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To The Chairman and Members of the Cabinet
All other Members of the Council – for information

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Date 09 January 2015

Dear Sir/Madam,

CABINET - TUESDAY 13 JANUARY 2015

I refer to the above-mentioned meeting and enclose the item that was marked to follow on the agenda:

Item No	Report Title	Page Nos
12.	<u>Anglia Revenues and Benefits Partnership</u> Report of the meeting of the Joint Committee held on 11 December 2014.	105 - 111

Yours faithfully

Julie Britton

Senior Democratic Services Officer

Item No **Report Title**

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

At a Meeting of the
ANGLIA REVENUES AND BENEFITS PARTNERSHIP JOINT COMMITTEE
Held on Thursday, 11 December 2014 at 2.00 pm in the
Level 5 Meeting Room, Breckland House, St Nicholas Street, Thetford IP24 1BT

PRESENT

Mr D Ambrose Smith (Vice-Chairman)	Mrs E. M. Jolly
Mr J Clark	Mrs S J Mildmay-White
Mr S. Edwards	Mr D A Ray
Ms L Every	Mr M. A. Wassell

Also Present

Mr M Barnard	-	Waveney District Council
Mrs D Savage	-	Suffolk Coastal District Council

In Attendance

Jo Andrews	-	Strategic Manager (Revenues) ARP
Rob Bridge	-	Corporate Director (Fenland)
Jo Brooks	-	Assistant Director (Regulatory Services) (ECBC)
Lucy Burt	-	Fraud & Visits Team Manager
Arthur Charvonia	-	Strategic Director (SC&WDC)
Paul Corney	-	Head of ARP
Mark Finch	-	Finance Manager (BDC)
Julie Kennealy	-	Executive Director (Place) (S151 Officer)(BDC)
Adrian Mills	-	Strategic Manager (Benefits) ARP
Stuart Philpot	-	Strategic Manager (Support Services) ARP
Liz Watts	-	Director (FHDC&SEBC)
Helen McAleer	-	Senior Democratic Services Officer (BDC)

33/14 CHAIRMAN (AGENDA ITEM 1)

After being duly proposed and seconded Councillor Ellen Jolly was elected as Chairman.

Councillor Jolly in the Chair.

34/14 MINUTES (AGENDA ITEM 2)

The Minutes of the meeting held on 11 September 2014 were confirmed as a correct record and signed by the Chairman.

35/14 APOLOGIES (AGENDA ITEM 3)

Apologies for absence were received from Councillors Nigel Roman (FHDC) and Chris Seaton (Fenland) and from Karen Points, Joint Head of Human Resources & Organisation Development (FHDC & SEBC).

Councillors Sue Allen (Waveney) and Robert Whiting (Suffolk Coastal) had also sent their apologies.

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36/14 URGENT BUSINESS (AGENDA ITEM 4)

None.

37/14 DECLARATIONS (AGENDA ITEM 5)

No declarations were made.

38/14 FRAUD (AGENDA ITEM 6)

The Fraud & Visits Team Leader presented the report. She would be leaving the ARP in February 2015 and Neil Oxbury was introduced as her replacement.

There had been a significant upturn in referrals and so ensuring that the right benefits were being paid was the priority. The team was also preparing for the transfer of welfare benefit fraud to the Single Fraud Investigation Service (SFIS) on 1 September 2015. Other significant areas of work were being looked at by the Operational Improvement Board (OIB).

All procedures and working practices were being reviewed to include Fenland.

The bid to the DCLG had been unsuccessful. Feedback indicated that the fund had been massively oversubscribed with £16.6million available and bids exceeding £80million.

The Fraud and Error Reduction Incentive Scheme had been launched on 26 November 2014. Details were sparse, but the opt-in date was before the next meeting so if Members wanted the Partnership to participate in the scheme delegated authority was requested.

Councillor Ray asked where the staff transferred to SFIS would be based and whether there would still be liaison. The arrangements for staff were not known, but there would be a single point of contact for the exchange of information.

With regard to the upturn in referrals the Chairman asked if there was a risk of not being able to cope. The Fraud & Visits Team Leader advised that there was a small risk that people would think that fraud was not being countered as the team was concentrating on ensuring that claims were correct and avoiding delays and overpayments. However, the larger fraud cases were still being pursued.

The alignment of fraud and visits process across 'five' partners was queried by the Chairman and it was pointed out that Waveney and Suffolk Coastal had separate provision.

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.

39/14 PERFORMANCE REPORT (AGENDA ITEM 7)

- (a) Operational Performance

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<p>The Strategic Manager (Support Services) ARP presented the report.</p>	
<p>Some Members had difficulty understanding the acronyms in the report. Officers agreed to add a list of definitions at the end of each report in future.</p>	Stuart Philpot
<p>Councillor Savage referred to the Empty Property Review and said there had been a press report about figures in Suffolk which had been incorrect and very misleading. It was not known where that information had come from.</p>	
<p>The Executive Director Place (BDC) noted that there was to be a Government campaign after Christmas to move people to paying their Council Tax in 12 monthly instalments. She asked Officers to be aware that there was likely to be a big take-up on that offer.</p>	
<p>Councillor Wassell asked what proportion of people currently paid over 10 months and over 12 months. The Strategic Manager (Revenues) advised that there had already been a move to paying over 12 months. The figures were not available but would be provided to the next meeting.</p>	Jo Andrews
<p>The Executive Director Place (BDC) also advised Members that Breckland Council would be putting information in its Council Tax packs to warn people that it would be focussing on fraud in the next year, especially regarding Single Person Discount. She was aware of a similar initiative which had been carried out where people had been warned to check the terms and conditions of their discount. It had been worded very nicely and had achieved a significant reduction in claims. She was asked to circulate that information to the other authorities so that they could also include it in their packs if they wanted to.</p>	Julie Kennealy
<p>Councillor Barnard advised that Waveney District Council received a grant from the County Council and the Police to help with fraud reduction.</p>	
<p>It was confirmed that data matching was done regularly and there was also an annual data match with the electoral registers.</p>	
<p>The report was noted.</p>	
<p>(b) <u>Balanced Scorecard</u></p>	
<p>The Strategic Manager (Benefits) presented the Scorecard which had been amended to make it easier to read and logos had been added to clarify which Authority each piece of information referred to.</p>	
<p>Councillor Mildmay-White noted that the number of successful fraud investigations was down and the Strategic Manager (Benefits) agreed that the indicator should be amber to reflect that, although it was expected that the numbers would be back on track by the end of the financial year.</p>	
<p>The report was noted.</p>	
<p>(c) <u>Financial Performance</u></p>	
<p>The Finance Manager (BDC) presented the report which forecast the full year financial performance as at 30 November 2014. Savings from</p>	

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Fenland, Suffolk Coastal and Waveney joining the Partnership were reflected in the year end forecast. There was also over £500,000 predicted savings from the restructure, despite redundancy costs.

The report was noted.

40/14 ARP PARTNERSHIP BUDGET 2015-16 (AGENDA ITEM 8)

The Finance Manager (BDC) presented the annual Partnership budget which reflected the growth in the partnership to include the costs for running the revenues and benefits services for the seven partners and incorporated the savings from the management reorganisation.

The Partnership had performed well and there were further anticipated savings from the Enforcement Agency.

The appendix to the report set out the proposed budget for 2015-16 compared to the revised budget for 2014-15 and had indicative budgets for the two following years.

The middle table in the appendix showed the budget allocation per authority and the bottom table showed the gain share percentages based on the number of households, businesses, etc in each authority's area.

The Chairman asked for an explanation of the percentages and the Finance Manager advised that it was based on the caseload of people receiving benefits compared to the number of houses / commercial properties and the amount of Council Tax / Business Rates collected.

Councillor Barnard noted that Waveney had a high number of people receiving benefits which explained their high contributions.

Councillor Mildmay-White asked why transport costs were predicted to reduce and was advised that when St Edmundsbury had joined the Partnership their staff had been entitled to receive travel costs for an initial period, but that time period had now expired.

RESOLVED that the Partnership Budget for 2015-16 be approved.

41/14 ARP RISK REGISTER (AGENDA ITEM 9)

The Head of ARP presented the report which would be brought to the Joint Committee every six months for their comments.

Of the three amber risks identified, two were outside the Partnership's control due to economic factors. Universal Credit implementation had been brought forward by the DWP but only for new claims from single people with no children. The timescale for the migration of existing claimants and the roll out for all other types of new claimants was still not known and therefore it was difficult to predict future funding levels.

The Head of ARP congratulated all seven authorities on their performance despite all the changes and the restructure.

Councillor Ambrose-Smith suggested that the inability to follow up fraud investigations should be added to the risk register and the Head of ARP

agreed and said that the FERIS (Fraud and Error Reduction Incentive Scheme) and the SFIS (Single Fraud Investigation Service) should also be included as elements of risk.

Councillor Ray asked about the in-house bailiff service and was advised that a full business case had been prepared. He also asked about the new Partnership Agreement and was advised that it was in the process of being redrafted to include the three new Partners.

It was noted that there was a word missing from the bottom of page 54 in the Mitigating Actions column – it should read ‘... within budget.’

RESOLVED that subject to the addition of a risk concerning Fraud Investigation the report was noted and the Risk Register agreed.

42/14 STRATEGIC REVIEW (AGENDA ITEM 10)

The Chairman invited Members to reflect on the presentation they had received prior to the meeting.

Councillor Wassell suggested that the Officers should be asked to clarify the role of the ARPT which was currently owned by two Councils. When that was understood Members would be in a position to make a decision about whether the ARPT could be used as a marketing arm.

The Executive Director Place (BDC) suggested that a report be prepared to offer proposals and options.

Councillor Ray agreed with that. He thought it was important from an audit viewpoint to have a written report as it was a significant departure from what had been said about the Review previously.

Councillor Barnard supported the idea of exploiting the Partnership’s potential to generate extra income.

Councillor Ambrose-Smith asked for the presentation slides to be made available so that they could be discussed by East Cambs District Council and any questions could be referred to the Operational Improvement Board (OIB).

Councillor Ray noted that any recommendations from the report would need approval from each Council. Timescales were discussed as the impending elections in May 2015 would impact on the ability to make a decision on the way forward. After some discussion it was agreed that the report would not be ready in time to meet the deadline for full Council discussion at each authority before the elections. However, it was agreed that the Joint Committee could still make its recommendation even though formal approval by each authority might be delayed until after the elections.

The Chairman asked Officers to write a report which would explain options for the format of the Partnership and how to re-establish the ARPT as a trading arm as well as containing the following items of information:

- variations of the hosted authority model;
- current Partnership being able to trade on the basis of spare capacity and developing products;
- one Member, one vote;

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Paul
Corney

Julie
Kennealy

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- the principle of no more full Partners;
- how to address key issues such as the different Terms & Conditions of staff
- provide an outline timescale for implementation

Members were asked to submit any further questions to the OIB before their next meeting on 25 January 2015.

Discussion then focussed on the amount of working capital that would be needed for the ARPT. Members felt it was important to have enough money to give flexibility.

Another area to be clarified was where each Council needed improving and which services were already being provided by other organisations.

It was agreed that the report would be presented to the next meeting of the Joint Committee on 19 March 2015.

Councillor Doreen Savage left the meeting.

43/14 WELFARE REFORM (AGENDA ITEM 11)

The Strategic Manager (Benefits) gave Members a brief update on Welfare Reform.

The Fraud and Error Reduction Incentive Scheme (FERIS) was being introduced to encourage Local Authorities to do more to identify error and fraud. The scheme would run from December 2014 to March 2016. Funding would be awarded to authorities that hit a threshold for identifying more fraud and error. The baseline figure had been set by the DWP and there was the potential to receive additional funding if a higher figure was reached. As the Partnership was serious about identifying fraud it was important for it to take part in the scheme and thereby become eligible for a percentage of the grant.

It was proposed to target high risk customer groups, aimed at those whose circumstances had not changed including workers, single parents and pensioners.

The lower threshold for the seven Partners was £55,000 and the higher threshold was £111,000. There was a start-up fund of around £57,000 to provide resources and to pay for a marketing campaign. S151 approval was required and bids for funding had to be submitted by 30 January 2015.

The Executive Director Place (BDC) understood that the thresholds would apply whether or not the authorities participated. The letter that would be sent with the Council Tax bills was a demonstration that the Partnership was committed to tackling fraud.

The Corporate Director (Fenland) asked Members to be mindful that if they did not opt in it would seem as though they were not committed to addressing fraud. He also suggested that the word 'error' should be used in the letter to encourage people to notify changes in their status.

With regard to Universal Credit (UC), some information had been received about the accelerated implementation from February 2015. There would be three tranches and Forest Heath, Waveney & Suffolk Coastal and Breckland

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were included in Tranche One, for fresh claims from single, job centre customers. It was expected that would equate to about three to four customers a week. It seemed that it would only relate to working age customers, not pensioners. However, in a communication recently received that information had been described as provisional and so until the details were confirmed it could not be publicised. There were still lots of questions to be answered.

It was also likely that a high number of customers would be vulnerable people who would need help with their UC claim, yet it was not clear yet whether there would be any funding available to provide that help. It would be an opportunity to offer a one stop service.

The Head of ARP pointed out that there were only about 400 housing benefit only cases so it was unlikely that the authorities would see a drop in caseload. Some cost modelling had been carried out and it seemed likely that money would not be saved, it would just be moved.

The Strategic Manager (Benefits) explained that Discretionary Housing Payments (DHP) and Supported Accommodation cases would stay with Local Authorities. However, the DWP were still considering LA access to UC systems to determine award outcomes. Delays processing UC might lead to rent arrears problems as DHP could not be paid if the claimant was not in receipt of UC. There was still a lot of uncertainty.

Councillor Wassell asked if the Government was aware of the ramifications and whether there might be further delays. He was advised that that was possible, but that the 'slowly, slowly' approach was working quite well. Some pilots had been carried out using current software but UC used new software so that might cause problems too.

The Chairman thought that it was a reputational risk to Councils and the Head of ARP agreed and said that that was why UC was on the Risk Register.

44/14 FORTHCOMING ISSUES (AGENDA ITEM 12)

None.

45/14 NEXT MEETING (AGENDA ITEM 13)

The arrangements for the next meeting on 19 March 2015 were noted.

The meeting closed at 3.45 pm

CHAIRMAN