Inflation (CPI) measure, which equates to 0.5 per cent for the state pension rising by 2.5 per cent due to the 'Triple Lock' (lower of CPI, average earnings or 2.5 percent).

2.3.2 Further details are contained in the report at:

[Welfare Reform Report](#)

2.3.3 Discussion was held at the meeting on the awarding of the DWP funding contract to Citizens' Advice being extended into 2021 to 2022, and the implications of this.

2.4 **Quarter 4 ARP Financial Performance 2020 to 2021 (agenda item 10)**

2.4.1 The Joint Committee **noted** the financial performance report which presented the financial outturn position against the ARP 2020 to 2021 budget.

The actual outturn showed an overspend against budget of £551,373 (5.62 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. Less income than forecast had been generated by the enforcement agency and had a significant effect on the budget; however, this had been off-set by savings in other areas.

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 have been retained by each authority and will help to offset the overspend within ARP and 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.

- 2.4.2 An update was also provided on the remaining transformation funding which had been set aside in previous years. £97,000 has been earmarked for projects in progress in 2021 to 2022 and there is a further £133,000 available for future transformation projects.
- 2.4.3 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. The reserve was fully utilised in 2020 to 2021 due to additional IT requirements for homeworking although the balance was not sufficient to cover all costs and additional spend is included in the supplies and services total.
- 2.4.4 The table below shows the share of the ARP overspend for each partner alongside the Covid-19 income compensation to be retained by each authority:

	ARP overspend (£,000)	Enforcement income claim (£,000)
Breckland	77	(88)
East Cambs	28	(41)
East Suffolk	245	(214)
Fenland	100	(86)
West Suffolk	101	(113)
Total	551	(542)

The variation in cost share reflects that the main overspend is from lost enforcement income and the percentage shares for this area are based on the enforcement caseloads as per the ARP agreement.

- 2.4.5 The reasons for other specific variances, together with other details, are contained in the report at:

[ARP Financial Outturn Report 2020-2021](#)

Appendix 1:

[Appendix 1 for Q4 ARP Financial performance 2020-21.pdf \(breckland.gov.uk\)](#)

- 2.4.6 The Joint Committee acknowledged that the overspend in the overall budget was due to the lack of enforcement income and discussion was held on the impact on the budget in 2021 to 2022. Quarterly updates would be provided to members at future meetings throughout the year.

- 2.4.7 The Joint Committee **resolved: That**

- 1. the report and appendix be noted; and**
- 2. the final full year variance as at 31 March 2021 be shared between the partner authorities in the approved shares.**

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

- 2.5.1 Members were informed that ARP had successfully appointed to the post held by a senior officer who retired earlier in the year. The new post holder would commence employment early in September 2021.

3. **Minutes**

- 3.1 For further information on the discussions held at the Anglia Revenues and Benefits Partnership Joint Committee meeting on 22 June 2021, the draft minutes of the meeting may be viewed on Breckland District Council's website at the following link:

[Printed minutes 22nd-Jun-2021 11.00 Anglia Revenues and Benefits Partnership Joint Committee.pdf \(breckland.gov.uk\)](#)

4. **Background papers**

- 4.1 Breckland DC Website:

[22 June 2021](#)