

Report of the Anglia Revenues and Benefits Partnership Joint Committee: 7 March 2023

Report number:	CAB/WS/23/020	
Report to and date:	Cabinet	11 April 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/23/020, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.

1. Context to this report

1.1 On 7 March 2023, the Anglia Revenues and Benefits Partnership (ARP) Joint Committee met where the following items of substantive business were discussed:

1. Performance report: December 2022
2. ARP forecast financial performance report
3. Welfare reform update
4. Forthcoming issues

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: December 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 Q3 Dec.pdf \(breckland.gov.uk\)](https://www.breckland.gov.uk/Performance-Report-2022-2023-Q3-Dec.pdf)

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, 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

Council tax collection was now back on target within a tolerance of one percent for quarter 3, which was being closely monitored.

2.1.3 Attention was drawn to the service updates:

- a. **Enforcement:** As at 31 December 2022, the total collected for the 2022 to 2023 financial year to date was £2,963,023 debt with an additional £743,630 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 31 December 2022 has strongly continued with £751,149 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 has reduced considerably over quarter 3. Ahead of annual billing, focus has been placed on moves which are currently being processed in less than two weeks on average.

Collection is slightly behind target as the end of quarter 3 due to the cost of living pressures; however, this is being 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 an exercise was undertaken to ensure full use was made of the discretionary payments. At the end of December 2022, the Government announced a new £100 million Council Tax Support Fund to help economically vulnerable residents with their council tax bills. Work has been undertaken with partners to agree a proposed approach for allocating monies to eligible residents and it is anticipated that the majority of allocations will be applied directly to the 2023 to 2024 council tax bill during annual billing.

- 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 review of each partner's Local Council Tax Reduction (LCTR) schemes has been completed with four partners retaining their current scheme and West Suffolk Council opting to increase the maximum LCTR for working age applicants to 100 percent for one year only.

- e. **Non-domestic rates:** Collection for West Suffolk Council is currently exceeding target. Work is continuing on the reviews on Small Business Rate Relief (SBRR) reductions which have now commenced on a rolling basis. Preparation has begun for the 2023 revaluation, which at the time of the Joint Committee meeting, a draft list had been received from the Valuation Office Agency.
- 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, which ended with the discretionary scheme which ran until 30 November 2022.

Preparations for the main billing process, which includes the council tax support fund allocations and the national non domestic rate property valuations were now underway.

- 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.

The Joint Committee had previously agreed to establish s113 agreements with Broadland and South Norfolk Councils to enable ARP to continue providing these councils with fraud services. A separate s113 agreement with Lincolnshire County Council and the seven district councils within the Lincolnshire district, has also been established to provide these councils with single person discount fraud services. These agreements should be in place shortly.

- h. **Better Customer Experience Programme:** Customer take-up for the online council tax change of address service continues to be a success with around 45 percent of customers currently using the facility against an anticipated 30 percent. 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 including questions asked on the systems and digital work.

2.2 **ARP forecast financial performance (agenda item 6)**

- 2.2.1 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 January 2023, showed an overspend against budget of £767,471 (7.75 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.

The other significant area of variance is lower than budgeted income, the majority of which results from a reduction in enforcement income (see 2.1.3 above).

Other reasons for the specific variances, are contained in the report at:

[ARP Forecast Financial Performance Report](#)

[Appendix A](#)

- 2.2.2 Appendix A 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.
- 2.2.3 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:

	Actual outturn (£)
Breckland	129,840
East Cambridgeshire	84,321
East Suffolk	262,185
Fenland	111,629
West Suffolk	179,496
Total	767,471

2.2.4 One off Government grant funding provided to individual partners for specific works carried out by ARP are to be retained by the partners directly in 2022 to 2023 and do not therefore form part of this forecast. These grants could help to mitigate the in year above budget spend for individual partners if they choose to use the grant funding for this purpose.

2.2.5 Discussion was specifically held at the meeting on a number of topics including the monitoring of the current budget overspend and the impacts of the present reduction in enforcement income.

2.3 **Welfare reform update (agenda item 7)**

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

- a. **Universal Credit (UC):** 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. 500 claimants had been 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 was expanded into Cornwall. Harrow and Northumberland have also 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. The plan to consider movement of pensioner cases has also been delayed from 2025 to 2028-2029. It was also announced in November 2022 that mortgage support through UC will be reviewed.

In January 2023, a report was issued providing analysis on the initial 499 cases moved to UC. Of the 499, 423 transitioned, with 50 percent being awarded Transitional Protection. 63 of those had applied by phone and seven cases are yet to make a claim. The migration data will help inform the next stages of migration.

- b. **Discretionary Housing Payment (DHP):** DWP are proposing to retain the current methodology for DHP allocations with a two-year funding freeze with allocations to be paid in one upfront payment. This is to retain consistency and help local authorities plan. A short consultation will take place prior to allocations being made in February 2023.
- 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.

It was announced in the Autumn Statement in November 2022 that the benefit cap would rise by 10.1 percent in line with Consumer Price Inflation (CPI) from April 2023. This will mean 60,000 households will no longer be capped, 130,000 will receive more support and 30,000 will be out of the scope of the cap.

- 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 within the Housing Benefit service and will not therefore move to Universal Credit.
- e. **Welfare benefit uprating – April 2023:** 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 rose 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 then 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 areas were highlighted, particularly in respect of the current UC position; and the update on the DHP allocations (see b.) The report was otherwise noted.

2.2.3 Further details are contained in the report at:

[Welfare Reform Report](#)

2.7 **Forthcoming issues (agenda item 8)**

2.7.1 A discussion was held on a matter involving procurement, which would be considered in more detail in due course was further information had been sourced.

3. **Minutes**

3.1 For further information on the discussions held at the Anglia Revenues and Benefits Partnership Joint Committee meeting on 7 March 2023, the draft minutes of the meeting may be viewed on Breckland District Council's website at the following link:

[Printed minutes 07th-Mar-2023 10.00 Anglia Revenues Benefits Partnership Joint Committee.pdf \(breckland.gov.uk\)](#)

4. **Background papers**

4.1 Breckland DC Website:

[7 March 2023](#)