

Present: Councillor Stewart Ogden (*in the Chair*),
Councillor Ray Cucksey and Councillor Ric Metcalfe

Apologies for Absence: Councillor Donald Nannestad

8. Confirmation of Minutes - 24 May 2016

RESOLVED that the minutes of the meeting held on 24 May 2016 be confirmed.

9. Declarations of Interest

No declarations of interest were received.

10. Communications Update

Purpose of Report

To update the Committee on communications in respect of the City of Lincoln Council/North Kesteven District Council Revenues and Benefits shared service.

Decision

1. That the report be noted.
2. That officers be requested to consider the most effective way to ensure the contents of the Annual Report [considered as part of minute no. 13] be drawn to the attention of both elected members and the wider public.

Alternative Options Considered and Rejected

None.

Reason for Decision

Members had requested that they be updated regularly on joint communications undertaken in respect of the shared service and so were updated on topics including:

- Digital inclusion;
- An educational courses project with Lincoln College
- North Hykeham Infolinks.

The report was therefore noted. In addition, members discussed the considerable impact of forthcoming changes within the sector, including the rollout of Universal Credit. As such, officers were requested to give particular consideration to drawing attention to the work already being undertaken by the shared service and the potential impact of future changes.

11. Performance Update

Purpose of Report

To provide members with an update on performance in the shared service.

Decision

1. That the performance information be noted.
2. That a further performance update be presented at the meeting of Shared Revenues and Benefits on 22 November 2016.

Alternative Options Considered and Rejected

None.

Reason for Decision

In order to ensure effective oversight of the performance of the shared service, members were provided with regular updates on performance in key areas of the service, including:

- Council Tax collections;
- Business Rates collections;
- outstanding Revenues customers;
- the collection of prior year arrears;
- Housing Benefit overpayments;
- benefits performance.

In addition to the performance measures provided within the report, the Head of the Shared Revenues and Benefits Service provided verbal updates regarding the latest performance information. Members therefore noted both positive and negative changes in performance, and any actions taken by officers to ameliorate relevant issues.

12. Quarter 1 2016/17 Financial Monitoring

Purpose of Report

To present to members the first quarter's performance for the Revenues and Benefits shared service for 2016/17.

Decision

1. That the actual financial position at quarter 1 be noted.
2. That the budget adjustments for 2016/17 be approved in accordance with the recommendations in paragraph 3.2 of the provided report.

Alternative Options Considered and Rejected

None.

Reason for Decision

The forecast outturn for 2016/17 predicted that there would be an underspend against the approved budget of £1,553, while the position at quarter 1 reflected an overspend of £8,914. The details behind the variances from the original

forecasts were outlined in the report provided and were considered by members. In addition, members considered and approved the following budget adjustments which were agreed to be necessary for the efficient operation of the shared service.

Budget adjustment	CoLC	NK	Total
	£	£	£
RTI	2,821	1,541	4,362
Ferris	22,793	12,437	35,230
Pension Credit Assessed Income Period Reform	692	666	1,358
Local Authority Data Sharing (LADS) Funding	12,389	12,389	24,778
Benefit Cap Changes	25,397	9,036	34,433
TOTAL	64,092	36,069	100,161

13. **Annual Report 2015/16**

Purpose of Report

To provide members with the third Revenues and Benefits shared service Annual Report, for 2015/16.

Decision

That the 2015/16 Annual Report be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

Members noted officers' advice regarding the utility of summarising key challenges, successes and initiatives in an annual report for the shared service. The report could be circulated within the relevant team and the respective local authorities, but could also be circulated to external stakeholders in order to help promote understanding of the work taking place in our shared service.

14. **Welfare Reform Update**

Purpose of Report

To update members on Discretionary Housing Payments expenditure, Universal Credit, Benefit Cap, and progress with the shared service's Welfare Reform Strategy Action Plan.

Decision

1. That the spending position in relation to Discretionary Housing Payment expenditure up to the end of July 2016 be noted.
2. That the update provided in relation to Universal Credit be noted.

3. That the update provided in relation to the Benefit Cap be noted.
4. That the Welfare Reform Strategy Action Plan be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

It was noted that demand for Discretionary Housing Payments remained high, with allocated expenditure for 2016/17 to the end of July 2016 at £81,095 and £51,216 for Lincoln and North Kesteven respectively. The impact of Universal Credit in Lincoln and North Kesteven was relatively low, with no specific date yet set for the full rollout of the scheme for Lincolnshire local authorities.

In addition, members noted the regular update regarding the high level action plan as well as details related to a reduction in the benefit cap from 7 November 2016. These updates were provided in order to ensure members were properly informed regarding the operation and context of the shared service, and were noted accordingly.

15. Internal Audit Report - Housing Benefits and Council Tax Support

Purpose of Report

To inform members of a recent audit carried out by Audit Lincolnshire with regard to the payment of Housing Benefit and Council Tax Support by the shared service.

Decision

1. That the outcome of the audit report be noted.
2. That progress against the associated action plan be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

Audit Lincolnshire had published a report seeking assurance on the following aspects of benefits provision by the shared service:

- Claims being correctly processed
- Effective quality systems being in place
- Subsidy arrangements (and lessons learned) being effective
- Council Tax Support Scheme being managed effectively

The outcome of the audit process was positive and was classified as having achieved the level of 'substantial assurance'. A number of recommendations had been made by the auditors, as detailed in the provided report. Members therefore noted the outcome of the audit and the manner in which the shared service had responded to it. It was further highlighted that Audit Lincolnshire should ensure

proper prominence was given to both of the councils in the shared service in the presentation of future reports.

16. Shared Service as an Agency

Purpose of Report

To provide a discussion paper on the potential for the Revenues and Benefits shared service to operate as an agency.

Decision

That officers be requested to review this matter within 18 months, following the receipt of further information regarding the rollout of Universal Credit and the localisation of Business Rates.

Alternative Options Considered and Rejected

None.

Reason for Decision

Members had previously requested a report regarding opportunities for the shared service to provide its services to other organisations. Officers had therefore compiled a report regarding opportunities in this area, analysing the relevant advantages and disadvantages.

In particular, it was noted that while the shared service should seek to be opportunistic in generating further savings or income-raising opportunities, there were significant disadvantages associated with creating an agency model for the shared service. These included assessing the correct level of staff requirement, training and redundancy costs, managing internal demand, ensuring that there was sufficient demand for services, and a lack of office space.

Noting these drawbacks, it was agreed that officers be requested to provide a further report in due course when the shared service would be better able to assess the likely challenges and opportunities of running an agency under the suggested model. This would allow officers to better understand an operating environment subject to considerable ongoing flux.

17. Exclusion of the Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following items of business because it was likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

Revenues and Benefits ICT Contract/Review of Shared Service. These items were considered in private as they were likely to disclose exempt information, as defined in Schedule 12A of the Local Government Act 1972. No representations had been received in relation to the proposals to consider these items in private.

18. Revenues and Benefits ICT Contract

Purpose of Report

The report set out progress in respect of a new contract for a Revenues and Benefits ICT system.

Decision

That progress with regard to a new Revenues and Benefits ICT system, noting the relevant procurement and financial implications be noted.

Alternative Options Considered and Rejected

None.

Reason for Decision

A five-year contract between the shared service and the ICT supplier, Northgate, had been entered into for the period 1 January 2012 to 31 December 2016. Noting the forthcoming expiry of the specified contractual term, officers had been assessing options for a suitable agreement in the future.

An update was therefore provided to members regarding the options for the shared service with regard to the ICT contract, including a proposed interim solution should the contractual term expire prior to concluding a succeeding agreement, as was likely in the circumstances.

19. Review of Shared Service

Purpose of Report

To propose options to effectively deliver the Revenues and Benefits shared service going forward, with a view to making efficiencies and savings where appropriate.

Decision

1. That the initiation of the proposed structural changes and the management of change process be approved.
2. That an update regarding the staffing structure be provided to the meeting scheduled to be held on 22 November 2016.

Alternative Options Considered and Rejected

None.

Reason for Decision

The shared service had been formed in June 2011, followed by the implementation of a new staffing structure from February 2012. While a number of minor adjustments had been made in the intervening five years, the structure and delivery mechanisms have not been fundamentally reviewed.

In order to ensure the ongoing suitability of the structure, having regard to the need to ensure the shared service offered both good value for money and an

effective service, a review had been undertaken into the staffing structure in consultation with managers.

A number of proposals had been made with regard to providing sustainable service delivery and performance improvements, as well as delivering efficiencies and savings within the shared service. The proposals were anticipated to generate an estimated £22,150 per annum and were endorsed accordingly and would be referred back to the Committee in due course for final approval. Members particularly noted that against a wider background of welfare reform it was important to ensure that the capacity of the service was not impaired.