

ANGLIA REVENUES PARTNERSHIP

Report of Stuart Philpot – ARP Strategic Manager (Support)

To: ARP Joint Committee – September 2020

Subject: ARP Business Continuity

Purpose: Inform Members of the impact COVID-19 has had on the provision of ARP Services

Recommendation(s):

- This report is for information to Members regarding the effect of the Covid-19 pandemic and the significant actions required directly from Central Government.
- This report is also for information regarding the impact on Business Operations and the Business Continuity response of the Anglia Revenues Partnership.

1.0 Timeline and Summary of impact on ARP business continuity

1.1 Working from Home

1.11 On the 3rd December 2019 the ARP, assisted by the Suffolk Joint Emergency Planning Unit, carried out a desktop exercise, with the scenario of the sudden loss of Breckland House. The exercise included representatives from all key stakeholders of the ARP and provided valuable information for the live Business Continuity actions carried out in March, affecting all sites.

1.12 One strength identified was the number of people already home enabled and an action was to gradually move all staff to laptops to facilitate full provision for working from home for all sites over time. This action had to be accelerated due to Covid as follows:

- 10th March 2020 – The first action was taken by the ARP in advance of the Pandemic and with West Suffolk ICT, accelerated the planned procurement of additional laptops to primarily enable homeworking for vulnerable staff.
- As at 10th March there were approximately 130 staff (around 40%) across all sites with homeworking capability
- 12th March 2020 - Action Plan was drawn up, including an overview and responsibilities, with declaration of a Pandemic. At this point, the ARP invoked their Business continuity plan.
- 16th March 2020, the Lockdown began and of the 296 staff across the four partner employers, those with either underlying health conditions or childcare responsibilities were prioritised for homeworking kit.
- 23rd March 2020 the stay at home guidance was issued by Central Government and work from home if possible. At the same time West Suffolk ICT continued with the build of laptops for ARP staff and office kit repurposed for home working.
- From 23rd March a planned technical refresh across the partnership was accelerated to migrate all staff to homeworking. Due to the sudden unprecedented demand for Homeworking kits, West Suffolk ICT repurposed much of the existing hardware from Breckland House in order to enable all staff to work from home.
- The ARP Senior Management Team formally extend thanks for the commitment of West Suffolk ICT in the refresh task over just five weeks, completed by 29th April
- West Suffolk ICT, East Suffolk ICT and Fenland ICT have successfully enabled the operations of the ARP to continue during the transition to homeworking.

1.2 Communications

- 1.21** A communication group using the social media platform “Whats-App” was set up as a result of the Business Continuity and Disaster Recovery exercise. Using personal mobile Telephones for Senior Management Team, Operations Managers and HR for internal communications.
- 1.22** Home working including telephony was also supplied by East Suffolk ICT and Fenland ICT, providing base units and some laptops. The Support team lead the co-ordination of the Covid-19 emergency plan and actions for ARP Business Continuity.
- 1.23** The use of Microsoft Teams and Skype enabling virtual meetings for two or more, has not only had a positive impact with a reduction of travelling required by staff, but also to an extent, overcomes the negative effects of feeling isolated when working from home and has also enabled the continuation of regular 1-1’s with line managers.
- 1.24** An ARP Staff Support chat group has been created on Facebook to help staff feel connected.
- 1.25** Business continuity preparations were communicated through regular updates and latest guidance available to staff from their own employers’ intranets and through meetings and 1-1s held by team leaders and managers.
- 1.26** The Operational Improvement Board have held weekly virtual meetings to review weekly performance data and to discuss strategy/approach to the challenges we have been facing. The ARP Management Team have also held weekly virtual meetings to discuss allocation of resource and performance.

1.3 Continuation of essential services

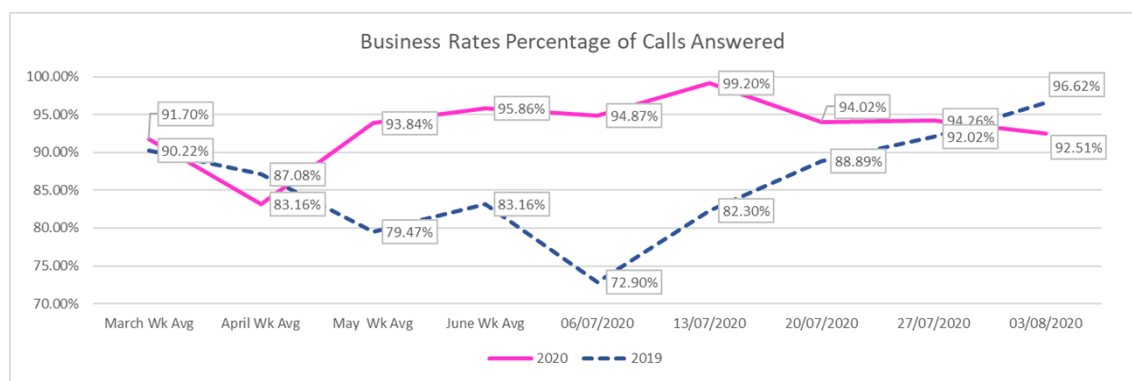
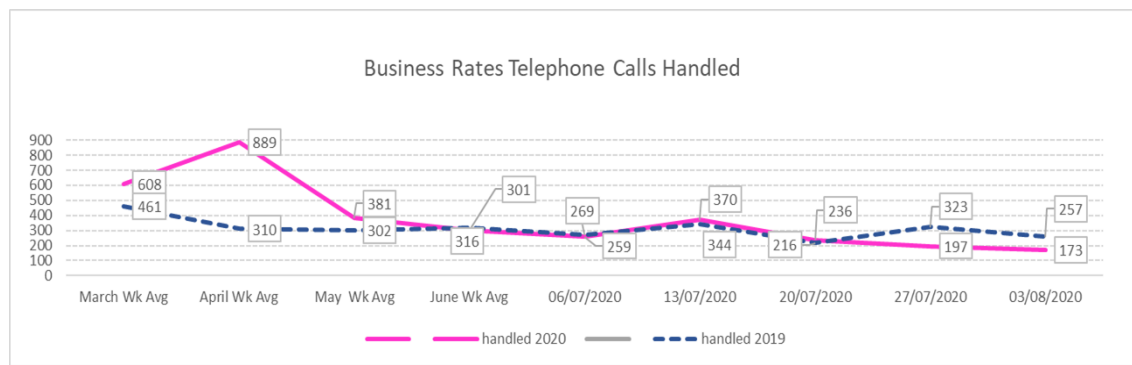
- 1.31** The post room at Breckland House operates for all partners, receiving all ARP post and document submissions centrally to Breckland House. The post opening procedures were immediately revised in line with government guidelines and included a reduction to two members of staff opening the post 2 days after delivery with gloves and hand sanitising available to staff.
- 1.32** Due to the sudden requirement to work from home Mitel phones had to be reconfigured for home workers. Again, the fact we already had a significant number working from home before the emergency put us in a strong position in the short term.
- 1.33** We have implemented a project to recruit and train new staff virtually, given social distancing restrictions. We interviewed candidates virtually using video and have put together a package of online training to enable us to deliver virtual training. We trialled this approach with existing staff, receiving positive feedback. We plan to utilise virtual training for our programme of staff refresher and new legislation training.
- 1.34** The following information relating to the delivery of the ARP services demonstrates the effectiveness of the reaction to the emergency allowing the continuation of services during the response to Covid.

2.0 Business Rates

- 2.1** 2020/21 has so far seen an unprecedented increase in workload and calls. There has been an effective response from the ARP and all partners in paying grants whilst maintaining business as usual at the same time
- 2.2** At the budget in March, Government announced that it was going to expand the existing Retail Relief scheme by removing the Rateable Value limit for relief, increasing relief to 100% and including business involved in leisure and hospitality. This is to be fully funded by the Government.

- 2.3 Later the Government announced that 100% rate relief would be provided to childcare nurseries.
- 2.4 Relief has been granted to 5,444 businesses amounting to over £100M
- 2.5 Government also announced that certain businesses would be entitled to grants. Funding was provided by Government to each authority to make these payments: -
- Businesses in receipt of Retail, Hospitality & Leisure (RHL) relief would be entitled to a grant of up to £25K, dependant of rateable value. Businesses whose rateable value was above £51K were not entitled to the grant.
 - Those businesses entitled to Small Business Rates Relief were also awarded grants of £10K
 - Charities who would have been entitled to RHL grant had they not received charitable relief were added later.
- 2.6 All the above measures required a significant amount of resource to achieve. Accounts were reviewed for entitlement to relief and lists prepared of those entitled to grants. The Government issued updated guidance frequently which then had to be reflected in the accounts and qualifying grants lists.
- 2.7 The NNDR team worked closely with all partners to facilitate payment of the grants, dealing with numerous queries as they arose. The team received over 1700 queries for resolution over and above the incoming work described further on in this report.
- 2.8 The Government announced a discretionary grants scheme in May. Following guidance issued on 13 May, a new set of qualifying properties had to be identified and passed to each partner to help inform their schemes.
- 2.9 As a result of the new reliefs and grants for business rates payers there was significant increase to the number of phone calls and correspondence to The Business Rates team. At its peak up by 300% at the same point last year as demonstrated below: -

Increase in phone calls is across all partners



2.10 Currently Magistrate Court Hearings for Liability Order applications are suspended which will impact on collection and recovery of business rates this financial year. Accounts have been reviewed and a series of statutory reminders and soft reminders have been sent for outstanding instalments. We will continue to issue reminder and final notices, however any further recovery action for the current year debt will be dependent on the Magistrates Court re-opening for our cases. Meetings were held with The Court in late July but no further update has been received since

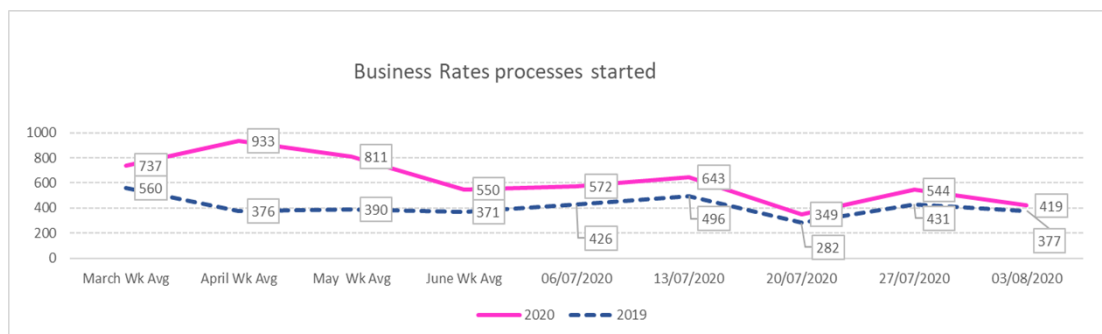
2.11 There have also been many other demands on our resource since March in order to communicate with and update customers, Government and the partner authorities. These include: -

- Updates to website
- Updates to recorded messages on the telephones (RAD messages)
- Amendments to templates which mention recovery action/costs
- Additional web forms published to allow ratepayers to request payment arrangements
- Provision of statistical data for comparison & monitoring of progress
- Regular review meetings with partner authorities for Grant application queries
- Daily monitoring of info from the Government
- Government returns

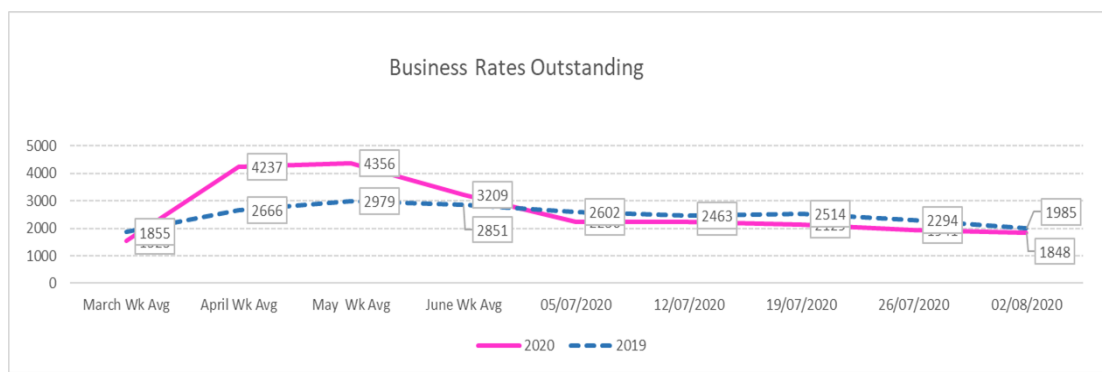
2.12 In order to address the additional pressure on our resources we have taken on additional agency staff and re-deployed staff from other teams to support the Business Rates team.

Increase in Business Rates post and the effect on processes.

Business Rates work received



Business Rates work outstanding



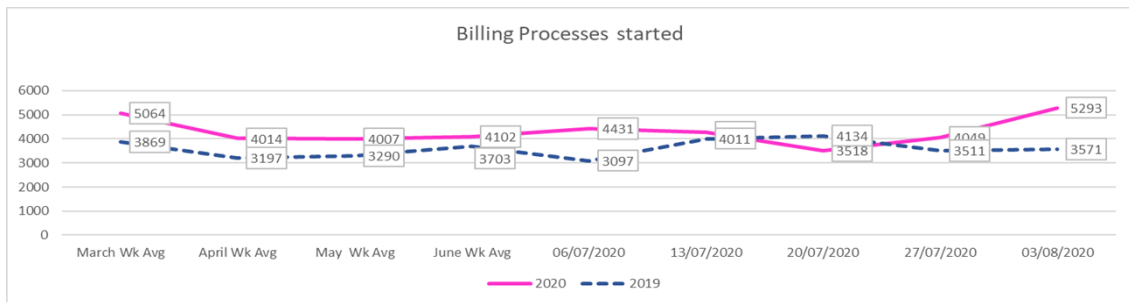
3.0 Council Tax Billing and Benefits

3.1 Increased demand

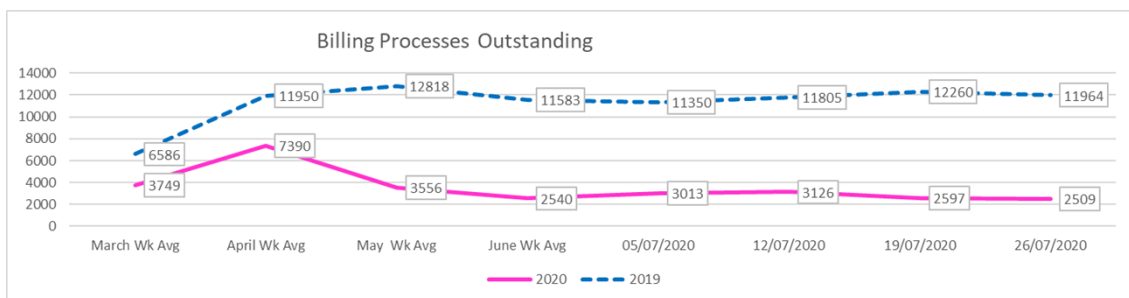
3.2 Whilst we have seen an increase in demand related to COVID-19, since March we have processed and cleared a greater volume of work, with less outstanding, when compared to last year.

3.3 The following graphs show reductions in outstanding work when compared to last year. This is a direct result of the project we delivered last year where we introduced a new generic role to improve Council Tax Billing work, along with improved telephone call routing and handling.

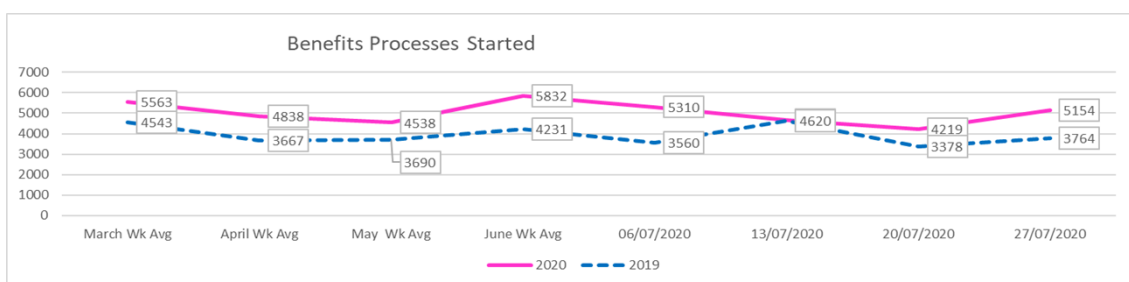
Council Tax Billing Processes Started – work received



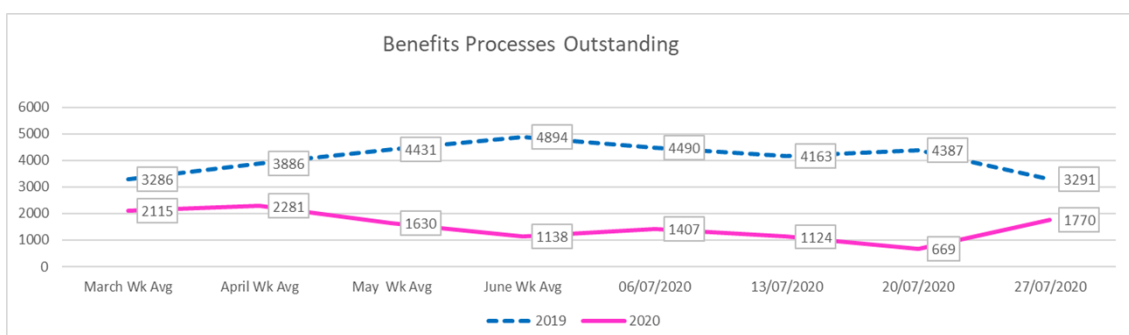
Council Tax Billing Processes Outstanding



Benefits processes Started – work received

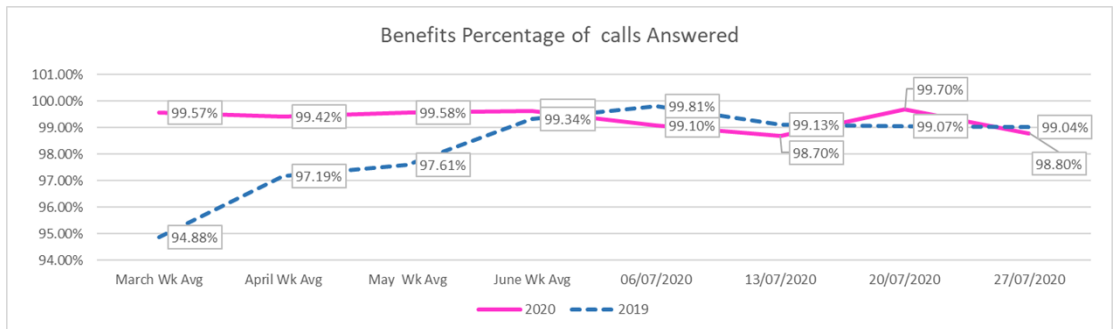
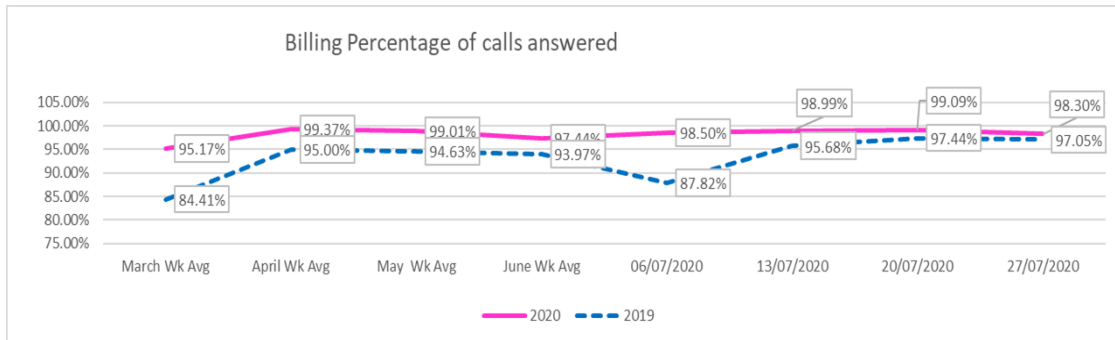


Benefit Processes Outstanding



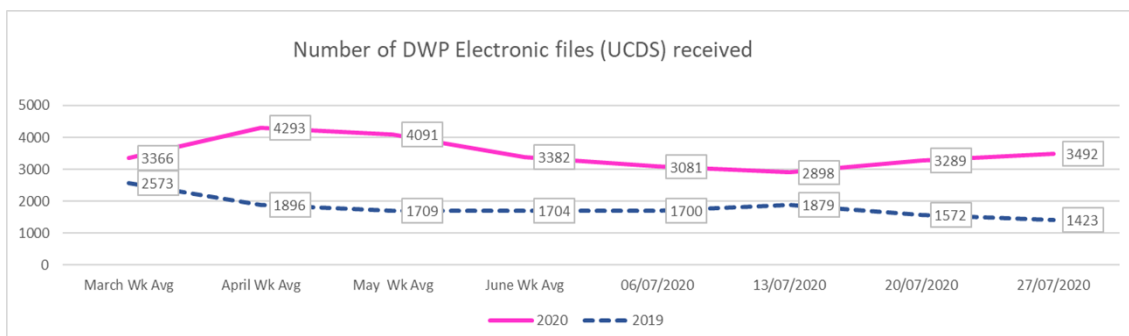
- 3.4 Without these improvements and given the increased demand caused by COVID-19, it is likely the overall picture would not be as strong for customers. Our agile approach along with performance management has been key to the improvements customers are seeing.
- 3.5 The improvement in work clearance and outstanding work has significantly reduced the volume of telephone calls we received this year when compared to last year, despite the increase in demand caused by COVID-19 and associated contact. The following graphs show reduced contact this year, assisted by improved call messaging and call routing along with shift to self-serve.

Improved call handling



4.0 Increases in Universal Credit claims

- 4.1 When the lockdown was implemented, we immediately saw an increase in new Universal Credit claims and monthly award revisions, peaking at a five-fold increase in new claims in mid-April compared to the same time last year. This has since settled to approximately double the volume we received last year.
- 4.2 Due to previous changes we had introduced to our Local Council Tax Support schemes, the impact on customers has been significantly reduced given we do not require customers to complete a separate application form to claim Support. Instead, we take DWP data to trigger a claim for Council Tax Support. It should be noted that most Councils still insist on an additional claim form, thereby placing unnecessary further burden on customers at these difficult times.



- 4.4 The impact of the increased UC change notifications has significantly reduced following the implementation of our project to automate these changes. We are presently automating approximately 55% and continue to work with our software supplier and the DWP to configure further functionality to increase automation opportunities.
- 4.5 The further changes we introduced to this year's Local Council Tax Support scheme are working well, essentially the introduction of a tolerance rule to these fluctuating earnings. This results in reduced customer notifications and reduced requirement for us to frequently revise their instalment payments, thereby helping with their budgeting.
- 4.6 We are aware other Councils throughout the region followed our initiative and have likewise introduced a tolerance rule or are considering doing so for next year's scheme.

5.0 Impact of DWP welfare reforms

- 5.1 As part of measures to help Benefit customers, in March DWP introduced legislation to increase Working Tax Credit earnings disregards and to increase the Local Housing Allowance ceiling for assessing Housing Benefit (increase to the 30th percentile of average market rents).
- 5.2 This required our software suppliers to design and implement new functionality, in turn requiring extensive testing by our staff, resulting in significant increases in the volumes of DWP data we received. These data notifications required reassessment of several thousand cases. Due to delivery of our project to automate DWP data we were able to automate the majority of these records, thereby reducing the impact on customers and service delivery through reducing the otherwise inevitable delays caused by manual reassessment.
- 5.3 We are aware many Councils struggled to cope with manual reassessment as they had not implemented automation of these records – in May the Welfare Minister wrote to Chief Executives highlighting that some Councils were either late assessing increased Benefit or were yet to do so, meaning customers were missing out. All five ARP Councils had timeously implemented the change so were able to report the work had been completed on time.
- 5.4 We have worked with Customer Service teams to redesign evidence gathering requirements to support claims following the closure of public access facilities, given customers cannot hand deliver documentation, including greater use of online evidence and proactive customer telephone engagement.
- 5.5 We are engaging with DWP regarding relaxing evidence gathering rules and for subsidy easements to assist customers and Councils during these challenging times.

6.0 Council Tax Collection

- 6.1 Collection to the end of July is behind target by just under £6 million against the budgeted position. Targets have been adjusted to reflect the awards of Council Tax Support hardship fund grants, whilst the anticipated increase in claims and expenditure is forecast to further increase the deficit. For more detailed information please refer to the performance report.
- 6.2 Forecasting the economic impact of COVID-19 in terms of increased claims and expenditure is difficult – DWP do not supply any intelligence concerning future forecasting.
- 6.3 On 24th March Government announced a £500m fund to assist Council Tax Support customers economically impacted by COVID-19, with the policy intention to award a credit up to £150 to all existing and new customers receiving support during this financial year.

- 6.4 ARP participated in HMCLG meetings to design the scope of the policy and to work through guidelines for Councils. Discussions also took place with our software supplier to design the system functionality to award the grant.
- 6.5 Modelling was undertaken to forecast options to spend the grant and to estimate the level of demand the grant could meet for each Council. Our estimates established limited capacity to cover the potential full extent of significant increases in unemployment caused by COVID-19 economic downturn.
- 6.6 We have shared our modelling forecasts with HMCLG and LGA to build a case to Treasury to commit to fully funding an award to every Council Tax Support recipient this year, given the caseload data HMCLG used as at October 2019 does not take into account increases in caseload attributed to COVID-19 economic impacts. At time of writing a response has not been forthcoming.
- 6.7 During testing and implementing the software solution ARP System Admin identified critical errors with the software and software companies underestimated the development time required. The software eventually became available on 14th July and following testing we were able to credit accounts and write to every customer by the end of July.
- 6.8 In anticipation of the delay and to help customers during these difficult times we suppressed the collection of Direct Debits for Council Tax Support customers and will continue to do so until the grant is credited to customer accounts.
- 6.9 A letter had been sent to all Council Tax Support customers informing them of the delay and the range of help available including payment holidays and reprofiled payment arrangements.

| Apr-20 | | May-20 | |
|--------------------------------|-------------|--------------------------------|-------------|
| Total Direct DebitSuppressions | Total | Total Direct DebitSuppressions | Total |
| Breckland | 1073 | Breckland | 1099 |
| East Cambs | 191 | East Cambs | 214 |
| East Suffolk | 1085 | East Suffolk | 1104 |
| Fenland | 235 | Fenland | 258 |
| West Suffolk | 602 | West Suffolk | 607 |
| All Partners | 3186 | All Partners | 3282 |

- 6.10 We issued statutory reminders in August to those who are 3 instalments in arrears and to those with arrears from last year. We have issued two gentle reminders to everyone failing to pay an instalment in April and May and so this step will be necessary to effect engagement from any customers who have not responded at this time.
- 6.11 The table below shows the number of reminders to be issued which is far less than the number of reminders issued in April 2019. When we issue reminders to those behind by 1 instalment or more, we expect far higher numbers.

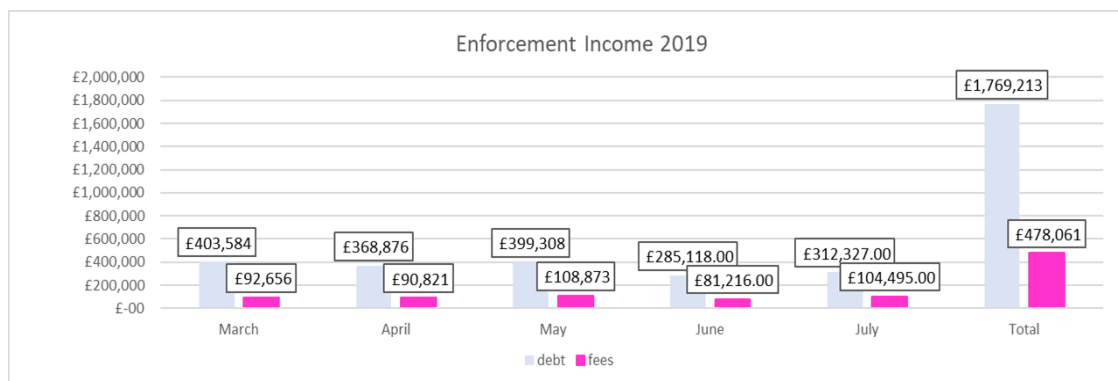
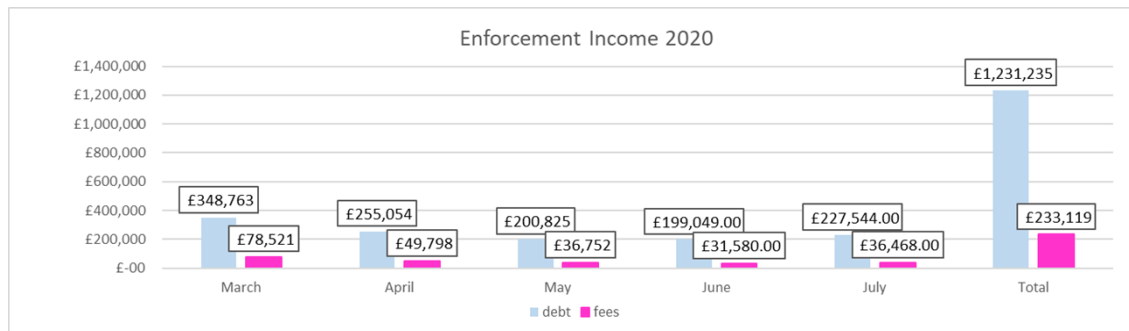
| Reminder Parameters | | Breckland | East Cambs | East Suffolk | Fenland | West Suffolk |
|--|-----------|---------------|-------------|---------------|---------------|---------------|
| Rem 1, 2 & 3, All Non DD paymethods, Including CTS cases, upto and inc 2019, all arrears | Value | £201,677.40 | £173,463.52 | £317,237.52 | £194,057.96 | £304,490.66 |
| | Reminders | 930 | 542 | 1740 | 959 | 1416 |
| Rem 1, All Non DD paymethods, Including CTS cases, Year 2020, 3 instalments | Value | £1,140,310.75 | £640,799.62 | £1,965,726.38 | £1,005,903.23 | £1,509,972.27 |
| | Reminders | 1936 | 1086 | 3503 | 1752 | 2504 |
| Number of 1st reminders sent in April 2019 - 1 instalment in arrears | | 3892 | 2276 | 8906 | 4173 | 5532 |

- 6.12 We will continue to monitor Hardship grant expenditure to identify if the fund will exhaust prior to the 31st March 2021. There is a risk increased unemployment leading to caseload growth will put pressure on the fund. We are preparing options for individual Section 151 officers to consider. As mentioned above, representations are being made to HMCLG that the caseload numbers based on October 2019 data has been and will continue to be overtaken by the economic impact of the pandemic.

7.0 Enforcement Income

7.1 From March we had to cease all Enforcement visits, however we continued to try and engage with customers offering long term arrangements and assisting customers where possible over the phone.

7.2 Government allowed visits to re-start from 24 August 2020 and in preparation for this letters were sent to all customers who were due to be visited with a view to negotiating a payment arrangement with them, However the collection of debt and the fee income generated has been substantially affected as illustrated below and this is likely to continue until Magistrates Court Hearings re-commence.



7.3 As well as not carrying out visits the work coming into the team has reduced as shown below. However, we have been able to use the additional resource that has been created to: -

- Deliver home working kits to staff
- Deliver Care packages to residents
- Assist with the payment of grants by visiting premises to encourage applications
- Staff re-deployed to assist other teams
- Outbound calling to debtors

7.4 Incoming Letters/Emails have also decreased across the Enforcement Team. This is due to two main factors.

- Outbound Letters were temporarily halted for our two external authorities who requested all work to be put on hold during COVID 19.
- Texts to customers have also stopped which also generated mail and calls as above

8.0 Council Tax & HB Overpayment Recovery

8.1 At the end of March The Magistrates Court suspended Liability Order Hearings which will have a significant effect on the recovery of Council Tax. Whilst we can issue

reminders, we cannot then enforcement payment without a Liability Order from The Court.

- 8.2 Also new enforcement actions on existing Liability Orders and outstanding HB invoices were suspended due to the current situation which also means we were not able to progress any new further recovery actions such as charging orders. These actions have now re-commenced.
- 8.3 This has resulted in a reduction in incoming phone calls and correspondence: -
- 8.4 We have continued to work on system reports e.g. cash allocation and have taken the opportunity to undertake some housekeeping and tracing activities which will assist us when business has returned to normal.
- 8.5 We have also been able to use the spare capacity within the recovery teams to support other teams who have seen an increase in work, for example Business Rates.

9.0 IMPLICATIONS

9.1 Risk

The report is for information only

9.2 Financial

The report is for information only

9.3 Legal

The report is for information only

9.4 Equality and Diversity

Not applicable.

Background Papers

Appendix A -

Appendix B –

Lead Contact Officer

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