

Report of the Anglia Revenues and Benefits Partnership Joint Committee: 5 December 2023

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| Report number: | CAB/WS/24/004 | |
| Report to and date: | Cabinet | 6 February 2024 |
| Cabinet member: | Councillor Diane Hind Portfolio Holder for Resources Email: diane.hind@westsuffolk.gov.uk | |
| Lead officer: | Rachael Mann Director (Resources and Property) Telephone: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk | |

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/24/004, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.

1. Context to this report

1.1 On 5 December 2023, the Anglia Revenues and Benefits Partnership (ARP) Joint Committee met where the following items of substantive business were discussed:

1. Performance report
2. Welfare reform update
3. ARP financial performance
4. ARP Joint Committee partnership budget
5. ARP Joint Committee service plan and risk register report
6. 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 The Joint Committee received and **noted** an update on performance up to 30 September 2023.

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 Quarter 2 2023-2024](#)

The reports indicated that when considering performance as a whole for all partner councils, all targets for the 2023 to 2024 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 housing benefit, all targets were currently being met for the 2023 to 2024 financial year in respect of the following categories:

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

The number of days to process housing benefit in Quarter 2 is short of the eight day target at 11.36 days. This can be attributed to the additional workload placed on ARP to administer support schemes; however these

have now ended. An ICT issue had also affected the automation of Universal Credit records which had impacted on the resource requirements within the Benefits team. This has been resolved and the target is expected to be met by the end of the financial year.

2.1.3 Attention was drawn to the service updates:

- a. **Enforcement:** As at 30 September 2023, the total collected for the 2023 to 2024 financial year was just over £2.1 million pounds in debt repayment with an additional £622,000 in fees.
- b. **Further recovery:** The strong start in the first quarter of the new financial year continued with a total of £570,293 being collected by the end the second quarter.
- c. **Council tax:** Overall collection for council tax in the second quarter was on target for the majority of the partner councils including West Suffolk.

Demand for council tax billing remained high; however, with the recruitment of additional Council Tax Billing Officers in July 2023, this has assisted with easing the workload.

At the end of last year, the Government announced a new £100 million Council Tax Support Fund for 2023 to 2024 to help economically vulnerable residents with their council tax bills. The majority of allocations were applied directly to 2023 to 2024 council tax bills during annual billing, with the remaining funds being used to provide additional support to new council tax reduction claimants throughout the 2023 to 2024 year and additional exceptional hardship funds for vulnerable council tax payers.

- d. **Benefits:** Targets for the processing of benefits in the second quarter were currently being missed by all partner councils. See 2.1.2 above regarding West Suffolk's current position. Working with the DWP, ARP are addressing this issue to help improve performance in this area.

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 two Government funded Energy Bills Support Schemes (alternative funding) had now closed.

- e. **Non-domestic rates:** The overall collection rate for each partner authority is currently above target at the end of the second quarter of 2023 to 2024.

A new NDR Valuation list came into effect on 1 April 2023 where every property has been assigned a property value. This means changes are being administered from the 2017 and 2023 Valuation

Office Agency (VOA) lists. Apart from a handful of outstanding appeals, the 2010 list is now closed.

The review of Small Business Rate Relief (SBRR) reductions continued with work expected to be completed by the end of October 2023.

- f. **ARP systems and digital:** Work is progressing with ARP's supplier to review their digital product where it is currently being utilised by other local authorities to gain feedback from a wider group of 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.

Success has been had on automating web-based direct debits and testing has begun on refund automation. These projects will help complement the move to automation and it is anticipated that progress will be seen during Quarter 3 following some system enhancements and fixes. Other automation projects are in the pipeline.

- g. **Fraud and compliance:** The Cambridgeshire Fraud Hub became operational in Quarter 1, which provides fraud-related savings for the partnership. Moving into Quarter 2, results have been excellent.

Both Norfolk and Suffolk County Councils have continued providing funding for fraud and compliance work for two years from April 2022. This funding includes the premium matching service for both East and West Suffolk, providing for an additional post within the team. Fraud work commenced for Broadland and South Norfolk in Quarter 2 although a change in software supplier has impacted this work.

A s113 agreement with Lincolnshire County Council (LCC) and the seven district councils within the Lincolnshire district, had been established to provide these councils with single person discount fraud services; however, ARP has since received notification that LCC has withdrawn funding for ARP to undertake their single person discount reviews within their seven district councils.

To improve the registration of new properties, the Visiting Team are trialling a new database containing details of new properties in Fenland. This trial has been expanded to East and West Suffolk Councils with results expected in January 2024.

- h. **Better Customer Experience Programme:** ARP is in the final stages of development in preparation for the launch of its new Contact Us form. This will help enhance the customer experience by capturing all required information within the one form.

The report also outlined additional specific continuing automation projects and digital measures in place, and those being explored, which all aim to improve the customer experience. This included working with West Suffolk Council's ICT team on ARP's telephony project.

2.1.4 Discussion was specifically held at the meeting on:

- the reasons for all partner authorities not meeting the processing of housing benefit claims target in Quarter 2 and the actions in place to mitigate this, including whether the Joint Committee wished to discuss this target for 2024 to 2025.
- The excellent debt and fees collection rate of the Enforcement Team
- That preparations for administering the 2024 to 2025 council tax bills were well underway
- The electronic 'Contact Us' form was working well
- The success of the Fraud and Compliance Team and as such, whether successes were sufficiently publicised in an attempt to prevent future cases of fraud.
- That automation of council tax-related matters had reduced the number of reminders by 50 percent thus improving efficiency
- The new telephony system which had gone 'live' in October 2023
- The relatively significant increases in temporary accommodation costs across the partners' districts, together with the procedures involved for processing temporary accommodation claims and ways in which the process could potentially be expedited. The discussion led to methods used by the partner councils to address homelessness, temporary accommodation and housing issues in general within their own districts and a suggestion was made for an ARP cross-functional Housing Task and Finish Group to be set up to share best practices and data (where appropriate).

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

- 2.2.1 a. **'Help to Claim' scheme:** The Minister of State for Employment had announced that the 'Help to Claim' scheme operated by Citizens' Advice will be extended to March 2024 with support being considered post April 2024.
- b. **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 2.1.15 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.

In April 2023, 5,000 migration letters were sent to tax credit claimants asking them to claim UC as the move to UC expands. East Suffolk, Fenland and West Suffolk were notified in April 2023 that DWP will start to issue migration notices to households claiming tax credits only (estimated at less than 100 cases within each of the three districts) in July 2023. This does not include households in receipt of housing benefit and tax credits. Migration of housing benefit claimants is expected to commence in 2024-2025. ARP has now been advised that Breckland and East Cambridgeshire are also included in the aforementioned tranche and tax credit only cases will now start migrating for all five partners. Further information and timelines for the roll-out are awaited.

The expansion of 'Move to UC' continues with this work taking place in Southeast Wales and Central Scotland in October 2023 with Southwest Scotland in November 2023.

- c. **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 took place prior to allocations being made in February 2023.
- d. **Benefit cap:** From April 2023, the maximum family income before the benefit cap applies rose 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 means that 60,000 households are no longer capped, 130,000 receive more support and 30,000 are out of the scope of the cap.

- e. **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.
- f. **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' has also resumed.
- g. **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 topics were discussed, particularly in respect of liaison meetings being held with the DWP and LGA on the UC migration process and that further updates on the ongoing roll out programme was awaited. It was expected that anyone in receipt of housing benefit would receive a migration notice between April and June 2024; however, further information was awaited regarding this.

2.2.3 Further details are contained in the report at:

[Welfare Reform Update](#)

2.3 **ARP financial performance report (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 as at 31 October 2023, showed an overspend against budget of £140,946 (1.3 percent) for the whole of the partnership. This was mainly due to the recently agreed national staff pay award which was higher than original budget estimates, and the significant increase in Royal Mail postage charges that came into effect in October 2023. Other reasons for the specific variances, are contained in the report at:

[ARP Financial Performance Report](#)

[Appendix A](#)

2.3.2 Appendix A also provides details on the remaining transformation funding which was set aside in previous years from below budget spend and grant funding. £45,000 is earmarked for projects in progress or due next year and there is a further £70,000 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.

2.3.3 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 2024:

| | Actual outturn (£) |
|---------------------|---------------------------|
| Breckland | 19,980 |
| East Cambridgeshire | 6,469 |
| East Suffolk | 65,975 |
| Fenland | 25,837 |
| West Suffolk | 22,685 |
| Total | 140,946 |

2.3.4 It had been recommended that the end of year variance be distributed between the partner authorities in the approved shares from the Joint Committee agreement. Members were being asked to approve the distribution of shares at this meeting to allow the end of year accounts to be produced in a timely fashion for the accounting deadlines.

2.3.5 The Joint Committee **resolved that:**

1. the report and appendix be noted.

2. The final full year variance at 31 March 2024 be shared between the partner authorities in the approved shares.

2.4 ARP Joint Committee partnership budget 2024 to 2025 (agenda item 8)

2.4.1 The Joint Committee considered a [report](#) which sought approval for the partnership budget for 2024 to 2025.

2.4.2 In setting the budget, a number of issues have been considered:

- In the context of current cost of living challenges, the proposed budget protects the services presently provided by ARP, and despite continuing increasing demand for services, no growth in the level of staffing has been proposed.
- The budget continues ARP’s ambition to achieve savings or additional income where possible.
- When compared to 2023 to 2024, the proposed budget has increased by £931,000 (8.8 percent). The major drivers behind the increases are:
 - Salary costs as a result of the national pay award increase: £913,000
 - Rent and rates resulting from less office space occupancy: (£87,000)
 - Royal Mail postage costs price increase 2023: £117,000
- The budget includes the remainder of the previously set efficiency target of £91,000 to be achieved. Work is underway to achieve this target through automation and other improvements and natural turnover of staff.
- The budget also includes measures to support partners’ carbon net zero ambitions and other cost reductions

2.4.3 [Appendix 1](#) sets out the proposed budget for 2024 to 2025, with indicative budgets for the following two years, as illustrated in the table below:

| Description | 2023 to 2024 Budget £ | 2024 to 2025 indicative £ | 2025 to 2026 indicative £ | 2026 to 2027 indicative £ |
|--------------------------------|---------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Employee costs | 10,675,514 | 11,488,963 | 11,776,238 | 12,058,602 |
| Premises costs | 185,902 | 95,099 | 97,434 | 97,303 |
| Transport costs | 86,767 | 95,506 | 96,124 | 96,734 |
| Supplies and services | 1,951,112 | 2,135,242 | 2,187,573 | 2,239,818 |
| Support services | 485,515 | 490,518 | 500,073 | 509,738 |
| Income | (2,802,778) | (2,792,491) | (2,804,047) | (2,803,297) |
| Total partnership costs | 10,582,147 | 11,512,837 | 11,853,395 | 12,198,898 |

2.4.4 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.

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

| | 2023 to 2024 £ | 2024 to 2025 indicative £ | 2025 to 2026 indicative £ | 2026 to 2027 indicative £ |
|--------------|-------------------------------|--|--|--|
| West Suffolk | 2,523,919 | 2,700,902 | 2,780,504 | 2,860,422 |

2.4.6 The Joint Committee thoroughly considered the budget for 2024 to 2025, with particular detailed discussion held on the increase in Royal Mail postage costs and the proposal to reduce mailing activity through service automation, and subsequently **resolved:**

That the ARP budget at Appendix A to the report for 2024 to 2025, be approved.

2.5 **ARP Joint Committee service plan and risk register report (agenda item 9)**

2.5.1 The Joint Committee considered a report, which sought approval for the revised Service Delivery Plan and Risk Register (Appendix B), as set out in below:

[Service Delivery Plan and Risk Register](#)

[Appendix A Joint Committee Service Plan and Risk Register 2022](#)

[Appendix B Joint Committee Service Plan and Risk Register 2023](#)

2.5.2 The Joint Committee noted that ARP had seen significant success thus far in 2023, including (briefly):

- The administration of new Government schemes that were designed to help support economically vulnerable families and those in exceptional hardship.
- The administration of Government schemes that helped support residents that did not automatically receive payments to help with rising energy costs.
- The successful implementation of the revaluation of all business premises for April 2023.
- Council tax collection was on target for Quarter 2
- Greater customer uptake of electronic services
- Successes in further recovery work
- Successes with fraud and error identification
- Successfully dealing with increasing demands on the services
- Achievements following a risk-based approach to target empty properties where data indicated occupation.
- Achievements in the Transformation Programme, as detailed in the report.

2.5.3 The Joint Committee considered the 2023 service delivery plan (Appendix B) which details the high-level actions that the service must implement to ensure that the varied demands on the service are met. The plan seeks to detail actions to achieve the visioning detailed in the report. In 2024 to 2025, 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.
- 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.
- 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.
- The first tranche of Universal Credit migration commenced in July 2023 for all five partners in respect of tax credit cases only (with no housing benefit). As this was less than 100 households per authority, this will not have an impact on ARP's caseloads. Resource requirement will be continually reviewed to accommodate the next stage.

2.5.4 The Joint Committee also considered the partnership's risk register, which continues to highlight the need to monitor the impact of the cost of living and inflationary pressures on customers, service delivery and the budget, together with the impact of Universal Credit migration on customers and the DWP subsidy, amongst others.

2.5.5 Discussion was held at the meeting on DLUHC new burdens administration funding; automation processes; budget cost pressures; and the 'Move to UC' programme.

2.5.6 The Joint Committee **resolved that:**

- 1. The progress in respect of the December 2022 Service Delivery Plan be noted.**
- 2. The 2023 Service Delivery Plan and Risk Register at Appendix B of the report be approved.**

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

2.6.1 The Chair advised that recruitment for a new Head of ARP will be commencing shortly following the retirement of the current postholder, Adrian Mills. The Joint Committee will be involved in the appointment process to a certain degree.

3. Minutes

- 3.1 For further information on the discussions held at the Anglia Revenues and Benefits Partnership Joint Committee meeting on 5 December 2023, 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:

[5 December 2023](#)