

# Report of the Anglia Revenues and Benefits Partnership Joint Committee: 20 December 2022

<b>Report number:</b>	<b>CAB/WS/23/002</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	7 February 2023
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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/23/002, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.**

## 1. Context to this report

1.1 On 20 December 2022, the Anglia Revenues and Benefits Partnership (ARP) Joint Committee met where the following items of substantive business were discussed:

1. Performance report: September 2022
2. Welfare reform update
3. ARP financial performance report 2022/2023
4. ARP Joint Committee partnership budget 2023/2024
5. Joint Committee service plan and risk register report
6. Forthcoming issues
7. Exempt item: partnership working through section 113 agreement – Broadland and South Norfolk fraud services
8. Exempt item: partnership working through section 113 agreement – Lincolnshire fraud services

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

## 2. Updates within this report

2.1 **Performance report (agenda item 5)**

2.1.1 **a. Joint Committee performance report: September 2022**

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 2022-2023 Q2 Sept 2022.pdf \(breckland.gov.uk\)](#)

The reports indicated that when considering performance as a whole for all partner councils, almost all targets for the 2022 to 2023 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

2.1.2 In respect of West Suffolk Council's individual performance, with the exception of council tax collection, all targets were presently being met for the 2022 to 2023 financial year in respect of the following categories:

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

The council tax collection rate was currently narrowly below target; the situation was being closely monitored.

2.1.3 Attention was drawn to the service updates:

- a. **Enforcement:** As at 30 September 2022, the total collected for the 2022 to 2023 financial year to date was £2,131,999 debt with an additional £524,649 in fees, which was currently below target. Due to the energy rebate awards and the cost of living impact, significantly fewer cases have been through the recovery process this year both from the partnership councils and those that ARP provide this service on a section 113 agreement basis. The position will continue to be monitored.
- b. **Further recovery:** Collection as at 30 September 2022 has strongly continued with £497,490 being collected to date.
- c. **Council tax:** Demand for council tax billing continues at very high levels 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 and has provided increased flexibility in the use of ARP's resources.

Collection is slightly behind target as the end of quarter 2. The additional Council Tax Energy Rebates paid has had a beneficial effect; however, the position will be closely monitored in light of the wider economic position.

News remained awaited on the return of information from His Majesty's Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP) in relation to a Cabinet Office pilot to share data to provide information, there had been disappointing news. HMRC will not release all of their data on cases unless a date of birth or National Insurance number is known. This means that there are a substantial number of cases to progress.

Government guidance was met to pay the £150 Council Tax Energy Rebate to all direct debit customers by the end of April 2022 and by the end of June 2022, ARP had paid 100 percent of main scheme payments. The main scheme ended on 30 September 2022; however, the discretionary scheme ran until 30 November 2022 and all options have been discussed between partners to ensure the allocation is fully spent.

- d. **Benefits:** Both council tax support and benefits performance has achieved targets, despite increased demand.

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.

The 2022 to 2023 changes to the Council Tax Support scheme had been successfully implemented. The increase in the tolerance rule had been particularly beneficial, streamlining the scheme with less requirement for evidence and longer term steady awards which enables customers to manage their own finances more easily.

- e. **Non-domestic rates:** Overall collection across the partnership has generally exceeded target. Work is continuing on the reviews on Small Business Rate Relief (SBRR) reductions which have now commenced on a rolling basis. The COVID-19 Additional Relief Fund (CARF) scheme ended on 30 September 2022 with over £17.6 million being allocated to eligible local businesses across the partnership.
- f. **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.

The Systems team have focussed heavily on the implementation of the Council Tax Energy Rebate Scheme. The process for the main scheme continued into May 2022 and by the end of June 2022, on behalf of the partners, ARP was placed in the top four percent of authorities across the country that had successfully administered 100 percent of the main scheme which ended on 30 September 2022. Work is continuing on processing applicants to the discretionary scheme which runs until 30 November 2022.

- g. **Fraud and compliance:** 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 for two years from April 2022.

Reviews of the Fraud Service at Broadland and South Norfolk District Councils have been undertaken on a consultancy basis by officers of

the ARP. This may allow opportunities to extend this offer to other partners.

- h. **Better Customer Experience Programme:** Customer take-up for the online council tax change of address service is above expectations with around 45 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 outlining the automation of direct debit submissions which will complement the change of address service already on offer.

The report outlined additional specific automation and digital measures in place, and being explored, which all aim to improve the customer experience.

- 2.1.4 Discussion was specifically held at the meeting on a number of topics with specific reference given to recognising the overall strong performance being achieved by all partners in all categories; fraud and compliance work; council tax and business rate collection performance; and the methodology used for setting the partnership's targets.

## 2.2 **Welfare reform update (agenda item 6)**

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

- a. **Universal Credit (UC):** It was announced at the end of January 2022 that the Help to Claim scheme has been renewed for a further year. Ministers confirmed that Citizens Advice will continue to deliver independent support and from April 2022 and that the support will be provided through telephony and digital channels. Individuals who are unable to access support via these channels will be supported by the local jobcentres.

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.

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 2.1.14 and 2.2 of the report, and which were duly noted by the Joint Committee. This included that in May 2022, DWP announced that the first two UC migration trial sites would be Bolton and Medway. During the trial there was more focus on customers moving over independently and a test and learn approach will continue. It is understood that 500

claimants will be written to and given three months to make a claim for Universal Credit.

The three-month deadline for the trial ran into the second week of August 2022 with one-month extensions given. A further 250 letters were issued in July 2022 trialling a different approach and the trial has been expanded into Cornwall. Harrow and Northumberland have now joined the pilot.

It was announced in the Autumn Statement in November 2022 that plans to continue to move across 2.5 million cases to UC will continue but the move of a further one million customers currently in receipt of Employment and Support Allowance will be delayed until 2028.

- b. **Discretionary Housing Payment (DHP):** Funding for 2022 to 2023 is being allocated in two allocations with national funding of £100 million in April 2022 and £2 million mid-year, a reduction of £38 million overall (27 percent). ARP is working closely with Housing teams and other stakeholders to devise a process to help manage the reduced budget to assist customers with shortfalls in their rent.
- c. **Benefit cap:** From April 2023, the maximum family income before the benefit cap applies will rise from £20,000 to £22,020 (from £13,400 to £14,753 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 2022:** The Government ended the four year benefit uprating freeze in 2020. However, the link between pensions and the 'Triple Lock' was severed in September 2021 because of wage inflation. Instead in 2022 to 2023, the state pension will rise in line with the highest inflation rate or 2.5 percent. The Consumer Price Inflation (CPI) rate for September 2021 is historically the figure used, reported at 3.1 percent. This figure has risen considerably since then and it was announced in the Autumn Statement in November 2022 that from April 2023, the state pension and other benefits would increase by 10.1 percent in line with inflation. The 'Triple Lock' will also resume.

- f. **Homes for Ukraine scheme:** DWP confirmed in circular A4/2022 that there will be no impact on housing benefit for anyone entering into the Homes for Ukraine scheme. As such, the £350 'thank you' payment will be disregarded as income and there would be no non-dependant deductions applied. The same disregards are also covered in the prescribed Local Council Tax Reduction scheme for pensioners and ARP has provisions in all the partners' Local Council Tax Support schemes for working age customers to disregard such payments.

2.2.2 At the meeting, a number of questions were asked, particularly in relation to the partners' financial support (if any) to Citizens' Advice. The report was duly noted.

2.2.3 Further details are contained in the report at:

[Welfare Reform Report](#)

## 2.4 **ARP forecast financial performance (agenda item 7)**

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

The forecast as at 31 October 2022, showed an overspend against budget of £761,163 (7.68 percent) for the whole of the partnership, with approximately £515,000 of this relating to the national pay award. The flat rate award of £1,925 per employee has had an adverse impact on the budgeted award of two percent. The Joint Committee is being kept abreast of mitigation measures to address this and other cost pressures. Other reasons for the specific variances, are contained in the report at:

[ARP Forecast Financial Performance Report](#)

[Appendix 1](#)

2.4.2 Appendix 1 also provides details on the remaining transformation funding which was set aside in previous years from below budget spend and grant funding. £47,000 is earmarked for projects in progress or due next year and there is a further £96,000 available for future transformation projects. The appendix also provides detail on the values held and earmarked in the ICT reserve, which was introduced to smooth the financial effects of major ICT spend.

2.4.3 The table below shows the share of the forecast outturn for each partner based on the Joint Committee constitutional agreement; however, this will change for the final values at the end of March 2023:

	<b>Actual outturn (£)</b>
Breckland	142,102
East Cambridgeshire	68,434
East Suffolk	272,655
Fenland	107,039
West Suffolk	170,933
<b>Total</b>	<b>761,163</b>

2.4.4 Discussion was specifically held at the meeting on a number of topics including the details for the variances outlined in Appendix 1 with particular reference to suppliers and services costs.

## 2.5 **ARP Joint Committee partnership budget (agenda item 8)**

2.5.1 The Joint Committee considered a [report](#) which sought approval for the partnership budget for 2023 to 2024.

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

- A pay award of three percent for 2023 to 2024, followed by two percent in future years
- A vacancy factor of 2.5 percent in all years
- No inflation of general non contracted supplies and services
- Retail Price Index (RPI) inflation on contracts

2.5.3 The overall budget shows an increase of £674,000 (6.8 percent) when compared to 2022 to 2023. This is a higher increase than usual largely due to national economic inflationary pressures. Behind this value are:

- Increased salary costs of £451,000 due to the national pay award levels allocated in 2022 to 2023 and an increased assumption in 2023 to 2024
- The inclusion of a £100,000 savings target for 2023 to 2024
- Unavoidable inflationary increases of £60,000 on suppliers and services costs
- A reduction of £12,000 for support services which is largely due to reduced postage costs for franked mail
- A reduction in income of £55,000 for additional rechargeable work

2.5.4 [Appendix 1](#) sets out the proposed budget for 2023 to 2024, with indicative budgets for the following two years, as illustrated in the table below:

Description	<b>2023 to 2024 Budget £</b>	<b>2024 to 2025 indicative £</b>	<b>2025 to 2026 indicative £</b>
Employee costs	10,575,514	10,756,365	11,006,106
Premises costs	185,902	183,276	183,316

Transport costs	86,767	87,943	89,270
Supplies and services	1,901,112	1,949,826	2,018,891
Support services	485,515	499,277	516,904
Income	(2,652,663)	(2,650,663)	(2,659,663)
<b>Total partnership costs</b>	<b>10,582,147</b>	<b>10,826,023</b>	<b>11,154,824</b>

2.5.5 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.

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

	<b>2023 to 2024 £</b>	<b>2024 to 2025 indicative £</b>	<b>2025 to 2026 indicative £</b>
West Suffolk	2,523,919	2,583,588	2,664,901

2.5.7 The Joint Committee thoroughly considered the budget for 2023 to 2024 and subsequently **resolved: That the Partnership Budget at Appendix 1 for 2023 to 2024, be approved.**

## 2.6 **Joint Committee service plan and risk register report (agenda item 9)**

2.6.1 The Joint Committee considered a report, which sought approval for the revised Service Delivery Plan (Appendix A) and Risk Register (Appendix B), 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](#)

2.6.2 The Joint Committee noted that ARP had seen significant success in 2022 to 2023, including (briefly):

- At the end of June 2022:
  - The five ARP partner Councils were in the top four percent in England, and amongst only 11 authorities, out of 308, who had paid 100 percent of their main scheme payments.

- Out of the 45 councils in the East of England, ARP's five partners were the only councils to have paid 100 percent of the main scheme payments by the end of June.
- Delivered the COVID-19 Additional Relief Fund (CARF) scheme. In total, over £17 million of rate relief was provided to local eligible businesses prior to the end of September 2022.
- The housing benefit and council tax services support new claims and changes, and are meeting targets.
- 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 its best ever collection results of over £1,478,005 in 2021 to 2022. As at the end of September 2022, the further recovery officers have already secured over £497,490 which the Joint Committee agreed is commendable considering the current economic circumstances.
- The fraud teams work, also jointly funded by the County Councils, identified nearly £2.5 million in fraud and error last year, an increase on the previous year. The team are on target to achieve higher values in 2022 to 2023.
- In collaboration with each partner's Housing teams, ARP took a risk-based approach to target empty properties where data indicated occupation.

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
- The success of new telephone technology, which allows ARP to manage calls so 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 70 percent since 2018 with the largest increase seen as a result of the impact of the pandemic in 2020. Hereditaments had also steadily increased over the past five years.
- Issues relating to work with Norwich City Council.
- The organisational restructure of ARP following the retirement of two Strategic Managers.
- The administration of the Energy Rebate and CARF schemes
- The cost pressures on the budget for 2023 to 2024 can largely be attributed to higher than anticipated pay awards for 2022 and 2023, along with inflationary increases on supplier costs. An efficiency target has been set and ARP is working with its software supplier to further implement automation opportunities that will lead to future

efficiencies. Vacancies will be kept under review throughout the year which will help support achievement of the budget (also see section 2.5 above).

2.6.3 The Joint Committee has reconsidered the strategic direction for the ARP (as previously reported to Cabinet in January 2022) and the service delivery plan seeks to detail actions to achieve the visioning detailed in the report. In 2023 to 2024, 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. The development of the online portal, forms and automation will continue to be a priority.
- The Customer Strategic Team will focus on a new 'Contact Us' form to replace emails and the potential to move to e-PDF council tax bills.
- 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 His 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.

2.6.4 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. The impact of the rise in the cost of living and non-domestic rate property revaluation have also been added to the risk register.

2.6.5 A four-year business plan, to complement the annual service plan, was developed with members, which was subsequently approved by the Joint Committee in April 2022. It will be reviewed by the Joint Committee in March 2023.

2.6.6 Discussion was held at the meeting on the risks associated with fraudulent claims and the mitigation measures in place to safeguard against such activity.

2.6.7 The Joint Committee **resolved that:**

- 1. the progress in respect of the December 2021 service delivery plan, be noted.**
- 2. The revised service delivery plan and risk register at Appendix B of the report, be approved.**

2.7 **Forthcoming issues (agenda item 10)**

2.7.1 A discussion was held on staffing issues including retainment and workloads; and that more information on the forthcoming New Burdens funding was yet to be received however, this would be followed up.

2.8 **Exempt item: partnership working through section 113 agreement – Broadland and South Norfolk fraud services (agenda item 13)**

2.8.1 Approval was sought in private session for a section 113 agreement with Broadland and South Norfolk Councils which would enable ARP to continue providing these councils with fraud services.

2.8.2 Section 113 of the Local Government Act 1972 enables local authorities to enter into an agreement as follows:

“a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter for the purposes of their functions, on such terms as may be provided by the agreement, of the services of officers employed by the former, but shall not enter into any such agreement with respect to any officer without consulting him.”

2.8.3 This would be a separate arrangement to that of the five partner authorities that form Anglia Revenues Partnership; however, it would provide opportunities and benefits for the partnership. Such benefits will include creating greater resilience and generate further efficiencies which will support ARP’s Medium Term Financial Strategy. Furthermore, providing a fraud service to Broadland and South Norfolk Councils will add social value to the work of ARP and throughout Norfolk; that, in turn, might lead to other, similar approaches and opportunities.

2.8.4 A detailed discussion was held on the merits of the proposal and subsequently **resolved that:**

- 1. the first recommendation as listed in the report be approved.**
- 2. It be recommended to each partner authority that the third recommendation as listed in the report, be approved.**

2.9 **Exempt item: partnership working through section 113 agreement – Lincolnshire fraud services (agenda item 14)**

2.9.1 In line with the issues listed in paragraphs 2.8.2 and 2.8.3, approval was sought in private session for a section 113 agreement with Lincolnshire County Council and the seven district councils within the Lincolnshire district, which would enable ARP to provide these councils with single person discount fraud services.

2.9.2 A detailed discussion was held on the merits of the proposal and subsequently **resolved that:**

**1. the first recommendation as listed in the report be approved.**

**2. It be recommended to each partner authority that the third recommendation as listed in the report, be approved.**

2.9.3 In respect of seeking approval for the second recommendations listed in 2.8.5 and 2.9.2 above, under part 3 of West Suffolk Council's Constitution, which contains the approved Scheme of Delegation to Officers, this enables officers to make this decision, in consultation with the relevant portfolio holder, which in this case is Councillor Sarah Broughton, Portfolio Holder for Resources and Property. Following necessary discussions and negotiations required to complete the agreement, the actions required to exercise the relevant delegation will be undertaken accordingly.

2.9.4 The Cabinet is therefore requested to formally **note** the position set out in paragraph 2.9.3 above.

### **3. Minutes**

3.1 For further information on the discussions held at the Anglia Revenues and Benefits Partnership Joint Committee meeting on 20 December 2022, the draft minutes of the meeting may be viewed on Breckland District Council's website at the following link:

[Printed minutes 20th-Dec-2022 10.00 Anglia Revenues Benefits Partnership Joint Committee.pdf \(breckland.gov.uk\)](#)

### **4. Background papers**

4.1 Breckland DC Website:

[20 December 2022](#)