

Overview and Scrutiny Member Led Review of the Anglia Revenues Partnership

1 Background

1.1 Members raised questions regarding the performance of the Anglia Revenues Partnership (ARP) at a meeting of Full Council in January 2020. In addition, The Overview and Scrutiny Panel recently considered the Annual Report in respect of ARP during their February 2020 meeting. During those discussions Members of the Overview and Scrutiny Panel agreed that as the partnership had been in existence of the past 6 years without a formal review it would be timely to conduct a Member Led Review of the Service to ensure the partnership continued to achieve value for money for Fenland in comparison with the other member Councils.

1.2 A Member Led Review Group was formulated in February from Members of the Overview and Scrutiny Panel, comprising of the following elected members

Cllr Anne Hay – Review Chairperson

Cllr David Mason

Cllr Mike Cornwell

Cllr Bob Wicks (Substitute Member)

Cllr Robert Skoulding (Substitute Member)

1.3 The review group held an initial meeting in February 2020 which included all members of the group including the substitute members. During the initial meeting the scope for the review was agreed, which comprised of the following aims and objectives

1. To examine the current Anglian Revenues Partnership including its structure, performance and governance arrangements.
2. To consider each constituent councils audit plan where relevant to the ARP including their respective findings and recommendations in relation to ARP.
3. To consider the current vision and aims of the partnership to ensure relevant and up to date.
4. To consider feedback from key internal and external stakeholders received in relation to the Anglian Revenues Partnership.

5. To consider the current and future direction of the partnership to ensure aligned to Fenland priorities.
 6. To consider wider issues that might impact the performance of the partnership including the wider rollout of Universal Credit.
- 1.4 The initial meeting also made successful progress in relation to understanding the ARP structure, performance and governance arrangements with a second meeting planned to consider the other review objectives.
- 1.5 The global COVID 19 pandemic resulted in a national lockdown during March 2020 which had a detrimental impact on the original timescales for the completion of the review. Furthermore, during the Annual Council in May 2020 changes to the membership of the Overview and Scrutiny Panel were agreed, with Cllr Anne Hay no longer being a member of the panel and Cllr Mason becoming Chairman. During the September Overview and Scrutiny Panel meeting, Members agreed the ARP review should recommence, Cllr Mason confirmed that Cllr Anne Hay had kindly agreed to continue as a co-opted Chairperson for the review, in order to ensure continuity with Cllr Skoulding (former substitute member) taking Cllr Mason's place within the review group and Cllr Wicks (former substitute member) replacing Cllr Cornwell for the final meeting of the review group. It was also agreed that the final review report would be submitted to the December meeting of Overview and Scrutiny Panel including any findings and associated recommendations, as the annual review of the Anglia Revenues Partnership is scheduled to take place then, which the review findings would help to inform.
- 1.6 The Member led review group met again in October 2020 with ARP colleagues Paul Corney, Adrian Mills and lead FDC Officers Sam Anthony and Peter Catchpole. The group were successfully able to consider the remaining review objectives and agreed to draft the final report accordingly.

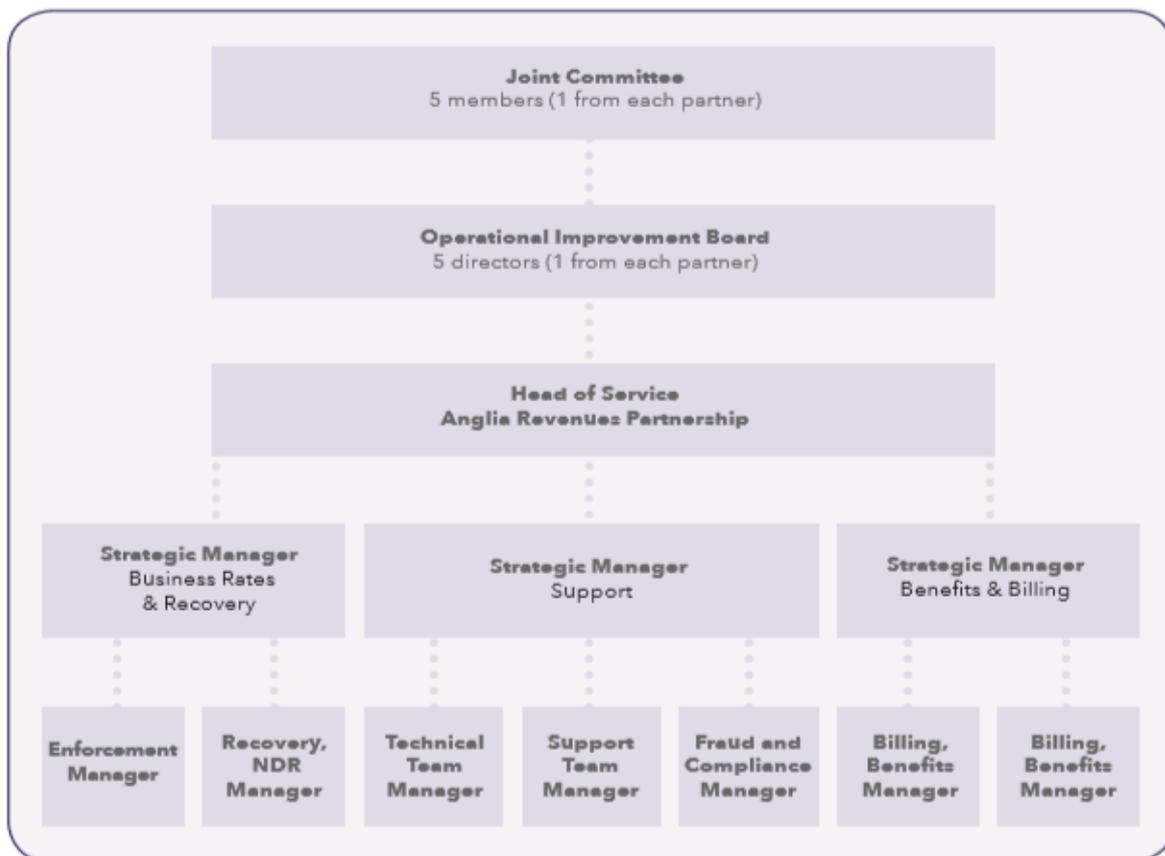
2 Introduction

- 2.1 At the 19 December 2013 meeting of Full Council 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 joined the Anglian Revenues Partnership (ARP) as of 01 April 2014.
- 2.2. The business case for Fenland joining ARP generated savings to ARP of £272,000 per full year, of which Fenland receives £136,000 per full year.

- 2.3 In addition to the original savings outlined above, ARP has achieved efficiency targets of £531,000 in respect of 2017/18 rising to £1.017million for 2018/19. By comparison Fenland's contribution is still lower than it was when joining the partnership in 2014.
- 2.4 ARP is a shared Revenues and Benefits service that comprises of five partners authorities (Breckland, East Cambs, Fenland, West Suffolk and East Suffolk Council's). ARP is responsible for making benefits awards (Housing Benefit and Council Tax support, as well as billing and collecting Council Tax and Business Rates
- 2.5 ARP in itself is not an entity however there is a section 113 agreement in place to enable all Councils to work on behalf of each other. Fenland currently employs 29 staff that prior to the current pandemic were based at Fenland Hall, however since the initial lockdown period all staff across the wider partnership have been homebased. All 29 FDC staff contribute to the work of the partnership, this is the same approach adopted by each of the other partners. The 29 FDC staff may deal with FDC cases or cases related to any of the other Local Authorities within the partnership, which is the case for all staff. This approach enables all partners to benefit from economies of scales, whilst also benefitting from resilience and the ability to access a greater pool of staff during peaks in service demand.
- 2.6 The teams issue council tax bills to 343,914 properties, rates bills to 29,246 businesses, and support around 52,810 customers' benefits claims (based on figures as at September 2019).
- 2.7 The ARP shared service arrangement generates £680k of savings to Fenland over 5 years by:
- Reductions in staff by sharing activities across Councils, achieving economies of scale
 - Councils sharing contracts for certain services such as computer systems, print and post costs in order to reduce unit costs
 - Additional savings as processes and functions merge between ARP partners.
- 2.8 The ARP Enforcement Agency Service has been active since the end of July 2015 and has collected over £13million in respect of Council Tax and Business Rates arrears, of which £1.7M has been for Fenland. In 2017 South Norfolk District Council and in 2019 Norwich City Council delegated their enforcement work to Breckland Council so their cases are also dealt with through the ARP Enforcement Service.

2.9 The Enforcement Service is able to charge fees in respect of the cost of collection, previously these fees were charged and retained by the external baliff companies. It is estimated that for 2019/20 there will be a surplus of fees collected in comparison to costs of over £800k which will be shared by the ARP partners, of which Fenland share is estimated at over £90k.

3 Governance Arrangements (Review objectives 1 and 4)



3.1 Joint Committee

Fenland is a full member of the Anglia Revenues Partnership and as such has joint control over its governance and future direction. This is achieved by having an FDC elected member on the Joint Committee along with the four other full partners. The Joint Committee is enabled by legislation to make decisions on behalf of all the Councils that are part of ARP with regards Revenues and Benefits service provision. The Joint Committee has recently decided to consolidate ARP services at present to ensure core service delivery is at its optimum before considering a wider roll out to other potential partners. Cllr Mrs Jan French is the current FDC Cabinet representative on the Joint Committee.

3.2 Organisational Improvement Board and Sub Committees

Fenland has Senior Officer representation on the ARP Organisational Improvement Board (OIB), which focusses on performance and the creation of performance indicators which are relevant to each partner authority. The OIB reports to the Joint Committee. Furthermore there are other sub committees including; the Finance Officers Group; a Data Protection Officers Group; a Customer Services Group; a Communications sub Committee in addition to a newly formulated Information Technology Group. All of the sub committees are created to ensure that all partner organisations influence all aspects of ARP current and future service delivery.

4 Audit Approach (Review objective 2)

4.1 The Internal auditing arrangements for ARP systems take the form of a joint approach. Since 2017/18 the 5 authorities (previously 7) signed an SLA to agree a systems approach to auditing rather than the traditional authority-based approach used in the past.

4.2 This means that each organisation audits a full system across all organisations rather than their own and the approach has been split out as follows:

- Council Tax – West Suffolk audit team
- Housing Benefits – West Suffolk audit team
- Overpayments – West Suffolk audit team
- NNDR – East Suffolk audit team
- ARP Enforcement – Fenland audit team
- (West Suffolk undertake the audit work for ARP on behalf of Breckland and East Cambridgeshire (LLGS), through a separate SLA)

4.3 This approach allows all systems to be audited every year. Before the SLA for joint auditing, Fenland only had enough resources to audit these systems 1 in every three years.

4.4 The joint approach means that every scope and results of audits for each system are reviewed by each organisations audit manager. The findings and actions plans are discussed and agreed with ARP managers. Draft reports are sent to each organisations S151 officers for consideration before any final reports are issued. This approach gives enhanced assurance on the processes being followed and any issues that have arisen as a result of the audit work are known to each organisation.

4.5 The arrangement has been in place for three years and works successfully. All reports and action plans are discussed, agreed and monitored with ARP colleagues and each audit team reports the overall findings to their own sovereign authorities Audit Committees / Corporate Governance Committees.

4.6 In addition to the monitoring by the audit teams and progress presented to audit committees / corporate governance committees, the final reports are presented, by ARP Management, to the ARP OIB and Joint committee for internal monitoring

5 Audit Results

5.1 Below is a table containing a summary of the last three years audit results for each system including the number of recommendations and their classification of risk (High, Medium or Low).

<u>Council Tax and Overpayments</u>	Overall Assurance rating	High	Medium	Low
2017/2018	Adequate / Reasonable	2	25	10
2018/2019	Adequate / Reasonable	3	24	13
2019/2020	Adequate / Reasonable	0	11	6

(Council Tax and Overpayments reporting are combined due the nature of the tasks and testing carried out.)

<u>Housing Benefits</u>	Overall Assurance rating	High	Medium	Low
2017/2018	Adequate / Reasonable	0	17	8
2018/2019	Adequate / Reasonable	1	14	10
2019/2020	Adequate / Reasonable	0	10	6

<u>NNDR</u>	Overall Assurance rating	High	Medium	Low
2017/2018	Adequate / Reasonable	0	10	6
2018/2019	Adequate / Reasonable	0	6	5
2019/2020	Adequate / Reasonable	0	7	6

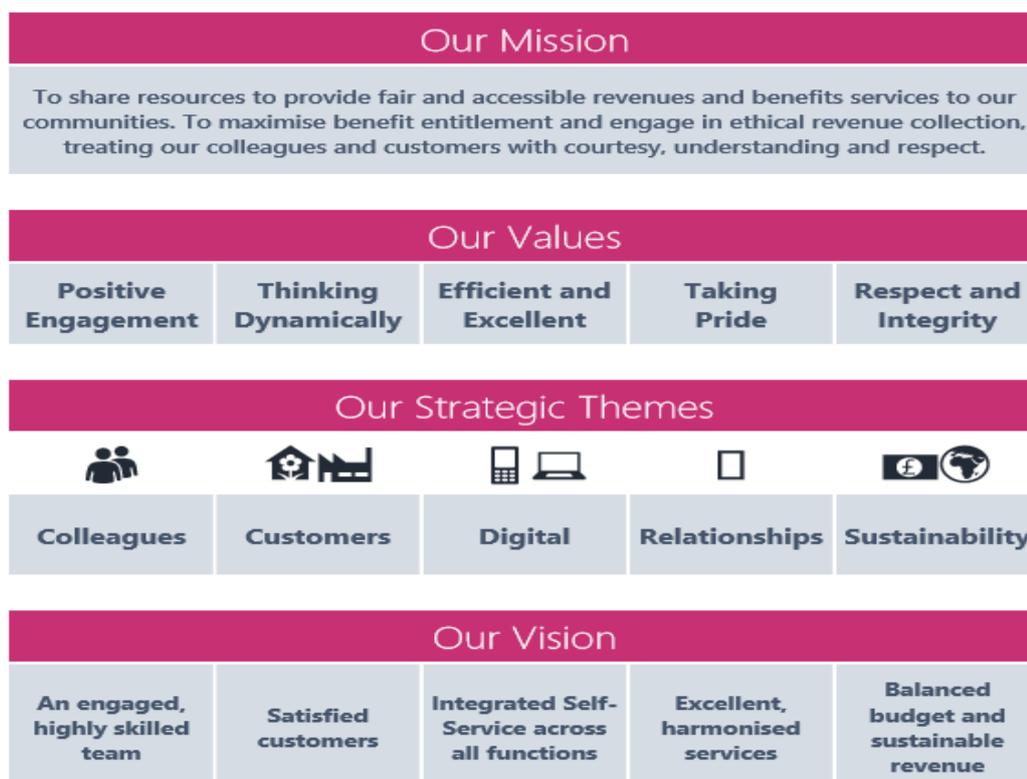
ARP Enforcement	Overall Assurance rating	High	Medium	Low
2017/2018	Adequate / Reasonable	0	5	1
2018/2019	Good / Substantial	0	1	1
2019/2020	Good / Substantial	0	2	1

5.2 Generally, the overall trend over the last three years is an improving one, the number of recommendations are reducing and the risk associated to those recommendations are also reducing.

6 Vision and Aims of the Anglia Revenues Partnership (Review Objective 3 and 5)

6.1 During the Autumn of 2019 ARP undertook a review of its strategic priorities. In order to effectively inform the review the ARP management team analysed each partner's senior strategy documents, looking for themes and excerpts that inform ARP's work. As a result the partnership proposed a new statement of its mission, revised priorities stated as strategic themes, and a new vision for its service offer. The resulting proposal were presented and subsequently agreed by the OIB during their December 2019 meeting and are outlined below.

6.2



- 6.3 The performance management framework is currently being reviewed in relation to 2021/22, however the emergence of the COVID pandemic has taken up significant resource, which would otherwise have been focussed on the updated performance management framework. A project plan is scheduled to be presented to the OIB illustrating where ARP are in relation to each of the service areas regarding performance management to ensure greater transparency concerning how performance is managed individually and at team level, and what parts of that data are relevant for the OIB to look at regularly or may need to consider as an exception.

7 Findings

- 7.1 The Review group identified that the COVID pandemic undoubtedly has had an impact on the work of the ARP. As a result the partnership is seeking to further improve the digital offering to customers therefore ensuring that those who can self-serve do so, which then feeds into the strategic priority to release resources to better help those who find it more difficult to access ARP services. (Link to objective 5 and 6)
- 7.2 The use of 'friendly reminders' in terms of non-statutory reminders for council tax has shown that people can change their behaviour without receiving statutory notices, which are harsher in nature because of the legislative information they have to contain. Therefore, ARP have identified that more people respond positively and pay when targeted with the 'softer' approach and ARP are investigating that further (Link to objective 5 and 6)
- 7.3 Regular data cleansing is required as during the work to provide business rates relief it is evident that ARP are not always notified when one business leaves a premise and another moves in. (Link to objective 5)
- 7.4 ARP has taken a more holistic approach to help more vulnerable customers who cannot engage digitally; it is therefore not a case of just ensuring these customers pay their council tax but also seeing how they can be signposted to other areas of support, be they working age or pensioners as a form of help in the community. (Link to objective 5)
- 7.5 The situation over the last six months has made FDC and the partnership work more closely together and in terms of the grants available, track and trace payments, hardship fund, council tax support consultation and the various reliefs. This close working partnership approach has made service delivery seamless. (Link to objectives 5 and 6)
- 7.6 The review team learnt that good work is being done with the FDC empty homes officer and the staff at ARP to build a complete picture in relation to

empty properties which has resulted in successfully bringing a number of these properties back into use within the district.(Link to objectives 5 and 6)

- 7.7 A disaster recovery process exercise had been undertaken just prior to the start of the initial national lockdown. One of the outcomes was the need to provide laptops for staff should a requirement arise for them to work from home if an office had to be shut down. As a result, and with the relevant IT teams working together, almost half the staff had already been issued with the equipment before and there was already a programme in place to supply remaining staff with laptops before the pandemic peak hit the Country initially. ARP are now considering a longer-term series of projects in respect of what working arrangements for staff will look like as part of the 'new normal'. Staff have been consulted regarding the future and 75% would like to work more from home. ARP will be reviewing desk sharing and accommodation requirements, which could bring about further potential savings. Early indications are that people find the work/life home balance is better and where measurable, it has been found that productivity has been higher. (Link to objectives 5 and 6)
- 7.7 Members previously raised questions during the January 2020 Council meeting in relation to perceived performance issues within the partnership. ARP acknowledge that they had several vacant posts across the service, which was impacting performance in some areas. A successful recruitment exercise took place during the spring of 2020. All staff have been successfully inducted and trained electronically during the pandemic. In addition generic roles were created a year ago where colleagues are trained in benefits and council tax billing; this creates upskilling but also greater resilience and flexibility to deal with peaks and troughs of work. Feedback from staff is that they have welcomed that, and it has provided them with reassurance that as housing benefit claims reduced due to the onset of universal credit, there was no need for uncertainty in respect of their job security or the ability of the partnership to accommodate this change of focus. (Link to objectives 5 and 6)
- 7.6 Members of the review team noted that at one time Cambridgeshire County Council in addition to FDC provided funding in respect of Council tax debt recovery work as both organisations benefit from collecting any associated outstanding debts. Currently CCC do not fund debt recovery within Fenland which has impacted the approach to debt recovery in this area in spite of the fact that FDC do continue to fund this work. (Link to objectives 5 and 6)

8 Recommendations

The Review group recommend to the Overview and Scrutiny Panel the following;

That the Overview and Scrutiny panel encourage the relevant Portfolio Holder and officers to continue to encourage the County Council to provide funding for the Council Tax debt recovery work.

The group also recommend that when the Anglia Revenues Partnership is considered on an annual basis within the Overview and Scrutiny Panel that the Panel are provided with a broader context of the partnership to help inform their understanding and associated discussions.