

**COMMITTEE:** SRP JOINT    **REF NO:** SRP/15/06  
**DATE:**                       **9 SEPTEMBER 2015**  
**SUBJECT:**                   **HEAD OF SHARED REVENUES PARTNERSHIP  
REPORT**

**PORTFOLIO HOLDER:**           **COUNCILLOR SOPHIE MEUDEC**  
**DIRECTOR:**                       **HELEN PLUCK**

<p><b><i>Short description of report content and the decision requested:</i></b>  This is the annual report of the Shared Revenues Partnership that covers performance, finance, budget and progress against the business plan.</p>
<p><b><i>Ward(s) affected:</i></b>  All</p>
<p><b><i>List of Appendices included in this report:</i></b>  Appendices 1a and 1b – Details of performance  Appendix 1c - Feedback on the online claim form  Appendix 2 – SRP budgetary position as at month 4 and breakdown of Operational Account</p>
<p><i>This report has been prepared by Evelyn Crossland, Tel: 01473 433782, Email: Evelyn.crossland@ipswich.gov.uk</i></p>
<p><u><i>This report was prepared after consultation with:</i></u>  <i>Internal consultees</i>  SRP Operational Managers  SRP Performance and Relationship Manager  BDC, MSDC, IBC S151 Officers  Anna Walker, Corporate Service Accountant, Financial Services  <i>External consultees</i>  SRP Project Board</p> <p><u><i>The following policies form a context to this report:</i></u>  (all relevant policies must also be referred to in the body of the report)  Building a Better Ipswich</p>

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## **1. Introduction**

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- 1.1 A shared revenues and benefits service between Ipswich, Babergh and Mid Suffolk, known as the SRP (Shared Revenues Partnership) was formed on 1 April 2011.
- 1.2 A shared revenues and benefit service was identified as the most viable approach for the 3 councils to deliver, savings, resilience and improved performance.
- 1.3 The SRP is currently responsible for all back office functions relating to revenues and benefits activity for the three partner authorities.

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## **2. Background**

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- 2.1 This report contains a review of the performance, financial aspects and key achievements of the Shared Revenues Partnership for the period April 2015 to July 2015.

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## **3. Relevant Policies**

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- 3.1 Building a Better Ipswich underlying principles: A Fairer Ipswich and Value for Money.

Babergh: - to create an environment where individuals, families, communities and businesses can thrive and flourish.

Mid Suffolk: "We will work to ensure that the economy, environment and communities of Mid Suffolk continue to thrive and achieve their full potential.

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## **4. Benefit's Update**

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- 4.1 **Appendix 1a** contains the summary of the performance for the period April 2015 to July 2015.
- 4.2 The increase in processing times for changes is partly due to the migration of Electronic Transfer of Data (ETD) to Automatic Transfer to Local Authorities (ATLAS). The transfer did not go as smoothly as we were led to believe and as a result we experienced duplication of ETDs and Atlas which was resource hungry to reconcile in order to minimise the impact on our customers. This has now been resolved and the anticipated changes performance figure in August 2015 for Babergh is 6, Mid Suffolk 10 and Ipswich 9.
- 4.3 **Appendix 1b** provides details of the number of new claims and changes in circumstances processed by each authority on a month by month basis. It should be noted that a claim or change of circumstance for Housing Benefit and Local Council Tax Scheme is counted separately.

#### 4.4 **Ecapture for benefit claims**

Shared Revenue Partner's business plan for 2015/2016 focuses on further automation. SRP has been working with Northgate, our IT supplier, for the provision of an ecapture service for benefit claims.

4.5 The proposal concentrates on benefit claims that are made electronically and the benefits include:-

- Eliminating keying from image and clerical checking
- Subject every claim to around 1,000 consistent validation checks thus improving the quality and accuracy of claims

4.6 The implementation of this product will support the benefit team with the cessation of overtime and the need for temporary staff. The financials of the business case is currently being examined to ensure that it provides good value and provides a sound return on our investment.

#### 4.7 **Online Benefit Forms**

We continue to work with our customer service teams and key stakeholders to promote the advantages of making a claim electronically. From April to July 2015 83% of IBC's claims were made electronically; 50% of Babergh's and 64% Mid Suffolk's.

4.8 We capture the feedback from those completing the online claim form and have made adjustments to the form to improve customer satisfaction. Appendix 1c contains the details of the latest customer survey.

#### 4.9 **Real Time Information (RTI) – Bulk Data Matching Initiative.**

RTI is HM Revenue and Customs (HMRC) new system for collecting Pay As You Earn (PAYE) information from employers and pension providers who are required to provide HMRC with income details immediately after each payment they make. Referrals are issued to Local Authorities where DWP has information that earnings or non-state pension have not been correctly declared for Housing Benefit (HB) purposes.

4.10 The table below provides the number of overpayments that have been identified as a result of the RTI initiative for the first two months of the financial year 2015/16.

	Number of overpayments	Value of overpayments
Babergh	14	£3,320.95
Ipswich	31	£11,788.22
Mid Suffolk	17	£9,887.80

4.11 There are various other ways SRP identifies benefit overpayments and the above table represents a small percentage. The next committee report will include further details.

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## **5. Transformation Update**

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5.1 All workshops have been completed and we are now in a period of testing and refining process and procedural change.

## 5.2 New claims

Changes to New Claim on-line form and Scanning and Indexing team procedures. These changes have allowed for:

- Space to collect email addresses
- Links to additional forms
- Error messages for incomplete fields
- Amendments to check list for evidence
- Reduction in the amount of follow up requests for information through better form completion and intelligent addition of other necessary forms
- Early requests for missing information

## 5.3 Changes in Circumstances

The workshop identified a number of areas to refine processes and procedures. This has led to:

- Amendments to a range of change in circumstances on-line forms
- Changes to scanning and indexing procedures
- Multi indexing items of interest to both Benefits and Revenues
- Review of work allocation procedures
- Broadening of useful statistical data collation
- Review of website information provided to customers about changes in circumstances
- Review of website direction of customers

## 5.4 Failure to Pay

Team members immediately started work on a redesign of notices ready for the August reminder run, amended the date that final reminders were sent to allow for habitual late payers and intend to review inserts, Direct Debit forms and email links on both outgoing stationery and website.

A number of other initiatives have been put forward that will require further consideration – items such as Text reminders, using colour ink with bill inserts and bringing attention to specific text will need to be costed and developed.

From SRP's perspective, the first workshops have enabled us to learn from the process as we work through it. This learning will inform future workshop groups but involve such things as:

- Scope the boundaries well - what's in, what's out
- Provide training in advance of the workshops so that basic tools like Gant Charts and data collection strategies are understood
- Identify the stakeholders and seek their involvement in scoping the project

- Set out expectations for a communication plan & record of agreed actions and owners
- Positively promote ideas and inputs from outside the project team

5.5 The process has been well received and the 'what went well' feedback includes such remarks as

- We quickly started to work together as a team, even though we work in different sections
- I think the workshops showed it was good to have people from different sections there (e.g. assessing, scanning, QC etc). I think it made us appreciate what each other does and what we all bring to the process
- Very positive process involving teams which although initially they may have doubted their relevance, all contributed to the outcome.
- Encouraging the team to understand the impact on the process without making it personal
- No blame culture
- Growing understanding of how our work impacts other teams, and how a little change can have a large impact either positively or negatively
- Once we started to look at the process we all had ideas about what could be improved

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## 6. Revenues Update

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### 6.1 Council Tax

A lot of work has just been completed to issue all the 2015/16 Council Tax bills. At the point of close down the billing team had successfully processed all changes where all the required information had been received.

6.2 The collection as at the 31<sup>st</sup> July 2015 is shown below

	<b>31<sup>st</sup> July 2015</b>	<b>31<sup>st</sup> July 2014</b>	<b>Difference</b>
<b>Babergh</b>	39.40%	39.62%	0.20%↓
<b>Ipswich</b>	36.46%	35.96%	0.50%↑
<b>Mid Suffolk</b>	39.31%	39.42%	0.11%↓

Babergh and Mid Suffolk are slightly down compared to last year. This is due to the removal of some discounts from the review exercise at the start of the financial year and other changes in circumstances. The impact of these changes is that instalments get profiled into the future.

6.3 The collection for CTR as at the 31<sup>st</sup> July 2015 is shown below

	<b>31<sup>st</sup> July 2015</b>	<b>31<sup>st</sup> July 2014</b>	<b>Difference</b>
<b>Babergh</b>	32.80%	32.82%	0.02%↓
<b>Ipswich</b>	31.63%	31.22%	0.41%↑
<b>Mid Suffolk</b>	35.68%	34.57%	1.11%↑

Generally collection from those customers in receipt of CTR is improving, the level of reminders and summonses issued so far this year has reduced compared to the same period last year.

- 6.4 Recovery activity continues to take place. Referring cases to our enforcement agents is very much the last resort. Payment arrangements are made where possible when customers make contact. Where the circumstances of the customer are known (i.e. they are on benefit or are working) attachments to benefits or earnings are requested. The table below shows you how much debt is currently under recovery

Stage	Babergh	%	Ipswich	%	Mid Suffolk	%
Bill	£24,931,766	94	£31,276,089	88	£28,444,668	93
recovery	£1,642,621	6	£4,354,070	12	£2,268,870	7
Total	£26,574,687	100	£35,630,159	100	£30,711,538	100

- 6.5 In order to maximise the benefits of the New Homes / Empty Homes bonus work is also currently underway to review all those properties currently classed as 'long term empty'. The outcome from this feeds into the calculation for the 'New Homes Bonus' allocation. The target is to have all this information updated by the 1<sup>st</sup> October 2015.

## **NNDR**

- 6.6 The current collection rate as at the 31<sup>st</sup> July 2015 is shown below along with the collected amount for the same period last year.

	31 <sup>st</sup> July 2015	31 <sup>st</sup> July 2014	Difference
<b>Babergh</b>	37.34%	37.50%	0.16%↓
<b>Ipswich</b>	40.65%	39.72%	0.93%↑
<b>Mid Suffolk</b>	38.55%	39.96%	1.41%↓

Collection for Babergh and Mid Suffolk is down in comparison to the same period last year. This is predominantly due to movement in the rating list pushing instalments into the future. This position will be recovered through the year.

- 6.7 The percentage of debt under some form of recovery ranges from 7% to 20%. The figure for Babergh is unusually large to a number of large ratepayers paying after the issuing of a reminder.

	Babergh	%	Ipswich	%	Mid Suffolk	%
Bill	£10,999,702	80	£29,552,527	93	£13,277,422	93
Recovery	£2,741,480	20	£2,300,589	7	£1,007,809	7
Total	£13,741,182	100	£31,853,116	100	£14,285,231	100

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## **7. SRP Budgetary Position – Summary as at Month 5, 2015/16**

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- 7.1 This report covers two main areas:

- a. The Operational Account, this includes both on-going revenue expenditure and non-recurring revenue costs.
- b. The Capital Account, this is the remaining IT implementation budget now set aside for additional software modules.

7.2 The table below shows the current position of the Operational Account (Revenue) as at month 5 (August 2015).

**a. Operational Account (Revenue)**

Heading	Annual Budget	Budget to Date	Actual Expenditure	Variance
<b>Employees</b>	3,571,020	1,484,358	1,408,670	-75,688
<b>Transport</b>	24,000	8,416	7,355	-1,061
<b>Supplies and Services</b>	643,000	172,427	158,965	-13,462
<b>Recharges</b>	795,050	192,423	192,423	0
<b>Capital Charges</b>	155,000	0	0	0
<b>Total Expenditure</b>	<b>5,188,070</b>	<b>1,857,624</b>	<b>1,767,412</b>	<b>-90,212</b>
<b>Costs Recovered / Govt. Grants</b>	-99,910	-99,910	-102,168	-2,258
<b>Fees and Charges</b>	-42,700	-42,700	-42,704	-4
<b>Total Income</b>	-142,610	-142,610	-144,872	-2,262
<b>TOTAL 15/16</b>	<b>5,045,460</b>	<b>1,715,014</b>	<b>1,622,541</b>	<b>-92,473</b>

A breakdown of this position is shown in **Appendix 2**.

- 7.3 The main variances at present are summarised below;
- Employees - Underspend due to transitional vacancies (mainly within Business Support and Benefits) and a vast reduction in the use of overtime.
  - Supplies and Services – Underspend made up on various minor headings including stationery, storage charges (no invoices received) etc.

7.4 The majority of the underspend carried forward from 2014/15 of £503,890 is currently in a reserve (contingency budget). A proportion has been used to fund additional temporary benefits employees (Not all has been utilised at present, resulting in the favourable variance on employee costs) and to fund inflation not requested in the partner's contributions for 2015/16, the balance is currently £281,010. It is anticipated that not all of this will be spent by 31<sup>st</sup> March 2016.

7.5 The table below shows the forecast outturn position of the SRP operational account

**a. Forecast - Operational Account**

<b>Heading</b>	<b>Annual Budget</b>	<b>Actuals (forecast)</b>	<b>Variance</b>
<b><u>Expenditure</u></b>			
<b>Employees</b>	3,571,020	3,396,343	-174,677
<b>Transport</b>	24,000	21,824	-2,176
<b>Supplies and Services</b>	643,000	661,647	18,647
<b>Recharges</b>	795,050	795,050	0
<b>Capital Charges</b>	155,000	140,000	-15,000
<b>Total Expenditure</b>	<b>5,188,070</b>	<b>5,014,864</b>	<b>-173,206</b>
<b><u>Income</u></b>			
<b>Costs Recovered / Govt Grants</b>	-99,910	-102,168	-2,258
<b>Fees and Charges</b>	-42,700	-42,704	-4
<b>Total Income</b>	<b>-142,610</b>	<b>-144,872</b>	<b>-2,262</b>
<b>TOTAL</b>	<b>5,045,460</b>	<b>4,869,993</b>	<b>-175,467</b>
Total Unallocated Contingency			-281,010
<b>TOTAL FORECAST POSITION 15/16</b>			<b>-456,477</b>

The forecast is based on current operational levels. It doesn't take into account any additional resources required for Welfare Reform etc., but new burdens funding and additional government grants are available for this purpose. The projected favourable variance is currently £175,467, combined with the unallocated contingency budget of £281,010. If this was to remain unspent at the end of the financial year the underspend would total £456,477.

7.6 Any grants / additional funding that is received by the SRP during the financial year are accounted for as follows: The grant is shown as income to the SRP and given a budget, this budget is matched off with an expenditure budget of the same amount, this allows the SRP to spend the money in the relevant areas (software updates, staffing etc.) and also ensures all the costs / income are accounted for in the correct headings.



7.7 The table below summarises the 2015/16 month 5 position for the Capital Account.

**b. Capital Account (Summary of ICT Project and SRP Implementation)**

Heading	Annual Budget	Budget to Date	Actuals	Variance
Main Contract	95,305	7,942	2,352	-5,590
<b>TOTAL</b>	95,305	7,942	2,352	-5,590

7.8 The remaining capital implementation budget was carried forward from 2014/15 and is to be used for additional software modules beneficial to the Service.

The Capital Account is expected to be within budget, once additional modules finalised.

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## **8. Equalities and Diversity Implications**

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8.1 Under the general equality duty as set out in the Equality Act 2010, public authorities are required to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as advancing equality of opportunity and fostering good relations between people who share a protected characteristic and those who do not.

8.2 The protected grounds covered by the equality duty are: age, disability, sex, gender reassignment, pregnancy and maternity, race, religion or belief, and sexual orientation. The equality duty also covers marriage and civil partnership, but only in respect of eliminating unlawful discrimination.

8.3 The law requires that this duty to have due regard be demonstrated in decision making processes. Assessing the potential impact on equality of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can demonstrate that they have had due regard to the aims of the equality duty."

8.4 The results of the SRP Equality Impact assessment completed in September 2010, identified that the potential areas for discrimination were included in SRP's implementation plans. Further work continues to minimise discrimination within the partnership by our continued approach to flexible working practices and the rollout of home working

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## **9. Recommendations**

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**9.1 The SRP Joint Committee to note the report.**