

# Joint Executive (Cabinet) Committee

Forest Heath & St Edmundsbury councils

**West Suffolk**  
working together

<b>Title of Report:</b>	<b>Report of the Anglia Revenues and Benefits Partnership Joint Committee: 26 June 2018</b>	
<b>Report No:</b>	<b>CAB/JT/18/016</b>	
<b>Report to and date:</b>	<b>Joint Executive (Cabinet) Committee</b>	24 July 2018
<b>Portfolio holders:</b>	Stephen Edwards FHDC Portfolio Holder for Resources and Performance <b>Tel:</b> 07904 389982 <b>Email:</b> stephen.edwards@forest-heath.gov.uk	Ian Houlder SEBC Portfolio Holder for Resources and Performance <b>Tel:</b> 07970 729435 <b>Email:</b> ian.houlder@stedsbc.gov.uk
<b>Lead officer:</b>	Jill Korwin Director <b>Tel:</b> 01284 757252 <b>Email:</b> jill.korwin@westsuffolk.gov.uk	
<b>Purpose of report:</b>	<p>On 26 June 2018, 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) Highlight Report, Balance Scorecards and Finance Report;</li> <li>(2) Welfare Reform Update;</li> <li>(3) Joint Committee Update – New Councils’ Status;</li> <li>(4) Summary of 2017/18 Internal Audit Reviews of Anglia Revenues Partnership (ARP) for Joint Committee; and</li> <li>(5) Forthcoming Issues.</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/JT/18/016, 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"/>  For noting only
<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="#">26 June 2018</a>
<b>Documents attached:</b>	None

## 1. Key Issues

### 1.1 Operational Highlight Report, Balance Scorecards and Finance Report (Agenda Item 7a, 7b, 7c and 7d)

#### (a) Operational Highlight Report

1.1.1 The Joint Committee had received and **noted** the Operational Highlight Report as at 31 May 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, an update on ARP website; and the implications of the new General Data Protection Regulations. This detailed report can be viewed on Breckland District Council's website at:

<http://democracy.breckland.gov.uk/documents/s48451/ARP%20Strategic%20Managers%20Highlight%20report%20May%202018%20draft.pdf>

1.1.2 Fraud and compliance performance are already on track to exceed targets for 2018/19 with total savings achieving £715,295 as at 31 May 2018 against the total year end target of £1,300,000.

1.1.3 The Enforcement Team also continues to perform well, having collected £10.4 million since the agency was established, of which £818,000 has already been collected in the 2018/19 financial year. A sixth Enforcement Agent has recently joined ARP to provide some resilience and following the need to replace another Enforcement Agent who had recently left. The Partnership has had enquiries from other authorities with a view to expanding the service.

1.1.4 The Non-Domestic Rates team currently collects amounts due for three Business Improvement Districts (Forest Heath, St Edmundsbury and Waveney). This is due to be increased to four from 1 April 2019 with the addition of a BID for the current Suffolk Coastal area. ARP are working with them on implementation.

1.1.5 As Members are aware, ARP works collectively providing the administration of the statutory obligation for council tax collection, business rates, housing benefits and local council tax reduction schemes. There is an ongoing action plan in place to continue compliance with changing legislation as a result of the introduction of GDPR, particularly with regard to the ability to comply with the new rights of the individual. Although the changes are significant, the data collected and processed by ARP is solely for the purposes of Revenues and Benefits. The sharing of data is only permitted in relation to the processing of personal data provided under this legal obligation, for example, to the Department of Work and Pensions (DWP).

1.1.6 The new rate reliefs announced by the Government and the impact on ARP had also been noted by the Joint Committee, 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.

- 1.1.7 A discussion had been held at the meeting on Norfolk and Suffolk County Councils funding contributions towards reviewing single persons' discounts; however Members had been informed that Cambridgeshire County Council had decided not to provide further funding towards this. Upon Members' request, the background and rationale behind this decision would be provided to the Joint Committee.
- (b) Balanced Scorecard as at end March 2018
- 1.1.8 Members had **noted** that targets had largely been met by all partner authorities with the majority of indicators annotated green as at 31 March 2018, as shown on the Balanced Scorecard at:
- <http://democracy.breckland.gov.uk/documents/s48454/ARP%20Balanced%20Scorecard%20Mar%202017-18%20sent%20to%20Julie%20Britton%2010.5.18.pdf>
- 1.1.9 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
- 1.1.10 Benefits performance had met 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 Forest Heath District Council, had not met the target for processing council tax support cases. The final year end figure for the time taken for council tax support cases to be processed by these Councils was 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.
- 1.1.11 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 £949k and for St Edmundsbury the figure was £1.8m. 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 hold 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 previously been discussed at some length by the Joint Committee and Members had been satisfied with the mitigation measures put in place.

(c) Balanced Scorecard as at end May 2018

- 1.1.12 Members had **noted** that targets are largely currently being met by all partner authorities with the majority of indicators annotated green as at 31 May 2018, as shown on the Balanced Scorecard at:

<http://democracy.breckland.gov.uk/documents/s48455/ARP%20Balanced%20scorecard%20May%202018-19.pdf>

(d) Financial Performance

- 1.1.13 In respect of the financial performance report, the Joint Committee had **noted** the final outturn position for 2017/18 as at 31 March 2018, which showed a total underspend of £565,192 against budget. The reasons for the specific variances, together with other details, are contained in the report at:

<http://democracy.breckland.gov.uk/documents/s48460/ARP%20Management%20Accounts%20201718%20for%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 March 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. The efficiency target for 2017/2018 of £531,000 had been achieved.

1.2 **Welfare Reform Update (Agenda Item 8)**

- 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 expected to roll-out in December 2018, which was mainly due to the Government's budget announcement in December 2017. Waveney District Council, St Edmundsbury BC, and now Breckland who are already operating the full service have been experiencing difficulties; however they are not alone in this. These matters have been raised locally and through the UC/LA Steering Group, the issues have been brought to the attention of the UC Programme. Furthermore, representations have been made to the DWP Secretary of State which led to a meeting between the Leader of Waveney DC, their local MP, the ARP Strategic Manager (Benefits) and the Minister for Universal Credit. The MP for Waveney continues to be actively involved in parliamentary debates on the issues arising from the roll-out of UC. Alongside this, through working with Customer Service and Housing Options teams, the DWP and stakeholders; ARP continues 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. Implementation meetings have since taken place with Breckland and Fenland Councils.

The Joint Committee had discussed in some detail the Government Budget announcements where improvements are expected to be made, together with the UC announcement from the DWP, as outlined in the report at the link below:

<http://democracy.breckland.gov.uk/documents/s48456/Joint%20Committee%20Report%20Welfare%20Reform%20update%20June%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.

### 1.3 **Joint Committee Update – New Councils’ Status (Agenda Item 9)**

- 1.3.1 The Joint Committee had received and **noted** an update on the impact on ARP as a result of the creation of new councils for West Suffolk and East Suffolk from 1 April 2019, which included:

- (a) **New Councils' Status** – the process being undertaken to create West Suffolk Council (abolition of Forest Heath DC and St Edmundsbury BC) and East Suffolk Council (abolition of Suffolk Coastal DC and Waveney DC).
- (b) **ARP's New Councils' Project** – the process, budget required, key risks and issues involved to effect the respective revenues and benefits workstreams as a consequence of the creation of the two new councils.
- (c) **ARP Governance** – the process involved to amend the governance arrangements for the ARP as a consequence of two new councils (West Suffolk and East Suffolk) replacing four partner authorities (Forest Heath, St Edmundsbury, Suffolk Coastal and Waveney).

The full report can be found at the following link:

<http://democracy.breckland.gov.uk/documents/s48457/New%20Councils%20update.pdf>

#### 1.4 **Summary of 2017/18 Internal Audit Reviews of Anglia Revenues Partnership (ARP) for Joint Committee (Agenda Item 10)**

- 1.4.1 The Joint Committee had received and **noted** a report outlining the joint internal audit approach to review the ARP revenues and benefits audit systems. The audit had been undertaken by the East Suffolk Councils', Fenland District Council and West Suffolk Councils' audit teams on behalf of the seven ARP authorities. Each audit team had reviewed specific areas as outlined in the report.
- 1.4.2 The objective of each audit was to establish if procedures for key controls were being satisfactorily followed to reduce the risk of incorrect processing which could result in loss of revenues, incorrectly awarded benefits or failure to recover monies owed. The review included testing a number of key control areas, a cyclical review of non-key control areas for 2017/18, and reviewing progress on agreed actions from previous audits, as outlined in the report.
- 1.4.3 The audit reports were finalised in March 2018 and audit opinions were issued on the following areas:
  - (a) Council Tax
  - (b) Housing Benefit
  - (c) Overpayments
  - (d) National Non-Domestic Rates
  - (e) ARP Enforcement

In all of the above cases, an audit opinion of adequate / reasonable assurance had been given. No high risk actions had been raised; however a number of recommendations had been given, upon which progress had already been made on some.

- 1.4.4 Progress on previously identified actions had also been noted by the Joint Committee, including where progress had been limited.

1.4.5 The full report can be found at the following link:

<http://democracy.breckland.gov.uk/documents/s48458/2018-06-08%20Summary%20of%202017-18%20Audit%20for%20JC.pdf>

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

1.5.1 New style performance reporting will be discussed by the Operational Improvement Board, the outcome of which will be reported to the Joint Committee in due course.

**2. Minutes**

2.1 For further information on the discussions held at the Anglia Revenues and Benefits Partnership Joint Committee meeting on 26 June 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/g4232/Printed%20minutes%2026th-Jun-2018%2010.00%20Anglia%20Revenues%20and%20Benefits%20Partnership%20Joint%20Committee.pdf?T=1>