

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, and continues to do so, – with Revenues and Benefits being no exception. This report 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. Telephony has also been upgraded in some areas from the initial solution, to ensure an appropriate response for customer telephone enquiries is in place.
- 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, Winter Grants Scheme 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 Shared Service 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 upgrade from initial solution, better enabling 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;
- At least 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 2020 and 9th December 2020 (through 4 x 45-minute sessions on each day). The Head of Shared Revenues and Benefits has regularly delivered such sessions since the shared service commenced, however delivering these briefings via Microsoft Teams was new – but has been a real success, with positive attendance and engagement from team members. 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 staff briefings will take place in April 2021, after the annual billing and benefits uprating processes. However, should key messages need to be delivered sooner, briefing sessions will be brought forward.

5. Impacts – Service demands and Financial impacts

- 5.1 In 2020/21, financial impacts on partner Councils, have been (*information as at 18th January 2021*):

Council Tax:

		Lincoln	North Kesteven
Payments received	Comparison to 2019/20	10,994 less	8,753 less
Payments value (£)		£847,679 reduction	£709,819 reduction
Deferrals no.	Since 01.04.20	638	1,181
Deferrals value (£)		£135,429	£296,587
Direct debits received	Comparison to 2019/20	5,275 less	1,328 more
Direct debit value (£)		£289,436 more	£1,965,956 more

CTS claims received (increase)	Since 01.04.20	+461	+223
CTS additional cost (£)		+£369,361	+£261,428
Collection rate %	Actual – as at 31.12.20	76.20%	83.99%
Difference %	Comparison to 2019/20	-2.83%	-1.47%
Collection rate difference £	Comparison to 2019/20	-£1,193,884	-£1,010,609
CTS hardship to be awarded	As at 31.12.20	£826,138	£304,371
% of CTS against net liability	As at 31.12.20	1.81%	0.44%

Business Rates:

		COL	NKDC	WLDC
Payments received	Comparison to 2019/20	2,816 less	1,668 less	1,023 less
Payments value (£)		£10,279,697 reduction	£1,965,956 reduction	£2,450,883 reduction
Deferrals no	Since 01.04.20	9	4	9
Deferrals value (£)		£14,377	£14,233	£29,854
Direct debits received	Comparison to 2019/20	6,825 less	3,459 less	2,602 less
Direct debit value (£)		£11,430,858 reduction	£4,431,469 reduction	£3,174,757 reduction
Collection rate %	Actual as at 31.10.20	90.42%	83.51%	81.20%
Difference %	Comparison to 2019/20	+7.03%	-0.78%	-1.01%
Net liability (Reduction due to Expanded Retail Discount + nursery awards)	Actual	£19,559,436 (-£25,995,768)	£20,258,238 (-£8,622,186)	£11,711,925 (-£6,716,907)

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

- Council Tax:
Comparing Quarter 3 2020/21 (to Quarter 3 2019/20):
 - 37% increase in e-forms;
 - 13% increase in incoming e-mails;
 - 14% reduction in telephone calls;
 - 3% reduction in incoming post.
- Business Rates:
Comparing Quarter 3 2020/21 (to Quarter 3 2019/20):
 - 37% increase in customer contact by e-mail or post;
 - Increase in telephone calls by 34% (peaks and troughs, around closedown announcements).
- Benefits:
 - 55% increase in Council Tax Support claims and changes in 3 2020/21 (compared to Quarters 3 2019/20);
 - 75% increase in Universal Credit related documents in Quarter 3 2020/21 (compared to Quarter 3 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, and two court dates have taken place (in December 2020 and January 2021). The court has determined there will be no hearings for our Revenues Service in February and March 2021, meaning liability orders cannot be requested during this period, which temporarily restricts recovery options.
- 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 22nd June 2021 meeting of this Committee.

Is this a key decision?

~~Yes~~/No

Do the exempt information categories apply?

~~Yes~~/No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

~~Yes~~/No

How many appendices does the report contain?

None

List of Background Papers:

None

Lead Officer:

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