

Cabinet



Forest Heath
District Council

Title of Report:	Report of the Anglia Revenues and Benefits Partnership Joint Committee: 22 March 2016	
Report No:	CAB/SE/16/017	
Report to and date:	Cabinet	17 May 2016
Portfolio holder:	Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
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Purpose of report:	<p>On 22 March 2016 the Anglia Revenues and Benefits Partnership (ARP) Joint Committee considered the following substantive items of business:</p> <ol style="list-style-type: none"> (1) Performance Report; (2) Welfare Reform Update; (3) Enforcement Agency Update; (4) Forthcoming Issues; (5) Exempt Item: Risked Based Verification; (6) Exempt Item: Commercial Update; and (7) Exempt Item: Shareholders' Agreement and Presentation. <p>This report is for information only. No decisions are required by the Cabinet.</p>	
Recommendation:	The Cabinet is requested to <u>NOTE</u> the content of Report No: CAB/FH/16/017 being the report of the Anglia Revenues and Benefits Partnership Joint Committee.	
Key Decision: (Check the appropriate box and delete all those that do not apply.)	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>	
Consultation:	<ul style="list-style-type: none"> • See reports of ARP Joint Committee at link provided under 'Background papers' 	

Alternative option(s):	<ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
Implications:	
Are there any financial implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
Are there any staffing implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
Are there any ICT implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
Are there any legal and/or policy implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
Are there any equality implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> See reports of ARP Joint Committee at link provided under 'Background papers'
Risk/opportunity assessment:	<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>
See reports of ARP Joint Committee at link provided under 'Background papers'	
Ward(s) affected:	All Ward/s
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	Breckland DC Website: Reports of the Anglia Revenues and Benefits Partnership Joint Committee – 22 March 2016
Documents attached:	Exempt Appendix A: ARP Trading Company – Copy of Presentation provided at the meeting, which summarises the Shareholder Agreement

1. 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 January 2016. 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 (more detail below); Revenues Performance and Support Performance, including Imaging System (EDMS). 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/q3818/Public%20reports%20pack%2022nd-Mar-2016%2010.00%20Anglia%20Revenues%20and%20Benefits%20Partnership%20Joint%20Committee.pdf?T=10>

1.1.2 Confirmation had been given at the meeting that ARP had received the maximum funding available for the Fraud and Error Reduction Incentive Scheme (FERIS) for 2016/2017. Discussion had been held on the frequency of customer record reviews; and the number of claimants using the online self-service facility.

1.1.3 In addition, the Joint Committee had agreed to the proposed 2016/2017 annual fraud savings targets, as follows:

Description of financial saving	Estimated financial saving (£)		
	Annual 2015/16 target	From Sept 2015 (SFIS staff to DWP) performance as at 31.1.16	2016/17 proposed annual target
Single Person Discount fraud	120,000	104,000	300,000
Local Council Tax Support Scheme fraud	100,000	138,000	150,000
Tenancy Fraud	50,000	360,000	360,000
Other (Council Tax and NDR)	50,000	27,000	50,000
Total financial savings	320,000	629,000	860,000

1.1.4 Members had noted that with the exception of one, targets had been met by all partner authorities with the majority of indicators annotated green as at 31 January 2016, as shown on the Balanced Scorecard at:

<http://democracy.breckland.gov.uk/documents/s38404/ARP%20Balanced%20Scorecard%202015-16%20-%20Jan%202016.pdf>

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

In respect of financial performance as at 31 January 2016, the Joint Committee had noted that £332,874 had been forecasted to be underspent at year end 31 March 2016. As previously agreed by the Joint Committee, this had been allocated to the Investment Fund. The new Enforcement Agency was performing well since its inception in July 2015, therefore income against budget was expected to be exceeded by approximately £200,000.

1.2 **Welfare Reform Update (Agenda Item 6)**

1.2.1 The Joint Committee had received and noted an update on welfare reform.

1.2.2 The update included information on:

- (a) Universal Credit;
- (b) Discretionary Housing Payment;
- (c) Benefit Cap; and
- (d) Social Rented Sector Rent Restrictions.

Further details can be found in the report at:

<http://democracy.breckland.gov.uk/documents/s38403/Joint%20Committee%20Report%20Welfare%20Reform%20update.pdf>

1.2.3 The Joint Committee had noted the significant reduction in the Benefit Cap from £26,000 to £20,000.

1.3 **Enforcement Agency Update (Agenda Item 7)**

1.3.1 The Joint Committee had considered an update on the ARP Enforcement Agency and approval had been sought for delegated authority to be given to enable staffing levels to be increased, where appropriate.

1.3.2 The Enforcement Agency has been operational since July 2015, and has collected in excess of £1.1 million with a further £400,000 being collected on payment arrangements.

1.3.3 Consideration has been given to offer the service to other Local Authorities; however, in order to progress this forward, additional staff resource will be required and further information regarding the proposal is detailed in the report at:

<http://democracy.breckland.gov.uk/documents/s38405/Joint%20Committee%20Report%20Enforcement%20Agency%20update.pdf>

The Operational Improvement Board had previously acknowledged that robust data will need to be provided to justify the need for additional for extra resource.

- 1.3.4 The Joint Committee supported the proposal but wished to ensure that robust data is indeed provided to justify the need for additional resource as highlighted by the Operational Improvement Board, and this was reflected with an amendment to Recommendation (2).
- 1.3.5 In addition, Members welcomed a report at the next meeting on the success of the service moving forward; and that early indications have shown that the Enforcement Agency is collecting a higher percentage of debt than their competitors.
- 1.3.6 The Joint Committee **RESOLVED: That**
- (1) the progress of the Enforcement Agency be noted;**
 - (2) the Operational Improvement Board be given delegated authority to appoint up to eight additional members of staff where they are satisfied that the increase is justified by robust data; and**
 - (3) the Operational Improvement Board be given delegated authority to negotiate terms of the ARP Enforcement Agency entering in to arrangements to collect debt for councils who are not members of the ARP 2015 Joint Committee.**

1.4 **Forthcoming Issues (Agenda Item 8)**

1.4.1 There had been no issues to report.

1.5 **Exempt Item (para 3): Risk Based Verification (Agenda Item 11)**

- 1.5.1 Approval had been sought from the Joint Committee for a new Risk Based Verification Policy, which will be reviewed on an annual basis as required by the Department for Work and Pensions.
- 1.5.2 The policy is provided to ensure that the Local Authorities within ARP fulfil their statutory requirements and operate a strict regime of preventing fraud and error entering the system whilst continuing with live caseload intervention.
- 1.5.3 The Joint Committee **RESOLVED: That**
- (1) the report be noted and the policy remained unchanged for 2015/16; and**
 - (2) the revised Housing Benefit Risk Based Verification Policy for 2016/17 for Breckland Council, East Cambridgeshire District Council, Fenland District Council, Forest Heath District Council, St Edmundsbury Borough Council, Suffolk Coastal District Council and Waveney District Council be approved.**

1.6.1 **Exempt Item (para 3): Commercial Update (Agenda Item 12)**

1.6.2 The Joint Committee had received and noted a verbal update on progress in respect of ARP's approach to behaving more commercially.

1.6.3 Members had agreed that the Operational Improvement Board should negotiate on a basis of delivering services for other Councils in the first instance but that where appropriate and where beneficial to the seven ARP partners, consideration should be given to alternative approaches, including sharing risk and benefits with other Councils.

1.7 **Exempt Item (para 3): Shareholders' Agreement and Presentation (Agenda Item 13)**

1.7.1 The Joint Committee had received a presentation and a copy of the proposed Shareholders' Agreement for the new ARP Trading Company.

1.7.2 In respect of the restructure of the ARP Trading Company, on 7 July 2015, St Edmundsbury Borough Council, as one of the partnering authorities, had resolved (amongst others) that:

...'(5) agreement of the revised company constitution and shareholder agreement be delegated to the Operational Improvement Board to complete....'

1.7.3 The Shareholders' Agreement, which has been set up with Forest Heath District Council and Breckland Council as original shareholders, had been prepared for consideration by the Joint Committee. A summary of the Agreement is contained in the presentation at Exempt Appendix A attached to this report. The presentation was provided at the meeting and the Joint Committee gave its approval for the Agreement, however where delegated authority has not previously been sought by some of the partners to approve the Agreement, they will need to formally have this decision ratified through their own decision making processes. No such further approval is required by Forest Heath District Council.

1.7.4 The Cabinet is asked to **NOTE** the decision of the Joint Committee referred to above.