



**Committee:** SHARED REVENUES AND BENEFITS SERVICE JOINT COMMITTEE

**Date:** MONDAY, 23<sup>RD</sup> JULY 2018

**Venue:** LANCASTER TOWN HALL

**Time:** 5.00 P.M.

## A G E N D A

### PART A (OPEN TO PRESS AND PUBLIC)

1. **Appointment of Chair and Vice-Chair**

Nominations are invited for the position of Chair and Vice-Chair of this Joint Committee for the 2018/19 Municipal Year.

2. **Chair's Announcements**

- Fire Procedures / Mobile Phones / Rest Rooms
- *Members of the Public, committee members and officers are reminded that under the Openness of Local Government Bodies Regulations 2014, the press and Public may film, audio record, photograph and use social media whilst the meeting is in progress, for Part A items only, and as long as no disruption is caused to the meeting. Anyone filming is asked to focus their attention on elected members rather than other visitors". (To be read out if visitors present).*

3. **Notification of Substitute Members (if any)**

4. **Declarations of Interests**

To receive any declarations of interest from Members.

5. **Minutes (Pages 1 - 2)**

To confirm the minutes of the meeting of the Shared Revenues and Benefits Service Joint Committee held on 12<sup>th</sup> December 2017.

6. **Connecting Town Halls - Video Conferencing (Pages 3 - 4)**

Copy letter enclosed.

7. **Shared Service - Annual Governance Statement 2017/18**

Report to follow.

8. **Shared Service - (Unaudited) Annual Statement of Accounts 2017/18 (Pages 5 - 20)**

Report enclosed.

9. **Business Plan 2018 - Shared Revenues and Benefits Service (Pages 21 - 46)**

Report enclosed.

10. **Date of Next Meeting**

## Shared Revenue and Benefits Service Joint Committee

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### Shared Revenue and Benefits Service Joint Committee 12 December 2017

#### Present:

- |                      |  |
|----------------------|--|
| Councillor Rawlinson | – Chair - Cabinet Member for Resources and Performance, Preston City Council             |
| Councillor Whitehead | – Vice-Chair – Cabinet Member for Finance, Revenues and Benefits, Lancaster City Council |
| Councillor Blamire   | – Leader, Lancaster City Council   |
| Councillor Moss      | – Cabinet Member for Planning and Regulation   |

#### Also in attendance:

- |               |   |
|---------------|---|
| Mr A Robinson | – Head of Shared Service/Deputy Director                                |
| Ms N Muschamp | – Chief Officer (Resources)/Section 151 Officer, Lancaster City Council |
| Ms J Wilding  | – City Treasurer, Preston City Council                                  |
| Ms J Grundy   | – Head of Member Services, Preston City Council                         |

**Apologies:** Councillor Rankin

#### SRB27 Chair's Announcements

There were none.

#### SRB28 Notification of Substitute Members (if any)

**Resolved** – That the appointment of Councillor Moss in substitution for Councillor Rankin, in accordance with Rule 12 of the 'Conduct of Meetings and Proceedings of the Joint Committee' document, be noted.

#### SRB29 Declarations of Interests

Councillor Rawlinson declared a personal interest in agenda item seven (Minute number SRB 33 refers) insofar as he is an employee of the Department for Work and Pensions.

## Shared Revenue and Benefits Service Joint Committee

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### SRB30 Minutes

**Resolved** – That the minutes of a meeting of the Shared Revenues and Benefits Service Joint Committee, held on 27 June 2017, be noted and signed as a correct record.

### SRB31 Date of Next Meeting

The next meeting of the Joint Committee was to be arranged at a later date.

### SRB32 Exclusion of the Press and Public

**Resolved** - “That the public be excluded from this meeting during consideration of the following item of business on the grounds that there is likely to be disclosure of exempt information which is described in the paragraphs of Schedule 12A to the Local Government Act 1972 which are specified against the heading to the item, and that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing it.”

### SRB33 Shared Service Budget 2018/19 - (Revenues and Benefits) (Paragraph 3)

The Deputy Director of Customer Services (Head of Revenues and Benefits Shared Service) submitted a report on the Shared Service. In line with the Shared Service Agreement between Lancaster City Council and Preston City Council, the report provided the latest budget monitoring for the 2017/18 budget together with the proposed budget for the Shared Service for 2018/19. The City Treasurer (Preston City Council) presented the report to Members.

**Resolved** – That the Joint Committee:

- (i) Noted the latest budget monitoring for the Shared Service, as detailed in Appendix A of the report;
- (ii) approved the budget for 2018/19 for the Shared Service, as detailed in Appendix B of the report; and
- (iii) delegated to the S151 Officers of each Council (by agreement), to determine the cost sharing ratio for contributions to and from the overall Shared Service budget.



Ministry of Housing,  
Communities &  
Local Government

**Ministry of Housing, Communities and Local  
Government**

Fry Building  
2 Marsham Street  
London

Adrian Robinson

Via email  
A.Robinson@preston.gov.uk

E-  
Mail:stuart.young@communities.gsi.gov.uk

[www.gov.uk/dclg](http://www.gov.uk/dclg)

Our Ref: 3688229  
Your Ref:

Date: 23 March 2018

Dear Mr Robinson,

Thank you for your email of 2 March to the central government website seeking an update on the Government response to the "*Connecting Town Halls*" consultation paper. I am responding to your email because I work in the team here at the Ministry of Housing, Communities and Local Government that led on these proposals.

I can confirm the Government is still considering the responses received, and should it take forward the proposals outlined in the consultation paper, we will need to identify a suitable legislative opportunity.

I will have added your contact details to our mailing list, and will let you know of any further publicly available updates on this as and when they become available.

Yours sincerely,

Stuart Young  
Local Government Stewardship  
Ministry for Housing, Communities and Local Government  
North East Quadrant  
Fry Building. 2 Marsham Street  
London. SW1P 4DF

<p><b>Report to Joint Committee</b>  <b>Meeting to be held on 23<sup>rd</sup> July 2018</b></p>	<p><b>Electoral  Ward  Affected  All</b></p>
<p><b>Report submitted by : City Treasurer (Preston City Council)</b></p>	
<p><b>SHARED SERVICE (UNAUDITED) ANNUAL STATEMENT OF  ACCOUNTS 2017/18</b></p>	

**1. Summary**

- 1.1 The Host Authorities Section 151 Officer is responsible for the preparation of the Revenues and Benefits Shared Services Statement of Accounts which provide a true and fair view of the financial position of the Shared Service at the accounting date and its income and expenditure for the year ended 31 March 2018.
- 1.2 This Partnership prepared its Annual Accounts and supporting financial statements in accordance with applicable laws and regulations and in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) 2017/18.

**2. Decision Required**

- 2.1 To approve the unaudited Revenues and Benefits Statement of Accounts for 2017/18 as set out in Appendix A.

**3. Revenues and Benefits Statement of Accounts Information**

- 3.1 The accounts have been prepared by Preston City Council as the Host Authority
- 3.2 These accounts will be summarised as part of the 2017/18 main Statutory Accounts of both Councils.
- 3.3 The Accounts represent all of the income and expenditure occurred by the Shared Service between 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2018. The expenditure, as pre agreed by the Joint Committee, is split 50/50 between Preston City Council and Lancaster City Council.
- 3.4 The Comprehensive Income and Expenditure Statement states that the Shared Service income and expenditure net off to zero.

**4. External Audit**

4.1 The Shared Service statement of accounts does not require auditing as the income/expenditure is subsumed within each Partner Authorities main statement of accounts which are subject to external audit.

4.2 The accounts as presented by this report are unaudited.

**5. Conclusion**

5.1 The deadline for the internal production for the Partnerships unaudited Statement of Accounts for 2017/18 has been achieved.

**Background Documents:**

Background documents open to inspection in accordance with Section 100D of the Local Government Act 1972:

Paper	Date	Contact/Directorate/Ext
Statement of Accounts 2017/18	23 <sup>rd</sup> July 2018	Preston City Council, Section 151 Officer

**Contact for further information:**

Stephen Cox	Tel. 01772 906053	Principal Accountant
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# **REVENUES & BENEFITS SHARED SERVICE**

## **STATEMENT OF ACCOUNTS 2017/18**

**LANCASTER CITY COUNCIL  
PRESTON CITY COUNCIL**



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## Narrative Report

### 1. Introduction

The purpose of the Revenues and Benefits Shared Service is to provide for the efficient and effective collection of Local Taxation and the administration of Housing Benefit and Council Tax Support for both Preston City Council and Lancaster City Council under a Joint Committee.

The service commenced on the 1<sup>st</sup> July 2011 and is based in both Preston and Lancaster with Preston City Council being the Host Council.

The Revenues and Benefits service plays a very important part in the delivery of front line services and the collection of local taxes. It is very much part of the front line customer service provision and yet has strong links throughout each Council to key support functions such as finance, legal services, ICT and others. External partnership working with the Department for Work and Pensions and Citizens Advice Bureau, as well as external verification and auditing, make these services regulatory in nature.

### 2. Financial Performance of the Shared Service 2017/18

#### a. Revenue Budget

The outturn for the 2017/18 financial year and comparison to budget are set out below:

	Latest Budget £'000	Actual £'000	Variance £'000	
<b>Service Expenditure</b>				
Management	169	162	(7)	(F)
Business Rates	449	502	53	(A)
Council Tax	935	936	1	(A)
Operations	339	332	(7)	(F)
Housing Benefits	1,680	1,616	(64)	(F)
<b>Service Expenditure Total</b>	<b>3,572</b>	<b>3,548</b>	<b>(24)</b>	<b>(F)</b>
<b>Income</b>				
Fylde Borough Council	(5)	(2)	3	
Preston City Council	(1,778)	(1,773)	5	
Lancaster City Council	(1,798)	(1,773)	25	
<b>Income Total</b>	<b>(3,581)</b>	<b>(3,548)</b>	<b>33</b>	
<b>Total</b>	<b>(9)</b>	<b>0</b>	<b>9</b>	

#### Notes:

(F) - Favourable Variance

(A) - Adverse Variance

The actual Shared Service expenditure for 2017/18 was £3,548k.

The Joint Committee approved a Shared Service expenditure budget for 2017/18 of £3,590k (excluding Fylde Borough Council income) in December 2016. This has since been adjusted during the year for:

- £40k of ongoing vacant posts within the Shared Service have been released.

- Funding has been received from the Department of Work and Pensions. This has increased budgets by £20k (one-off) and incurred matching costs for ICT projects.
- Apprentice tax costs have been brought into the shared service, these have been offset by employee insurance savings with a net cost of £2k ongoing.

The final 2017/18 expenditure budget was £3,572k

The £9k variance between budgeted income and expenditure (in the outturn table above) was due to differences in the way budgeted income was accounted for:

- Preston's income budget was £20k higher than Lancaster's as Preston's share of the £40k vacant post reduction was not removed. Preston's budgets are kept constant and balance to nil within Preston City Council's accounts as an internal recharge.
- Neither budget was adjusted for the change to the apprentice tax (-£11k impact)

Both Councils agreed that actual costs associated with the Shared Service, including variances between budget and outturn, would be shared equally.

All external grant income received from both Councils, transferred to the Shared Service, has been allocated as part of the financing of the Shared Service.

During 2017/18 both Councils paid an equal amount into the Shared Service of £1,773k.

The Shared Service underspent its original budget for 2017/18 of £3,590k by £42k.

The Shared Service underspent its latest budget for 2017/18 of £3,572k by £24k. This underspend was mainly due to:

Variance		
£'000		
(9)	(F)	underspend on employee costs
(29)	(F)	underspend on print and post costs
15	(A)	overspend on ICT
<u>(1)</u>	(F)	other minor underspends
<u><u>(24)</u></u>	(F)	

In addition to the £40k underspend on vacant posts that was identified mid-year, a further £9k was underspent on employee costs due to the natural turnover of staff.

Print and post along with ICT costs are the largest non-staffing expenditure incurred by the Shared Service. The costs for these oscillate year-to-year depending on the activities the service undertakes at the time. All costs are under constant review to ensure that they are minimised, with budgets adjusted to reflect future anticipated spend.

**b. Expenditure Split by Council**

	£'000
Preston City Council	3,501
Lancaster City Council	<u>47</u>
	<u><u>3,548</u></u>

Preston City Council's expenditure was significantly higher than Lancaster City Council's because, as the Host Council, it employs the Revenues and Benefits staff.

Central overheads are absorbed by the Councils that incur them and are not recharged into the Shared Service.

**c. Capital Expenditure**

The Shared Service does not own any assets and did not incur any capital expenditure during 2017/18.

## **d. Retirement Benefits**

All employees employed in the provision of the Shared Service are employees of Preston City Council and as such are part of the Local Pensions Partnership (LPP), which is a defined benefit scheme. More detail is provided in the Statements of Accounting Policies and in the notes to the Core Financial Statements of Preston City Council.

## **e. Accounting for the Partnership**

All transactions of the Shared Service are accounted for within the accounts of one of the partner Councils. The information within these Shared Service Statement of Accounts has been extracted from the partner's financial records.

The partnership is classed as a Jointly Controlled Operation between Preston City Council and Lancaster City Council.

## **3. Explanation of the Financial Statements**

The Shared Service Statement of Accounts sets out the Shared Service's income and expenditure for the year, and its financial position at 31 March. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the Code) and the Service Reporting Code of Practice 2017/18 (SeRCOP) and comprises core and supplementary statements.

### **a. The Core Financial Statements:**

- **Income and Expenditure Statement:** this statement shows the accounting cost in the year of providing services in accordance with general accounting practices rather than actual cost of services funded through taxation.
- **Movement in Reserves Statement:** this statement shows a summarised view of the movement in year on the different reserves held by the Shared Service.
- **Balance Sheet:** this sets out the Shared Service's assets and liabilities as at 31st March 2018 and how these are funded.
- **Cash Flow Statement:** summarises the inflows and outflows of cash arising from transactions with third parties.
- **Notes to the Core Financial Statements:** assist in the interpretation of the Accounts by summarising significant accounting policies and other explanatory information.

### **b. The Supplementary Financial Statements:**

- **Statement of Responsibilities for the Statement of Accounts:** identifies the officers who are responsible for the proper administration of the Shared Service's financial affairs.
- **Annual Governance Statement:** gives assurance on effectiveness of the Shared Service's Governance arrangements including its monitoring and evaluation of its code of governance and highlighting any planned changes in the coming period. This statement is included as a separate report to the Joint Committee.
- **Glossary:** an explanation of some of the key technical terms used in these Statement of Accounts.

## **4. Conclusion**

In conclusion, the Shared Service has a proactive approach to financial forecasting and budget management with extensive systems and procedures in place. In 2017/18 the Shared Service has in overall terms achieved its financial targets and aspirations and has worked successfully within reduced budgets to deliver services.

## **5. Access to further information**

If you would like to receive further information about the Statement of Accounts please contact Accountancy Services at Preston Town Hall, Lancaster Road, Preston, PR1 2RL.

Jackie Wilding  
City Treasurer  
(Section 151 Officer)

## Statement of Responsibilities for the Statement of Accounts

### The Partnership's Responsibilities

The Partnership is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In these Councils, that officer is the chief financial officer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the Statement of Accounts

### The Chief Financial Officer's Responsibilities.

The City Treasurer and Chief Officer (Resources) are responsible for the preparation of the Partnership's Statement of Accounts in accordance with proper practices as set out in the CIPFA (Chartered Institute of Public Finance & Accountancy) 2017/18 Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the City Treasurer and Chief Officer (Resources) have:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code of Practice on Local Authority Accounting (the Code)
- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

### The Chief Financial Officer's Certification

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Partnership at the reporting date and of its expenditure and income for the year ended 31 March 2018.

Signed

Chair of the Joint Committee

J. Wilding  
City Treasurer  
Preston City Council  
Host Council

N. Muschamp  
Chief Officer (Resources)  
Lancaster City Council

Date

## **Core Financial Statements**

### **Introduction to the Core Financial Statements**

The Statement of Accounts contain a number of different elements which are explained below:

#### **Comprehensive Income & Expenditure Statement**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost.

#### **Movement in Reserves Statement**

This statement is intended to show the movement from the start of the year to the end on the different reserves held by the Shared Service. As the Shared Service does not have reserves, this statement does not apply.

#### **Balance Sheet**

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Shared Service. The net assets (assets less liabilities) are matched by the reserves held by the Shared Service.

The Shared Service has nil net assets and nil reserves.

#### **Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Shared Service during the reporting period. The statement shows how the Shared Service generates and uses cash and cash equivalents.

**Income and Expenditure Account**

2016/17 £'000		2017/18 £'000
	<b>Service Expenditure</b>	Note
158	Management	162
385	Business Rates	502
935	Council Tax	936
342	Operations	332
1,750	Housing Benefits	1,616
<u>3,570</u>	Net Operating Expenditure	<u>3,548</u>
	<b>Service Income</b>	
4	Fylde Borough Council	2
1,783	Lancaster City Council	1,773
1,783	Preston City Council	1,773
<u>3,570</u>	Total Sources of Finance	<u>3,548</u>
<u>-</u>	Surplus/Deficit for the year	<u>-</u>

**Balance Sheet**

As at 31st March 2017 £'000		Note	As at 31st March 2018 £'000
101	Debtors		84
(42)	Cash		(5)
<u>59</u>	<b>Total Current Assets</b>		<u>79</u>
59	Creditors	4	79
<u>59</u>	<b>Total Current Liabilities</b>		<u>79</u>
<u>-</u>	<b>Net Assets</b>		<u>-</u>

**Cash Flow Statement**

2016/17 £'000		2017/18 £'000
<u>-</u>	<b>Surplus/deficit for the year</b>	<u>-</u>
(51)	(Increase)/decrease in debtors	17
(68)	Increase/(decrease) in creditors	20
<u>(119)</u>	<b>Net cash inflow/(outflow) from operating activities</b>	<u>37</u>
<u>(119)</u>	<b>Net increase/(decrease) in cash</b>	<u>37</u>



## Notes to the Core Financial Statements

### 1. Accounting Policies

#### i. General Principles

The Statement of Accounts summarises the Shared Service's transactions for the 2017/18 financial year and its position at 31 March 2018. The accounts are prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the Code), supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost.

#### ii. Accruals of Income and Expenditure

The financial statements have been prepared on an accruals basis for all transactions and balances. Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the provision of services is recognised when the Shared Service can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Shared Service.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

#### iii. Employee Benefits

##### a. Short-term Employee Benefits

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (eg cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Shared Service.

##### b. Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Shared Service to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the service lines in the Comprehensive Income and Expenditure Statement.

##### c. Retirement Benefits

Employees of the Shared Service are employed by Preston City Council and contribute at the Preston City Council rate into the Local Pensions Partnership (LPP). The scheme provides defined benefits to members, earned as employees work for the Council.

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the scheme attributable to the Shared Service are included on Preston City Council's balance sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement

benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of earnings for current employees. Liabilities are discounted to their value at current prices, using a real discount rate determined by reference to market yields.

- The assets of the pension fund attributable to the Shared Service are included in Preston City Council's Balance Sheet at their fair value.

It is impossible to determine the Shared Service's share of assets and liabilities of the Local Pensions Partnership as distinct from those of Preston City Council's. Additionally, the Shared Service is not responsible for a major service and the public expenditure consequences of the Shared Service's operations are relatively insubstantial. The Shared Service is therefore exempt from accounting for a defined benefit scheme and the Notes to the Core Financial Statements have been prepared using the principle that would be applied to defined contribution schemes i.e. recognising the contributions payable for the year and not accruing any underlying pension asset/liability.

#### **iv. Events after the Balance Sheet Date**

Events after the Balance Sheet date are those events, both favourable and adverse, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue which may have a bearing upon the financial results of the past year. Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

The Shared Service had no events after the Balance Sheet Date.

#### **v. Provisions**

Provisions are made where an event has taken place that gives the Shared Service a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, for which a reliable estimate can be made of the amount of the obligation.

The Shared Service currently has no provisions.

#### **vi. Reserves**

The Councils set aside specific amounts as reserves for future policy purposes or to cover contingencies. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year.

The Shared Service has no reserves, however both Preston City Council and Lancaster City Council hold reserves for use by the Shared Service when appropriate expenditure is incurred.

#### **vii. Value Added Tax**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

The Shared Service relies on the VAT registrations of the two partner Councils and submits its claims via these. In addition to this Preston City Council has HMRC approval to account for VAT in respect of the Shared Service under the VAT registration of Preston City Council.

#### **viii. Government Grants and Contributions**

Government grants and third party contributions and donations are recognised as due to the Shared Service when there is reasonable assurance that the Shared Service will comply with the conditions attached to the payments, and the grants or contributions will be received.

Amounts recognised as due to the Shared Service are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Government grants are held by the receiving Council (both Preston City Council and Lancaster City Council) on behalf of the Shared Service until the conditions are met.

## **ix. Central Support Service Overheads**

Central overheads are absorbed by the Councils that incur them and are not recharged into the Shared Service.

## **x. Financial Liabilities**

A financial liability is an obligation to transfer economic benefits controlled by the Shared Service. Creditors are the Shared Service's only financial liabilities. These are disclosed on the Balance Sheet at amortised cost.

## **xi. Financial Assets**

A financial asset is a right to future economic benefits controlled by the Shared Service. Debtors are the only financial assets and are included in the Balance Sheet at cost.

## **2. Expenditure and Funding Analysis**

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources. It shows how this expenditure is allocated for decision making purposes between the Shared Service's departments.

As the Shared Service contains a single segment (providing Revenues and Benefits Services), this statement does not apply.

## **3. Income and Expenses for Constituent Councils**

The costs of Shared Services are split equally between Preston and Lancaster City Councils.

Support service charges from the two Councils are absorbed in each Council's own accounts and are not recharged into the Shared Service.

The IAS 19 pension adjustments are absorbed in Preston City Council's accounts.

## **4. Cash and Cash Equivalents**

The Shared Service does not have its own bank accounts or borrowing facilities. As the Host Council, Preston City Council receives all receipts and makes the majority of payments on behalf of the Shared Service.

The cash position is a notional one and reflects the timing of invoice receipts/payments rather than cash assets.

## 5. Creditors

At the year end £79,344 was accrued for transactions that relate to 2017/18.

## 6. Officer Remuneration

One Senior Officer received remuneration, excluding employer's pension contribution, of £65,000 - £69,999.

<b>Post Title</b>	<b>Salary (including Fees &amp; Allowances) £'000</b>	<b>Pension Contributions £'000</b>	<b>Total Remuneration including Pension Contributions 2017/18 £'000</b>
Head of Shared Service & Deputy Director Customer Services	68	10	78

## 7. Related Party Transactions

The Shared Service has the following related parties:

Preston and Lancaster City Councils	- Partner Authorities
Central Government	- Provider of Grant Funding
Fylde Borough Council	- Revenue Advice

## 8. Ultimate Controlling Partner

Neither of the partners has ultimate control of the Shared Service.

## 9. External Audit Fees

There are no external audit fees as the Shared Service Statement of Accounts does not require external auditing. The income and expenditure are subsumed within each Partner Authority's main Statement of Accounts which are subject to external audit.

## 10. Leases

The Shared Service has not entered into any leasing arrangements.

## 11. Date Accounts Authorised for Issue

The Statement of Accounts includes any necessary disclosures in respect of events after the Balance Sheet date up to 23<sup>rd</sup> July 2018.

## **Glossary**

### **Accounting Policies**

The rules and practices adopted that determine how transactions and other events are reflected in financial statements.

### **Accruals**

The concept is that income is recorded when it is earned rather than when it is received and expenses are recorded when goods or services are received rather than when the payment is made.

### **Budget**

A statement of the Shared Service's spending plans for revenue over a specified period of time.

### **Creditors**

Amounts owed by the Shared Service for work done, services rendered or goods received for which payment has not been made by the Balance Sheet date.

### **Debtors**

Amounts owed to the Shared Service for work carried out, services rendered or goods provided by the Shared Service for which income has not been received by the Balance Sheet date.

### **Housing Benefits**

This is financial help to persons on low income to meet, in whole or part, their rent. Benefit is paid by Local Councils but Central Government refunds part of the cost of the benefits and of the running costs of the services to Local Councils.

### **International Financial Reporting Standards (IFRS)**

Defined Accounting Standards that must be applied by all reporting organisations to their financial statements, in order to provide a true and fair view of the organisation's financial position, and enable a direct comparison with financial statements of other organisations.

### **Materiality**

The concept that any omission from or inaccuracy in the Statement of Accounts should not be so large as to affect the understanding of those statements by the reader.

<b>Report to:</b> <b>Shared Revenues &amp; Benefits Service - Joint Committee</b> Meeting to be held on 23 <sup>rd</sup> July 2018	<b>Electoral Ward Affected:</b>  All
<b>Report submitted by:</b> <b>Deputy Director (Customer Services) - Head of Shared Service</b>	
<b>Report title:</b> <b>BUSINESS PLAN 2018</b> <b>(Shared Revenues &amp; Benefits Service)</b>	

**1. SUMMARY**

- 1.1 Lancaster City Council and Preston City Council entered a formal shared service arrangement for 10 years, with effect from 1 July 2011 to provide a Revenues and Benefits service across both City Council areas.
- 1.2 In line with the agreement this report introduces a refreshed Business Plan for 2018, covering a 3 year period 2018 – 2021, incorporating the key performance indicators for the service together with ongoing projects and future challenges.
- 1.3 The Business Plan also contains a financial appraisal of the 2017/18 outturn position, and the budget requirement for 2018/19, approved at the previous meeting.

**2. DECISION REQUIRED**

- 2.1 The Joint Committee is asked to consider and approve the Business Plan for 2018.

**3. INFORMATION**

- 3.1 Revenues and Benefits have responsibility for a range of customer focused services, including the collection of local taxation and the administration of Housing Benefit and Council Tax Support.
- 3.2 The vision is to achieve the best results we can by continuing to challenge, develop and integrate the service areas, working with our customers and partners to deliver an accessible, responsive and cost effective Revenues & Benefits service to both Councils.
- 3.2 Appended to this report as **Appendix 1** is the revised Business Plan for the Shared Service, covering a three year period 2018 - 2021. The business planning process is key to setting out the priorities for the coming year and provides direction as to how the service will achieve those priorities.
- 3.3 In developing this Business Plan consideration has been given to:

- Service delivery in relation to customers and value for money principles
  - Future direction of both Councils in relation to the welfare reform agenda
  - The mitigation of identified risks
- 3.4 Total budgets for both Councils have previously been formally approved and the Business Plan sets out the detailed budget position for the shared service for 2018/19, developed in line with these overall budget projections. It also contains a review of the Shared Services financial performance during 2017/18.
- 3.5 To develop future years' budgets, existing arrangements will continue as follows:
- This year's draft be updated for pay and inflationary increases to provide base budget projections for the next three years
  - Any opportunities for further savings will be examined and agreed with Section 151 Officers and Portfolio Holders and built into future budgets.
  - Linked to the outcome of consultation and other development in the Government's planned welfare reforms, any re-allocation of resources or potential growth needs to be agreed in the same way
- 3.6 In terms of cost sharing, given the ongoing changes arising from welfare reform and the long term impact of implementing Universal Credit, it is considered that there is nothing to warrant a change in the current arrangement to share budget costs equally across the two Councils. However, the arrangement will be monitored and reviewed as part of any future budget setting process.
- 3.7 The outcome from the above is fed into each authority's own budget process, ensuring that relevant Members and other Officers are kept up to date with any issues arising, being considered and addressed in a co-ordinated way.
- 3.8 Whilst the Corporate Enquiry Team continues to be located within Revenues in the short term, it is not considered to be part of the shared service, and reports separately to each Audit Committee as part of future governance arrangements.

#### **4. IMPLICATIONS**

- 4.1 The shared service has built a strong record of business transformation and achieving efficiency savings. Savings to date have been achieved primarily by streamlining processes and reducing staffing costs, with reductions achieved by natural wastage and voluntary redundancy.

- 4.2 The shared service is now focussing on economies of scale and efficiencies in service delivery through technology and the digital agenda, as we strive to maintain performance levels for customers, at a reduced cost.
- 4.3 Officers from financial services are involved in developing the business plan and advise as appropriate. At the same time, direct input from other support services should be recognised, in maintaining standards of service delivery.
- 4.4 There are no legal implications arising from this report.

**5. IMPACT STATEMENT**

- 5.1 The operation as a shared service has no direct impact on service users and front line customer services continue to operate as normal through each individual Council.
- 5.2 Preston City Council's living wage and fair employment policy is applied in evaluating any newly created posts arising from the shared service structure.

**6. REASON FOR DECISION**

- 6.1 The approval of this Business Plan will focus attention on the key service objectives supporting improved service delivery, with resulting efficiencies at a lower overall cost to both Councils.

**7. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 7.1 Not applicable.

**8. REASON FOR INCLUSION IN PART B, IF APPROPRIATE**

- 8.1 No applicable

**Any representations made in accordance with the Public Notice of Forward Plans of Key Decisions**

Name:

Organisation:

Comments:

"N/A"



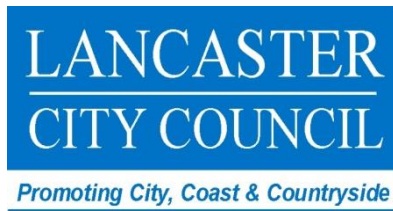
**Background Documents:**

Background documents open to inspection in accordance with Section 100D of the Local Government Act 1972:

<b>Paper</b>	<b>Date</b>	<b>Contact/Directorate/Ext</b>
Report to Cabinet – Preston Shared Services for Revenues and Benefits	6 April 2011	Caron Parmenter Monitoring Officer 01772 906373
Report to Cabinet – Lancaster Shared Services for Revenues & Benefits	19 April 2011	Nadine Muschamp Head of Financial Services 01524 582138

**Contact for further information:**

Adrian Robinson	Tel. (01772) 906023	Deputy Director (Customer Services) Head of Shared Service (Revenues & Benefits)
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**BUSINESS PLAN  
2018**

**REVENUES & BENEFITS  
SHARED SERVICE**

**LANCASTER CITY COUNCIL  
&  
PRESTON CITY COUNCIL**

**(This Plan will be refreshed annually)**

June 2018

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**VISION STATEMENT:**

*To achieve the best results we can by continuing to challenge, develop and integrate the service areas, working with our customers and partners to deliver an accessible, responsive and cost effective Revenues & Benefits service to the customers of both Councils.*

**STATEMENT OF PURPOSE:**

The Revenues and Benefits service will:

- Bill and collect Council Tax and Non-Domestic rates;
- Administer Housing Benefit and Council Tax Support;
- Administer welfare reforms and work in partnership with DWP to roll out Universal Credit
- Assist our customers to access financial advice and support.

**SERVICE OVERVIEW:**

The Business Plan outlines the way that management and staff work together to deliver necessary improvements and efficiencies. The service recognises the requirement to reduce spend and will create efficiencies by removing duplication and creating economies of scale.

The Revenues and Benefits service sits as part of the Customer Services Directorate within Preston City Council, and as part of the Resources Directorate within Lancaster City Council and features:

- Council Tax
- National Non Domestic Rates
- Benefits (Assessment, Interventions & Control)
- Administration

The current establishment for the existing service areas has contracted further and now totals 93.7 full time equivalent (FTE) posts, split as follows.

- 3.8 staff in Senior Management Team
- 38.6 staff in Benefits
- 28.1 staff in Council Tax
- 13.5 staff in Business Rates
- 9.7 staff in Operations and Performance

The following table provides a summary of the indicative staffing levels, shown as full time equivalents (FTEs), including transition levels from the original old to the new structure. This does not include any Customer Service staff as they do not form part of the shared service establishment.

### Staffing Comparison:

Permanent Staff	Original Structure			Shared Service	
	Preston	Lancaster	Total	Shared Service	Overall Reduction
Senior Managers	3	3	6	3.8	2.2
Managers	5.8	10.8	16.6	7.7	8.9
Team Leaders	6.3	14	20.3	12.5	7.8
Officers (*)	19	13.7	32.7	10.1	22.6
Processors (**)	42.1	52.5	94.6	57.5	37.1
Admin Staff	4.1	3.5	7.6	2.1	5.5
<b>Totals</b>	<b>80.3</b>	<b>97.5</b>	<b>177.8</b>	<b>93.7</b>	<b>84.1</b>

(\*) includes System Support, QA Officer, Training Officer, Appeals Officers, Visiting Officers & Secretariat.

(\*\*) includes Benefit Assessors and Council Tax/Business Rate processors.

The organisational structure for the shared service is shown at **Appendix A**.

The service has a reducing benefits caseload which currently stands at 24,998 (13,548 at Preston and 11,450 at Lancaster) and has an increasing number (127,490) of households for Council Tax purposes. There are 11,951 business premises liable for National Non Domestic Rates, which is also an increase on last year.

### CUSTOMERS & STAKEHOLDERS:

We continue to develop excellent working relationships with our customers and stakeholders, including:

- All residents of the two districts;
- The business community;
- Benefit customers;
- Landlords/Agents;
- Elected representatives.
- Other Council services;
- Department for Work and Pensions;
- Pensions Service;
- Jobcentre Plus;
- Valuation Office Agency;
- Rent Service;
- Tribunal Service;
- Advice Agencies – CAB & Welfare Rights Service;

- Department for Communities & Local Government;
- Enforcement Agents;
- Solicitors;
- Estate Agents;
- Other local authorities;
- Courts;
- Police;
- Rating Advisers

### **CONTRIBUTION TO COUNCIL PRIORITIES:**

This Business Plan is directly shaped by corporate priorities at both Councils:

- Delivering well run, value for money services, demonstrating good governance, openness and transparency.

We continue to contribute towards corporate priorities in our day to day work; by participating in corporate projects and by achieving our key service objectives. Our performance will help ensure that Council priorities can be achieved. This is by ensuring that we maintain sufficient resources, and wherever possible streamlined and standard processes are in place alongside systems, that support new ways of partnership working.

### **KEY SERVICE OBJECTIVES:**

In preparing the objectives and targets for this plan, the Shared Service management team has reviewed all of the known influences on the service. These include customer needs, staff needs/issues, the overall environment, performance issues and the various changes associated with improving the service provided.

#### **Key Service Objectives for the Shared Service for 2018/19/20 are:**

- To deliver cost effective services that provide value for money;
- To provide customer focussed accessible services, prioritising and publicising e-services and self-serve options for customers; reducing the need for customers to contact their Council in person or by letter/telephone/email.
- To implement service changes in line with welfare reform and manage the impact these changes have on our customers, offering advice and assistance to those affected by the changes.
- To resource and manage the impact of Universal Credit full service and assist customers throughout the process.
- To maximise income and minimise hardship under the Council Tax Support Scheme, paying the right amount of support to the right people at the right time;

**General Service Objectives:**

- To encourage a strong culture of good performance in relation to cost;
- To promote the principles of fairness, equality of opportunity, social inclusion and poverty reduction through service provision.

**OTHER MAJOR RESPONSIBILITIES:**

**Collection and Administration of Council Tax and National Non-Domestic Rates**

To provide a customer focussed, cost effective and accessible local taxation service that provides value for money and facilitates:

- the maintenance of accurate and up to date databases used to administer Local Taxation systems;
- the prompt issue of bills to all liable persons, net of entitlements, and to operate a fair and sensitive debt collection policy, acknowledging that there are instances of genuine need at this time of economic recession, but also recognising that customers have a responsibility to pay their debts;
- the operation and development of efficient, cost effective collection and recovery procedures;
- working within new Government guidelines and with outside agencies to help, advise and encourage the business community through the difficult economic climate.

**Management and administration of Housing Benefit and Council Tax Support**

To provide a customer focussed, cost effective accessible benefits service that provides value for money and contributes to the broader objectives of reducing worklessness, homelessness and poverty by:

- ensure prompt and accurate payment of housing benefit and council tax support;
- reducing the levels and risks of fraud and error and taking appropriate action;
- minimising housing benefit overpayments and maximising the recovery of those that occur, so as not to cause specific hardship to those most in need;
- building effective relationships with local landlords and outside agencies, aimed at assisting with affordable housing and minimising the risk of homelessness;
- working with the Dept. for Work and Pensions to administer Universal Credit
- maximising subsidy.

**KEY PROJECTS**

The Revenues and Benefits Service has an established Change Management process to identify, prioritise, resource and manage a range of projects.

Specific projects for 2018/19 include:

- Manage the requirements, ongoing changes and continued roll-out of Universal Credit and its impact on customers;
- Continue to publicise the availability of Capita Self-Serve/Connect through the Council portals – to allow customers, stakeholders and partners to access and update documentation relating to benefits, council tax and non-domestic rates via the Council's website;
- Consider extending the Inform solution at Lancaster (Automated telephony) to support Customer Services and encourage channel shift.
- The RTI system for Housing Benefit was replaced by the Verification Earnings and Pension alerts service (VEP) to identify changes in income (Pension Credit, Employment Support Allowance, Carers Allowance, Job Seekers Allowance and Income Support). Funding will be made available to Local Authorities to administer these changes.
- Introduce an Administration Policy for Business Rates to ensure liability decisions are evidence based and ratepayers are treated in a fair and consistent manor.
- Explore software solutions to interpret and analyse available information streams to reduce fraud and maximise income.

## **FINANCIAL APPRAISAL**

### **2017/18**

The Joint Committee approved a Shared Service expenditure budget for 2017/18 of £3,590k in December 2016. This has since been adjusted during the year for:

- £40k of ongoing vacant posts within the Shared Service have been released.
- Funding has been received from the Department of Work and Pensions. This has increased budgets by £20k (one-off) and incurred matching costs for ICT projects.
- Apprentice tax costs have been brought into the shared service, these have been offset by employee insurance savings with a net cost of £2k ongoing.

The final 2017/18 expenditure budget was £3,572k

There is no budget for central overheads i.e. HR and Finance. As already pre-agreed, these are absorbed by the Council that incurs them and are not recharged into the Shared Service.



Both Councils have agreed that direct costs associated with the service should be shared equally between the two authorities. Where variances arise between budget and outturn, these would also be shared equally.

All external grant income received from both Councils, transferred to the Shared Service, has been allocated as part of the financing of the Shared Service.

A comparison of budget to actual expenditure is set out below in Table 1:

**Table 1: Outturn Position 2017/18**

	Latest Budget £'000	Actual £'000	Variance £'000	
<b>Service Expenditure</b>				
Management	169	162	(7)	(F)
Business Rates	449	502	53	(A)
Council Tax	935	936	1	(A)
Operations	339	332	(7)	(F)
Housing Benefits	1,680	1,616	(64)	(F)
<b>Service Expenditure Total</b>	<b>3,572</b>	<b>3,548</b>	<b>(24)</b>	<b>(F)</b>
<b>Income</b>				
Fylde Borough Council	(5)	(2)	3	
Preston City Council	(1,778)	(1,773)	5	
Lancaster City Council	(1,798)	(1,773)	25	
<b>Income Total</b>	<b>(3,581)</b>	<b>(3,548)</b>	<b>33</b>	
<b>Total</b>	<b>(9)</b>	<b>0</b>	<b>9</b>	

**Notes to Table 1:**

(F) - Favourable Variance

(A) - Adverse Variance

The outturn expenditure as at 31st March 2017 is £3,548k which has resulted in an underspend against the latest budget of £24k and an underspend compared its original budget of £42k. The £24k overspend was mainly due to:

**Table 2: 2017/18 Variance Analysis**

Variance £'000		
(9)	(F)	underspend on employee costs
(29)	(F)	underspend on print and post costs
15	(A)	overspend on ICT
(1)	(F)	other minor underspends
<u>(24)</u>	<u>(F)</u>	

In addition to the £40k underspend on vacant posts that was identified mid-year, a further £9k was underspent on employee costs due to the natural turnover of staff.

Print and post along with ICT costs are the largest non-staffing expenditure incurred by the Shared Service. The costs for these oscillate year-to-year depending on the activities the service undertakes at the time. All costs are under constant review to ensure that they are minimised, with budgets adjusted to reflect future anticipated spend.

The £9k variance between budgeted income and expenditure (in Table 1) was due to differences in the way budgeted income was accounted for:

- Preston's income budget was £20k higher than Lancaster's as Preston's share of the £40k vacant post reduction was not removed. Preston's budgets are kept constant and balance to nil within Preston City Council's accounts as an internal recharge.
- Neither budget was adjusted for the change to the apprentice tax (-£11k impact)

## 2018/19

The 2018/19 budget approved by the Joint Committee on the 12<sup>th</sup> December 2017, together with prior year comparison, is shown below:

**Table 3: Approved 2018/19 Budgets**

	Original Budget 2017/18 £'000	Budget 2018/19 £'000
<b>Service Expenditure</b>		
Management	169	172
Business Rates	430	472
Council Tax	927	945
Operations	347	357
Housing Benefits	1,717	1,636
<b>Service Expenditure Total</b>	<b>3,590</b>	<b>3,582</b>
<b>Income</b>		
Fylde Borough Council	-4	0
Preston City Council	-1,793	-1,791
Lancaster City Council	-1,793	-1,791
<b>Income Total</b>	<b>-3,590</b>	<b>-3,582</b>
<b>Total</b>	<b>-</b>	<b>-</b>

**Notes to Table 3:**

1. The 2018/19 budget is a net reduction of £8k on the original 2017/18 budget. The difference consists of:
  - Vacant Post additional ongoing saving £93k (F)
  - 2% pay award (based on National Employers offer), staff increments, pension increase, employee insurance decrease; £74k (A)
  - Apprenticeship Levy £11k (A)
2. Grant funding and equivalent expenditure will adjust the 2018/19 budgets during the course of the year.

## **EQUALITY IMPACT ASSESSMENT**

The Shared Service is focussed on the prompt delivery of high quality accessible services to the people of Lancaster and Preston. The service seeks to proactively overcome barriers to participation faced by those not currently accessing its services. ie. translation of documentation and publishing information leaflets in an “Easy Read” format.

Staff are committed to working with partners and stakeholders to help make both areas a more equal and fair place to access services. The Benefits Manager and the Business Support Manager now sit on the Internal Equalities Group to ensure that equality issues are considered when making any service changes or decisions; and also to ensure that we minimise the impact these changes may have on equality affected groups.

Maximising income and minimising hardship are key objectives of the Service. By addressing these objectives there will be a positive impact on all residents and visitors to the districts from all backgrounds, as increased benefit take-up will help tackle poverty and deprivation, whilst putting money back into local communities.

An Equality Impact Assessment Action Plan is reproduced at **Appendix B**.

## **PERFORMANCE**

Performance management is an important component of the shared service arrangement and is a key measure in terms of:

- Developing a sustainable operation;
- Maintaining a positive and pro-active partnership.

Performance standards are uniform where possible across the shared service organisation. The current deprivation ranking for Preston is (72) and for Lancaster is (125) out of 326 districts and unitary authorities, with the lowest number reflecting higher levels of deprivation. This deprivation ranking has an effect on collection rates and the targets for Council Tax and Business Rates are different for each authority to reflect this disparity.

Senior managers work with peers and stakeholders at both Councils and with external bodies, to measure and maintain performance levels.

**Appendix C** details general performance data for the service. However, in recognition of the economic situation, the service continues to set realistic targets for 2018/19 based on staffing resources, recent trends and previous year performance.

A financial target is to deliver a balanced budget for 2017/18 and 2018/19 as set out in the financial appraisal within this Business Plan.

## **Performance Appraisal 2017/18**

- **Local Taxation**

The Council Tax teams achieved 93.9% (Preston) and 96.1% (Lancaster) in-year collection for Council Tax. A credible outcome, given the impact of Council Tax Support (Preston) and the continuing downturn in the economy, which has hit taxpayers' ability to pay.

The teams work hard to effectively target the "won't pays" as opposed to the "can't pays". Our data analysis continues to show that the tax-payers affected by the welfare reform changes are the ones who are facing the most difficulty in paying their Council Tax, as expected.

NDR collection rate for 2017/18 achieved 95.5% (Preston) and 98.7% (Lancaster). Unfortunately, the economic climate continues to have a detrimental effect on the ability of businesses to make payment, but assistance has been provided for those small businesses facing a rise as a result of the April 2017 revaluation. Rate avoidance tactics in relation to empty rate charges in the form of claiming charitable and de-minimus occupation continue to have a significant impact upon collection rates.

The focus is to optimise performance in what continues to be a difficult environment and to effectively manage new government initiatives and encourage businesses in both cities to take advantage of reliefs that may be available.

All BIDS have been renewed.

- **Benefits**

The Benefit Service gave a steady performance in 2017/18, processing changes in circumstances in 9.4 days whilst new claims were processed in 26.2 days.

The Control teams have worked tirelessly in a difficult environment to recover benefit overpayments from the poorer members of society. For both local authorities more money has been collected than in the previous financial year.

The Revenues & Benefits Shared Service achieved a good level of performance in most operational areas during 2017/18 but 2018/19 promises to be another challenging

year as welfare reforms continue to “bite” and Universal Credit continues its roll out at both authorities.

## RISK ANALYSIS

Risk management aims to keep the shared service programmes exposure to risk at an acceptable level.

A full risk analysis has been undertaken on all work areas and a risk log has been developed, with full details reproduced in **Appendix D**.

The table below identifies any key critical impact risks in this approach and suggests appropriate mitigating action to reduce these risks.

No.	Risk	Mitigation
1.	ICT & Systems	<ul style="list-style-type: none"> <li>• Maintenance contracts in place with demanding service levels.</li> <li>• Dedicated Account Managers in respect of critical IT systems/providers.</li> <li>• Business continuity plans developed and tested.</li> <li>• Capita Remote Support contract in place for Academy systems.</li> <li>• Regular updates and de-briefs between project leaders, the project manager and Service Heads.</li> </ul>

## FUTURE DEVELOPMENT

### • Universal Credit

Lancaster City Council is now full digital service, meaning that Universal Credit is open to all new claims from all claimant types, including anyone who is on existing benefits or Tax Credits and has had a change in circumstances that would naturally trigger a new claim to Universal Credit, meaning the entire household would migrate to the full service.

Preston City Council revised “Go Live” date for full service is 18<sup>th</sup> July 2018.

Unfortunately DWP closed the gateway for Preston in December 2017 so no new claims were being accepted. Customers had to reclaim legacy benefits including Housing Benefit which has seen an increased workload in recent months.

A Data Sharing Agreement is in place between the Councils and DWP for 2018/19.

Welfare Benefits and Debt Advice continue to provide personal budgeting support for Preston customers. This service is provided by the Contact Centre in Lancaster, but take up is moderate at both authorities.

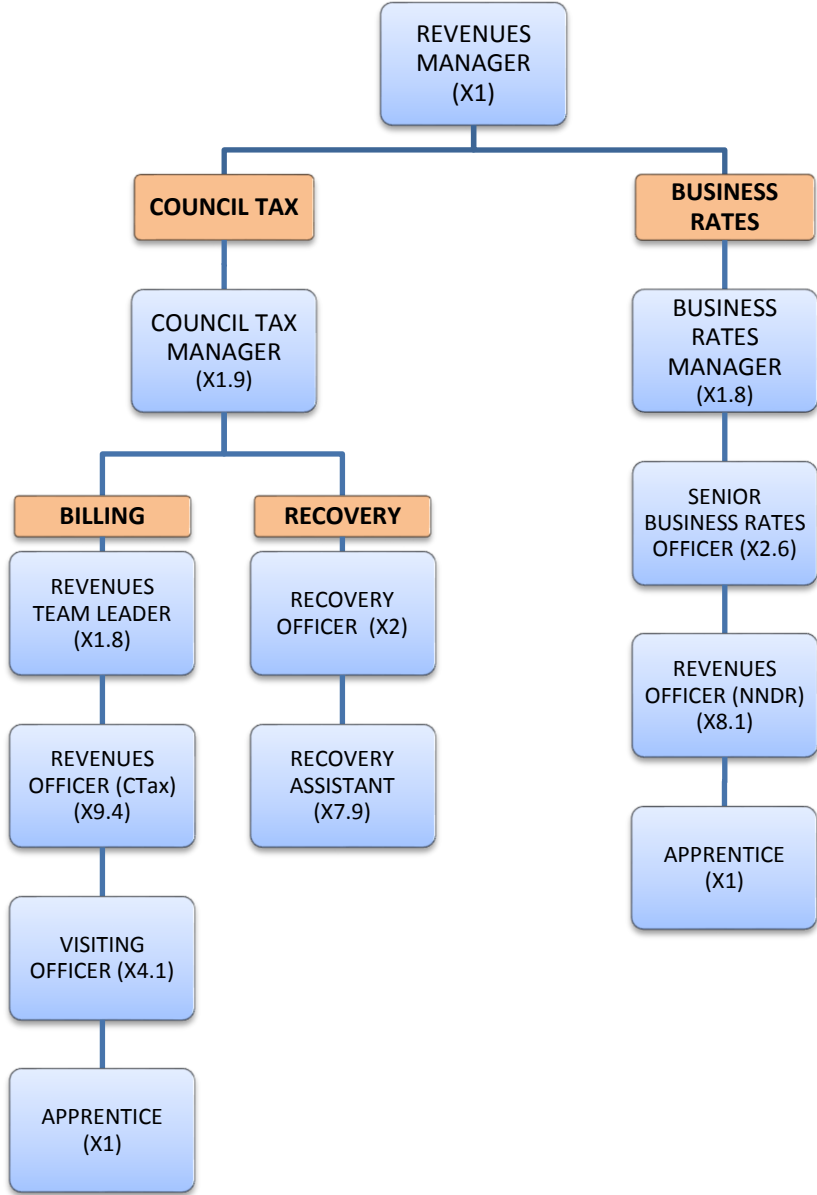
The official figure for the number of UC claims in Preston has been confirmed as 2,743, but the current number of actual claims affected by Universal Credit is 868, an increase from June 2017 when it stood at 684.

The official figure for the number of UC claims in Lancaster has been confirmed as 6,528 which is a decrease on last year (7,399), but the current number of claims affected by Universal Credit is 2,778, a significant increase from 1,577 in June 2017.

### **THREE YEAR HORIZON**

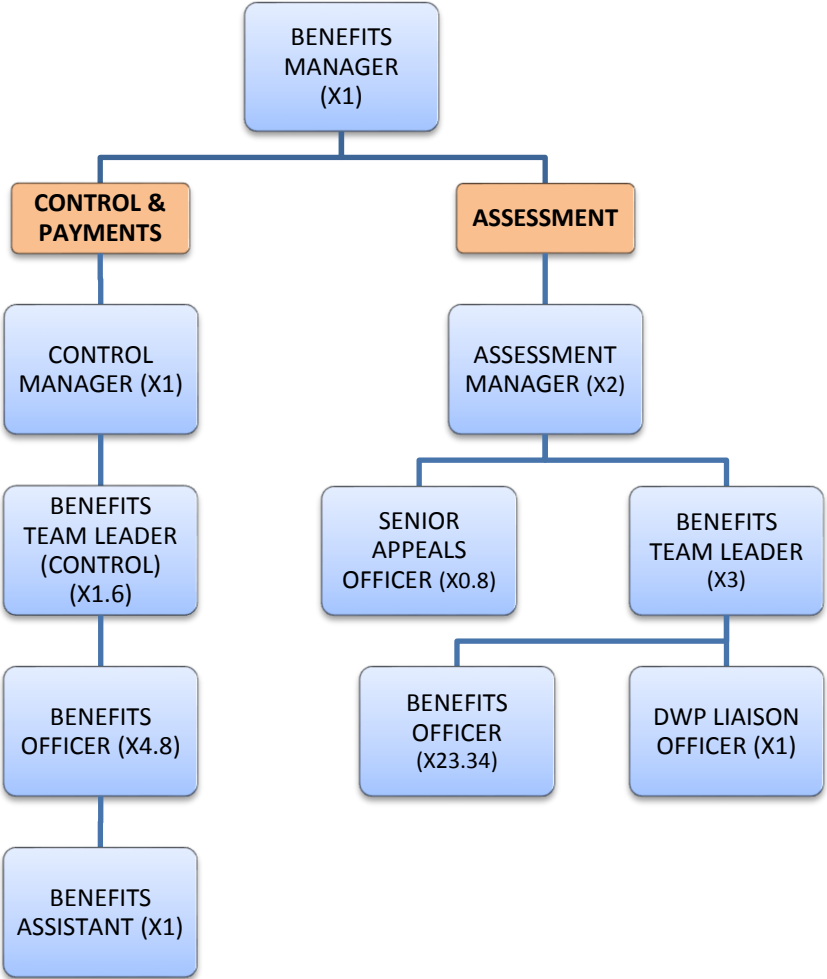
- To maintain a good standard of Benefits processing with ever reducing resources. However, ongoing welfare reforms and the difficulties with introduction of Universal Credit will continue to challenge the way in which the Benefits service is delivered.
- Progress and embrace new technology by developing and introducing e-solutions, mobile working, performance management, quality assurance and e-capture technology, in order to contribute to service efficiency targets.
- To ensure that staffing structures and resources are fit for purpose in our ever changing environment, shifting resources to areas of greatest need to achieve optimum results.
- The high rise in consumer debt, coupled with the Council Tax Support scheme for Preston and technical changes imposed at both sites, impacts on the ability to reach stretching in-year collection targets for Council Tax and Housing Benefit overpayments.

# REVENUES SERVICE



**NOTE:** (i) The structure roughly represents actual line management responsibility.  
(ii) Total Staff = 42.6 FTE's

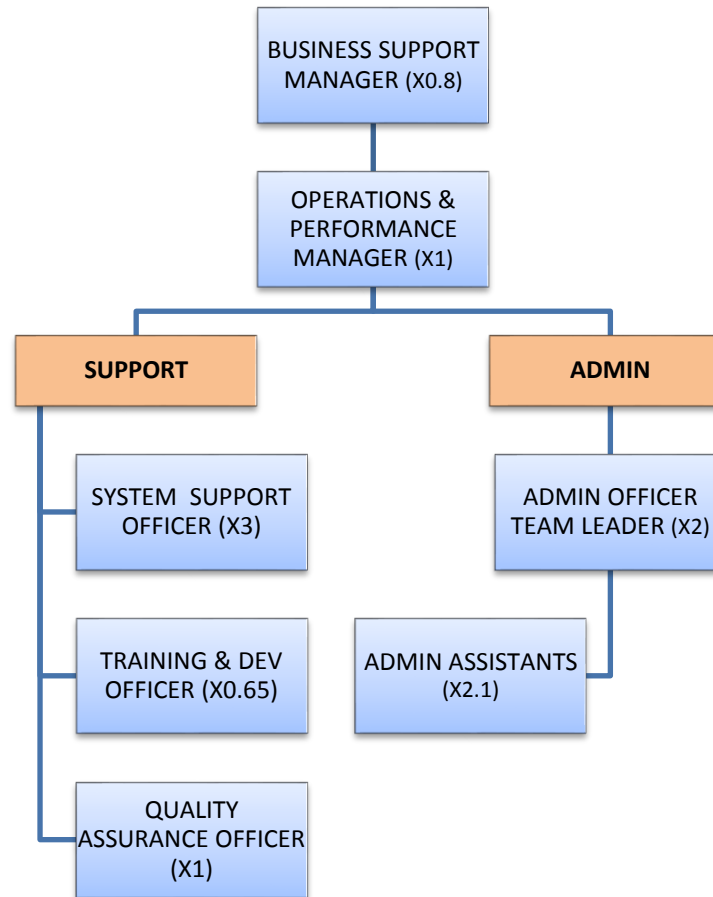
# BENEFITS SERVICE



**NOTE:** (i) The structure roughly represents actual line management responsibility.  
(ii) Total Staff = 39.54 FTE's



# OPERATIONS SUPPORT SERVICE



**NOTE:** (i) The structures fall under the Benefits Manager for line management responsibilities.  
(ii) Total Staff = 10.55 FTE's

**Action Plan**

Description of Concern	Adverse issues identified	Action Required	Targets / Measure	Date Due	Responsible Officer	Monitoring
Lack of knowledge in the community.	Under-claiming of benefits.	Ensure communications are suitable ie: easy read, large font etc. To devise an easy read document for the exceptional hardship fund.	Produce & publicise information in a format that will reach members of the community that need it most.	Ongoing	Business Support Manager	
	Debt recovery processes.	Face to face and telephone advice as well as information published on-line.		Ongoing	Revenues Manager	
	Hardship	Corporate Events  Use Social Networking sites.		As & when  Ongoing	Benefits Manager	
	Personal budgeting support	In Job Centre & at Town Hall		Ongoing weekly		

Description of Concern	Adverse issues identified	Action Required	Targets / Measure	Date Due	Responsible Officer	Monitoring
	Reduction in benefits and impact on peoples finances and lifestyles	Work with Strategic Housing, Council Housing and other housing providers together with other agencies such as Lancashire Wellbeing, Welfare Rights, CAB		Ongoing	Benefits Manager supported by other services	
Equality data	Gaps in knowledge	Continuing dialogue with Community Groups at each authority  Monthly equality monitoring of the customers who apply for discretionary hardship and exceptional hardship payments.	Attend relevant meetings and forums	Ongoing		

<b>Description of Concern</b>	<b>Adverse issues identified</b>	<b>Action Required</b>	<b>Targets / Measure</b>	<b>Date Due</b>	<b>Responsible Officer</b>	<b>Monitoring</b>
Potential Homelessness	As above	Work with Strategic Housing to ensure no greater risk of homelessness.  Liaison Meetings  Publicity on the new scheme.	To minimise the detrimental affects the scheme will have on people	Ongoing  Ongoing	Benefits Manager  Benefits Manager	Welfare Reform Group  DHP Panels
Ex Armed Forces Personnel are at increased risk of homelessness	As above	Work with Community Engagement & Homelessness Team to ensure and raise awareness of the scheme through relevant forums.	As above	As above	Benefits supported by the Community Engagement Team	Benefits supported by the Community Engagement Team
Child Poverty	As above	Work with VCFS and other partners including Children's Centre's and schools to promote CTAX Support scheme	As above	As above	Benefits supported by the Community Engagement Teams	Benefits supported by the Community Engagement Teams

Description of Concern	Adverse issues identified	Action Required	Targets / Measure	Date Due	Responsible Officer	Monitoring
Disabled people are not aware of or use the CTAX Support scheme / do not apply to hardship fund if needed	As above	As above	As above	As above	Benefits supported by the Community Engagement Teams	Benefits supported by the Community Engagement Teams
Capacity for some groups to be incentivised to Work ie including:-  Ex offenders Carers Disabled people	Some communities are disproportionately reflected in unemployment figures due to responsibilities / employment history etc	Work with partners including DWP, Homeless Action, Carers Centre, Probation, BME Forum, PUKAR to tailor work clubs / promote CTAX Support scheme / Hardship fund	As above	As above	Benefits supported by the Community Engagement Teams	Benefits supported by the Community Engagement Teams

**Performance & Targets**

Performance Definition	Year 2017/18 Target		Year 2017/18 Performance		Year 2018/19 Target	
	Preston	Lancaster	Preston	Lancaster	Preston	Lancaster
<b>Revenues</b>						
% of Council Tax collected within year demanded	94.2%	96.4%	93.9%	96.1%	93.9%	96.1%
% of NNDR collected in year demanded	96.2%	98.8%	95.5%	98.7%	95.5%	98.7%
<b>Benefits</b>	<b>Shared Service</b>		<b>Shared Service</b>		<b>Shared Service</b>	
Average turnaround time for new claims (measured in days)	23		26.2		23	
Average turnaround time for changes in circumstances	10		9.4		10	
% recovered of Housing Benefit overpayments raised during the year	65%	70%	66.75%	80.05%	65%	80%
% recovered of Housing Benefit overpayments raised in previous years.	26%	30%	27.5%	27.04%	26%	30%

**REVENUES & BENEFITS SHARED SERVICE RISK LOG**

	<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
1.	ICT & Systems	Low	Critical	<ul style="list-style-type: none"> <li>• Maintenance contracts in place with demanding service levels.</li> <li>• Dedicated Account Managers for high profile systems.</li> <li>• Business continuity plans developed and tested.</li> <li>• PRINCE2 accredited ICT project managers.</li> <li>• Regular updates and de-briefs between project leaders, the project manager and heads of service.</li> <li>• Capita Remote Support for Academy Systems.</li> <li>• Disaster Recovery testing carried out.</li> </ul>
2.	Reduction in quality of service and/or performance - Shared Service fails to deliver the desired outcomes	Low	Significant	<ul style="list-style-type: none"> <li>• Continuously review staffing structure to ensure it remains fit for purpose.</li> <li>• Contingency plans in place to enable input of additional resources from either site to minimise risk during early stages.</li> <li>• Set realistic performance targets.</li> <li>• Overview by Joint Committee and S151 Officers.</li> </ul>
3.	Welfare Reform	High	Significant	<ul style="list-style-type: none"> <li>• Universal Credit (i.e. transferring responsibility for paying housing costs from the LA to DWP) when forecasting staffing numbers required to perform the residual tasks associated with UC.</li> <li>• Shortfall in income through the introduction of Localised Council Tax Support Scheme and not being able to collect from customers who have previously not paid Council Tax. Pressure on Revenues teams to maintain collection rates.</li> <li>• Lack of information on changes to the benefits systems from DWP and DCLG poses a risk for Council's that they will not forecast income/ expenditure/resources accurately (in addition to grants being cut).</li> </ul>