

SUBJECT: COVID-19 IMPACTS ON REVENUES AND BENEFITS SERVICE

REPORT BY: CHIEF EXECUTIVE & TOWN CLERK

LEAD OFFICER: MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To provide Members with an update regarding Covid-19 impacts on the Revenues and Benefits Shared Service.

2. Executive Summary

- 2.1 The international Covid-19 pandemic has clearly had a significant impact on a whole range of Council services – with Revenues and Benefits being no exception. This reports sets out key impacts on the shared service, - from a working operations perspective through to the financial impacts on the Council as a whole and additional demands on the service.

3. Background

- 3.1 The national ‘lockdown’ in the United Kingdom, announced on 23rd March 2020, resulted in the remaining members of the Revenues and Benefits shared service team being mobilised to work from home – with all IT facilities, - i.e. computers and telephones. Further mobilisation of homeworking had already commenced the week prior, as officers identified in the more vulnerable categories were addressed earlier. Some initial ‘teething problems’ were soon dealt with and this critical service has been operating successfully.
- 3.2 Regarding workload and priorities, the impacts have been significant – in terms of collection and recovery of monies due to the Council, levels of benefit and Council Tax Support claims, requests for data extracts from the Revenues and Benefits ICT system, as well as being central to the assessment and delivery of grants and reliefs to qualifying businesses.

4. Staffing Matters

- 4.1 All members of the Revenues and Benefits were mobilised to work from home during a two-week period during March 2020. Around one-quarter of the team already had working from home IT facilities in place, mainly for ad hoc purposes and specific tasks, so the concept was proven – however, the large scale deployment of staff to work from home (not only within the shared service, but across the partner Councils as a whole too) has been unprecedented.
- 4.2 The rollout of ICT provision for the whole of the shared service has successfully considered and delivered:

- Provision of ICT hardware suitable for secure homeworking, which also meets standards as required through the Department for Work and Pensions (DWP) Memorandum of Understanding with regard to access to sensitive and confidential DWP data;
- Telephone services through transfer of calls to team members' own telephones.

4.3 Staff wellbeing has also been at the heart of the response to the Covid-19 pandemic, by partner Councils. In terms of Revenues and Benefits specifically, communications include;

- Twice-weekly (daily, up to August) catch-up calls between Head of Shared Revenues and Benefits, and Revenues and Benefits Manager;
- Regular catch-up calls with Team Leaders;
- Regular catch-up calls with team members;
- Revenues and Benefits Management Team WhatsApp group;
- Individual teams' WhatsApp groups and Teams meetings.

Support for staff from management, and between peers, has been extremely effective – which has helped to highlight and respond to team and individual needs quickly.

5. Impacts – Service Demands and Financial Impacts

5.1 As at 16th August, the financial impacts on partner Councils, has been:

Council Tax:

		Lincoln	North Kesteven
Payments received	Comparison to 2019	5,708 less	4,482 less
Payments value (£)		£593,891 reduction	£589,313 reduction
Deferrals no.	Since 01.04.20	638	1,181
Deferrals value (£)		£135,429	£296,587
Direct debits received	Comparison to 2019	2,943 less	367 more
Direct debit value (£)		£83,756 more	£866,847 more
Direct debits cancelled	Since 01.04.20	440	359
Direct debit value (£)		£47,656	£45,833
CTS claims received (increase)	Since 01.04.20	+509	+315
CTS additional cost (£)		+£434,490	+£324,815
Collection rate %	Actual – as at 31.07.20	34.02%	37.83%
Difference %	Comparison to 2019	-1.30%	-1.11%
Collection rate difference £	Comparison to 2019	-£600,658	-£762,631

Business Rates:

		COL	NKDC	WLDC
Payments received	Comparison to 2019	1,746 less	999 less	498 less
Payments value (£)		£4,587,656 reduction	£1,193,149 reduction	£1,573,717 reduction
Deferrals no	Since 01.04.20	9	4	9
Deferrals value (£)		£14,377	£14,233	£29,854
Direct debits received	Comparison to 2019	3,349 less	1,666 less	1,319 less
Direct debit value (£)		£5,495,398 reduction	£2,204,819 reduction	£1,640,753 reduction
Direct debits cancelled	Since 01.04.20	15	16	N/A
Direct debit value (£)		£1,212,615	£748,429	N/A
Collection rate %	Actual as at 31.07.20	51.03%	51.27%	41.83%
Difference %	Comparison to 2019	+8.50%	+2.61%	-1.00%
Collection rate difference £	Comparison to 2019	+£1,648,756	+£531,023	-£117,057
Net liability (Reduction due to Expanded Retail Discount)	Actual	£19,354,818 (-£26,145,429)	£20,580,241 (-£8,300,183)	£11,601,376 (-£6,827,4567)

5.2 Key points from the data above, are:

- Significant increase in Council Tax Support claims received, and associated expenditure;
- 1,819 Council Tax direct debits deferred;
- Council Tax direct debit £ values increased, due to 2020/21 charge increase;
- 10,190 less Council Tax payments made;
- 31 Business Rates direct debits deferred;
- 3,243 less Business Rates payments made;
- Over £41 million decrease in Business Rates liability – due to awards of Extended Retail Discount (ERD) relief;
- Variances in performance.

5.3 In addition to the above, significant increases in demands on the shared service have included:

- Council Tax:
 - o Continued increase in the amount of telephone calls compared to the same period in 2019;
 - o Increase in calls during the last 6 weeks as a result of house moves re-commencing;
 - o 47% increase in the number of e-mails received.
- Lincoln Benefits:
 - o 6 x increase in new claims received;
 - o 79% increase in e-mails received;
 - o 163% increase in Universal Credit related documents.

- North Kesteven Benefits:
 - o 15% increase in telephone calls received;
 - o 9 x increase in new claims received;
 - o 23% increase in e-mails received;
 - o 275% increase in Universal Credit related documents.

- Business Rates:
 - o Awarding of Extended Retail Discount for 3 x local authorities;
 - o Key role in identification, assessment and determination of business grants for 3 x local authorities;
 - o Associated telephone calls and e-mails regarding the above discounts and reliefs.

- System Support Team:
 - o Data extracts for corporate befriending/ community support services;
 - o Testing and implementation of Covid-19 related system releases.

5.4 In addition to the above, it should also be noted March and April are always the busiest months in terms of demands for the shared service, and these have also been carried out successfully. The 'usual annual demands' have included Council Tax billing, Business Rates billing, Benefits upratings and finalisation of 2019/20 Housing Benefit Subsidy Claims.

5.5 Through system data available (for example, system 'keystrokes', numbers of documents completed), an overall increase in productivity by teams can also be evidenced, which may be one of many considerations when determining the future ways of working for our shared service.

5.6 Despite all these additional challenges and demands on the shared service, performance has generally held up well so far, although moving forward it is recognised cumulative effects from Covid-19 are likely to impact on performance in the coming months. Performance data is set out in a separate report to today's Committee.

6. Strategic Priorities

6.1 Both City of Lincoln and North Kesteven have a number of strategic priorities. Three that have an impact on the Revenues and Benefits Service are:-

- Lincoln: "Let's reduce all kinds of inequality".
- North Kesteven: "Our Communities", "Our Economy".

6.2 The Benefits Service plays a key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. The Revenues Section is also mindful of the strategic priorities when engaging with business ratepayers as they recover business rates – and also promoting and encouraging growth in the districts. Digital Inclusion, Channel Shift / Customer Experience, Financial Inclusion and Partnership Working are all key priorities for the shared service.

7. Organisational Impacts

- 7.1 Finance: There are no direct financial implications arising as a result of this report.
- 7.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.
- 7.3 Equality, Diversity & Human Rights: There are no direct implications arising from this report.

8. Risk Implications

- 8.1 A Risk Register is in place for the Revenues and Benefits Shared Service.

9. Recommendations

- 9.1 To note the information as set out in this report.

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