

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.

3. Background

- 3.1 The first 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, delivery of Test and Trace Support Payments, 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 – this system has since been enhanced with investment in a telephone system which will better enable taking higher volumes of calls – for example, when Council Tax reminders are issued.

4.3 Staff wellbeing continues to be 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 catch-up Teams 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.

In addition to this, 'all team member' Revenues and Benefits staff briefings were delivered by the Head of Shared Revenues and Benefits on 22nd September (through 4 x 45-minute sessions). The Head of Shared Revenues and Benefits has regularly delivered such sessions since the shared service commenced, however this was the first round of briefings held via Microsoft Teams. 55 team members out of the team of 88 attending a session, meaning Teams is being successfully rolled out across the team and engagement was positive. The briefings set out some key messages around:

- Performance;
- Impacts on workload due to Covid-19;
- Future ways of working;
- Communication and wellbeing.

The next round of briefings is scheduled for 9th December.

5. Impacts – Service demands and Financial impacts

5.1 In 2020/21, financial impacts on partner Councils, have been (*information as at 31st October 2020*):

Council Tax:

		Lincoln	North Kesteven
Payments received	Comparison to 2019	8,081 less	6,580 less
Payments value (£)		£743,824 reduction	£699,816 reduction
Deferrals no.	Since 01.04.20	638	1,181
Deferrals value (£)		£135,429	£296,587
Direct debits received	Comparison to 2019	4,244 less	612 more
Direct debit value (£)		£125,363 more	£1,290,363 more
Direct debits cancelled	Since 01.04.20	400	359
Direct debit value (£)		£43,694	£45,833
CTS claims received (increase)	Since 01.04.20	+436	+242
CTS additional cost (£)		+£369,871	+£266,131
Collection rate %	Actual – as at 31.10.20	59.08%	64.54%
Difference %	Comparison to 2019	-2.49%	-2.38%
Collection rate difference £	Comparison to 2019	-£1,145,938	-£1,636,562
CTS hardship to be awarded	As at 31.10.20	£869,650	£320,015
% of CTS against net liability	As at 31.10.20	1.88%	0.45%

Business Rates:

		COL	NKDC	WLDC
Payments received	Comparison to 2019	2,203 less	1,210 less	736 less
Payments value (£)		£7,537,020 reduction	£1,244,019 reduction	£1,897,536 reduction
Deferrals no	Since 01.04.20	9	4	9
Deferrals value (£)		£14,377	£14,233	£29,854
Direct debits received	Comparison to 2019	4,913 less	2,429 less	1,871 less
Direct debit value (£)		£8,206,631 reduction	£3,219,818 reduction	£2,277,961 reduction
Direct debits cancelled	Since 01.04.20	14	16	N/A
Direct debit value (£)		£1,212,557	£748,429	N/A
Collection rate %	Actual as at 31.10.20	71.25%	71.19%	64.39%
Difference %	Comparison to 2019	+3.94%	+1.55%	-2.540%
Collection rate difference £	Comparison to 2019	+£752,981	+£315,211	-£300,700
Net liability (Reduction due to Expanded Retail Discount)	Actual	£19,111,202 (-£26,389,045)	£20,336,187 (-£8,544,237)	£11,838,571 (-£6,590,261)

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

- Business Rates: 33% increase in telephone calls and 10% in incoming correspondence (comparing October 2020 to October 2019);
- Council Tax: 43% increase in e-forms and 12% increase in incoming e-mails (comparing August-October 2020, to August-October 2019);

- Benefits:
 - o 42% increase in Council Tax Support claims and changes in Quarters 1 and 2 2020/21 (compared to Quarters 1 and 2 2019/20);
 - o 96% increase in Universal Credit related documents in Quarters 1 and 2 2020/21 (compared to Quarters 1 and 2 2019/20).

5.3 Collection and recovery of monies due to the Council has clearly been more challenging in 2020/21, although reminders are now being issued appropriately to taxpayers and ratepayers – this is under continual review due to the ongoing and changing nature of rules relating to the global pandemic.

5.4 Despite all these additional challenges and demands on the shared service, performance has generally continue to hold up relatively well in most areas, so far. Moving forward it is recognised cumulative effects from Covid-19 are likely to impact on performance in the coming months, and potentially even years. 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 Note the information as set out in this report.

9.2 Request a further update at the 23rd February 2021 meeting of this Committee.

Lead Martin Walmsley

Officer: Telephone 01522 873597