



## Cabinet 20 May 2014

### Report from the Anglia Revenues and Benefits Partnership Joint Committee: 13 March 2014

#### 1. Summary and reasons for recommendation

1.1 On 13 March 2014 the Anglia Revenues and Benefits Partnership (ARP) Joint Committee considered the following substantive items of business:

- (1) Urgent Business: Joint Committee Membership
- (2) Fraud;
- (3) Performance Report: Operational and Financial Performance;
- (4) 2013/2014 Surplus and Carry Forwards;
- (5) Strategic Review;
- (6) Partnership Working;
- (7) Fenland Due Diligence;
- (8) Forthcoming Issues; and
- (9) Any Other Business.

1.2 This report is for information only and provides the decisions of the Joint Committee.

#### 2. Recommendation

2.1 The Cabinet is requested to **NOTE** the content of Report F4, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.

#### Contact details

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### **3. Strategic priorities**

- 3.1 The recommendation meets the following, as contained within the West Suffolk Strategic Plan:

Not applicable to this report

### **4. Key issues**

#### **Urgent Business: Joint Committee Membership (Agenda Item 3)**

- 4.1 A discussion had been held on the impact of forthcoming changes to the Joint Committee's membership including the additional Members from Fenland and potentially Waveney and Suffolk Coastal. There was concern that numbers could become unwieldy making the decision process slower and more difficult. The Operational Improvement Board (OIB) would look at the implications and report back to the Joint Committee with its findings.

#### **Fraud (Agenda Item 5)**

- 4.2 The Joint Committee had received and noted a report which detailed the work undertaken by the ARP Fraud and Visits Team during Quarters 1, 2 and 3 in countering fraud against the public purse, compared to Quarters 1, 2 and 3 in 2012/2013. The report also updated on the Single Fraud Investigation Service and on joint work with other parties in Countering Fraud.

- 4.3 The following appendices were attached to the report:

Appendix A: details of the performance for each of the authorities within the partnership for Quarters 1, 2 and 3 in 2013/2014 compared to Quarters 1, 2 and 3 in 2012/2013;

Appendix B: provided definitions of some of the terms used within the report; and

Appendix C: examples of recent and current cases.

- 4.4 The Joint Committee had discussed a number of cases provided in Appendix C, which included a case where an investigation had been held into a landlord which has identified that false information had been provided in order to avoid Council Tax liability for properties being operated as Houses in Multiple Occupation. Regarding another case, an investigation had been held into a benefit claim which revealed that false information had been provided at the start of the claim. The customer had declared that she only had one bank account, no capital and was liable to pay rent to her landlord. However, following enquiries, it was ascertained that she had received a redundancy payout before her claim was made which was in excess of £21,000. Enquiries had also revealed that she was in a relationship with the individual that she had named in her claim as her landlord and the couple had purchased the property together so there was no liability to pay rent. There has been overpayment of local authority and Department of Work and Pensions (DWP) benefits in excess of £19,000. The customer is due on Court to answer charges in March 2014.
- 4.5 With regard to the Single Fraud Investigation Service (SFIS), it was reported that workshops would be held in May 2014 and a provisional roll-out date of

October 2014 to March 2016 had been given. It was still not known how it would work and how the SFIS would impact on the Fraud team at ARP (in light of the potential for staff to be TUPE'd from ARP into SFIS).

- 4.6 Work was ongoing to launch the Suffolk Tenancy Fraud forum and discussions continued to encourage engagement from Havebury Housing Partnership and Flagship Housing Association to counter fraud. Joint working was being pursued with as many other agencies as possible, including work with Orbit Housing Association.

### **Performance Report (Agenda Item 6)**

- 4.7 The Joint Committee had received and noted a Performance Report as at 28 February 2014. The report detailed ARP's key achievements in respect of Benefits News; Revenue Collection, Business Rates and Projects. This detailed report, 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:

<http://democracy.breckland.gov.uk/ieListDocuments.aspx?MIId=3262&x=1>

- 4.8 The first populated balanced scorecard as at end February 2014 had been tabled at the meeting. The first set of graphs represented a set of performance indicators which measured performance across the whole of ARP. The next set of information looked at each Authority individually, and included performance indicators for Business Rates and Council Tax Collection Rates and processing times for new Benefits Claims and Changes to Circumstances. The budget stipulated the amount that should be being collected and the indicator measured the actual receipts. It was noted that some areas of information still needed to be populated with information which was in the process of being collected. Training data from the previous year would be used as a comparison to the current year. All were presently on target or no data was currently provided.
- 4.9 In respect of financial performance, the Joint Committee noted that the saving of almost 3% up to 31 December 2013 against the Partnership's budget largely related to a variance on employee related costs due to a number of vacancies. There had been an overspend on legal fees and software maintenance support costs, and the 2014/2015 budget has been increased in line with the current year spend.

### **2013/2014 Surplus and Carry Forwards (Agenda Item 7)**

- 4.10 The Joint Committee had considered a report which had sought approval for the retention of the year end surplus and unspent grants in 2013/2014.
- 4.11 As at the end of December 2013, a surplus for the Partnership of £158,585 for the 2013/2014 year was anticipated. In addition, it was expected that a maximum of £88,500 of grants received in the year would not be spent. The Joint Committee had considered a list of issues likely to take place in the coming months which amounted to expenditure of a total of £253,000. This expenditure was over and above the budget agreed for 2014/2015, therefore it was requested that the unspent funds and grants be retained by the Partnership in reserves to fund this additional expenditure.

- 4.12 The Joint Committee **RESOLVED to approve the retention of the year end surplus and unspent grants to be held in reserve for identified future spend.**

#### **Strategic Review (Agenda Item 8)**

- 4.13 The Joint Committee had considered a verbal update which informed Members of the pension position if staff were to be transferred to a Teckal company. Meetings had been held with the Pension Fund manager and it had been agreed that the transfer of Breckland staff out of Breckland and into a Teckal company would not have an effect on the fund.
- 4.14 However, work had been undertaken by Norfolk County Council which had confirmed that the scheme could not afford to transfer staff fully funded. A lump sum would be needed. The advice of an actuary would be required to work out the cost and any savings delivered from moving to a Teckal company would need to off-set the lump sum. The Corporate Director (Fenland) had added that he had had long conversations with his actuary about Fenland joining the ARP and he had been advised that it would not destabilise the Fenland fund but the deficit contribution needed to be clarified.
- 4.15 A detailed written report would be provided to the next meeting in order for the review to be progressed.

#### **Partnership Working (Agenda Item 9)**

- 4.16 The Joint Committee had considered a verbal update which advised Members that interviews would take place on 25 and 26 March 2014 for three senior management posts. Once the Management Team was in place they would agree a draft structure for the remainder of ARP, in coordination with the Operational Improvement Board. The IT was in place for Waveney and Suffolk Coastal and it was not expected that there would be any problems associated with bringing Fenland on board.

#### **Fenland Due Diligence (Agenda Item 10)**

- 4.17 The Joint Committee had received and noted a report which informed Members of the results of the due diligence work carried out in respect of Fenland District Council joining the Anglia Revenues and Benefits Partnership.
- 4.18 On 12 December 2013, the Joint Committee had agreed that subject to due diligence, Fenland District Council would become full partners of the Partnership from 1 April 2014.
- 4.19 This work had now been undertaken, as detailed in the report, and the Joint Committee was advised that no issue had been identified to prevent Fenland District Council from joining ARP.
- 4.20 The Joint Committee **RESOLVED that the satisfactory completion of the due diligence work be agreed.**

#### **Forthcoming Issues (Agenda Item 11)**

- 4.21 The Joint Committee had been informed that further work would be undertaken on the pensions issues outlined above and a written report would be provided to the next meeting.

## **Any Other Business (Agenda Item 13)**

- 4.22 As previously discussed by SEBC's Cabinet (see minutes of 25 March 2014), the Joint Committee had supported the lobbying through the Local Government Association to seek a revision to the Licensing Act 2003 to enable Councils to refuse premises' licence applications from companies with Business Rates debt.

### **5. Other options considered**

- 5.1 See link to documents published on Breckland District Council's website as shown in Section 4.7 above.

### **6. Community impact**

- 6.1 See link to documents published on Breckland District Council's website as shown in Section 4.7 above.

### **7. Consultation**

- 7.1 See link to documents published on Breckland District Council's website as shown in Section 4.7 above.

### **8. Financial and resource implications** (*including asset management implications*)

- 8.1 See link to documents published on Breckland District Council's website as shown in Section 4.7 above.

### **9. Risk/opportunity assessment** (*potential hazards or opportunities affecting corporate, service or project objectives*)

- 9.1 See link to documents published on Breckland District Council's website as shown in Section 4.7 above.

### **10. Legal and policy implications**

- 10.1 See link to documents published on Breckland District Council's website as shown in Section 4.7 above.

### **11. Wards affected**

- 11.1 All Wards.

### **12. Background papers**

- 12.1 See link to documents published on Breckland District Council's website as shown in Section 4.7 above.

### **13. Documents attached**

None

