

BRECKLAND COUNCIL
FOREST HEATH DISTRICT COUNCIL
EAST CAMBRIDGESHIRE DISTRICT COUNCIL
ST EDMUNDSBURY BOROUGH COUNCIL

At a Meeting of the
ANGLIA REVENUES AND BENEFITS PARTNERSHIP JOINT COMMITTEE

Held on Thursday, 13 December 2012 at 2.00 pm in the
Level 5 Meeting Room, Breckland House, St Nicholas Street Thetford IP24 1BT

PRESENT

Mr D Ambrose Smith	Mr R. Everitt (Chairman)
Mr P.D. Claussen	Mr R Millar
Mr S. Edwards (Vice-Chairman)	Mr W.H.C. Smith

In Attendance

Lucy Burt	- Fraud & Visits Team Manager
Mark Finch	- Assistant Director of Finance
Ian Gallin	- Joint Chief Executive - Forest Heath District Council & St Edmundsbury Borough Council
Sharon Jones	- Head of Shared Service (ARP)
Andrew Killington	- Deputy Chief Executive, East Cambs District Council
Rod Urquhart	- Operations Manager (Support and Fraud)
Robert Walker	- Assistant Director of Commissioning
Liz Watts	- Chief Finance Officer
Helen McAleer	- Senior Committee Officer

58/12 MINUTES (AGENDA ITEM 1)

It was noted that in Minute No 47/12 the name of Jim Paice, Member of Parliament for Cambridge, had been mis-spelt twice.

Subject to those amendments the Minutes of the meeting held on 13 September 2012 were confirmed as a correct record and signed by the Chairman.

59/12 APOLOGIES (AGENDA ITEM 2)

Apologies for absence had been received from Mr Peter Moakes.

60/12 DECLARATIONS (AGENDA ITEM 4)

The Chairman's standing declaration with regard to his association with Havebury Housing Association was noted. No other declarations were made.

61/12 THE FUTURE OF THE ARP (AGENDA ITEM 5)

The Chairman welcomed Eric Bohl to the meeting.

Mr Bohl was grateful for the opportunity to speak to the Committee about the Strategic Review. He gave a presentation of his initial

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findings and sought guidance from Members on which areas to focus his future work.

Following frank and useful telephone conversations with some Members he had been able to note some areas of strong agreement. There were also areas of difference, mainly concerning the growth of the scope of services offered by the ARP and the optimum number of Partners.

In the wider context there were financial pressures affecting all Local Authorities and complexity and uncertainty regarding the new Reforms. If the required outcomes for ARP were made clear the correct service model could be evaluated.

The priority outcomes highlighted so far were:

- Resilience, stability and security
- Succession planning
- Providing a quality service to the public
- Reducing the net cost of the ARP

Views were sought on whether the ARP wanted to grow, consolidate or aim somewhere between those two.

The Chairman encouraged all Members and Officers to voice their opinions.

The Shared Services Manager was concerned that the ARP could not necessarily meet Members' ambitions in a shrinking market. Other authorities were looking for ways to reduce costs and might be willing to work with the ARP to create a hub. That might reduce costs but would not create income.

Outside of Revenues and Benefits there might be opportunities for growth but if the ARP provided a different service to each Partner that would increase costs.

The Operations Manager agreed with the need for resilience and reduced costs but urged everyone to be aware of the changes coming, starting in April 2013. There were a number of synergies with other core services, such as Sundry Debts which each authority collected slightly differently and which the ARP might be able to undertake on their behalf. Other areas that could be looked at included those with synergies with the work undertaken by the ARP, an example could be Licensing and Fraud Officers.

It was acknowledged that each Partner Authority had a different level of delegation with regard to some areas such as Write Offs. A change to Standing Orders could result in some 'quick wins' by making some processes more efficient. Standardisation would make the ARP more efficient.

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The Chief Executive for FHDC & SEBC asked for a list to be provided by the Shared Services Manager of the small things that could be done to increase efficiencies, so that they could be done straight away. With regard to the Review he suggested that ARP might look at involvement with Upper Tier Authorities to increase income. He questioned the relationship with customers and wondered if that might hinder savings and he asked what capacity and appetite there was for risk.

Following comments from both Members and Officers Mr Bohl thought that the importance of flexibility should be added to the list of outcomes. He also thought that the issue of growth needed to be explored further. With the introduction of Universal Credit there would be an increasingly competitive market place.

The Deputy Chief Executive, (ECDC) thought that a lot of the outcomes were interrelated. He cautioned against trying to deliver too much at once and said that the Review needed to be tied down to workable options.

Mr Bohl moved on to present a summary of the range of delivery vehicles available.

After Members had discussed the options the Chairman noted that he did not want to lose sight of what they had set out to achieve with the Review. He was happy with the way the ARP operated currently and wanted to stick with that and then look at options for the future.

Members agreed that they needed options which gave the flexibility to achieve what they wanted. They suggested that those options should include ways to address the different terms and conditions of staff.

The Assistant Director of Commissioning (BDC) said that the issues of what was not working now needed to be addressed and then a range of models and opportunities should be provided for Members to decide which would deliver most in the best way.

Mr Bohl agreed and said that his evaluation would take account of the priority outcomes and how future developments might affect them. He thanked Members for the information provided which would allow him to move on to Phase 2 of the Review.

The Chairman thanked Mr Bohl for his presentation and looked forward to receiving his report in January.

62/12 FRAUD (STANDING ITEM) (AGENDA ITEM 6)

The Chairman thanked the Fraud & Visits Team Manager for an exceedingly good and well laid out report.

The Fraud & Visits Team Manager advised Members that Breckland

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had had a slight increase in prosecutions which was down to their Policy. The drop in prosecutions for St Edmundsbury was the only significant change and was caused by them having a different way of working which took slightly longer to process. ARP used specialist external solicitors which led to prosecutions reaching court sooner. St Edmundsbury used their own internal solicitors; the time to get a case to court differed because of that.

The Director (SEBC & FH) said that she would speak to the SEBC legal department to review the position.

Appendix B showed the ARPs performance comparative to other Local Authorities. The data was taken from DWP figures and it could only be assumed that each authority was recording the same data. It was noted that South Norfolk seemed to be doing extremely well.

Appendix D was information on on-going significant cases (attached for information). The Communications Teams of all four authorities were informed when a case was going to court and efforts were made to get the press to report those cases.

The report was noted.

63/12 COUNTER FRAUD ACTIVITY REPORT (AGENDA ITEM 7)

The Fraud & Visits Team Manager presented the report which identified an opportunity to share information received through investigations with other departments. Examples were set out at Appendix B to the report. New data sharing arrangements were opening gateways. Approval was sought to allow the sharing of that information with others.

The Chairman asked the Fraud & Visits Team Manager to set up a system to enable information from the ARP to be shared with third parties and for them to share information with the ARP and to see what opportunities there might be and to report back to the Joint Committee.

Lucy Burt

64/12 PERFORMANCE REPORT (STANDING ITEM)(AGENDA ITEM 8)

(a) Operational Performance

Performance figures for November were tabled.

The Operations Manager presented the report and noted that the NI 181 indicator for the number of days to process claims was consistently red across all authorities, but should be green by the end of December. The only other concern was the amber indicator for the collection of Business Rates in East Cambs and that was due to a number of large organisations opting to defer their payments. There were also a number of new properties that had been added to the list. The balance of payments had therefore

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shifted, but he was confident that the target would be met. The figures were being closely monitored.

The Shared Services Manager noted that the October figures did not include bulk uploads.

The November figures were all green except for the NI 181 indicator. However, compared to the previous month the figures were coming down. The footnote highlighted the average time for turn-round. They were pushing hard to meet the target.

The Shared Services Manager drew attention to an article on the front page of the Inside Housing publication which referred to Breckland's issues with the Automated Transfer to Local Authorities Systems (ATLAS). She clarified that the item should have referred to ARP not Breckland and had been taken out of context.

The Shared Services Manager went on to note that Council Tax Benefit ended on 31 March 2013. After that time no subsidy would be paid to Local Authorities and so they were moving resources and working hard to secure as much subsidy as possible before then.

A report would be going to the Operational Improvement Board proposing a change to the way in which the Performance figures were presented to give the information in an easier format to understand.

With regard to the Key Achievements listed on page 11 the Chairman asked if the participation at a landlords' forum had been for Breckland only. He was advised that ARP staff had been involved in several such forums and were taking every opportunity to either organise or attend forums in all authorities to give advice about forthcoming changes to Benefits.

In response to a further question from the Chairman it was confirmed that the ICT for Suffolk Coastal and Waveney was still not in place but that a meeting was to be held on 14 December to work out the practicalities to allow that to happen.

Mr Edwards was delighted that the Forest Heath Council Tax Collection figures had been green for two months running in difficult circumstances and he thanked the Officers.

The Deputy Chief Executive (ECDC) noted that East Cambs collection figures were green for November, but that the money had not yet been paid. The Operations Manager said that they were confident that the money was collectible and they had an action plan in place. However he would be happy to set the indicator at amber for clarity.

Rod
Urquhart

The report was otherwise noted.

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(b) Financial Performance

The Assistant Director of Finance (BDC) presented the financial performance figures which were similar to the previous quarter with a £56,000 under-spend expected at year end due to efficiencies achieved.

The work for the Trading Company had not been as good as previously resulting in reduced income but savings had been made on salaries.

The Chairman asked why the 'supplies and services' figure was so large and it was explained that the Capita charge for the Council Tax collection systems was a large element of that amount. It also included externalised printing costs and postage costs.

The Chairman requested a breakdown of each category to be provided to the next meeting to allow Members to look for reduced costs.

The Transport costs included the Appendix E payments (four years of additional travel allowance for new members of the team that had to travel further to work) and all other travel costs for field based officers.

The Shared Services Manager advised that Royal Mail were only used for incidental postage and the bulk of post was handled by a company that charged less. The ARP was also in the process of entering a procurement agreement with nine other authorities which would reduce costs.

The Assistant Director of Finance (BDC) agreed to send a detailed breakdown of all costs to Members.

Mark
Finch

The Chairman asked how much it would cost if the ARP broke the 'Small Bodies' threshold of £6.5million and was advised that with the new Partners coming on board it was unlikely to happen, but the cost would be significantly higher if that threshold was breached. (Probably between £50-100,000).

The report was noted.

65/12 PARTNERSHIP BUDGET 2013-14 (AGENDA ITEM 9)

The Assistant Director of Finance (BDC) presented the Budget Summary for each authority and said that he would send detailed breakdown figures out to Members after the meeting.

Mark
Finch

The Finance Officers had worked together to consolidate costs and he thanked them and the Shared Services and Operations Managers for their assistance. He was pleased to be able to present the budget

to the Joint Committee before Christmas.

RESOLVED to **RECOMMEND TO THE PARTNER COUNCILS** that the 2013-14 Budget for the ARP be shared as follows:

Breckland Council	34.76%	£1,912,716
East Cambridge	20.68%	£1,115,393
Forest Heath	16.80%	£ 952,184
St Edmundsbury	27.76%	£1,398,973

A Member sought confirmation that the figures could be revisited and were not set for four years. The Assistant Director for Finance (BDC) confirmed that there would be a full review and revised figures would be presented for the following year.

The Director (St Eds & FH) said that there had been an enormous amount of scrutiny of the figures by the S151 Officers.

The Deputy Chief Executive (E Cambs) noted that the LG Settlement was not yet known and could be crucial.

The Chairman congratulated the Officers for organising the budget figures so early.

66/12 MICROSOFT LICENSING (AGENDA ITEM 10)

The Operations Manager presented the report which sought approval to upgrade the Business Support software package as the existing system, Microsoft Office 2003, would no longer be supported from 2014.

He thanked the ICT Teams at Breckland and West Suffolk for their assistance with the comparative pricing set out in the Appendix table. A revised version of the table was provided as the one printed on the agenda was incomplete.

The ARP had previously bought and sweated an asset for as long as possible. However, the ICT Teams were suggesting that a Software Assurance scheme was the way forward, which would allow payment on an annual rental basis at a reduced cost (for a minimum of three years). Within that time the system could continue to be upgraded with the latest software versions at no additional cost and any increase or decrease in the number of licenses required would automatically be amended at the annual anniversary date, also reducing costs.

The change would take time to implement and Members were requested to recommend approval to the Partner Authorities for the amounts set out in the Proforma B attached to the report.

It was clarified that the money requested was in addition to the

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annual budget.

Mr Millar raised various concerns about the costs of the new proposal in relation to the previous system which had provided nine years of usage from the investment made. He also thought that the new Microsoft system, Windows 8, was totally unsuitable for the ARP.

The Operations Manager clarified that the proposal was to move to Windows 7 and Office 2010 which were more fit for purpose.

In response to a suggestion that other software systems might be available the Chairman said that he did not think it was the time to integrate to a new system at a time when there were so many changes coming. He suggested that for the meantime it would be best to stick with the known system despite the extra cost and perhaps look to change in the future.

Mr Smith noted that the figures on page 98 in the budget and page 23 in the Proforma B did not match and the Assistant Director for Finance (BDC) agreed that they needed amending. The budget figures had been adjusted during the process of preparing the report. The lower figure was correct.

Mark
Finch

It was further clarified that the £60,000 would be spread over three years equating to £20,000 per year.

RESOLVED to **RECOMMEND TO THE PARTNER AUTHORITIES** that:

- (1) a new methodology for future licensing refreshes be approved;
- (2) the amounts needed for the licence refresh be funded via contributions from the Partner Authorities; and
- (3) the option to purchase by annual subscription over three years be approved.

67/12 BUSINESS RATES RESOURCING (AGENDA ITEM 11)

The Operations Manager presented the report which updated Members on changes to the Local Business Rates Retention scheme which would take effect from 1 April 2013.

Under the current system there was no risk to the Local Authority. However, under the new scheme there would be a risk and reward approach with a 50/50 share between the District (40%), County (10%) and Central Government (50%). The Authority would not receive the same grants and from 2014 the Council Tax Support Scheme would be funded by Business Rates retention, Council Tax collection and charges, and so income had to be maximised where possible. The current service was lean and efficient and provided a 98+% collection rate. The number of staff involved did not have capacity to look for new businesses, encourage payment by those, or

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to put those new details to the Valuation Officer Agency. It was therefore proposed to increase the number of Business Rates Officers by 1.6 to secure additional income and to pursue new cases to increase yield.

The Chairman thought the suggestion was very sensible in light of the changes to Business Rates and the Director (St Eds & FH) thought it was critical as, following the localisation of business rates, collection rates would be really material to each Council's budget.

Mr Smith raised the point that all authorities were having to streamline staff, leading to redundancies. He was concerned about approving additional money for the ARP. Mr Ambrose-Smith agreed.

The Shared Service Manager explained that the ARP had reduced total headcount by 13 staff when they expanded to include St Edmundsbury and a further three visiting officers during 2013. Employee related costs had reduced. They would not be asking for more staff unless they were really needed and the last time they had done so, for recovery of overpayments, it had led to cost savings.

With the changes to the Business Rates scheme it would be the first time that a Local Authority could appeal against non-payment and she could not stress how important that would be and the impact it would have on each authority.

The Vice-Chairman thought that it was vital to have the additional posts to protect income and generate more. He moved the recommendation.

Mr Smith asked why the posts had not been moved from previous redundancies and it was explained that the budget had already been adjusted to take that money out.

Mr Ambrose-Smith said that the Members were there to voice their opinions but they listened to the Officers and understood that staff were struggling.

RESOLVED to **RECOMMEND TO THE PARTNER AUTHORITIES** that:

- (1) the changes to the current legislation be noted; and
- (2) the proposed changes to the Business Rates Service be approved.

68/12 HOME WORKING / HOME ENABLED REPORT (AGENDA ITEM 12)

The Operations Manager presented the report and advised that there were a number of different Policies and staff on different terms and conditions which were causing some concerns.

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Homeworking would be maximised where there was a supporting business case and savings could be made. Further work was needed with the HR Teams to agree any BroadBand allowances. The scheme would be cost-neutral at worst, with possible savings.

RESOLVED to **RECOMMEND TO THE PARTNER AUTHORITIES** that:

- (1) changes to the Home Working Scheme be approved; and
- (2) the new Homeworking Policy be approved.

69/12 EXCLUSION OF PRESS & PUBLIC

RESOLVED that under Section 100(A) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involve the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

70/12 RISK BASED VERIFICATION POLICY (AGENDA ITEM 13)

The Operations Manager presented the report which sought approval to adopt a standard DWP Policy which would allow the ARP to use software to assess claimants which would streamline the processing of new claims.

Without signing up to the Policy the DWP would not allow use of the software.

RESOLVED that:

- (1) the Risk Based Verification Policy be approved; and
- (2) the nominated Officers be authorised to sign the Policy and return it to the DWP.

71/12 WELFARE REFORM (STANDING ITEM) (AGENDA ITEM 14)

The Shared Services Manager advised that there was not much happening at the moment but she had attended a meeting in Camborne and needed to complete a large document about the burdens of introducing Universal Credit. The deadline had been extended to 22 February 2013 and the ARP would be reimbursed.

72/12 NEXT MEETING (AGENDA ITEM 17)

The arrangements for the next meeting on Wednesday 30 January 2013 at 2pm were noted.

The meeting closed at 5.00 pm

CHAIRMAN

Appendix D**1. Examples of Current or Recent Significant Cases**

- 4.1 Mrs G was successfully prosecuted for a benefit fraud offence. A Financial Investigation ran concurrently to the benefit fraud investigation and the case was referred to the Crown Court for the Court to hear an application under the Proceeds of Crime Act. As a result of those proceedings, a confiscation order has been made against Mrs G. As a result, she must repay the overpaid benefit within 6 months of the date of the order or face a period in custody.
- 4.2 Miss N has recently been prosecuted for a benefit fraud offence. She failed to notify a change in her circumstances in that her partner was resident with her. As a result she was overpaid benefit in excess of £17,000. In mitigation she stated that she was under pressure from her boyfriend to conceal the information from the Local Authority, to protect her benefit claim. She was sentenced to 100hrs unpaid work and also ordered to undertake a Personal Welfare Course.
- 4.3 Mrs V made a false claim for benefit when she failed to declare income from a private pension. This claim was false from the outset. Mrs V also continued to provide false statements when she completed further claim forms and completed a review form with a Visiting Officer from the Local Authority. An investigation revealed that she had been in receipt of a private pension since 2004 (some 4 years prior to her claim). She was overpaid benefit in excess of £6,500. She was prosecuted for the offence and was sentenced by way of 4 weeks imprisonment, suspended for 12 months. The Magistrates stated the sentence imposed was on the basis of the length of time that the offence continued for and the multiple false statements that she made.
- 4.4 ARP continues to report all prosecutions to the host authorities Communications Teams, to raise awareness of cases within the Court system. This occurs both before the pending Court date and also on successful conviction. This is in an attempt to raise the profile of Counter Fraud activity and also to use the media to communicate the implications of fraudulent activity to likely fraudsters.