

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Report of the Anglia Revenues and Benefits Partnership Joint Committee: 7 December 2015 and 12 January 2016</b>	
<b>Report No:</b>	<b>CAB/SE/16/002</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	9 February 2016
<b>Portfolio holder:</b>	Ian Houlder Portfolio Holder for Resources and Performance <b>Tel:</b> 01284 810074 <b>Email:</b> <a href="mailto:ian.houlder@westsuffolk.gov.uk">ian.houlder@westsuffolk.gov.uk</a>	
<b>Lead officer:</b>	Jill Korwin Director <b>Tel:</b> 01284 757252 <b>Email:</b> <a href="mailto:jill.korwin@westsuffolk.gov.uk">jill.korwin@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	<p>On 7 December 2015 the Anglia Revenues and Benefits Partnership (ARP) Joint Committee considered the following substantive items of business:</p> <ol style="list-style-type: none"><li>(1) Performance Report;</li><li>(2) ARP Joint Committee Partnership Budget;</li><li>(3) Service Delivery Plan;</li><li>(4) Welfare Reform Update;</li><li>(5) Enforcement Agency Update;</li><li>(6) Anglia Revenues Partnership Trading Company: Progress Update; and</li><li>(7) Forthcoming Issues.</li></ol> <p>On 12 January 2016, the Joint Committee considered the following substantive item of business:</p> <ol style="list-style-type: none"><li>(1) ARP Joint Committee Partnership Budget</li></ol> <p>This report is for information only. No decisions are required by the Cabinet.</p>	

<b>Recommendation:</b>	<b>The Cabinet is requested to <u>NOTE</u> the content of Report No: CAB/SE/16/002 being the report of the Anglia Revenues and Benefits Partnership Joint Committee.</b>
<b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>See reports of ARP Joint Committee at link provided under 'Background papers'</li> </ul>
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>See reports of ARP Joint Committee at link provided under 'Background papers'</li> </ul>
<b>Implications:</b>	
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See reports of ARP Joint Committee at link provided under 'Background papers'</li> </ul>
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See reports of ARP Joint Committee at link provided under 'Background papers'</li> </ul>
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See reports of ARP Joint Committee at link provided under 'Background papers'</li> </ul>
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See reports of ARP Joint Committee at link provided under 'Background papers'</li> </ul>
<i>Are there any <b>equality</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>See reports of ARP Joint Committee at link provided under 'Background papers'</li> </ul>
<b>Risk/opportunity assessment:</b>  See reports of ARP Joint Committee at link provided under 'Background papers'	<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>
<b>Ward(s) affected:</b>	All Ward/s
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	Breckland DC Website: <a href="#">Reports of the Anglia Revenues and Benefits Partnership Joint Committee – 7 December 2015</a>  <a href="#">Report of the Anglia Revenues and Benefits Partnership Joint Committee – 12 January 2016</a>
<b>Documents attached:</b>	None

## **1. Anglia Revenues and Benefits Partnership Joint Committee – 7 December 2015: Key Issues**

### **1.1 Performance Report (Agenda Item 5)**

1.1.1 The Joint Committee had received and noted the Operational Performance Report as at 31 October 2015. The report details ARP's key achievements in respect of Benefits and Fraud Performance including the Department for Work and Pensions ARP Fraud Funding and Fraud Targets; Revenues Performance and Support Performance including Imaging System (EDMS), Channel Shift/Website, BACS Bureau, Technical Projects and External Mailing. This detailed report can be viewed as part of the reports pack on Breckland District Council's website at:

<http://democracy.breckland.gov.uk/documents/q3457/Public%20reports%20pack%2007th-Dec-2015%2010.00%20Anglia%20Revenues%20and%20Benefits%20Partnership%20Joint%20Committee.pdf?T=10>

1.1.2 Members had noted that targets had been met by all partner authorities with all indicators annotated green as at 31 October 2015, as shown on the Balanced Scorecard at:

<http://democracy.breckland.gov.uk/documents/s36965/ARP%20Balanced%20Scorecard%202015-16%20-%20Oct%202015.pdf>

1.1.3 The above report provides further information on indicators relevant to each partner authority, which are grouped under the following headings:

- (a) Financial: Collection, Budget Management
- (b) Customer: Customer Satisfaction, Channel Shift
- (c) Internal Process: Collection, Fraud
- (d) Learning and Growth: Performance Management

1.1.4 In respect of financial performance as at 31 October 2015, the Joint Committee had noted that there was currently an underspend of £182,536 against budget, which was largely attributed to the high turnover in staff to date (£169,966 of the total underspend). The next financial performance report (Quarter 3) will provide an outline of how this surplus will be allocated.

### **1.2 ARP Joint Committee Partnership Budget (Agenda Item 6)**

1.2.1 Subsequent to the publication of the agenda and papers for the meeting, the Joint Committee had been informed that the Operational Improvement Board had considered that the published information on the proposed budget for 2016/2017 had insufficiently accounted for a number of issues.

1.2.2 Members had agreed that an additional meeting should be held in January 2016 to enable the extra information to be provided, including a Medium Term Financial Plan and how the budget would link to the Service Delivery Plan (next item refers).

1.2.3 A meeting was subsequently arranged for 12 January 2016 to consider the budget. An summary of the discussions held at that meeting is detailed in

Section 2 below.

### 1.3 **Service Delivery Plan (Agenda Item 7)**

- 1.3.1 The Joint Committee had considered a report which sought approval for a revised Service Delivery Plan.
- 1.3.2 In accordance with the ARP agreement, a revised Service Delivery Plan should be approved by the Joint Committee by the end of December each year.
- 1.3.3 A Service Delivery Plan was approved in September 2014 and Appendix B attached to the Joint Committee report showed progress against this plan.
- 1.3.4 In addition to service aims and objectives, the plan includes a risk assessment and detail of the major projects that ARP will implement in 2016.
- 1.3.5 Members noted the successes of the partnership since September 2014, and also the ongoing work and projects being undertaken to continue these successes, as outlined in Section 1.2 of the Joint Committee report.
- 1.3.6 [Appendix A](#) attached to the Joint Committee report provided the revised Service Delivery Plan, which detailed the high level actions that the service must implement to ensure the varied demands on the service are met. Specific actions are provided in Section 1.3 of the Joint Committee report, which includes the proposed development of a three-year strategy/business plan and the seeking to ensure that the processes and procedures across the partnership are harmonised and that all use of resources available to the partners is maximised.
- 1.3.7 The Joint Committee **RESOLVED: That**
  - (1) **the progress in respect of the September 2014 Service Delivery Plan be noted;**
  - (2) **the revised Service Delivery Plan be approved;**
  - (3) **the contents of the report be noted; and**
  - (4) **the Risk Register be agreed.**

### 1.4 **Welfare Reform Update (Agenda Item 8)**

- 1.4.1 The Joint Committee had received and noted an update on welfare reform.
- 1.4.2 The update included information on:
  - (a) Universal Credit;
  - (b) Discretionary Housing Payment; and
  - (c) Tax Credit changes announced in the Budget.
- 1.4.3 Further details are outlined in the report to the Joint Committee. Additional information provided at the meeting included that, following announcements in the Chancellor's Autumn Statement, it was expected there would be a full roll-out of Universal Credit by 2021. Anticipated changes to the Tax Credit process had been postponed and therefore will not cause an impact to the

partnership at the present time.

## 1.5 **Enforcement Agency Update (Agenda Item 9)**

1.5.1 The Joint Committee had received and noted an update on the recently established ARP Enforcement Agency.

1.5.2 The update included information on:

(a) the Enforcement Team has been operational since July 2015. Four compliance officers continue to recover monies in accordance with procedure, and two Enforcement Agents are working towards obtaining their Enforcement certificate which allows them to visit properties to enforce payment. Unfortunately, the certificated Enforcement Agent who had been appointed to commence work in October 2015 did not take up his post due to an improved offer from his current employers; however, another certificated Enforcement Agent has now been appointed.

(b) The Team has now collected in excess of £400,000 and have another £520,000 on payment arrangements. Further details of performance statistics were attached as [Appendix B](#) to the Joint Committee report.

1.5.3 The Joint Committee had also noted that comparisons should not be made between collection data recorded for the relatively new Enforcement Agency and an external bailiff company until the Agency has been operational for a full financial year.

## 1.6.1 **Anglia Revenues Partnership Trading Company: Progress Update (Agenda Item 10)**

1.6.2 The Joint Committee had received and noted a verbal update on progress in respect of the ARP trading company

1.6.3 Members had noted and discussion had been held on:

(a) that a draft Shareholder Agreement has been agreed by officers and will be shortly circulated to the partner authorities for approval;

(b) ways in which the Anglia Revenues Partnership Trading (ARPT) Company could raise its profile as a provider; and

(c) the proposed communications plan for promoting the unique selling point of ARPT.

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

1.7.1 The Joint Committee had been informed that ARP is currently providing a consultancy service to South Holland and East Lindsey Councils on the Revenues and Benefits strategic function.

## 2. Anglia Revenues and Benefits Partnership Joint Committee – 12 January 2016: Key Issues

### 2.1 ARP Joint Committee Partnership Budget (Agenda Item 4)

2.1.1 Members had considered a report which sought approval for the partnership budget for 2016/2017.

2.1.2 Whilst the base budget has been set in line with 2015/2016, there is recognition that the partners will face a direct budget pressure from the reduction in subsidy for administration of both Housing Benefit and the Local Council Tax Support Scheme.

2.1.3 The Government has yet to announce the detail of the reduction in subsidy grant given to local authorities therefore the budget report provides three possible scenarios: optimistic, realistic and pessimistic, as outlined in [Appendix A](#). The realistic scenario has been used when budget setting which results in an overall budget gap of £1.017 million by 2018/2019, as follows:

	<b>2016/17 £</b>	<b>2017/18 indicative £</b>	<b>2018/19 indicative £</b>
Budget gap from reduction in administration subsidy	227,000	532,000	1,017,000

By contrast, a pessimistic budget, which assumes a 60% reduction in housing benefit subsidy, would result in a £1.84 million budget gap by 2018/2019.

2.1.4 A number of key assumptions have been used when setting the budget, which are:

- a pay award of 1% in all years;
- a vacancy factor of 2.5% in all years;
- no inflation on supplies and services as the assumption is that inflation can be contained through future procurement savings; and
- savings will not be delivered until 2017/2018 in order to allow a year to make the necessary investment.

2.1.5 Taking the above into account, the total partnership budget for 2016/2017, attached as [Appendix B](#) to the Joint Committee report, is £9,634,264, which is an increase of £237,433 on the 2015/2016 revised budget. Indicative budgets for 2017/2018 and 2018/2019 are £9,886,128 and £10,019,120 respectively. St Edmundsbury's (and for information, Forest Heath's) current and future contribution to the total budget is set out below:

	<b>2015/16 £</b>	<b>2016/17 £</b>	<b>2017/18 indicative £</b>	<b>2018/19 indicative £</b>
St Edmundsbury	1,375,651	1,393,370	1,362,393	1,312,452
Forest Heath	940,231	946,413	927,575	897,206

2.1.6 The report proposes that the base budget is retained to maintain capacity to enable a redirection of resources. It also utilises the expected underspend in 2015/2016 of £324,000 and creates an investment fund from this balance.

This investment fund will be used to invest in trading, growth and efficiencies in order to deliver the necessary savings in future years to close the budget gap. These savings targets are based on the expected reduction in subsidy grant from the seven partners over the medium term.

- 2.1.7 Benefits payments and subsidies, court fee income and other grants specific authorities are not included within the partnership budgets, as these are the direct responsibility of the individual authority and have been reflected in their own budgets.
- 2.1.8 The Joint Committee had also noted that the budget had accounted for an increase in establishment for the enforcement service and for three new Council Tax posts, plus inflationary salary increases for the existing establishment. However, the new enforcement service is prudently budgeted to provide a net income of £150,000 in 2016/2017 and future years. The three new Council Tax posts for assisting further recovery will be fully offset by income from the County Councils.
- 2.1.9 The ARP budget focusses on the medium term until 2018/2019. Further reductions are expected between 2018 and 2021 when the managed migration of housing benefit to Universal Credit begins. Further information on this migration will be provided to the Joint Committee as it becomes available.
- 2.1.10 The Joint Committee had thoroughly considered the budget for 2016/17 and had asked several questions of officers to which they were duly responded. Future challenges ahead had been duly acknowledged.
- 2.1.11 The Joint Committee **RESOLVED: That**
- (1) the partnership budget for 2016/2017 be approved;**
  - (2) the full 2015/2016 underspend be contributed into the ARP investment fund; and**
  - (3) the future release of budgets from the investment fund for specific projects be delegated to the Operational Improvement Board (OIB) and all spend to be reported to the Joint Committee at the next available meeting.**