

WEST NORTHAMPTONSHIRE COUNCIL OVERVIEW AND SCRUTINY COMMITTEE

16 January 2023

Cllr Malcolm Langley, Cabinet Member for Finance

Report Title	Revenues and Benefits Service
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List of Appendices

Appendix A – Performance Information

Appendix B – Revenues and Benefits Structure chart

1. Purpose of Report

- 1.1. To provide an overview of the Revenues and Benefits service and the work that has taken place so far since vesting day and to outline for members of Scrutiny Committee the transformation work that is planned for the next 18 months.

2. Executive Summary

- 2.1 Revenues and Benefits provides one of the largest customer facing services of the Council. These services include:
- Housing Benefit and Council Tax Reduction support to over 31,000 households
 - Discretionary Housing Payments and Council Tax hardship awards
 - Council Tax billing and collection for over 178,000 households
 - Business Rates billing and collection for over 12,000 businesses

- Collection of the Business Improvement District Levy for Northampton Town Centre and Brackmills
 - Delivery of a Debt and Money Advice service.
- 2.2 On vesting day West Northamptonshire Council inherited a complex 'patchwork' of service delivery models across the three predecessor areas including:
- an 'in-house' team in the former Daventry area
 - an ex-LGSS lead authority model led by Milton Keynes in Northampton.
 - and a local authority TECKAL company delivering the service for the former South Northants area.
- 2.3 Following a full options appraisal and business case the decision was taken to introduce one in-house operating model for the delivery of the Revenues and Benefits service. This allowed for a 'clean-up' of the over complicated inherited arrangements and for the service to adopt West Northants Council's vision and values and the opportunity for improved service provision, streamlined processes and systems, ultimately reducing costs.
- 2.4 The report has come to the Committee following comments made at a recent Cabinet meeting where a request was made for the service's performance to be considered by the Corporate Scrutiny Committee.

3. Recommendations

- 3.1 It is recommended that the committee:
- a) Note the progress made to date
 - b) Endorse the transformation plans for the service
 - c) Provide any insights and suggestions for further service improvements

4. Reason for Recommendations

- To outline the journey in the Revenues and Benefits service to date and to note some of the challenges that the team has faced.
- To understand and support the transformation approach, which ensures that the design is led by the service and has a strong customer focus.

5. Report Background

- 5.1 On vesting day, the service delivery for West Northamptonshire Council was a complex picture with three different models all with very different staffing structures.
- 5.2 An options paper was prepared and recommended the option of a single in-house team and to terminate the arrangements with both Milton Keynes Council and CSN Resources (the TECKAL company that provided the service for South Northants). The report was considered and approved by ELT in June 2021 and by Cabinet in July 2021.

- 5.3 The focus was then to build a new structure to deliver the Revenues and Benefits service with the aim of improving the service to residents and businesses and maximising income to the Council as well as taking the opportunity to harmonise ways of working and creating a new one team culture based on WNC vision and values. The structure also offered a saving on staffing costs of £200,000 per annum.
- 5.4 Once the structure was built full consultation was undertaken with staff and union colleagues. The consultation process started on 6 September 2021 for a period of 30 days and included initial meetings with staff, information packs for all those in the service, FAQs, online question and answer facility and support from our Change Manager. Following a period of recruitment, the new structure went 'live' on 8 November 2021. Applications for voluntary redundancy were considered and every effort was made to minimise compulsory redundancy.
- 5.5 As of 8 November 2021, a position statement was taken as to the volume and age of the work across all the service areas and the current performance against national Performance Indicators.
- 5.6 It is worth noting that since the launch of the new structure the team have also been responsible for the administration of government grants schemes including Test and Trace, the various Business Grants which saw funding of £121.4m awarded to local businesses with an additional £7.7m in Covid Additional Relief Funding (CARF) also awarded, Council Tax hardship covid payments and the most recent £150 energy rebate scheme which has seen £19.9m awarded to just over 140,000 households across West Northants. In December 2022, the Government announced two new fuel schemes which will be administered by Revenues and Benefits, and we are currently awaiting further detail on each of the schemes.

6. Issues and Choices

Staffing

- 6.1 The Revenues and Benefits structure comprises of 117 full time equivalent posts. A structure chart can be found at Appendix B of this report. At the time of drafting this report there are 17 vacant posts 5 of which have been advertised and the successful candidates will be joining the team in January 2023. 3 of the vacant posts have been offered as part of the staffing budget realignment for the 23-24 budget setting process. Of the remaining vacant posts 8 will be advertised again in the new year and we are considering options around the remaining vacant post now that the service has been in place for 12 months. As of December 2022, there are 4 officers on long term absence, and we continue to work with the officers to support them in their return to work. With the number of vacant posts and long-term absences it has been necessary to use agency staff on a short-term basis and at the time of writing this report there are 13 agency members of staff. This is reviewed on a regular basis.

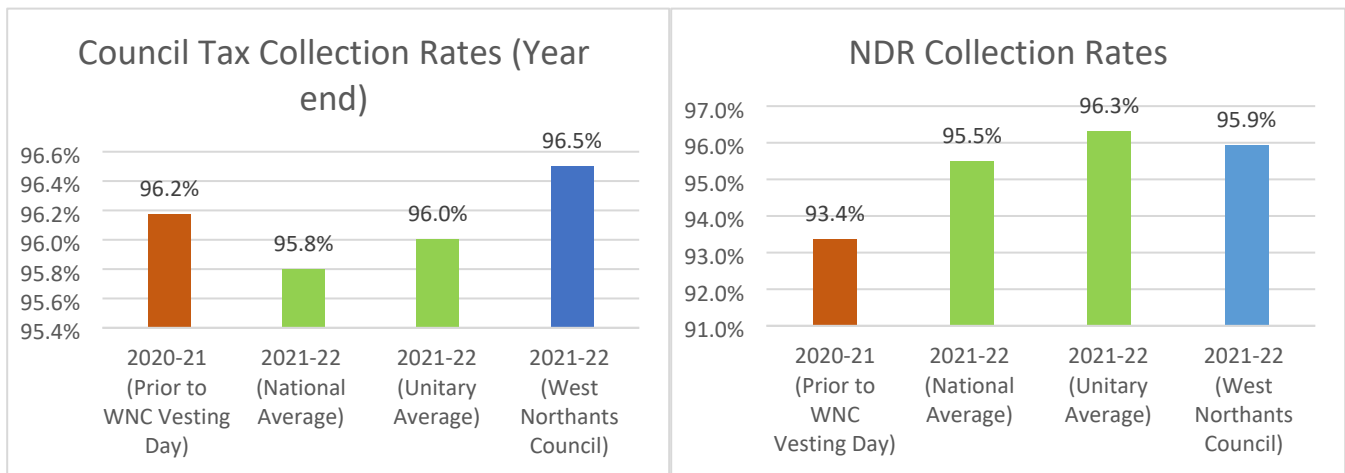
Performance

- 6.2 The new service inherited a much greater volume of work from the three sovereign areas than expected and the age profile of this work was also a challenge. The headline figures show that

the Housing Benefits team had a total of over 8,000 claims outstanding with oldest dates going back to December 2020. Council Tax Billing had a total of almost 7,000 items of work with the oldest work as far back as February 2021. In addition to this the Council Tax Recovery team had 4,500 items of work. The NDR team had a total of 627 items of work outstanding. The performance against the national indicators (outlined at 6.3 of this report) also varied hugely over the three areas.

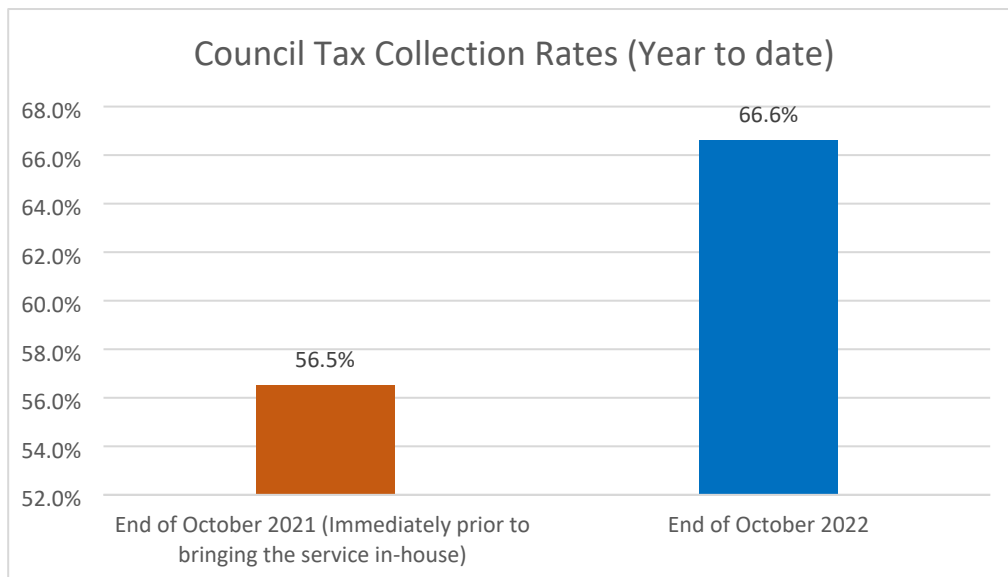
- 6.3 The volume of outstanding work steadily improved during the first 9 months of the new service across most areas. At the time of writing this report the outstanding work in Benefits stands at 4,459 with an improved age profile. Council Tax Billing currently has 7,258 items of work outstanding but again with an improved age profile. Business Rates work outstanding is currently at 235 and the team are working within 14 days. It is fair to say that the cost-of-living crisis has increased customer contact and the volume of incoming work across the service, and this continues to be a challenge.
- 6.4 Revenues and Benefits report on four national performance indicators, Council Tax collection rates, Business Rates collection rates, average time taken to assess new claims for Housing benefit and the average time to assess changes in circumstances.
- 6.5 The table below shows a summary of the performance as of November 2021 when the new service began, the end of year performance for 21-22 and the current performance levels. Collection rates for Council Tax are improving with end of October figures only slightly under target despite the challenges of covid and the current economic climate. Business Rates collection figures are much improved and are currently just under the profiled monthly target. Benefits performance continues to improve although it is acknowledged that further work is needed.

	2020-21 (Prior to WNC vesting day)	2021-22 (National Average)	2021-22 (Unitary Average)	2021-22 (West Northants Council)
Council Tax Collection Rates (Year end)	96.2%	95.8%	96.0%	96.5%
NDR Collection Rates	93.4%	95.5%	96.3%	95.9%

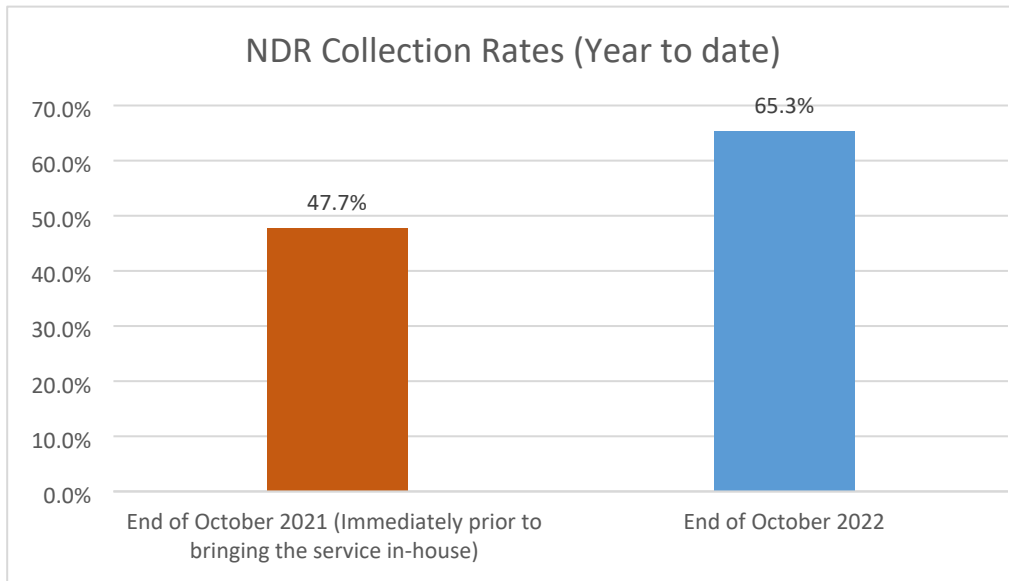


Note: The higher the figures the better for Council Tax and Business Rates collection.

	End of October 2021 (Immediately prior to bringing the service in- house)	End of October 2022
Council Tax Collection Rates (Year to date)	56.5%	66.6%
NDR Collection Rates (Year to date)	47.7%	65.3%

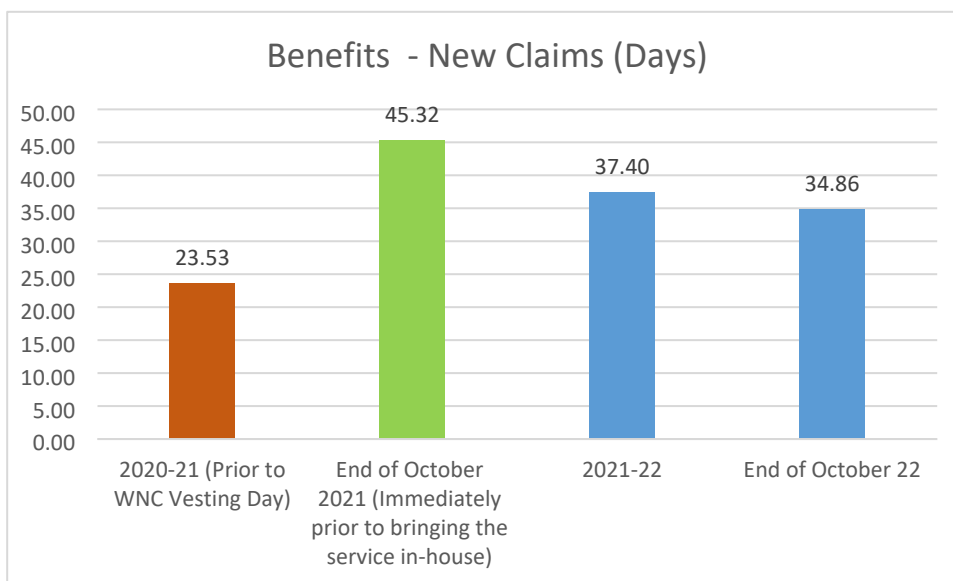


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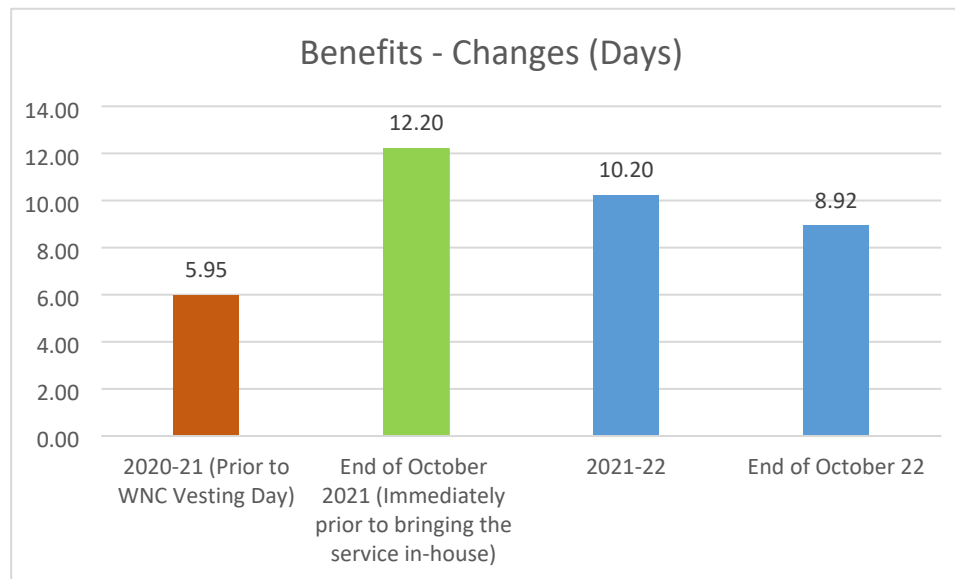


Note: The higher the figures the better for Council Tax and Business Rates collection.

	2020-21 (Prior to WNC Vesting Day)	End of October 2021 (Immediately prior to bringing the service in-house)	2021-22	End of October 22
Benefits - New Claims (Days)	23.53	45.32	37.40	34.86
Benefits - Changes (Days)	5.95	12.20	10.20	8.92



Note: The lower the figure the better for benefits performance



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- 6.6 Appendix A of this report shows a full summary of the performance across the three sovereign areas and the blended figures for West Northants over recent years.

Unallocated payments

- 6.7 There are instances where payments cannot be allocated to accounts by our Income Team and this is due to incorrect and/or insufficient details being provided by customers when making their payments. For example, customers make payments to the incorrect sovereign bank account and/or use an incorrect reference number making it difficult for payments to be allocated. In such cases the payment will go into an income suspense account which is monitored on a daily basis. The Revenues and Benefits team continue to work closely with the Income team to identify payments in suspense and ensure that the payments are allocated to the correct accounts. To mitigate the risk from this moving forward we have updated the website to encourage customers to check their details before payment and we will be promoting Direct Debits on the annual Council Tax and Business Rates bills.

Challenges

6.8 The team has experienced major changes in the 18 months since vesting day including the introduction of a single in-house team and a complete team restructure as well as the changes as we came out of the pandemic. Throughout this time, we have received excellent support from colleagues in HR and transformation including ongoing help and support from our Change Manager. There have been, and continue to be, some challenges to overcome to ensure that we achieve the service improvements and customer experience that we are striving to reach. The main challenges are highlighted below:

- Introduction of the West ways of Working and worker types. As a customer facing service Revenues and Benefits are part flexible worker types which means that officers will have a blended approach of some days in the office of their choice and some at home. Whilst most officers have adapted to the new ways of working some individuals have found the transition more difficult and we continue to support and work with these officers to enable them to work at least two days from the offices.
- Software systems and ICT access. The Revenues and Benefits teams are currently accessing multiple software systems from the three sovereign sites. This is operationally very inefficient and offers challenges around use of resources, provision of information, processes and procedures and completion of government returns. Projects such as system upgrades and annual billing must be done multiple times. Our transformation plans include a move to a single software system which will result in further savings. The implementation of the new system is scheduled to begin in April 2023 and will be a 2-year project.
- Culture. The culture across the three sovereign areas was very different. The return to office working has been challenged by some staff but we continue to seek to embed the culture of West Northamptonshire. We have introduced Valuing Individual Performance (VIP) conversations, team meetings and workshops sessions with our Change Manager are all helping to positively influence the overall culture of the service. The plans to bring the team together at One Angel Square will also really support the move to a 'one team' culture.
- Different procedures are in place across the three sovereign areas. We are working towards harmonising the procedures
- Levels of training, skills and experience is very varied across the three sites which presents challenges in how resources are utilised.

Achievements

6.9 The team have achieved a remarkable amount since November 2021. The highlights are shown below:

- A full service plan has been drafted for 22-23 and 23-24 setting clear target and direction for staff in the service.
- Recovery on Council Tax and NDR has recommenced following a government hold on all recovery during Covid
- Collection rates on both Council Tax and NDR have improved and the performance in Benefits is also improving particularly in the former Northampton area
- Successful administration of the various and often complex Business Grants supporting our local businesses through the pandemic and the Government's Test and Trace scheme has been delivered largely using existing resources.

- Administration of the £150 fuel rebate scheme with payments to over 140,000 households largely using existing resources
- Training manuals have been re-written, and plans are in place to offer new entrant and refresher training to existing staff members.
- Workshops are taking place across the teams to look at how we can make continuous service improvements
- A new performance framework has been implemented across Benefits and Council Tax enabling daily performance reporting and regular feedback to officers. This will be rolled out to NDR too.
- Homes for Ukraine payments host payments continue to be made by the team.
- The automation of data files received from DWP has commenced in the Daventry area which will help with outstanding workloads and provide an improved customer service.
- Laptops have been rolled out where required to some team members
- The Capita software contracts have been aligned for the former South Northants and Daventry allowing greater development in the Daventry system
- Direct Debits dates have been aligned with those used in the former Northampton area introducing 4 dates now for all of WNC
- Automation of Direct Debit changes and recalls has been introduced in Daventry area.
- Introduction of PSL as the preferred corporate print supplier in Northampton area including all the changes to templates
- Online Benefits change of circumstances form is about to go-live in the former South area.
- We have aligned system access across the Capita sites
- Debt and Money Advice team continue to offer vital support to residents with financial gains of £3.7m and a project has commenced to look at options for future service delivery.
- Much work has taken place on culture and improving communication including one to ones, team meetings, workshops with our Change Manager from which action plans are agreed. Some of the suggestions implemented include a staff suggestion area on Teams, staff survey action plan, roadmap to show our future plans to help understanding and chat/support areas on Teams
- We have resolved a number of system issues across the area which have improved processes and customer service.
- Risk Based Verification to support the more efficient assessment of new claims for Housing Benefit continues in place for the former South Northants area and will be rolled out to the rest of West Northants as the harmonisation of software systems takes place.
- Council Tax Reduction Scheme has been harmonised since April 2021 and from April 2022 the scheme was reviewed to allow Council Tax Reduction for care leavers to be determined on 100% of their Council Tax liability.
- A Council Tax Hardship fund was established in April 2021 and continue to support those residents who are struggling to make payments of Council Tax.
- The Revenues and Benefits service currently works across multiple sites accessing multiple software systems. This is operationally inefficient, and a business case has recently been approved by both ELT and Cabinet to move towards a single software system. This work will begin in April 2023.
- There have been service delivery challenges across the service including the number of vacancies, high sickness levels in some areas including long term absences, resistance to

coming back into the office. Whilst this is all being proactively managed it has hampered progress in some areas.

Future plans and transformation

6.10 The vast majority of the team are embracing the need for change and transformation and the service has a number of key projects ahead in the next 12-18 months in addition to the day-to-day functions:

Area	Timeline
£150 Discretionary Scheme	Go live week 7 November 2022 with payments by 30 November 2022
Introduction of online discounts and exemptions and benefits e- change in circumstances forms in South area to improve service to customers	Go live is expected February 2023
Relocation of team members from Daventry office to OAS	Consultation completed and change support in place. Move completed November 22
Migration of the Northampton NDR server from Guildhall to Angel Street including all testing	27.10.22 – 24.11.22 with go live December 22
Migration of the South servers from off site data centre Cody Park Farnborough to Angel Street including testing	Work starts in November 22
Single software system including migration of data and merge of databases – hoping that work will start post annual billing April 23.	<ul style="list-style-type: none"> • Business case drafted • Business case considered by ELT 24 October • Cabinet approval obtained in November 2022 • Procurement • Project team to launch December 22 with a project go-live date of April 23
Annual Billing for Council Tax, NDR and Benefits 23-24	Work commences November 22, test billing January 23 and live across all systems February/March 23
NDR revaluation 2023	Work to start January 2023
Debt and Money Advice project for future service delivery working with partners and voluntary sector	In progress and to be completed by October 23.
New Income Management System project	Project is live Testing to start May 23
Anti-Poverty Strategy project	Active role in the corporate anti-poverty work
Culture and change work	To continue in 2023
Project to harmonise the three current document imaging systems	Initial work to start 2023.

Temporary accommodation and supported exemption accommodation review and subsidy loss impact – working with housing and ASC colleagues	Identified as an issue and highlighted as part of the budget work. Project to commence November 2022
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7. Implications (including financial implications)

7.1 Resources and Financial

7.1.1 There are no immediate financial implications directly arising from this report.

7.2 Legal

7.2.1 There are no immediate legal implications arising from this report. Legal advice and support will be required for future transformation projects such as the implementation of a single system

7.3 Risk

7.3.1 There are no risks arising directly from this report. There is a potential risk that the team will be required to administer future government grants arising from the current cost of living crisis. There is also an additional risk that we will see a further increase in demand across the services.

7.3.2 Any risks arising from future projects outlined in the report will be identified and mitigating actions will be deployed to reduce the impact of these.

7.4 Consultation

7.4.1 This report was requested at recent Cabinet meeting. Any transformation projects highlighted are being completed in conjunction with colleagues in ICT, Transformation, HR and Finance and Procurement.

7.5 Climate Impact

7.5.1 There are no immediate impacts arising from this report,

7.6 Community Impact

7.6.1 The Revenues and Benefits team offer a vital service to some of the most vulnerable residents, taxpayers, and local businesses across the West Northamptonshire area. Service improvements and projects outlined in this report will provide a positive community impact across West Northamptonshire.

7.7 Communications

7.7.1 It is vital that the team continue to work with colleagues in Communications on any future changes and that a strong communication plan is developed and implemented as part of any projects.

8. Background Papers

8.1 None.

Appendix A. Performance data

Council Tax collection

	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Daventry	97.76%	98.15%	98.10%	97.97%	97.84%	95.35%	96.91%
Northampton	96.04%	96.32%	96.34%	93.23%	95.99%	95.61%	95.13%
South Northants	99.10%	99.02%	99.00%	98.50%	98.64%	96.68%	98.58%
West Northants	97.23%	97.44%	97.44%	97.28%	96.88%	96.17%	96.48%

Business Rates collection

	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Daventry	99.42%	99.26%	99.57%	98.73%	98.88%	91.76%	94.69%
Northampton	98.43%	97.00%	97.42%	98.17%	97.92%	92.68%	95.86%
South Northants	98.18%	98.51%	98.68%	99.06%	98.50%	97.12%	99.06%
West Northants	98.66%	97.81%	98.17%	98.44%	98.27%	93.36%	95.92%

Benefits average time to assess new claims

	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Daventry	30.21	27.37	28.20	25.44	25.26	21.88	22.71
Northampton	27.07	23.91	27.52	26.59	20.11	24.99	42.83
South Northants	9.55	13.24	10.34	9.30	6.83	12.74	11.00
West Northants	25.74	23.11	25.55	24.69	19.67	23.53	37.46

Benefits average time to assess changes

	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Daventry	3.83	3.55	3.71	4.52	3.63	9.98	8.21
Northampton	9.51	5.97	10.02	7.47	7.06	5.84	11.77
South Northants	3.03	3.27	4.79	4.74	4.23	3.77	3.64
West Northants	8.19	5.34	8.76	6.89	6.40	5.95	10.25