

# Cabinet



St Edmundsbury  
BOROUGH COUNCIL

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| <b>Title of Report:</b>    | <b>Report of the Anglia Revenues and Benefits Partnership Joint Committee: 11 December 2014</b>  |                  |
| <b>Report No:</b>          | <b>CAB/SE/15/011</b>   |                  |
| <b>Report to and date:</b> | <b>Cabinet</b>   | 10 February 2015 |
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| <b>Purpose of report:</b>  | On 11 December 2014 the Anglia Revenues and Benefits Partnership (ARP) Joint Committee considered the following substantive items of business:<br><br>(1) Fraud;<br>(2) Performance Report;<br>(3) ARP Partnership Budget 2015/2016;<br>(4) ARP Risk Register;<br>(5) Strategic Review; and<br>(6) Welfare Reform.<br><br>This report is for information only. No decisions are required by the Cabinet. |                  |
| <b>Recommendation:</b>     | <b>The Cabinet is requested to <u>NOTE</u> the content of Report No: CAB/SE/15/011, being the report of the Anglia Revenues and Benefits Partnership Joint Committee.</b>  |                  |

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| <b>Key Decision:</b><br><br><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><br>Yes, it is a Key Decision - <input type="checkbox"/><br>No, it is not a Key Decision - <input checked="" type="checkbox"/> |
| <i>The key decision made as a result of this report will be published within <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</i> |   |
| <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?<br/>If yes, please give details</i>  | Yes <input type="checkbox"/> No <input type="checkbox"/><br><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?<br/>If yes, please give details</i>   | Yes <input type="checkbox"/> No <input type="checkbox"/><br><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?<br/>If yes, please give details</i>  | Yes <input type="checkbox"/> No <input type="checkbox"/><br><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?<br/>If yes, please give details</i>  | Yes <input type="checkbox"/> No <input type="checkbox"/><br><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?<br/>If yes, please give details</i>   | Yes <input type="checkbox"/> No <input type="checkbox"/><br><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><br><br>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><br><i>(all background papers are to be published on the website and a link included)</i>   | Breckland DC Website:<br><a href="#">Reports of the Anglia Revenues and Benefits Partnership Joint Committee – 11 December 2014</a>   |
| <b>Documents attached:</b>   | None  |

## 1. Key issues

### 1.1 **Fraud (Agenda Item 6)**

1.1.1 The Joint Committee had received and noted updates on:

- (a) current performance in respect of Counter Fraud Activity. There had been a significant upturn in referrals and so ensuring the right benefits were being paid was a priority;
- (b) that ARP partners remained on target for the transfer of welfare benefit fraud staff to the Single Fraud Investigation Service from 1 September 2015;
- (c) ongoing projects which included new software procurement and installation;
- (d) that the ARP bid for the DCLG's Counter Fraud Fund had been unsuccessful. Feedback had indicated that the fund had been significantly oversubscribed with £16.6million available and bids exceeding £80million; and
- (e) a brief background to the Fraud and Error Reduction Incentive Scheme had been launched on 26 November 2014. Details were sparse at the time of the meeting, therefore delegated authority had been sought to opt into the Scheme once officers had taken the opportunity to assess the implications.

1.1.2 The Joint Committee **RESOLVED to delegate authority to the Operational Improvement Board to authorise opt in to the Fraud and Error Reduction Incentive Scheme once the relevant risks and potential gains had been identified and reviewed.**

### 1.2 **Performance Report (Agenda Item 7)**

1.2.1 The Joint Committee had received and noted a Performance Report as at 31 October 2014. The report detailed ARP's key achievements in respect of Benefits News; Council Tax News; NDR news; HBOP News; Projects; Learning and Support; and Customer Survey. This detailed report can be viewed on Breckland District Council's website at:

<http://democracy.breckland.gov.uk/documents/s32944/ARP%20Performance%20Report%20October%202014.pdf>

1.2.2 A discussion was held on the balanced scorecard dashboard (summary), which was annotated green in respect of all five partner authorities, indicating 'good' or no data was available. A breakdown of the performance data was also provided and discussed.

1.2.3 It had however, been noted at the meeting that the number of successful fraud investigations was down and that the indicator should be annotated 'amber' to reflect that. It was expected that the figures would be back on track by the

end of the financial year.

1.2.4 In respect of financial performance as at 30 November 2014, the Joint Committee noted that the total partnership costs were currently showing a £41,235 (0.42%) underspend against the approved 2014/2015 total budget of £9,724,340. The savings from the business cases for Fenland DC, and Suffolk Coastal and Waveney DCs joining a single officer core had been reflected in the budgets and outturn figures. One-off redundancy costs amounting to £209,000 had been absorbed in the savings with the target savings of £180,000 for the year being achieved. The full year effect for this had been included in future years' budgets with savings of over £500,000 exceeding the business case target. The variances on individual budgets were explained.

### 1.3 **ARP Partnership Budget 2015/2016 (Agenda Item 8)**

1.3.1 The Joint Committee had considered the annual revenue budgets for 2015/2016 and indicative budgets for 2016/2017 and 2017/2018.

1.3.2 The figures presented in Appendix A attached to the report reflected the growth in the partnership and included costs for running the revenues and benefits services for the seven partners, and incorporated the savings from the management reorganisation that was completed in 2014/2015.

1.3.3 The 2015/2016 budget is a reduction of £328,000 on the revised budget for 2014/2015, which includes set up costs and part year savings for moving to a single officer core for the seven authorities. A saving of over £500,000 has been achieved against the baseline budget for 2015/2016 (i.e. before the reorganisation had been factored in). This compares favourably with the £470,000 target saving. Inflation has also been absorbed in that figure so the saving in real terms against original baseline is much higher at around £552,000.

1.3.4 The budget does not yet reflect the costs and income for the new enforcement agency, which will be integrated once the business case has been approved by all partner authorities. This is expected to bring in additional net income of around £150,000 from 2016/2017. The agency budget for 2015/2016 will be cost neutral after the initial costs of setting up the agency are matched by income in the first year of operation.

1.3.5 Further tables in Appendix A set out the share of costs for each authority, and the proportion that any additional costs or savings against the budget will be shared. For St Edmundsbury, in 2015/2016, its contribution to the total £9,396,831 partnership budget will be £1,375,651 which is a reduction of £55,455 on the 2014/2015 figure.

1.3.6 The Joint Committee **RESOLVED that the partnership budget for 2015/2016 be approved.**

#### 1.4 **ARP Risk Register (Agenda Item 9)**

1.4.1 The Joint Committee had considered the ARP risk register, which was attached as Appendix A to the report. Appendix B had shown the criteria used to apply a risk score by analysing the likelihood of a risk occurring and the potential impact of a risk to ARP.

1.4.2 The following risks remained annotated 'amber' after mitigation and the [report](#) (see via link) explained the reasons for this:

- (a) Income from retained business rates and council tax (Service Delivery Plan Item 4);
- (b) Housing benefit subsidy shortfall; and
- (c) Universal Credit implementation, which had been brought forward by the Department of Work and Pensions, but only for new claims from childless single people.

1.4.3 Following discussion on the following up of fraud investigations and the implications of the Fraud and Error Reduction Incentive Scheme and the Single Fraud Investigation Service, that an additional risk concerning Fraud Investigation would be added to the Register.

1.4.4 All other risks identified were annotated 'green' after mitigation.

1.4.5 The Joint Committee **RESOLVED that subject to the addition of a risk concerning Fraud Investigation, the report be noted and the Risk Register agreed.**

#### 1.5 **Strategic Review (Agenda Item 10)**

1.5.1 The Joint Committee had held a discussion on the Strategic Review, having received a presentation on this topic prior to the meeting.

1.5.2 Issues raised included the potential role of Anglia Revenues Partnership Trading (ARPT) as a limited company and how this could integrate with the existing Partnership. A written report setting out proposals needed to be provided to the Joint Committee which would explain options for the format of the Partnership going forward and how the ARPT could be established as a trading arm.

The following additional items of information would also be required in the report:

- (a) variations of the hosted authority model;
- (b) the current Partnership being able to trade on the basis of spare capacity and developing products;
- (c) one Member, one vote;
- (d) the principle of no more full Partners;
- (e) how to address key issues such as the different Terms and Conditions of staff; and
- (f) provision of an outline timescale for implementation.

1.5.3 The report would be presented to the next Joint Committee meeting on 19 March 2015; however due to timescales, it was unlikely that its recommendations will be presented to each partner authority's full Council until after the elections in May 2015.

1.6 **Welfare Reform (Agenda Item 11)**

1.6.1 The Joint Committee had received and noted a verbal update which made reference to the Fraud and Error Reduction Incentive Scheme and the Universal Credit implementation. Further details are provided in the [minutes](#) (see via link) of the meeting on Breckland DC's website.