

**Committee:** Scrutiny

**Agenda Item**

**Date:** 4 September 2012

**12**

**Title:** Proposed Revenues and Benefits partnership update

**Author:** John Mitchell

Item for decision

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## Summary

1. The Chairman has requested an update on progress on the proposed Revenues and Benefits partnership with Harlow DC. Verbal updates have been given in response to questions from the vice-Chairman on several occasions, including at Council on 17 July and at Cabinet on 2 August. This report adds nothing to those verbal updates.

## Recommendations

2. The report is noted

## Financial Implications

3. Harlow Council holds the contract with Steria and the grant from Improvement East. There will be a need to pay Steria for work done to date if it is decided either not to proceed with the partnership or to postpone for a substantial period.

## Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Reports scheduled for the abandoned March 2012 meeting of the JPC are available on the Council's website, as are reports to Cabinet on proposed changes to Council Tax Benefit.

## Impact

- 5.

Communication/Consultation	UDC Staff and clients have been kept informed
Community Safety	None
Equalities	None at this stage, although EQIA's will be needed for any revised proposals

Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	Uttlesford DC staff have been kept informed

## Situation

6. The Joint Partnership Committee last met on 21 September 2011. A meeting scheduled for March 2012 never took place because not enough Members from Harlow Council were available to constitute a quorum. The subsequent meeting in April was cancelled at the request of Harlow Council because of its proximity to their Council elections. Reports were written for the March JPC meeting and have available on the Council's website since then. There has been no meeting since and no work has been done to progress the partnership.
7. Since the two Councils began work on the Revenues and Benefits Partnership there have been a number of major changes put forward by Government to the Council Tax, Benefits and Business Rates regimes. These include Universal Credit, localisation of Council Tax Benefits (CTB), 2<sup>nd</sup> homes discount, single person discount, other technical changes and the localisation of business rates. The impact of CTB changes has been exhaustively discussed at cabinet. All of these will be challenging in their own right as well as collectively. Moreover, the proposed start date for Universal Credit and the localisation of CTB are scheduled for the same date as our partnership is scheduled to go live. The Section 151 Officer's view is that attempting to establish a new partnership concurrently with implementing major changes in all aspects of Revenues & Benefits gives rise to unacceptable levels of financial risk. Setting up the partnership would divert management capacity away from ensuring smooth implementation of the Government reforms. In addition, the risks to operational performance would be significant, for example disruption to benefits services could impair performance, resulting in clawback of subsidy by DWP. Income collection performance may also be adversely affected by over-stretching the service during what is already going to be a challenging transitional period.
8. There will be huge reputational damage to either or both Councils should the partnership be perceived as a failure, even if only for a temporary period while glitches are sorted out. It is the view of Uttlesford Council (UDC) that the introduction of the changes outlined above would make this risk almost a certainty. Accordingly, UDC wants time to consider these issues further and to evaluate the potential impact of these proposals before a move to a full

partnership arrangement with Harlow Council (HDC). The Leaders and Chief Executives met in February and agreed that a re-timetabling is necessary to accommodate the implications of these changes. This will inevitably involve a delay in implementation. It should be noted that Harlow officers consider that the above considerations need have no bearing on the progress of the partnership

9. Since the partnership discussions began UDC has constantly and incrementally restructured its revenues and benefits service, and will have achieved £120,000 of the £190,000 savings identified in the partnership business plan and the Council's MTFS by 2013/14. At the same time the rate of overall Council Tax and Business Rate collection has increased to over 99%, rendering the collection figures the highest in Essex. The Council's benefits accuracy and timeliness has also improved to a point where they stand comparison with the best in Essex. Since the original decision was taken to work towards a new partnership, the Council has been successful at realising efficiency savings, such that the MTFS no longer depends upon securing the full £190,000 annual saving from the Revenues & Benefits service
10. Should the partnership not proceed then the Council is well placed to continue to provide a high quality service. At the time of writing a date is being sought for a meeting of the Joint Committee.

### **Risk Analysis**

See s151 Officer's comments in report