

# Report of the Anglia Revenues and Benefits Partnership Joint Committee: 7 December 2021

<b>Report number:</b>	<b>CAB/WS/22/002</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	8 February 2022
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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/22/002, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.**

## 1. Context to this report

1.1 On 7 December 2021, the Anglia Revenues and Benefits Partnership (ARP) Joint Committee met where the following items of substantive business were discussed:

1. Joint Committee Service Plan and Risk Register Report
2. Performance Report
3. ARP Financial Performance 2021 to 2022
4. Welfare Reform Update
5. ARP Budget Setting 2022 to 2023
6. Forthcoming Issues
7. Exempt Item: Norwich Fraud Services – Section 113 Agreement

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

## 2. Updates within this report

### 2.1 **Joint Committee Service Plan and Risk Register Report (Agenda item 5)**

2.1.1 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 – Delivery Plan](#)

[Appendix B - Risks](#)

2.1.2 The Joint Committee noted that ARP had seen significant success in 2021 to 2022, including (briefly):

- The housing benefit and council tax services support new claims and changes, and are meeting targets in 2021 to 2022 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 £680,000 last year (which was down significantly on previous years due to the pandemic). This year, and while still feeling the ongoing impact of COVID-19, as at 31 October 2021 the further recovery officers have already secured over £793,000 which the Joint Committee agreed is commendable considering the circumstances.
- The fraud teams work, also jointly funded by the County Councils, identified over £2.3 million in fraud and error last year. Even with the

restrictions caused by COVID-19, the team are on target to achieve even higher values in 2021 to 2022.

- The success of the enforcement team continues, taking on car parking debt on behalf of East and West Suffolk Councils in April 2021 and continuing work with South Norfolk and Norwich.
- COVID business rate reliefs (100 percent until the end of June 2021) had all been successfully applied to relevant accounts when the annual billing process was undertaken. Accounts were then updated with 66 percent relief and rebilled for the rest of the year.
- In September 2020, the Department of Health and Social Care (DHSC) introduced a self isolation payment support scheme to be administered by local authorities, which was subsequently extended to March 2022. ARP has secured administration funding from the three County Councils to assist with the administration of additional County initiatives and reduce the impact on business as usual activities due to demand.
- ARP obtained approval from the Department for Levelling Up, Housing and Communities (DLUHC) to roll over underspends from the COVID hardship fund into the 2021 to 2022 year, allowing a discount off new year bills for every working age council tax support customer. Residual funds are available to make further exceptional hardship payments.
- In collaboration with each partner's Housing teams, ARP ran a campaign throughout the summer 2021 to bring empty homes back into use, resulting in a 40 percent reduction in unoccupied homes. The campaign complemented ongoing work undertaken by ARP throughout the year.

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
- The success of the introduction of a generic Council Tax Billing Officer role, which provides flexibility and resilience whilst increasing skills of staff.
- The overall workload across the council tax, benefits and NNDR services has increased by 130 percent since 2017 with a 31 percent increase seen as a result of the impact of the pandemic in 2020. Hereditaments had also steadily increased over the past four years.
- Issues relating to work with Norwich City Council.
- The organisational restructure of ARP following the retirement of two Strategic Managers.
- The administration of COVID-19 self-isolation payments. The scheme has now been extended to March 2022.
- The draft budget for 2022 to 2023 has met requirements with efficiency targets being met. Nevertheless, the budget has risen due

to the 1.25 percent increase in National Insurance from April 2022 (see section 2.5 below)

2.1.3 The Joint Committee has reconsidered the strategic direction for the ARP (as previously reported to Cabinet in January 2021) and the Service Delivery Plan seeks to detail actions to achieve the visioning detailed in the report. In 2022 to 2023, emphasis will be placed on:

- Continuing to provide and develop the offer of online facilities to enable better use of self-serve, which in turn releases existing resource to help those unable to self-serve.
- Investing time and resource into developing automated processes to deliver savings and to streamline the customer experience with the aim of maximising the use of secure data share to design ARP's services.
- To be selected to participate in an enhanced data share Cabinet Office pilot which would enable ARP to receive employer details held by the Department of Work and Pensions (DWP and Her Majesty's Revenue and Customs (HMRC) for the purpose of council tax debt recovery.
- Continuing to influence national initiatives such as Universal Credit and business rates reform.
- 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.

2.1.4 The Joint Committee also considered the Partnership's Risk Register, which continues to highlight the need to monitor the impact of Universal Credit on customers and grant income.

2.1.5 A four-year business plan, to complement the annual service plan, is currently in development with members. Approval by the Joint Committee for the business plan is expected to be sought in March 2022, for implementation from April 2022.

2.1.6 Discussion was held at the meeting on the risks associated with cyber security and the mitigation measures in place to safeguard against potential cyber attacks. Discussion was also held on debt recovery, and in particular the point at which the recovery process is triggered.

2.1.7 The Joint Committee **resolved that:**

- 1. the progress in respect of the December 2020 Service Delivery Plan, be noted.**

**2. The revised Service Delivery Plan and Risk Register at Appendix B of the report, subject to strategic review, as outlined in the report, be approved.**

**2.2 Performance Report: October 2021 (agenda item 6)**

**2.2.1 a. Joint Committee performance report: October 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 2021-22 Qtr 3 October.pdf \(breckland.gov.uk\)](https://www.breckland.gov.uk/Performance-Report-2021-22-Qtr-3-October.pdf)

The reports indicated that when considering performance as a whole for all partner councils, all targets for the 2021 to 2022 financial year were presently being met 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 were presently being met for the 2021 to 2022 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:** ARP's enforcement agency visits are continuing with appropriate Personal Protective Equipment (PPE) and risk assessments in place. Amounts collected by the team have risen back to near normal levels. ARP continue to try and engage with customers offering long term payment arrangements and assisting customers where possible. As at 31 October 2021, £442,596 had been collected compared to £282,112 at the same point last year. The collection of parking fines for East Suffolk and West Suffolk continue to remain positive.
- Further recovery:** As at 31 October 2021, collection was £774,967 which was £434,687 more than for same point last year. It is now at a similar level to the 2019 value where £790,702 had been collected at the same point in that year.

- c. **Non-domestic rates:** Work is progressing to commence the reviews on Small Business Rate Relief (SBRR) reductions which have now commenced on a rolling basis. Reviews of discretionary reliefs have been issued. Volumes of work are stable; however, the return of relief reviews may impact over the next few months. Information on business support that was announced in the 2021 Spring Budget is still awaited. This will involve administering local discretionary schemes for businesses that had been adversely affected by the pandemic but as yet, had received no financial support.
- d. **Council tax:** Demand for council tax billing continues at very high levels due to the effects of COVID-19 with a significant proportion being due to people moving home. However, outstanding work continues to be below the peaks previously experienced which can be attributed to the project to introduce generic Council Tax Billing Officers. This provides 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 and has provided increased flexibility in the use of ARP's resources.

In the 2020 to 2021 financial year, formal recovery proceedings were delayed and some customers had sought extensions into the 2021 to 2022 financial year. This may impact on this year's collection and the situation will be closely monitored.

The amount of recovery work remains significant due to the delays caused in 2020 due to the onset of the pandemic.

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

ARP continues to see significant increases in demand, particularly increases in change of addresses and continue to utilise generically trained staff to focus resource where it is most needed.

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 and has now been extended to end on 31 March 2022.

- f. **Fraud and compliance:** The fraud team are now visiting domestic (unoccupied) and business premises with appropriate COVID safety measures in place. Desk based fraud and compliance work continues, which is undertaken by fraud team officers working from home. Face-to-face interviews with customers under caution are hoping to resume by the end of 2021/early 2022.

Work has been continuing to extend the Fraud and Compliance work of East Cambridgeshire and Fenland District Councils to the

Cambridgeshire Fraud Hub with both councils approving a business case to allow this element of the project to move forward. This in turn would generate fraud-related savings for the partnership.

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.

The fraud and compliance team have yet again had an exceptional start to the new financial year in terms of identifying customer fraud across the partnership.

- g. **ARP systems and digital:** Work is progressing with Capita to review their digital product where it is currently being utilised by other local authorities to gain feedback from a wider group of Capita users. Knowledge and experiences are being shared, which will potentially benefit ARP in the future.

Work volumes with both System Administration and Electronic Document Management System (EDMS) have been quite high but a strong plan of priorities has been devised to ensure resources can meet expectations and demands.

- h. **Better Customer Journeys Programme:** Through the Better Customer Journeys Programme, ARP is continuing to improve the customer experience through the automation project or streamlining processes, which in turn is helping to make self-service the customer-preferred option.

The new online council tax change of address service is now live for all partners, following testing with customer service teams. Customer take-up is above expectations with 40 percent of customers currently using the facility against an anticipated 30 percent, which is testament to excellent work with customers and the effectiveness of the new online form. The project team is now investing resources to implement automation, working closely with Capita to ensure it fulfils its potential.

During October 2021, implementation of the Universal Credit Data Share (UCDS) commenced with the first payment file automation, which will improve processing speeds and the customer experience.

- 2.2.4 Discussion was specifically held at the meeting on a number of topics including requesting further detail on the proposed plan priorities of the System Administration and EDMS; and the positive upturn in collection rates despite the continuing challenges and uncertainties associated with the pandemic.

## 2.3 **ARP Financial Performance 2021 to 2022 (agenda item 7)**

- 2.3.1 The Joint Committee **noted** the financial performance report which presented the forecast full year financial position against budget for the ARP.

The forecast at this stage shows a small underspend against budget of £61,581(0.64 percent) for the whole of the partnership. The reasons for the specific variances, together with other details, are contained in the report at:

[ARP Financial Performance 2021 to 2022](#)

[Appendix 1](#)

- 2.3.2 An update was also provided on the remaining transformation funding which had been set aside in previous years. £96,633 has been earmarked for projects in progress in 2021 to 2022 and there is a further £133,000 available for future transformation projects.
- 2.3.3 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.
- 2.3.4 The Government has continued the grants to local authorities to offset the losses from sales fees and charges income for the first quarter only of 2021 to 2022. Authorities are expected to absorb the initial five percent of lost income against budget and after that the grant will provide 75 pence in every pound of lost income. Due to the profiling of income received, ARP has been able to claim for some enforcement-related income under this scheme for each partner.
- 2.3.5 The Joint Committee considered a proposal to distribute the end of year variance between the partner authorities in the approved shares.
- 2.3.6 The table below shows the share of the forecast outturn for each partner based on the Joint Committee constitutional agreement and income compensation expected to be retained by each authority; however, this would be amended to reflect the final values at the end of March 2022.

	<b>Forecast outturn</b>	<b>Enforcement income</b>
Breckland	(£11,017)	(£14,374)
East Cambridgeshire	(£7,128)	(£6,599)
East Suffolk	(£18,814)	(£23,591)
Fenland	(£8,204)	(£13,220)
West Suffolk	(£16,417)	(£17,202)
<b>Total</b>	<b>(£61,580)</b>	<b>(£74,986)</b>



2.3.7 The Joint Committee **resolved that:**

1. **The report and appendix be noted.**
2. **The final full year variance at 31 March 2022 be shared between the partner authorities in the approved shares.**

2.4 **Welfare reform update (agenda item 8)**

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

- a. **Universal Credit (UC):** Although the Department for Work and Pensions (DWP) are yet to publish a review of the Citizens' Advice Help to Claim service, they have confirmed the Citizens' Advice arrangement will continue into the 2021 to 2022 year, DWP had however, requested expressions of interest from public, private and voluntary sectors to deliver a digital and telephony 'Help to Claim' service from April 2022, with a formal bidding process now underway. DWP intended to take responsibility back from Citizens' Advice for face-to-face assistance.

The Customer Services Team, comprising partners' Heads of Customer Service support ARP's view that the best fit for residents would be for DWP to take full responsibility for helping customers to claim UC, a benefit they administer. To provide a seamless service DWP could utilise their existing digital and telephony capability to provide assistance to supplement their face-to-face Job Centre capability.

In addition, the DWP was launching a Universal Credit awareness campaign to encourage eligible customers to voluntarily transfer to claiming Universal Credit; however Ministers were advocating caution when advising customers as voluntary customers would not receive the transitional protection which would be afforded to managed customers.

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 to 2.1.13 and 2.2 of the report, and which were duly noted by the Joint Committee. This included confirmation that the temporary increase in UC rate by £20 a week as a response to the COVID-19 pandemic, had again been extended to 6 October 2021 and it is confirmed that this uplift has now ended. To help those particularly affected by the gap left by the removal of the uplift, the Chancellor announced that the taper for UC would be reduced from 63 pence to 55 pence per pound and this will take effect from 24 November 2021 and was expected to benefit approximately 1.9 million families.

- 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 to 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.

Funding for 2021 to 2022 was allocated in two parts with £100 million provided at the start of the year with a further £40 million allocated in September 2021.

- 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.

The Benefits Service continues to work with colleagues in Customer Service and the Housing Options teams to seek to avoid homelessness and assist with 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 percent for the state pension rising by 2.5 percent due to the 'Triple Lock' (lower of CPI, average earnings or 2.5 percent).

2.4.2 Further details are contained in the report at:

[Welfare Reform Report](#)

2.4.3 Discussion was particularly held at the meeting on the DWP's encouragement of voluntary migration to Universal Credit and ARP's handling of those customers that could be temporarily worse off as a result; and the general operation of Citizens Advice and their present role in the 'Help to Claim' service.

2.5 **ARP Budget Setting 2022 to 2023 (agenda item 9)**

2.5.1 The Joint Committee considered a [report](#) which sought approval for the partnership budget for 2022 to 2023.

2.5.2 When the budget was set for 2021 to 2022, an efficiency target of £220,000 was included to be achieved from 2022 to 2023 and this has been achieved in full. There are no further targets included in this budget; however, where new opportunities arise for savings or additional income these will be considered and built into the budget where appropriate.

2.5.3 In setting the budget the following key assumptions have been made:

- A pay award of two percent each year
- A vacancy factor of 2.5 percent in all years
- No inflation of general non contracted supplies and services

2.5.4 The overall budget shows an increase of £250,000 (2.6 percent) when compared to 2021 to 2022. Behind this value are:

- Increased salary costs because of higher National Insurance (NI) contributions (£121,000), annual pay increases, salary increments and living wage pressures (offset by the efficiency achieved)
- Reduced travel costs and allowances through increased home working
- Unavoidable inflationary increases on contracts (that is, software and licences)
- A reduction in three of the partners costs share as a result of reduce space rented at Breckland House due to increased home working

2.5.5 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.

2.5.6 [Appendix A](#) sets out the proposed budget for 2022 to 2023, with indicative budgets for the following two years, as illustrated in the table below:

2.5.7

Description	<b>2022 to 2023 Budget £</b>	<b>2023 to 2024 indicative £</b>	<b>2024 to 2025 indicative £</b>
Employee costs	9,946,701	10,231,235	10,516,400
Premises costs	176,672	177,529	178,404
Transport costs	82,194	82,742	83,295
Supplies and services	1,797,512	1,840,936	1,885,604
Support services	506,076	516,615	527,393
Income	<b>(2,601,106)</b>	<b>(2,598,096)</b>	<b>(2,615,280)</b>
<b>Total partnership costs</b>	<b>9,908,049</b>	<b>10,250,961</b>	<b>10,575,817</b>

2.5.8 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.

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

	<b>2022 to 2023 £</b>	<b>2023 to 2024 indicative £</b>	<b>2024 to 2025 indicative £</b>
West Suffolk	2,335,817	2,415,719	2,491,514

- 2.5.10 The Joint Committee thoroughly considered the budget for 2022 to 2023 and asked several questions of officers, particularly in relation to the increase in salary costs, which was largely due to the increase in NI contributions; and how opportunities to generate savings and income will be explored to try and mitigate the impacts of the increase salary costs.
- 2.5.11 The Joint Committee **resolved: That the Partnership Budget at Appendix A for 2022 to 2023, be approved.**

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

- 2.6.1 No forthcoming issues were reported on this occasion.

## 2.7 **Exempt item: Norwich Fraud Services – Section 113 Agreement**

- 2.7.1 Approval was sought in private session for a Section 113 Agreement with Norwich City Council which would enable ARP to continue providing the City Council with fraud services.
- 2.7.2 Upon consideration, the Joint Committee requested further detailed information regarding income generation for the Anglia Revenues Partnership.
- 2.7.3 The Joint Committee **resolved that the item be deferred until the next meeting.**

## 3. **Minutes**

- 3.1 For further information on the discussions held at the Anglia Revenues and Benefits Partnership Joint Committee meeting on 21 September 2021, the draft minutes of the meeting may be viewed on Breckland District Council's website at the following link:

[Minutes](#)

## 4. **Background papers**

- 4.1 Breckland DC Website:

[7 December 2021](#)