



Cabinet 9 July 2013

Report of the Anglia Revenues and Benefits Partnership (ARP) Joint Committee: 13 June 2013

(The following is a summary of the decisions taken by the Joint Committee. The majority is for information only; however, a recommendation is to be considered under Item 1 below).

Cabinet Member:
Cllr David Ray

Chairman of the Joint Committee:
Cllr Stephen Edwards, Forest Heath
District Council

1. ARP Monitoring Officer (Agenda Item 2)

RECOMMENDED:

That the Partnership Agreement dated 23 November 2012, be amended to delete paragraph 3.24.

At the meeting of the Joint Committee, Members were informed that upon the drafting of the revised Partnership Agreement in November 2012, it had included the requirement for the Appointment of a Monitoring Officer for the ARP.

It was the Operational Improvement Board's opinion that the requirement should be deleted from the Agreement and the in-house Monitoring Officer arrangements for each authority should remain.

It was considered that it would be more appropriate to consider the appointment of an ARP Monitoring Officer when the strategic review had been concluded and the future options for the Partnership had been decided.

2. Fraud (Agenda Item 7)

The Joint Committee had received and noted a report which detailed the work undertaken by the ARP Fraud and Visits Team during the period 2012/2013 in countering fraud against the public purse, compared to 2011/2012.

The report also provided progress that is being made in identifying and pursuing other areas of fraud on behalf of the host authorities.

Appendix A had provided details of the performance for each of the authorities within the Partnership for 2011/2012 compared to 2012/2013. For St Edmundsbury, there has been no significant change during the comparison period.

Members had noted that early verification of claims reduces overpayment whilst helping ensure that payment is made quickly to those legally entitled to benefit. A difficult line has to be drawn between making a quick payment to the honest majority, whilst at the outset making every effort to reduce fraud entering the system. Investigation is undertaken and visits made to customers where there is a suspicion of any irregularity in their claim, or there is a need for further validation to support the claim.

Visits also enable checks and reviews of older claims where there is suspicion of an irregularity later in the claim period. This is effective where it is not proportionate to conduct a full investigation. A home visit and review of the benefit claim can provide valuable additional information in support of the allegation, to subsequently justify full investigation.

The Joint Committee considered some examples of recent cases which had resulted in successful prosecutions and two custodial sentences. Members had queried whether the prosecutions had been publicised as they might act as a deterrent. In response, the officers had advised that the communications team of the relevant authority is notified of court action before a hearing so that they could attend if they wished and efforts are made to have the matters reported in the local newspapers.

As previously reported to the Joint Committee, ARP has a Counter Fraud resource that can be utilised by the host authorities to assist them in meeting the aims and targets of the National Fraud Authorities (NFA) strategy for reducing fraud within Local Government. Joint liaison has been initiated with the Housing team of Breckland Council. This has enabled a closer working arrangement by the two teams. It is intended that this joint working will assist the Housing team in cleansing their existing data set and will also enable more data exchange and effective use of customer information and therefore service provision for future customers. It is intended that this joint working and data sharing can be duplicated across the other host authorities' Housing teams. It is also intended to pursue and consider the creation of a data hub to centralise the records of local authority data. This will enable efficient and timely data matching of local authority data at an interdepartmental level and also enable proactive review of existing data sets. This will identify potential fraudulent activity and will also enable a cleansing of existing data. Again this assists the host authorities in meeting the aims of the NFA report and also assists in reducing fraud, error and losses, by utilising existing resources.

3. Performance Report (Agenda Item 8)

The Joint Committee had received and noted two Performance Reports, one as at 30 April 2013 and the other as at 31 May 2013. Each report detailed ARP's key achievements in respect of Benefit News; Revenue Collection and Projects. These detailed reports, together with the other reports considered at this meeting which are available in the public domain, can be viewed on Breckland District Council's website at:

<http://democracy.breckland.gov.uk/ieListDocuments.aspx?CIId=109&MIId=3064&Ver=4>

The Joint Committee had noted the primary monthly measures of performance are the National and Local Performance Indicators. An annual target is set within the Partnership's Annual Service Plan that is to be achieved by the end of March each year. A monthly profiled target is estimated to give a meaningful monthly measure of progress towards these targets. Each partner authority was shown to be on target and Members congratulated the officers on two consecutive 'all green' reports.

Attention had been drawn at the meeting to the amount of work that had been undertaken liaising with stakeholders to make them aware of the changes brought about by welfare reform. Analysis is currently being carried out to determine how the changes are impacting on workloads, etc. 235 Discretionary Housing application forms have been received so far this year, compared to 112 the previous year. Each form has to be individually assessed creating significant work for officers.

A detailed discussion had also been held on the increase in the number of Freedom of Information (FOI) requests received and how they should be dealt with. For the period 1 April to 31 May 2013, ARP had received 66 FOI requests, compared to 334 requests for the entire period of 1 April 2012 to 31 March 2013. It was ascertained that the majority of inquiries related to the welfare reform changes and the effect they were having.

4. Final Accounts 2012/2013 (Agenda Item 9)

RESOLVED: That

- (1) the accounting statement for the year ended 31 March 2013 be approved;**
- (2) the annual governance statement be approved;**
- (3) the 2012-13 out-turn position be noted; and**
- (4) the internal audit report and review of governance arrangements be noted.**

During 2012/2013 the turnover of the Anglia Revenues and Benefits Partnership Joint Committee remained below the £6.5m threshold,

meaning a 'small bodies' annual return is required (as in 2011/2012) rather than full accounting statements.

The 2012/2013 outturn resulted in a below budget spend of £102,470, full details of which were attached as Appendix A to the Joint Committee report. The distribution of this below budget spend was covered in a separate report to the Joint Committee, as summarised next in this report.

The annual return was shown at Appendix B. This was based on the management accounts produced for the year end and was supported by working papers. It is still subject to external audit by *Mazars*, the auditors appointed by the Joint Committee.

In accordance with regulations, an Annual Governance Statement is required as well as external audit certificates and opinion, and also an internal audit report. During the year internal audit carried out a review of the governance arrangements of the Joint Committee and this gave *Adequate Assurance* for 2012/2013.

The Joint Committee had noted the Action Plan and recommendations contained in the internal audit report to improve its governance arrangements and management of risk.

At the meeting, a discussion had been held on variations between the internal and external auditors' judgement. In response, Members had been informed that the Partnership was undertaking a significant strategic review which had thoroughly assessed all of the current risks to the ARP and partners. It was not unusual for the judgement of the internal and external auditors to differ, and that in light of the robust strategic review there should be no cause for concern around this apparent contradiction.

5. Budget Surplus (Agenda Item 10)

RESOLVED: That

- (1) the report be noted; and**
- (2) the re-distribution of the surplus to the partner authorities in accordance with Proforma B, be approved.**

Each year the Anglia Revenues and Benefits Partnership has a base budget, from which it has to provide the statutory services (Local Tax Collection and Benefit Administration). Over the last few years the Partnership has had a surplus on its budget due to additional income being received, additional savings made etc. In previous years the surplus has been redistributed to the partner authorities. The surplus for 2012/2013 was £102,470.

Through prudent budgeting, good procurement and income generation initiatives the Partnership has had another good year. Above forecast

savings have been achieved in a number of headline areas, such as salaries, disturbance and travel payments, legal fees, hired services and accommodation costs.

Whilst additional income has been generated from Trading Company work and hub savings with Waveney/Suffolk Coastal District Councils this has been lower than forecast. Additional expenditure has also been incurred for postage costs and stationery due to external price rises. Central Government has also provided substantial additional funding via additional grants. Overall this has generated a net surplus of £102,470 for 2012/2013.

The surplus will need to be shared to the partner authorities as part of the end of year accounting process. St Edmundsbury will receive £34,114 (28.43%) of the share.

6. ARP Performance Management (Agenda Item 11)

RESOLVED: That

- (1) progress was noted and the direction of travel was endorsed;**
- (2) a further update be received at the Joint Committee's next meeting, which would include the population of the Balanced Scorecard.**

Two strategic outcomes driving two organisational competencies were proposed to the Joint Committee by the Operational Improvement Board, namely:

- (a) maximising income; and
- (b) getting the right payments to our claimants.

It was noted that ARP will play an important role in the Welfare Reform agenda and in assisting Councils to maximise the benefits of the changes to the operation of Council Tax and Business Rates. As the Welfare Reforms stabilise over time and the implications for the work of ARP becomes clearer, the Operational Improvement Board and the Joint Committee will need to keep under review what the ARP's long-term strategic contribution will be and develop a way of achieving this.

Some discussion had been held on whether 'maximising income' was the right terminology and whether a distinction was needed between collecting revenue and ARP Performance in its own right.

The Joint Committee also considered the methodology of the Balanced Scorecard. The methodology suggests that different perspectives are required amongst a set of performance indicators to provide a comprehensive view of the performance of the organisation.

It is proposed that the Balanced Scorecard for ARP will comprise the following key measures:

- (a) Strategic Context;
- (b) Service User Perspective (customer);
- (c) Internal Management Perspective;
- (d) Continuous Improvement Perspective; and
- (e) Financial Perspective.

Further explanation of the above headings were contained in the report. Much of the required information is already available but other measures will need time in order for the data capture to be put in place. As a result the scorecard will develop over the course of several months before it then stabilises.

7. Welfare Reform (Agenda Item 12)

Members had been informed that ARP was now live with processing Personal Independent Payments (PIPs), the new benefit that replaced the Disability Living Allowance.

Concern had been expressed during the pilot being undertaken at Ashton-under-Lyme which was live with processing Universal Credit. As the required ICT systems were not in place, processing was having to be undertaken manually. The ARP was going live with this process on 14 July 2013. With regards to the benefit cap, there were only about 50 affected families in the area covered by the four authorities. They were all large families or people living in properties adapted for disability.

The Joint Committee had noted that the Local Council Tax Support scheme would need to be reviewed before the 2014/2015 Council Tax levy was set. It was not clear whether new consultation will be required if the review produced no changes. Advice and clarification on what was necessary will be sought. Government funding is still not known.

8. ARP Implementation Plan (Agenda Item 16)

The Joint Committee had received and noted a confidential update on the progress regarding the recruitment to the Head of ARP; the development of two outline business cases for service delivery; and the review of support services.

Members had unanimously supported the Operational Improvement Board's choice of candidate for the Head of ARP post.