

MINUTES of a meeting of THE LEICESTERSHIRE PARTNERSHIP REVENUES AND BENEFITS JOINT COMMITTEE held in the Hinckley Hub, Hinckley on THURSDAY, 26 JANUARY 2017

Present: Councillor R D Bayliss (North West Leicestershire) (Chairman)

Councillors M Hall (Hinckley and Bosworth), P King (Harborough) and M Surtees (Hinckley and Bosworth)

Officers: Mrs C Hammond, Mr A Hunkin (NWLDC), Ms B Jolly (HDC), Mrs J Kenny (HBBC), Mrs S O'Hanlon (Leicestershire Partnership - Revenues & Benefits) and Mr A Wilson (HBBC)

In attendance: Ms J Stead (PricewaterhouseCoopers LLP)

### **30. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors J Hallam and T J Pendleton, and Mr B Cullen and Ms C E Fisher.

### **31. DECLARATIONS OF INTEREST**

There were no interests declared.

### **32. MINUTES**

Consideration was given to the minutes of the meeting held on 17 November 2016.

It was moved by Councillor M Hall, seconded by Councillor P King and

RESOLVED THAT:

The minutes of the meeting held 17 November 2016 be approved and signed as a correct record.

### **33. INTERNAL AUDIT REPORT 2016/2017**

Ms J Stead presented the report to Members. She advised Members that the report was a high classification but only just. She informed Members that overall there was a strong system of governance and control in place. She highlighted to Members that there were only five risk findings outlined in the report and the action plans that had been put in place along with the general observations that were not considered to be a specific risk but needed to be brought to the attention of the Committee.

Councillor P King expressed concerns over the recovery of Council Tax overpayments and that it was a large amount of money to be outstanding. He added that he understood that it would take time. He stated that if he reported back to Council that no action had been taken for a year and half Members would not be happy and that he would struggle to justify why nothing had been done sooner.

Mrs S O'Hanlon stated that in isolation the figures were cause for concern, however it is important to note the figures detailed represented all overpayments outstanding. A significant amount were already subject to action, and she gave further detail on the figures with regard to arrangements and direct deductions in place. A rigorous programme has commenced to recover the overpayments. Staff had needed significant training in this area due to the restructure as a generic way of working had been agreed. She advised Members that the figures had been reduced since the time of the audit and of those still outstanding decisions were being made on how to progress, but that would depend on the

Chairman's initials

level of debt. It should also be noted these are difficult matters to recover, due to the nature of why the overpayment has arisen in the first instance.

Ms J Stead informed Members that the new process post business process reengineering had started to recover overpayments whilst the auditors were on site.

It was agreed that a report be brought to the next meeting outlining the action taken and the procedure for overpayments.

Councillor M Hall sought reassurances from officers that they were happy with the actions.

Mrs S O'Hanlon stated that some of the findings had been actioned however the alignment of procedures with regard to refunds may present issues as whilst Mrs S O'Hanlon is the owner of this recommendation, she has no remit to change policies back at the host authorities.

In response to a question from Councillor P King, Mrs J Kenny advised Members that when the Partnership was first set up it was agreed that HBBC would carry out the auditing of the Partnership and Pricewaterhouse Cooper had been contracted to provide the auditing service to the Council.

By affirmation of the meeting it was

RESOLVED THAT:

1. The Partnership Internal Audit Report 2016/17 be noted.
2. A report outlining the issue and procedure for overpayments be brought to the next meeting.

#### **34. SERVICE PLAN 2017/18**

Mrs S O'Hanlon presented the Service Plan to Members. She highlighted that key impacts on the service would be the server replacement and the roll out of Universal Credit. She advised that the impacts will be monitored and the risk register maintained and reported to Management Board on a quarterly basis.

In response to a question from Councillor R D Bayliss, Members were advised that Royal Mail would require addresses to be formatted a different way from 2018 and as such the Partnership would need to speak to the software provider and tidy addresses up within the system to ensure that no additional costs were accrued.

Councillor P King advised that Members of Harborough DC had asked if it would be possible to increase the Council Tax collection rate to 99% as a higher rate would mean more money.

Officers advised that the request could be looked into. However resources and time would need to be considered, and the focus should be on total value of monies collected as opposed to % collected.

It was moved by Councillor R D Bayliss, seconded by Councillor M Hall and

RESOLVED THAT:

The Service Plan 2017/18 be noted.

### **35. CIPFA BENCHMARKING CLUB 2015/16**

Mrs S O'Hanlon presented the report to Members. She advised Members that the results of the exercise carried out in 2014/15 could not be compared to 2015/16 as the restructure had taken place in April 2015. She informed Members that in relation to the first four bullet points on page 46 the Partnership was achieving but there was little scope for improving and that the issues that had been flagged would be monitored closely. Members were advised that a separate piece of work was ongoing to ensure that the indirect costs remained accurate and up to date.

In relation to what was working well, Mrs S O'Hanlon highlighted that all three authorities were above the group average for collection rates, direct debit and flexible worker. The authorities were lower than average on the number of appeals, processing new claims and direct costs - which was positive.

Councillor P King stated that it was a good piece of work and good results and felt that the information should be communicated to all Members to highlight how well the Partnership is working.

Ms B Jolly stated that Management Board had discussed the communication with Members and ensuring that the same information was passed to all three Councils.

In response to a question from Councillor M Hall, Mrs S O'Hanlon advised Members that key items highlighted in the report would be closely monitored but it would not be cost effective to continue with the benchmarking.

By affirmation of the meeting it was

RESOLVED THAT:

1. The many areas of good practice that have been identified as part of the benchmarking exercise be noted.
2. The areas identified as weak compared to others and the work being undertaken to secure a better situation among comparators be noted.
3. The Partnership does not participate further in the CIPFA benchmarking exercise.

### **36. PERFORMANCE REPORT NOVEMBER 2016**

Mrs S O'Hanlon presented the report to Members. She advised Members that performance for all three was positive and the collections rates for the additional debt that had been raised following the single person discount review for HDC and NWLDC was marginally below target. She informed Members that all three authorities had agreed to keep the LCTSS the same and currently only one member of staff was on long term sick. She asked Members for their views on the layout of the report for future meetings.

Councillor P King requested more information with regard to the existing schemes in the other Leicestershire authorities, Mrs S O'Hanlon committed to recirculate the paper to HDC with the requested information included.

Cllr P King also made reference to improving collection rates with a view to collecting more monies, Mrs S O'Hanlon advised the distribution is based on the Council Tax base, and any surplus is dealt with at the end of the year. Also, that she was meeting with HDC's section 151 officer the following day and would have a discussion with regard to look at the financial viability of this proposition.

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In relation to the layout of the report, Members felt that visual representation i.e. graphs, key performance indicators and less detail would be better received.

By affirmation of the meeting it was

RESOLVED THAT:

The Performance Report November 2016 be noted.

### **37. FINANCIAL PERFORMANCE TO NOVEMBER 2016**

Mr A Wilson presented the report to Members. He advised Members that there was no real change from previous reports and that as at the end of November the partnership was forecasting a year end saving of £58,000. He informed Members that it was proposed to use the Restructure and Efficiency reserve to fund the migration to the new server.

In response to questions from Councillor P King:-

Mr A Wilson advised Members that the £5,000 was a one-off payment to renew the warranty - not an annual cost.

Mrs J Kenny stated that the work would be contracted to ICT and that the cost outlined at line 6 in appendix 2 was indicative.

Mrs S O'Hanlon advised that the migration may produce some issues that may require ICT to spend additional time and therefore increase costs.

Councillor P King stated that the Partnership should drive suppliers to ensure that they gave the best value.

Mrs J Kenny advised Members that the first price was never taken and that best value was always expected.

It was moved by Councillor M Hall, seconded by Councillor M Surtees and

RESOLVED THAT:

1. The financial performance of the Partnership be noted.
2. The use of the Restructure and Efficiency reserve to fund the server migration costs be approved.

### **38. 2017/2018 PROPOSED BUDGET**

Mr A Wilson presented the report to Members. He advised Members that a 2.1% increase had been applied to contractual budgets, the budgets for the virtual mail room and postage had been increased by 6% following notifications from the mail suppliers which increased the budget to £11,390 and the salary costs included associated pension costs and annual pay increments that would be due during the year. He added that due to the new pressures that were arising there would be an increase in expenditure by £81,800.

Councillor P King suggested that the Partnership had a Medium Term Financial Strategy so that the Members could have a clearer understanding of the pressures that were being faced. He expressed concerns that the proposed budget was less than before but more than the revised and sought assurances that the Partnership was doing all it could to push

the costs down. He also asked whether the budgets for the shared services had been looked at.

Mrs J Kenny advised that the budgets for shared services could be revisited if Members wished and that the increased staffing costs were not in the control of the Partnership.

Councillor P King requested that a breakdown of the actual spending against each budget was provided for Members for reassurances that the inflations were required.

Mrs J Kenny advised Members that it was the responsibility of each budget holder to scrutinise that level of detail but the information could be made available for members.

Mrs S O'Hanlon advised that, as discussed in the Service Plan, if the take up of submitting information online increased the budget for the virtual mail room could be decreased.

Mr A Wilson advised that a final outturn report would be brought to a future meeting.

By affirmation of the meeting it was

RESOLVED THAT:

The 2017/2018 budget proposals for the Partnership are approved by the Joint Committee.

#### **39. FORWARD PLAN**

Mrs S O'Hanlon presented the forward plan to Members. She advised Members that she would amend the forward plan to include a report on the recovery of overpayments and arrange for it to be re-circulated.

RESOLVED THAT:

The Forward Plan be noted.

#### **40. EXCLUSION OF PRESS AND PUBLIC**

RESOLVED THAT:

In pursuance of Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the remainder of the meeting on the grounds that the business to be transacted involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act and that the public interest in maintaining this exemption outweighs the public interest in disclosing the information.

#### **41. PARTNERSHIP OPPORTUNITIES**

Mrs S O'Hanlon presented the report to Members. She highlighted the options that were being considered and explored with a view to expanding and creating income for the Partnership.

Members, in general, were supportive of the options that were put before them but felt that officers should not be distracted from the current work of the Partnership.

Officers advised Members that any significant change to the Partnership would require the agreement of all three Partnership Authorities.

By affirmation of the meeting it was

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RESOLVED THAT:

1. The contents of the report be noted and directions agreed,
2. A full feasibility study be commissioned to support delivery of enforcement services in the Partnership.

**42. DATES OF FUTURE MEETINGS**

Members noted the date and venue of the future meetings.

The meeting commenced at 4.30 pm

The Chairman closed the meeting at 6.15 pm