

Agenda Item No:	5	
Committee:	Overview and Scrutiny	
Date:	1 September 2014	
Report Title:	Anglian Revenues Partnership (ARP) Update - Reviewing Performance	

## 1 Purpose / Summary

To update Overview and Scrutiny on performance of the Council's Revenues and Benefits service, since it became part of ARP on 1 April 2014.

## 2 Key issues

- At Council on 19 December 2013, Members endorsed the Council's approach to Service Transformation including the way forward in respect of Shared Services. This meeting approved that the Council's Revenues and Benefits service join ARP as of 1 April 2014.
- At Council on 27 February 2014, Members approved governance arrangements allowing Fenland to be part of ARP. This allowed Officers to be shared between ARP member authorities.
- The Business Case for Fenland joining ARP, as previously advised to Council at its 19 December 2013 meeting generates savings to ARP of £272,000 per full year, of which Fenland receives £136,000 per full year over five years.
- At the same time as Fenland joined ARP as a full member (joining East Cambs, Breckland, Forest Heath and St. Edmundsbury Councils), Suffolk Coastal and Waveney Councils signed agreements to work with ARP to share resources but not governance arrangements. This increased the overall saving to £512,000 across all seven authorities with Fenland still receiving £136,000 per annum, representing 26% of total savings for partner Councils, and reflecting the robust terms that Fenland secured with regards financial return upon becoming part of ARP.
- ARP is the first major shared service for Fenland and represents significant savings and continued excellent performance of key Council services.
- As full members of ARP, the Council has joint control over its governance and direction, with two Members (the Leader and Portfolio Holder for Finance) sitting on the Joint Committee together with Members from the other four main partner Councils.
- Joining ARP demonstrates the Council's open minded approach to shared services. Discussions will continue in other areas where a robust business case can be developed which delivers savings and maintains a high quality service to residents and local businesses.

### 3 Recommendations

That Overview and Scrutiny are requested to:

- Note the attached report.

<b>Wards Affected</b>	All
<b>Forward Plan Reference</b>	N/A
<b>Portfolio Holder(s)</b>	Councillor John Clark, Leader of the Council Councillor Chris Seaton, Portfolio Holder for Finance
<b>Report Originator(s)</b>	Geoff Kent, Head of Customer Services
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<b>Background Paper(s)</b>	Meeting the challenge - service transformation and efficiencies Report to Council 19 December 2013  Anglia Revenue Partnership Governance and Delegations Report to Council 27 February 2014

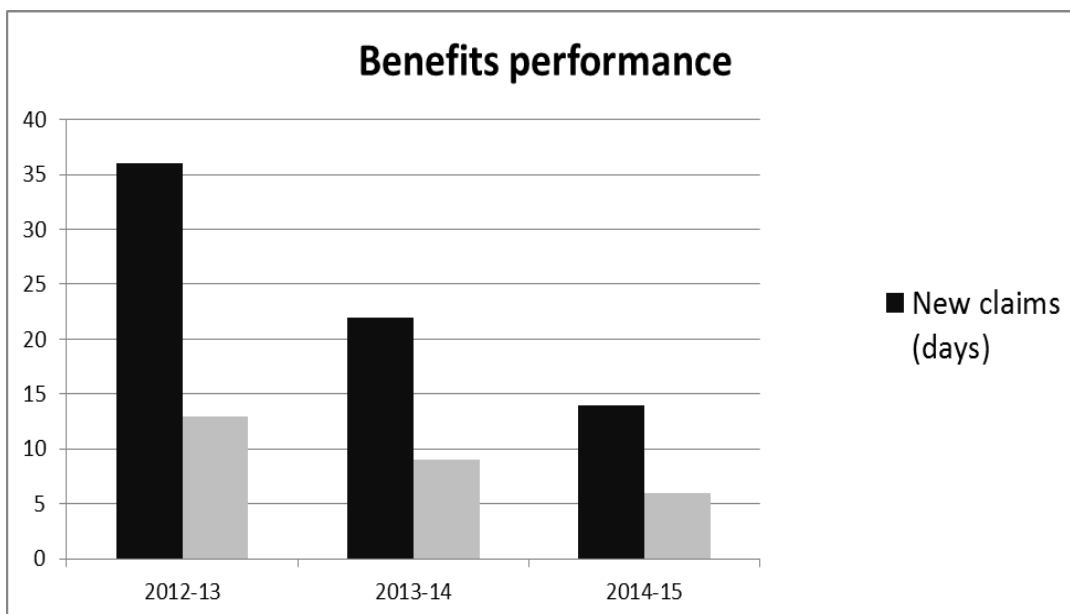
### 1 Background

- 1.1 ARP is a shared Revenues and Benefits service that from April 2014 comprises five partner authorities (Breckland, East Cambs, Fenland, Forest Heath and St Edmundsbury). It also has a partnership working arrangement with Suffolk Coastal and Waveney Councils, which effectively enables all seven authorities to pool their Revenues and Benefits resources to generate shared savings.
- 1.2 ARP operates a Joint Committee and the delivery of the Revenues and Benefits service at each of the five full member authorities of ARP, which is delegated through Section 101 (5) of the Local Government Act 1972 (Section 113 applies to East Suffolk and Waveney as they are not full members of ARP for governance purposes) and regulations made under section 20 of the Local Government Act 2000. At its meeting on 27 February 2014, Council resolved to agree to the arrangement above.
- 1.3 The arrangements outlined in section 1.2 above mean that the Joint Committee is enabled by legislation to make decisions on behalf of all the Councils that are part of ARP from April 2014 with regards Revenues and Benefits service provision

- 1.4 The Council is represented at Joint Committee by two Members. These are the Leader and Finance Portfolio Holder. Joint Committee meets at Breckland District Council four times annually. The first meeting attended by Fenland Members took place on 30 June 2014. The Leader noted the effective running of the meeting and is confident that the Joint Committee will allow Fenland's interests to be fully represented as part of ARP.
- 1.5 The shared service will generate £660k of savings to Fenland over five years by:-
  - Reductions in staff by sharing activities across Councils, by economies of scale.
  - Councils sharing contracts for certain services such as computer systems, print and post costs, etc. to reduce unit costs.
  - Additional savings as processes and functions merge between ARP partners.
- 1.6 ARP has a shared management team with joint responsibility for Revenues and Benefits at the seven authorities. It has reviewed the resources required across the seven Councils for the combined service.
- 1.7 The first stage was to create four Strategic Managers that can manage the distinctive parts of Revenues and Benefits overall.
- 1.8 The above posts were new roles; the costs of which are shared across all seven authorities. They were ring-fenced to Revenues and Benefits staff. This meant that when staff were appointed, their existing posts were deleted, contributing to overall savings.
- 1.9 A revised structure was then devised, covering all seven Councils' Revenues and Benefits teams to bring them together.
- 1.10 This second phase restructure included a reduction in staffing. Across ARP, 200 staff work in Revenues and Benefits teams. Of those, only 37 were placed at risk, equating to a proposed reduction of 13.2 full time equivalent posts. Of these 37, 7 are Fenland staff. Six of these have been placed in the new structure and one has been made redundant.
- 1.11 The new staffing structure, that sees the full integration of Revenues and Benefits teams across the seven authorities, goes live in early September.
- 1.12 ARP represents the first major shared service initiative for the Council. Following a robust Business Case, it has started to deliver significant financial savings whilst at the same time maintaining the high standards of performance and customer service that underpin Council services.

## 2 Revenues and Benefits performance since 1 April 2014

2.1 Benefits performance continues to be very strong. At the end of July, we were processing new benefits claims and changes in a cumulative average of 14 days and 6 days respectively. This compares with this point in previous years:-



2.2 Council Tax performance has been influenced by the changes to Council Tax Benefit (CTB) in 2013, when this was replaced by Council Tax Support (CTS) and control of the scheme localised. At the same time, Government funding was reduced.

2.3 For working age customers claiming CTB /CTS, the amount of benefit awarded has changed. Before 2013, it was based on 100% of Council Tax liability. This reduced to 91.5% in 2013-14 and 86% in 2014-15.

2.4 In addition in 2014-15 we have introduced a weekly payment scheme for customers who find weekly budgeting helpful in paying their Council Tax in more manageable weekly amounts, as opposed to the normal monthly instalments.

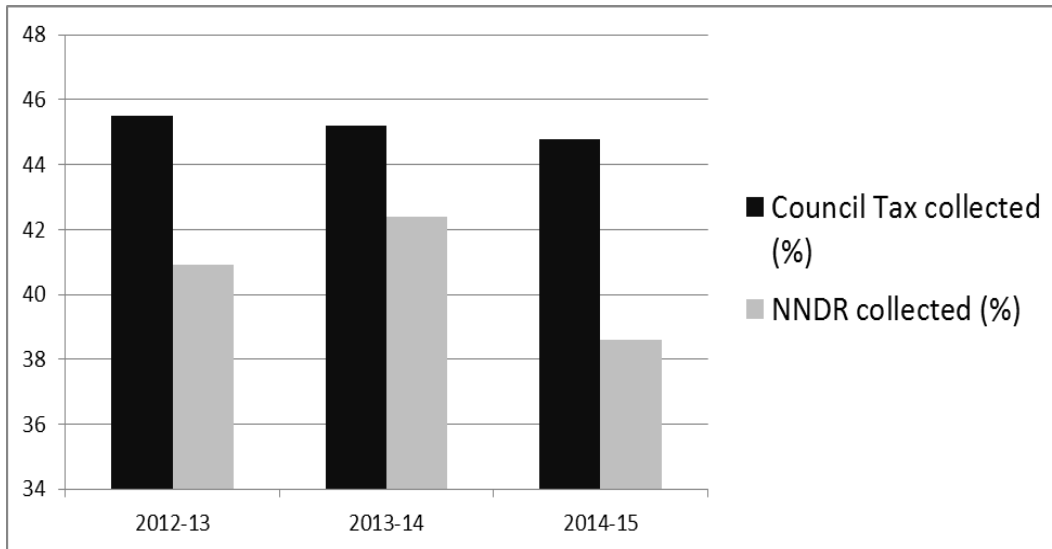
2.5 The above factors have meant that Council tax collection so far this year is lower as at this point, however we expect to achieve the targeted collection rate of 97.5% this year.

2.6 NNDR collection has been influenced by changes to legislation this year. These have introduced the right to pay over twelve monthly instalments instead of the statutory ten, as well as a reduction of £1,000 from the rates bill of most retail premises with a Rateable Value of £50,000 or less.

2.7 At the start of August, the amounts of Council Tax and NNDR collected were:-

	<b>Council Tax</b>	<b>NNDR</b>
Collected to 5/8/14	£20,203,346	£9,330,422
Target for 2014-15	£45,264,201	£25,375,287

2.8 Taking the above factors into account, Council Tax and NNDR collection performance at the end of July compares with this point in previous years:-



### 3 Future Governance

- 3.1 Currently five Councils are full partners within ARP in that they share both resources and Governance. Each Council has two Members who sit on a Joint Committee. These must be part of the relevant Council's Executive. For Fenland, this is the Leader and the Finance Portfolio Holder. This gives Joint Committee a composition of ten Members.
- 3.2 Suffolk Coastal and Waveney Councils are not full partners. Although their staff are pooled within ARP and are managed by ARP Managers, they are not represented on the Joint Committee and therefore Governance is subject to separate reporting lines for these two Councils.
- 3.3 With any future move towards Suffolk Coastal and Waveney Councils becoming full members of ARP, it may be necessary to further review Joint Committee membership and this could mean a reduction in members from two per authority to one. However, this would not weaken Fenland's position with regards Governance. Fenland will still have the same voting rights with regards Joint Committee decisions in future.

### 4 Future developments and expansion of ARP

- 4.1 ARP are also proposing to implement an in house Bailiff Service next year which Fenland would be part of. This should generate further savings above our current bailiff arrangements and has the potential to generate further income for ARP going forward.
- 4.2 When Fenland joined ARP, it was able to realise the long-term savings mentioned in this report. Any further efficiency savings will see a share coming to Fenland. ARP will continually seek other partners to join, where this generates further savings and does not compromise service quality for existing member authorities.