

(Informal Joint) Cabinet



Forest Heath
District Council

Title of Report:	Report of the Anglia Revenues and Benefits Partnership Joint Committee: 27 March 2018	
Report No:	CAB/FH/18/029	
Report to and date:	FHDC/SEBC (Informal Joint) Cabinets	22 May 2018
Portfolio holder:	Councillor Stephen Edwards Portfolio Holder for Resources and Performance Tel: 07904 389982 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Jill Korwin Director Tel: 01284 757252 Email: jill.korwin@westsuffolk.gov.uk	
Purpose of report:	<p>On 27 March 2018, the Anglia Revenues and Benefits Partnership (ARP) Joint Committee considered the following substantive items of business:</p> <ol style="list-style-type: none"> (1) Highlight Report, Balance Scorecard and Finance Report; (2) Welfare Reform Update; (3) Anglia Revenues Partnership Risk Register; (4) Forthcoming Issues; (5) Exempt: Risk Based Verification; (6) Exempt: ARP Briefing Note; (7) Exempt: Future of ARP Trading Limited (8) Exempt: ARP Trading Limited: Financial Implications <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/SE/18/029, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.	
Key Decision:	<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>	

<i>(Check the appropriate box and delete all those that do not apply.)</i>	
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: 27 March 2018
Documents attached:	None

1. Key Issues

1.1 Operational Highlight Report, Balance Scorecards and Finance Report (Agenda Item 5a, 5b, 5c)

(a) Operational Highlight Report

1.1.1 The Joint Committee had received and **noted** the Operational Highlight Report as at 28 February 2018. The report details ARP's key achievements in respect of Benefits and Fraud Performance; Revenues Performance and Support Performance, including Digital Transformation and Self-Service. This detailed report can be viewed on Breckland District Council's website at:

<http://democracy.breckland.gov.uk/documents/s47400/ARP%20Strategic%20Managers%20Highlight%20report%20March%202018%20draft.pdf>

1.1.2 Fraud and compliance performance had already exceeded targets for 2017/18 with total savings achieving £2,574,613 as at 28 February 2018, which had by far exceeded the total year end target of £1,300,000.

1.1.3 The Enforcement Team also continues to perform exceedingly well, having collected £9.3 million since the agency was established, of which £4 million has been collected in the 2017/18 financial year. A fifth Enforcement Agent has recently joined ARP and has now achieved certification. The team has also taken on the collection of Housing Benefit Overpayments where other methods have been successful, examples of which are contained in the report. The Partnership has also had enquiries from five other authorities with a view to taking on their enforcement work.

1.1.4 The new rate reliefs announced by the Government and the impact on ARP had also been noted, together with changes to the way in which customers are now able to view their Council Tax, Business Rates, benefits payments and E-billing on the ARP website.

1.1.5 The Annual Billing for 2018/19 had operated smoothly with all bills sent out on time and no issues had been raised. This included in excess of 10,000 council tax payers and housing benefits recipients opting entirely to receive their bills electronically thus saving postage. Use of the new on-line forms had been positive; however there has been issues with the provider, and work is being undertaken to resolve these issues.

(b) Balanced Scorecard

1.1.6 Members had **noted** that targets had largely been met by all partner authorities with the majority of indicators annotated green as at 28 February 2018, as shown on the Balanced Scorecard at:

<http://democracy.breckland.gov.uk/documents/s47401/ARP%20Balanced%20scorecard%20Feb%202017-18.pdf>

1.1.7 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

1.1.8 Benefits performance was close to meeting the year-end targets; however, this was not the case for all partner Councils, as shown on the balanced scorecards. Four of the Councils, which included St Edmundsbury Borough Council's shared services partner, Forest Heath District Council, were unlikely to meet the target for processing council tax support cases. It was expected that the final year end figure for the time taken for council tax support cases to be processed by these Councils would be 9 days against a target of 8 days. Members had noted that this was largely due to the impact of staff vacancies during the first half of the reporting period together with the embedding and settling down of standardised work processes in ARP's document imaging system. Going into 2018/2019, appropriate measures have been put in place, largely in relation to recruiting additional temporary staff to help manage workloads during peak periods. Members also noted that new claims took approximately 18-20 days and a change in circumstance, around 5 days, which compared to a national average of 22 days and 9 days respectively. In view of this, the Operational Improvement Board will re-visit some of ARP's targets.

1.1.9 Other targets that had not been met related to business rates collection being slightly below target and this included the West Suffolk councils. The drop in collection was due to a significant level of refund payments being made as a result of successful appeals by ratepayers against their rateable values, often backdated to April 2010. For Forest Heath these refunds amounted to £703k and for St Edmundsbury the figure was £1.1m. It is a requirement of the Business Rates Retention scheme that councils make provision in their accounts to meet the cost of these successful appeals. Both Forest Heath and St Edmundsbury held adequate levels of appeals provision to mitigate the impact of these and any future refund payments (Forest Heath having a provision of £2.0m and St Edmundsbury holding £4.2m) and the level of these provisions will continue to be monitored and revised as necessary. This had been discussed at some length at the last meeting of the Joint Committee and Members had been satisfied with the mitigation measures put in place.

(c) Financial Performance

1.1.10 In respect of the financial performance report, the Joint Committee had **noted** the position as at 31 January 2018, which showed a current underspend of £410,001 against budget. The reasons for the specific variances, together with other details, are contained in the report at:

<http://democracy.breckland.gov.uk/documents/s47394/ARP%20Management%20Accounts%20201718%20as%20at%20January%20to%20JC.pdf>

An update had also been provided on committed expenditure for the Transformation Programme. The committed transformation funding is £180,529 as at 31 January 2018. If all of the identified expenditure goes through as planned by the end of 2018/2019, there will be £47,928 remaining for future projects.

In addition, Members had noted actual efficiencies identified to date against the original budget targets for 2017/2018 to 2019/2020.

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

1.2.1 The Joint Committee had received and **noted** an update on welfare reform, which included:

- (a) **Universal Credit (UC):** The current position regarding the timeline to move to the live operation of the full service for new claimants and those where circumstances had changed were discussed. Forest Heath DC are now expected to roll-out in December 2018, which was mainly due to the Government's budget announcement in December 2017. Waveney District Council, and now St Edmundsbury BC, who are already operating the full service have been experiencing difficulties; however they are not alone in this. Measures and controls have been put in place to address the issues and mitigate the risk of performance against target. Through working with Customer Service and Housing Options teams, the Department of Work and Pensions (DWP) and stakeholders; ARP has made plans to minimise the impact of UC. This has been ARP's template for the partner Councils, which was successfully used with St Edmundsbury at the end of last year, and will be replicated for all other partner Councils as the roll-out schedule continues throughout 2018.

The Joint Committee had discussed in some detail the Government Budget announcements where improvements were expected to be made, as outlined in the report at the link below:

<http://democracy.breckland.gov.uk/documents/s47395/Joint%20Committee%20Report%20Welfare%20Reform%20update%20March%202018%20draft.pdf>

- (b) **Discretionary Housing Payment:** Spend continues to be within the grant provided by the DWP, and is forecast to be closer to, but within the grant. This grant is designed to help customers remain in their homes or to move to affordable and sustainable accommodation. The main area of expenditure continues to be to assist customers with rent shortfalls, in particular due to restrictions on Housing Benefit rent levels. Generally the allocations for 2018/2019 have been reduced.
- (c) **Benefit Cap:** In November 2016, the maximum family income before the Benefit Cap applies reduced from £26,000 to £20,000 (£13,400 for single adults with no children). The Benefit Service continues to work with colleagues in Customer Service and Housing Options teams to seek to avoid homelessness and the cost of temporary housing.

DWP has provided New Burdens funding to assist councils with extra administrative costs and have increased Discretionary Housing Payment grants to help customers with the reduction; however, it should be noted that the increase does not cover all reductions.

- (d) **Two Child Limit:** From April 2017, the DWP introduced legislation to restrict benefits to families having a third child from April 2017 to the two child rate. There are exceptions, such as multiple births. New claims for Universal Credit where an applicant has more than two children will be redirected to legacy benefits, i.e. housing benefit.
- (e) **Social Rented Sector Rent Restrictions:** The Government has responded to consultation on funding for supported housing and it has indicated it will not implement Local Housing Allowance rates in social housing. Further proposals are outlined in the [report](#) noted by the Joint Committee. An implementation date for the proposals has been indicated as April 2020.

In respect of the Government's approach to supported accommodation (i.e. hostels) ARP is waiting to how this looked and there could be grants available to upper tier councils. DWP needs to ensure that it is capturing the correct data.

1.3 **Anglia Revenues Partnership Risk Register (Agenda Item 7)**

- 1.3.1 In June 2014, the Joint Committee had agreed that Members would be updated every six months on the risk assurance so that the risk can be reviewed regularly.
- 1.3.2 The Risk Register is attached as [Appendix A](#) to that report. [Appendix B](#) shows the criteria used to apply a risk score by analysing the likelihood of a risk occurring and the potential impact of the risk to ARP and to the partner Councils.
- 1.3.3 A number of high risks remain since last reported; however, a process of mitigation and monitoring is in place to eliminate some of these risks.
- 1.3.4 A risk relating to income from business rates has reduced now that the April 2017 revaluation has been completed; however, there is still a risk in relation to subsequent appeals that may be received and reduce rates payable. Provision has been made for this (see 1.1.9 above).
- 1.3.5 The risk relating to business continuity has risen because of recent cyber-attacks. West Suffolk Councils has already updated the software; however this will be continually monitored and reviewed in light of the recent increase in attacks to ensure the system remains secure.
- 1.3.6 The Joint Committee had **RESOLVED that the report be noted and the Risk Assurance Register be agreed.**

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

- 1.4.1 No issues had been reported on this occasion.

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

- 1.5.1 This, together with the next three items had been considered in private session, therefore the information contained in this report is limited and based on the content of the public minutes.
- 1.5.2 The Department of Work and Pensions (DWP) requires Councils to review their Risk Based Verification Policies annually and requires Members to approve the continuance or revision of their Policy.
- 1.5.3 In March 2017, the Joint Committee had approved expanding the Risk Based Verification Policy to include changes of circumstances as well as new claims; however, due to the change in the forms and the continuous work with the provider (see 1.15 above) it is anticipated that this functionality will be introduced in spring 2018.
- 1.5.4 The Joint Committee had **RESOLVED that:**
- (1) it be noted that the Policy remains unchanged in 2017/2018; and**
 - (2) the Housing Benefit Risk Based Verification Policy for 2018/19 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 **Exempt Report (para 3): ARP Briefing Note (Agenda Item 12)**

- 1.6.1 The Joint Committee had received and **noted** this exempt report, which provided details on the proposals to create two new district-level councils for West Suffolk and East Suffolk. Members had been provided with a detailed overview of the proposals and the processes being put in place in relation to the procurement of an additional resource.
- 1.6.2 A more detailed report will be discussed at the Operational Improvement Board (OIB) meeting in April and a further report would be provided at the next Joint Committee meeting in June 2018.

1.7 **Exempt Report (para 3): Future of ARP Trading Limited (Agenda Item 13)**

- 1.7.1 The Joint Committee had considered this exempt report, which had provided options for the future of ARP Trading Limited and the rationale behind each option.
- 1.7.2 A discussion had been held on the governance structure and that this should be addressed prior to the company being revived. Members had been informed that legal advice was awaited in terms of process. A Shareholders Advisory Group meeting was to be convened immediately following the Joint Committee meeting.
- 1.7.3 The Joint Committee had **RESOLVED that Option B of the report be adopted.**

1.8 **Exempt Report (para 3): ARP Trading Limited: Financial Implications (Agenda Item 14)**

1.8.1 The Joint Committee had received and **noted** this exempt report, which had provided the financial implications relating to ARP Trading Limited.

1.8.1 The report highlighted that there will be a small financial impact to each of the Partner Authorities now that the recommendation at Agenda Item 13 (see 1.7 above) had been adopted; however, this is more than offset by the saving for each partner from the ARP Partnership budget.

2. Minutes

2.1 For further information on the discussions held at the Anglia Revenues and Benefits Partnership Joint Committee meeting on 27 March 2018, the draft minutes of the meeting may be viewed on Breckland District Council's website at the following link:

<http://democracy.breckland.gov.uk/documents/g4090/Printed%20minutes%2027th-Mar-2018%2010.00%20Anglia%20Revenues%20and%20Benefits%20Partnership%20Joint%20Committee.pdf?T=1>