

SHARED REVENUES AND BENEFITS SERVICE JOINT COMMITTEE

MONDAY, 26 JULY 2021

THE STOREY, MEETING HOUSE LANE, LANCASTER LA1 1TH

3.45 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 a Chair and Vice-Chair of this Joint Committee for the 2021/22 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**

To confirm the minutes of the meeting of the Shared Revenues and Benefits Service Joint Committee held on 14 December 2020. (Details enclosed).

6. **Shared Service (Unaudited) Annual Statement of Accounts 2020/21**

Report enclosed.

7. **Shared Service - Annual Governance Statement 2020/21**

Report enclosed.

8. **Shared Service - Delegation and Procedural Rules**

Report enclosed.

9. **Shared Service - Business Plan 2021 - 2023**

Report enclosed.

10. **Date of Next Meeting**

To be arranged later.

Queries regarding this Agenda

Please contact Julie Thorpe, Head of Member Services, Preston City Council.

If you require help with something in this section, please contact.

- Email: committees@preston.gov.uk
- Telephone: 01772 906 112

Shared Revenue and Benefits Service Joint Committee

Shared Revenue and Benefits Service Joint Committee 14 December 2020

Present:

Councillor A Whitehead	– Chair, Cabinet Member for Finance and Resources, Lancaster City Council
Councillor M Brown	– Leader of the Council
Councillor E Lewis	– Leader of Lancaster City Council
Councillor M Rawlinson	– Cabinet Member for Resources and Performance

Also in attendance:

Mrs H Johnston	– Benefits Manager
Ms H Phillips	– Senior Accountant
Mr A Robinson	– Chief Officer (Chief Revenues & Benefits Officer) Shared Service
Mr P Thompson	– Head of Financial Services and S151 Officer
Ms J Wilding	– Director of Resources & S151 Officer
Mrs D Chambers	– Democratic Services Manager, Lancaster City Council

SRB1 Appointment of Chair

The Head of Democratic Services noted that this was the first meeting of the municipal year, however the election of Chair had been omitted from the agenda. She called for nominations for Chair, noting that the Chair in 2019/20 had been Councillor Rawlinson.

Resolved - That Councillor Whitehead be appointed Chair of the Joint Committee for the remainder of 2020/21.

SRB2 Apologies/Notification of Substitute Members (if any)

There were none.

Shared Revenue and Benefits Service Joint Committee

SRB3 Declarations of Interests

There were none.

SRB4 Minutes

Resolved - That the minutes of the Shared Revenues and Benefits Services Joint Committee, held on 18 December 2019 be noted. ***(These would be signed as a correct record when a paper copy became available.)***

SRB5 Shared Service: Annual Governance Statement 2019/20

The Director of Corporate Services (Preston City Council) submitted a report requesting that the Shared Revenues and Benefits Service Joint Committee consider and approve the Annual Governance Statement for 2019/20. The Annual Governance Statement was set out in Appendix A to the report.

Resolved - That the Annual Governance Statement for 2019/20, as set out in Appendix A to the report, be approved.

SRB6 Shared Service: (unaudited) Annual Statement of Accounts 2019/20

The Director of Resources (Preston City Council) submitted a report on the preparation of the Revenues and Benefits Shared Services Statement of Accounts. The unaudited Statement of Accounts was set out in Appendix A to the report.

The 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) 2019/20.

Resolved – That the Joint Committee approve the unaudited Revenues and Benefits Statement of Accounts for 2019/20, as set out in Appendix A of the report.

SRB7 Date of Next Meeting

Date of the next meeting to be arranged.

SRB8 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 Paragraph 3 of 12A of the Local Government Act 1972 and that in all the circumstances

Shared Revenue and Benefits Service Joint Committee

of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing it.

SRB9 Shared Service: Budget 2021/22 - (Revenues & Benefits) (Paragraph 3)

The Chief Officer (Revenues and Benefits) and Head of Shared Service presented a report on the Shared Service Agreement between Lancaster City Council and Preston City Council which required that the Joint Committee approve the annual revenue, capital and staff budgets in respect of the Revenues and Benefits functions. The Joint Committee would then inform the two Councils of the amounts of their proposed contributions from the Joint Committee's budget.

Resolved – That the Joint Committee

- (i) notes the latest budget monitoring for the Shared Service as detailed in Appendix A of the report.
- (ii) approves the budget for 2021/22 for the Shared Service as detailed in Appendix B of the report.
- (iii) delegates 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.

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Report to: Shared Revenues & Benefits Service - Joint Committee Meeting to be held on 26 July 2021	Electoral Ward Affected All
Report submitted by: Director of Resources (Preston City Council)	
Report title: SHARED SERVICE (UNAUDITED) ANNUAL STATEMENT OF ACCOUNTS 2020/21	

1. Summary

- 1.1 The Host Authority's 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 2021.
- 1.2 The host authority has prepared the Revenues and Benefits Shared Service Unaudited Statement of Accounts 2020/21 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) 2020/21.

2. Decision Required

- 2.1 To approve the Revenues and Benefits Shared Service Unaudited Statement of Accounts for 2020/21 as set out in Appendix A to this report.

3. Revenues and Benefits Shared Service Statement of Accounts Information

- 3.1 The Revenues and Benefits Shared Service Unaudited Statement of Accounts 2020/21 have been prepared by Preston City Council as the host authority.
- 3.2 The Revenues and Benefits Shared Service Unaudited Statement of Accounts 2020/21 present all of the income received and expenditure incurred by the Shared Service between 1st April 2020 and 31st March 2021. The costs, as pre agreed by the Joint Committee, are split 50/50 between Preston City Council and Lancaster City Council.
- 3.3 The Comprehensive Income and Expenditure Statement within the Revenues and Benefits Shared Service Unaudited Statement of Accounts 2020/21 states that the Shared Service income and expenditure for the year net to zero.

4. External Audit

- 4.1 The Revenues and Benefits Shared Service Unaudited Statement of Accounts 2020/21 do not require auditing as the income / expenditure is subsumed within each

Partner Authority's main statement of accounts which are, themselves, subject to external audit.

Background Documents:

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

Paper	Date	Contact/Directorate/Ext
Shared Service Budget 2020/21	18 th December 2019	Adrian Robinson Chief Officer (Revenues & Benefits) / Head of Shared Service
Shared Service Statement of Accounts 2019/20	14 th December 2020	Jackie Wilding Preston City Council, Section 151 Officer

Contact for further information:

Lee Hurst	01772 906959	Assistant Director (Head of Financial Services)
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**REVENUES & BENEFITS SHARED
SERVICE**

**STATEMENT OF ACCOUNTS
2020/21**

**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 1st 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 2020/21

a. Revenue Budget

The outturn for the 2020/21 financial year and comparison to budget are set out below:

	Latest Budget £'000	Actual £'000	Variance £'000	
Service Expenditure				
Management	161	163	2	(A)
Business Rates	553	538	(15)	(F)
Council Tax	979	996	17	(A)
Operations	303	324	21	(A)
Housing Benefits	1,573	1,529	(44)	(F)
Service Expenditure Total	3,569	3,550	(19)	(F)
Income				
Preston City Council	(1,784)	(1,775)	9	(A)
Lancaster City Council	(1,785)	(1,775)	10	(A)
Income Total	(3,569)	(3,550)	19	(A)
Total	0	0	0	

Notes:

(F) - Favourable Variance

(A) - Adverse Variance

The actual Shared Service expenditure for 2020/21 was £3,550k.

The Joint Committee approved a Shared Service expenditure budget for 2020/21 of £3,594k in December 2019. This has since been adjusted during the year for:

- Essential upgrades to IT systems due to legislation changes as a result of the pandemic, funded by a Ministry for Housing, Communities and Local Government grant (£30k).

- Further funding has been received from the Department for Work and Pensions for Local Authority Data Sharing. This has increased budgets by £17k and incurred matching costs for ICT projects.
- Savings due to vacant posts (-£200k)
- Additional 0.75% for pay award (£20k) agreed in August 2020
- Recruitment of four temporary Benefits Officer posts for two years, funded from the draw down of grant income (£108k).

The final 2020/21 expenditure budget was £3,569k.

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 2020/21 both Councils paid an equal amount into the Shared Service of £1,775k.

The Shared Service underspent its original budget for 2020/21 of £3,594k by £44k. The latest budget of £3,569k was underspent by £19k. Both these underspends are largely due to vacant posts in the Housing Benefits team.

b. Expenditure Split by Council

	£'000
Preston City Council	3,523
Lancaster City Council	<u>27</u>
	<u>3,550</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 2020/21.

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 2020/21 (the Code) 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 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 the 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 2019/20 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
Director of Resources
(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 ensure 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 Director of Resources and Chief Finance Officer 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) 2020/21 Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Director of Resources and Chief Finance Officer 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 2021.

Signed

Chair of the Joint Committee

J. Wilding
Director of Resources
Preston City Council
Host Council

P. Thompson
Chief Finance Officer
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

2019/20 £'000		2020/21 £'000
	Service Expenditure	
151	Management	163
554	Business Rates	538
984	Council Tax	996
327	Operations	324
1,654	Housing Benefits	1,529
<u>3,670</u>	Net Operating Expenditure	<u>3,550</u>
	Service Income	
1,835	Lancaster City Council	1,775
1,835	Preston City Council	1,775
<u>3,670</u>	Total Sources of Finance	<u>3,550</u>
<u>-</u>	Surplus/Deficit for the year	<u>-</u>

Balance Sheet

As at 31st March 2020 £'000		Note	As at 31st March 2021 £'000
246	Debtors		167
(84)	Cash		(44)
<u>162</u>	Total Current Assets		<u>123</u>
162	Creditors	5	123
<u>162</u>	Total Current Liabilities		<u>123</u>
<u>-</u>	Net Assets		<u>-</u>

Cash Flow Statement

2019/20 £'000		2020/21 £'000
<u>-</u>	Surplus/deficit for the year	<u>-</u>
(172)	(Increase)/decrease in debtors	79
88	Increase/(decrease) in creditors	(39)
<u>(84)</u>	Net cash inflow/(outflow) from operating activities	<u>40</u>
<u>(84)</u>	Net increase/(decrease) in cash	<u>40</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 2020/21 financial year and its position at 31 March 2021. 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 2020/21 (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. There are no post balance sheet events.

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 amortised 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 £123,394 was accrued for transactions that relate to 2020/21.

6. Officer Remuneration

One Senior Officer received remuneration, excluding employer's pension contribution, of between £50,000 and £150,000 per year.

Post Title	Salary (including Fees & Allowances) £'000	Pension Contributions £'000	Total Remuneration including Pension Contributions 2020/21 £'000
Chief Officer (Revenues & Benefits) & Head of Shared Service	85	13	98

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 15th July 2021.

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.

Report to: Shared Revenues & Benefits Service - Joint Committee	Electoral Ward Affected ALL
Meeting to be held on 26 July 2021	
Report submitted by: Director of Resources (Preston City Council)	
Report Title: SHARED SERVICE – ANNUAL GOVERNANCE STATEMENT 2020/21 Shared Revenues and Benefits Service (‘Appendix A’ refers)	

1. Summary

1.1 This report requests that the Shared Revenue and Benefits Service Joint Committee considers and approves the Annual Governance Statement for 2020/21. The Annual Governance Statement is set out in **Appendix A** to this report.

2. Decision Required

2.1 The Joint Committee is requested to:

- (i) Approve the Annual Governance Statement for 2020/21, as set out in **Appendix A** to this report.

3. Information

3.1 The Shared Revenue and Benefits Service Joint Committee (“Joint Committee”) serving both Councils (Lancaster and Preston), operates under a Local Code of Governance via the host authority (Preston), which is consistent with the principles of the CIPFA/SOLACE Framework – Delivering Good Governance in Local Government Framework “the Framework”.

3.2 In line with good practice and CIPFA principles in relation to the effectiveness of internal control at each authority, it is considered appropriate for the Joint Committee to approve an Annual Governance Statement for 2020/21, to accompany the (unaudited) Annual Statement of Accounts 2020/21.

3.3 The Framework offers guidance that a Governance Statement should cover all the significant corporate systems, processes and controls, spanning the whole range of the authorities activities, including in particular those designed to ensure that:

- The Partner Authorities have maintained an adequate system of internal control
- Measures are in place to prevent and detect fraud and corruption
- The authorities policies are implemented in practice
- High quality services are delivered efficiently and effectively
- The authorities values and ethical standards are met

- Laws and regulations are complied with
- Required processes are adhered to
- Financial statements and other published performance indicators are accurate and reliable
- Human, financial, environmental and other resources are managed efficiently and effectively

3.4 In reviewing the internal controls and subsequently approving the Annual Governance Statement for 2020/21, the Joint Committee will require assurances on the effectiveness of the governance framework and how this addresses the key risks faced by the partner authorities.

3.5 In order to provide that assurance, the Annual Governance Statement for 2020/21 has been produced taking into account the guidance and best practice contained within the Framework, and is set out in **Appendix A** to this report.

3.6 A summary table documenting recent housing benefit subsidy and any internal audit work undertaken in relation to the Shared Service is provided in **Appendix B** as further assurance. Unfortunately audit work in relation to the Shared Service was suspended during 2020/21, given the Covid-19 pandemic with resources switched to priority areas. In the circumstances other assurance information is provided in relation to complaints and business grants.

3.7 The Covid-19 pandemic had a significant impact upon day to day activity and it was paramount that both Councils ensured that governance arrangements were robust and effective in order to respond to the global pandemic. Additional governance arrangements were put in place to strengthen governance, for example:-

- Procedures/processes introduced to allow the majority of the workforce to work remotely,
- Assurance arrangements put in place to mitigate the financial risk when paying significant numbers of business grant
- Procedures to pay business grants and discretionary grants

3.8 An extract of the Risk Log is provided in **Appendix C** as further assurance, detailing mitigation in relation to the two main risks that would have a significant impact for the Shared Service.

4. Implications

4.1 Financial planning and management is a key component of effective corporate governance. All financial implications are reflected in the (Unaudited) Annual Statement of Accounts 2020/21, also on the agenda for consideration by the Joint Committee.

4.2 Ensuring staff are adequately trained and professionally competent is key to meeting the core needs of the CIPFA/SOLACE guidance.

4.3 Risk is intrinsic to the system of internal audit and governance and mitigation of those risks are covered within the Business Plan 2021-23.

**REVENUES & BENEFITS SHARED SERVICE
ANNUAL GOVERNANCE STATEMENT
2020/21**

1. Scope of Responsibility

1.1 The role of the Shared Revenues and Benefits Service Joint Committee (“the Joint Committee”) (under S101(5) and S102 of the Local Government Act 1972 and S20 of the Local Government Act 2000 and all other enabling powers) is to discharge the functions delegated to it by the Executives of Preston City and Lancaster City Councils, as specified in the Shared Revenues and Benefits Service Agreement (“the Agreement”). The Terms of Reference of the Joint Committee require;

- That those delegated functions relating to Revenues and Benefits are delivered through the Joint Committee within the budget and to agreed standards;
- That Preston City Council and Lancaster City Council remain fully informed and engaged

To this end the Joint Committee requires robust reporting and performance management arrangements in place that meet the requirements of each partner authority.

1.2 The “Delivering Good Governance in Local Government Framework” is designed for local authorities and other public bodies which engage directly with the community. The Joint Committee’s lines of communication and accountability are different, but the principles of the Framework apply. To this extent, the Joint Committee is responsible, jointly with the partner authorities, for ensuring that there are sound systems of internal control in place to facilitate the effective exercise of their functions. These include arrangements for the management of risks and for maintaining high standards of corporate governance.

2. The Purpose of the Governance Framework

2.1 The governance framework outlines the systems, processes, culture and values by which the Joint Committee is directed and controlled, to ensure a quality, cost effective service is delivered to each partner authority.

2.2 The Joint Committee is not a free standing body in its own right. Appropriate arrangements for the good governance of its affairs must therefore be made, drawing upon the established good governance practices at both Councils.

3. The Governance Environment

3.1 As employees of Preston City Council, officers within the partnership are subject to the governance processes that are in operation at Preston City Council.

3.2 Reference should be made to the respective financial statements of each partner authority for full details of their corporate governance arrangements.

3.3 The following paragraphs describe the key elements of the systems, processes, and performance management arrangements which are in place and which constitute the system of governance which is specific to the Joint Committee.

4. The Shared Revenues and Benefits Service Agreement

- 4.1 The Agreement sets out the basis for the Shared Service and its operation. It sets out the standard and quality of services to be provided.
- 4.2 The Agreement provides that the Joint Committee be made up of two Executive Members from each partner authority. The Joint Committee meets at least two times in a municipal year and holds its Annual General Meeting every year before 31 July.
- 4.3 Advice is provided to the Joint Committee by the S151 Officers at both Lancaster City Council and Preston City Council. The Director of Resources at Preston City Council is considered the Secretary to the Joint Committee.
- 4.4 The Head of Shared Service provides performance monitoring reports to the Joint Committee upon request. Furthermore, the Head of Shared Service and the Section 151 Officer at Preston City Council present reports at each annual meeting of the Joint Committee providing the following details;
- A statement showing key service objectives in the new business plan;
 - A summary of the revenue account and a statement of capital spending. This includes the distribution or use of any revenue surpluses and the financing of any capital expenditure; and in the event of a deficit, a statement of the corrective action taken or to be taken;
 - As and when required by the Chief Executive or the Section 151 Officer of each partner authority the Joint Committee shall produce such other reports as may reasonably be required.
- 4.5 A key requirement of the partnership is that it meets the key reporting timetables for each Council to ensure that it complies with all internal, external and statutory requirements.

5. Business Improvement Planning

- 5.1 The Shared Revenues and Benefits Service Agreement is supplemented by a Shared Service Business Plan (“SSBP”) which sets out the specific projects and performance targets which need to be delivered in the forthcoming year.
- 5.2 In addition to the regular Joint Committee meetings the Head of the Shared Service reports periodically to the Section 151 Officer of each partner authority.

6. Risk Management

- 6.1 The risks associated with the delivery of the Shared Service are recorded in a Risk Log within the SSBP. The key risks facing the Shared Service at this stage of its development are;
- ICT and other associated systems:
Major disruption to IT systems and availability of resources
 - Covid-19:
Inability to meet statutory requirements and to meet customer expectations in relation to Revenues & Benefits.
- 6.2 The Risk Register has been reviewed as part of the process of compiling the SSBP and the Plan contains a range of actions aimed at mitigating these risks. An extract from the Risk Register is provided at **Appendix C**.

7. Workforce Planning

- 7.1 One of the key actions in setting up the Shared Service in 2011 was the implementation of a Workforce Strategy following staff consultation, which
- set out the core purpose, values and guiding principles for the partnership, in line with those of each partner authority, and
 - identified and addressed any staff development needs.
- 7.2 Workforce planning has helped to deliver quality and cost effective services. The majority of the Shared Service improvements have been achieved because the right people with the right knowledge, skills and behaviours are deployed in the right positions throughout the structure. This philosophy continues to date.
- 7.3 At times of change, consultation takes place with frontline staff. They are fully involved and understand their role in the process, which provides re-assurance and commitment.
- 7.4 Long term workforce planning provides the opportunity to link training and development needs with future skill requirements. Strategies can then be devised to meet these needs. e.g. Universal Credit

8. Scrutiny & Audit

- 8.1 Accounts relating to the Shared Service are open to inspection by the Joint Committee and each partner authority. A key role of the Joint Committee is to ensure that effective external audit arrangements are in place and that each Council is able to carry out a meaningful scrutiny of its performance.
- 8.2 The internal audit service is delivered by an in-house team operating to professional standards as set out in the Public Sector Internal Audit Standards. Internal audit for the Shared Service was previously predominantly provided by the Lancaster City Council Internal Audit service, assisted by the Preston team when required, but it has been agreed to share the workload over the next 12 months. Where appropriate, reports are issued separately to the Audit Committee of each partner authority.
- 8.3 In 2020/21 audit work was severely impacted as a result of the Covid-19 pandemic with both audit and shared service resources switched to priority areas. However, previous audits provide positive assurance statements regarding the systems, policies and procedures operated by the Shared Service, without any significant control issues or failures having been identified. Latest assurance statement can be found at **Appendix B** and includes additional information on complaints and business grants.
- 8.4 The two Councils work to different assurance scales:
- Preston: Full; Substantial; Reasonable; Limited; Minimal
 - Lancaster: Maximum; Substantial; Limited; Minimal
- 8.5 During 2020/21 it was paramount that both Councils ensured that governance arrangements were robust and effective in order to respond to the global pandemic. Additional governance arrangements were put in place, for example:-
- Procedures/processes introduced to allow the majority of the workforce to work remotely,
 - Assurance arrangements put in place to mitigate the financial risk when paying significant numbers of business grant
 - Procedures to pay business grants and discretionary grants

9. Review of Effectiveness

- 9.1 The Joint Committee has a responsibility to review the effectiveness of its governance arrangements and to demonstrate continuous improvement. This is informed by the work of Members and the partnership's Senior Management Team. Additional assurance is provided by support services, the internal audit service and by any work of external audit.
- 9.2 The Business Plan contains performance data to show performance against agreed targets together with draft financial statements. Any service issues will be outlined for Members' consideration.
- 9.3 Officers strive for continuous improvement and review lessons learned from previous financial years.

Signatures

Chair of the Shared Services Joint Committee: _____

S151 Officers of the Partner local authorities: _____ (Lancaster)

_____ (Preston)

26 July 2021

Revenues & Benefits Shared Service**Subsidy Assurance & Internal Audit Reports Issued 2020/21 and additional evidence:**

Note: The two Councils work to different assurance scales:

Internal Audit: Preston: Full; Substantial; Reasonable; Limited; Minimal
 Lancaster: Maximum; Substantial; Limited; Minimal

DWP Subsidy: Preston / Lancaster "Certified" in relation to approved subsidy claim

Job No	JOB_TITLE	Report Date	Assurance Opinion	Assurance Opinion Text
DWP - BENEFITS:				
2019/20	DWP Subsidy Audit (Lancaster)	12/07/21	Certified	Following receipt of the 2019/20 claim: DWP confirmed no issues identified, claim was certified with no qualification. (£25m subsidy payment)
	(Preston)	24/03/21	Certified	DWP confirmed no issues identified, claim was certified with no qualification. (£36m subsidy payment)

Internal Audit Work:

For the 2020/21 financial year, audit work in relation to the Shared Service was severely impacted as a result of the Covid-19 pandemic with both audit and shared service resources switched to priority areas.

Complaints Data 2020/21:**Lancaster**

12 complaints received (10 Revenues and 2 Benefits – mainly grant related)
 5 of the complaints were upheld, and 5 went to Stage 2, of which none were upheld
 No complaints went to the Local Govt Ombudsman
 By comparison, 10 complaints with 1 upheld for the previous year (2019.20)

Preston

9 complaints received (7 Revenues & 2 Benefits – mainly grant related)
 5 of the complaints were upheld, and none went to Stage 2.
 No complaints went to the Local Govt Ombudsman
 By comparison, 5 complaints with 3 upheld for the previous year (2019/20)

Covid Business Grants Paid Out: (minimal error rate detected)

	Lancaster	Preston
	£m	£m
Retail and Small Business Grants	30.82	32.55
Local Restrictions support Grant	16.39	15.46
Restart Grants	<u>8.37</u>	<u>7.97</u>
	55.58	55.98
Discretionary Grants	<u>5.95</u>	<u>5.92</u>
Total Grant Distribution	<u>61.53</u>	<u>61.90</u>

**EXTRACT OF SHARED SERVICE RISK LOG 2020/21
REVENUES & BENEFITS**

	Risk Description	Likelihood	Impact	Mitigation
1.	ICT & Systems - Major disruption to IT systems	Low	Critical	<ul style="list-style-type: none"> • Maintenance contracts in place with demanding service levels. • Installation Procurement of improved new connection between the two Councils • Business continuity plans developed and tested. Resources utilised for home working arrangements. • PRINCE2 accredited ICT project managers. • Regular updates and de-briefs between project leaders, the project manager and heads of service. • Dedicated Account Managers for high profile systems. • Procured Capita Remote Support for Academy Systems. • Disaster Recovery testing frequently carried out
2.	Covid-19 – Inability to meet statutory requirements and to meet customer expectations in relation to Revenues & Benefits.	Medium	Significant	<ul style="list-style-type: none"> • Robust policies in place to meet the needs of the Community and public information provided • Regular budget management of grant allocation • Continuously review staffing structure to ensure it remains fit for purpose. • Home working plans in place, adequately resourced • Contingency plans in place to enable input of additional resources from either site to minimise risk • Transfer of staff to priority tasks • Review recovery policy and set realistic performance targets in relation to collection • Partnership working with internal and external organisations and keep members onboard and informed • Overview by S151 Officers, Members, Joint Committee

Report to: Shared Revenues & Benefits Service - Joint Committee Meeting to be held on 26 July 2021	Electoral Ward Affected: All
Report submitted by: Director of Resources	
Report title: DELEGATION AND PROCEDURE RULES (Shared Revenues & Benefits Service)	

1. Summary

- 1.1 Following a successful long term shared service arrangement covering revenues and benefits both Lancaster and Preston City Councils' have recently agreed to continue the arrangement for a further period of ten years.
- 1.2 This report seeks approval of a scheme of delegation from the Joint Committee to officers in the Revenues and Benefits Shared Service. It also requests that the Joint Committee appoints an officer from Preston City Council, as host authority, to act as Secretary to the Joint Committee, and approves the Shared Revenues and Benefits Service Joint Committee Procedure Rules to govern the conduct of its meetings and proceedings.

2. Decision Required

- 2.1 The Joint Committee is requested to:
 - (i) delegate its Revenues and Benefits functions to the Chief Officer (Revenues & Benefits)/Head of Shared Service, as set out in **Appendix B** to this report;
 - (ii) approve the Shared Revenues and Benefits Service Joint Committee Procedure Rules, as set out in **Appendix C** to this report, to govern its meetings and proceedings; and
 - (iii) appoint the Assistant Director (City Solicitor & Monitoring Officer) (Preston) as Secretary to the Joint Committee.

3. Information

- 3.1 In renewing the shared service arrangement for a further 10 year period the Cabinet from both Lancaster and Preston City Councils also approved the establishment of the Shared Revenue and Benefits Service Joint Committee ("Joint Committee") to carry out the revenues and benefits functions on their behalf. At the same time they agreed the Terms of Reference of the Joint Committee, as set out in **Appendix A** to this report.

- 3.2 Following the recent establishment of the Shared Revenue and Benefits Service Joint Committee (“Joint Committee”) the Cabinet from both Lancaster and Preston Councils delegated their respective revenues and benefits functions to it. In order for the day to day operational business of the Service to run efficiently and effectively it is requested that the Joint Committee delegate the revenue and benefits functions, set out in **Appendix B** to this report, to the Chief Officer (Revenues & Benefits)/Head of Shared Service.
- 3.3 It should be noted that whilst policy and strategy development is a relevant function for the shared service, the approval of policies have been retained by each Council. Therefore, those policies that are currently approved by the Cabinet will be still approved by each Cabinet separately. The approval of a policy will be notified to the Joint Committee as soon as is reasonably practicable, and the Joint Committee will give effect to such policies through the exercise of its delegated powers.
- 3.4 The Shared Revenues and Benefits Service Joint Committee Procedure Rules set out provisions relating to the conduct of meetings and proceedings of the Joint Committee. The Joint Committee originally approved these Rules on 18 December 2018 and they have worked well over the last few years. Rule 9.1 which sets out the provision relating to the quorum for a meeting has been amended to reflect the provision contained in the approved Shared Revenues and Benefits Agreement. It is recommended at paragraph 2.1(ii) that the Joint Committee approve and continue to use these Rules to govern its meetings. A copy of the Shared Revenues and Benefits Service Joint Committee Procedure Rules is attached at **Appendix C** to this report.
- 3.5 The Agreement provides that “The Joint Committee shall appoint a Secretary from the officers of the Councils”. The Secretary to the Joint Committee will be responsible for attending to the service of summonses to members of the Joint Committee, producing the agenda and minutes of the Joint Committee (and any Sub Committees), and be responsible for matters relating to governance, access to information in relation to meetings of the Joint Committee and proprietary.
- 3.6 The Agreement provides that the cost of the Secretary will not be at the expense of the Joint Committee. It is therefore suggested that as Host Authority, Assistant Director (City Solicitor & Monitoring Officer) at Preston City Council be appointed as Secretary to the Joint Committee.

4. Implications

4.1 Finance

- 4.1.1 Approval of write-offs of bad debts is within the scope of the write-off policies established by each Council to be delegated to the Chief Officer (Revenues & Benefits)/Head of Shared Service, subject to the financial limits set out in the policies.

4.2 Legal

- 4.2.1 The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 provide that a Joint Committee exercising executive functions can arrange for the discharge of any of its functions to be carried out by an officer of the Council.

4.2.2 Whilst the Shared Revenues and Benefits Service Agreement sets out some provisions relating to the conduct of meetings and proceedings of the Joint Committee it also provides that the Joint Committee can make Standing Orders for the regulation of its business and proceedings, and may vary or revoke those Standing Orders, subject to any provisions contained within the Shared Revenues and Benefits Agreement.

4.2.3 Under the terms of the Shared Revenues and Benefits Service Agreement the Joint Committee is obliged to appoint a secretary to ensure that the administration to the Joint Committee is carried out effectively.

4.3 HR

4.3.1 The role of secretary to the Joint Committee can be managed by Preston's Assistant Director (City Solicitor & Monitoring Officer) within existing resources.

5. Impact Statement

5.1 The delegation of relevant decisions would ease the administrative function in carrying out duties relating to the collection of local taxation and administration of benefits. These decisions would fall within the discretion of the Chief Officer (Revenues & Benefits)/Head of Shared Service, thus removing any technical uncertainty as to responsibility.

5.2 Whilst, Revenues and Benefits is a front line service impacting upon all members of society, the decisions requested would have no direct impact on service users.

5.3 As part of the project management arrangements for the shared service a risk register is maintained and reviewed on a regular basis to ensure that risks are being managed appropriately.

5.4 Preston City Council's living wage and fair employment does not apply to this collaborative arrangement.

6. Reason for Inclusion in Part B

6.1 N/A

Background Documents:

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

Paper	Date	Contact/Directorate/Ext
Report to Shared Revenues & Benefits Service Joint Committee – Amendment to Joint Committee Standing Orders	18 Dec 2018	Jackie Wilding Director of Resources Tel. 01772 906994
Report to Cabinet – Renewal of Shared Service Arrangement (Revenues and Benefits)	20 June 2021	Jackie Wilding Director of Resources Tel. 01772 906994
Report to Cabinet – Renewal of Shared Services Arrangement (Revenues & Benefits)	13 July 2021	Sarah Davies Director of Corporate Services Tel. 01524 582260

Contact for further information:

Jackie Wilding Tel. 01772 906994

Director of Resources

TERMS OF REFERENCE FOR COMMITTEES AND SUB-COMMITTEES

Executive Committees:

Shared Revenue and Benefits Service Joint Committee

- (i) The delivery of those delegated functions relating to Revenues and Benefits that Preston City Council and Lancaster City Council have agreed to be delivered through the Joint Committee within the budget and to the agreed standards;
- (ii) Ensuring that Preston City Council and Lancaster City Council remain fully informed and engaged.

SCHEME OF DELEGATION**FUNCTIONS TO BE DELEGATED BY JOINT COMMITTEE**

The following functions are delegated by the Shared Revenues & Benefits Service - Joint Committee to the Chief Officer (Revenues & Benefits) / Head of Shared Service:

1. The maintenance of databases in administering Revenues and Benefits
2. The billing, collection and recovery of Council Tax and Non-Domestic Rates and any associated BIDS
3. The administration, assessment and payment of Housing Benefit and Council Tax Benefit
4. To secure the gateway to Benefits and the identification of fraud and error, including investigation and determination of sanctions, save for prosecutions
5. The recovery of arrears of repayment of Housing Benefit and Council Tax Benefit overpayment
6. Administration of Government initiatives relating to Revenues and Benefits as they arise (e.g. Business Grants, Self-Isolation Payments)
7. The compilations of returns to central government, relating to Revenues and Benefits (to be signed off by s151 officer)
8. The provision of administration and support services relating to Revenues and Benefits when appropriate
9. To approve discretionary Housing Payments
10. To approve applications for mandatory relief, discretionary relief for Non-Domestic Rates and Council Tax, including hardship and partial occupation and other related reliefs as they arise
11. The recommendation and administration of any write-offs of bad debts, within the scope of the write-off policies established by each Council
12. Prepare benefit subsidy claims
13. Provide any additional functions that may be conducive to carrying out the shared service for Revenues and Benefits
14. Respond to all requests for information in accordance with the Freedom of Information Act 2000 in respect of the functions delegated to the Joint Committee (whether such requests are addressed to the Joint Committee or any Partner Council)

The functions hereby delegated to the Chief Officer (Revenues & Benefits) / Head of Shared Service must be exercised subject to any proposed expenditure being contained in the annual Revenues and Benefits budget approved by the Councils and any proposed activities being within the Business Plan approved by the Councils provided that it complies with the relevant financial procedure rules of the Joint Committee.

FUNCTIONS TO BE RETAINED BY EACH COUNCIL

The following functions and matters shall be reserved to and decided by each Council from time to time; all decisions and policies on such matters shall be notified to the Joint Committee as necessary as soon as reasonably practicable after any such decision is made and the Joint Committee shall give effect to all such policies and decisions of the Councils in the exercise of the functions delegated to it:

- 1 Approving and setting of Council Tax
- 2 Calculation of Council Tax Base
- 3 Collection fund accounting
- 4 Approval of benefit subsidy claims
- 5 Determination of policy for second and empty homes
- 6 Determination of the Recovery Policy for local authority debt as it affects Revenues and Benefits
- 7 Determination of policy for write off of bad debts and approval of any write-offs within the scope of that policy
- 8 Setting the level of and the receipt of enforcement fees
- 9 Approval of discretionary relief policies in relation to Non-Domestic Rates and Council Tax
- 10 Approval of Grant policies in relation to Government initiatives as the affect Revenues and Benefits
- 11 Agreement of rating assessments for Council owned properties
- 12 Authorisation and prosecution of benefit fraud cases

Deletions are shown with a strikethrough.
Additions are shown in bold type and underlined.

Shared Revenues and Benefits Service Joint Committee Procedure Rules

1. JOINT COMMITTEE MEMBERSHIP

- 1.1 The Leader of each Council shall appoint two Executive Members to be Members of the Joint Committee and other Executive Members to be Substitute Members of the Joint Committee.
- 1.2 Unless the Executive of either Council directs otherwise, the Joint Committee may appoint one or more Sub-Committees and determine their terms of reference, Membership and quorum. Any Sub-Committee shall comprise such number of Members of the Joint Committee as the Joint Committee may determine from time to time provided that a Sub-Committee shall comprise an equal number of persons appointed by each Council.
- 1.3 The Chief Executive or other nominated officer of each Council shall provide notice of the appointment of Members and Substitute Members of the Joint Committee in writing to the Secretary of the Joint Committee.
- 1.4 The Leader of each Council may at any time remove and replace any Member so appointed to the Joint Committee.
- 1.5 A Member of the Joint Committee may resign his Membership by sending notice in writing to the Chief Executive or other nominated officer of the Council by whom the appointment was made who shall inform the Secretary to the Joint Committee accordingly.
- 1.6 Any vacancy shall be filled as soon as possible by the relevant Council Leader.
- 1.7 A Member shall cease to be a Member of the Joint Committee and of any Sub-Committee thereof if he ceases to be an Executive Member of the Council by whom he was appointed or to be eligible for appointment to the Joint Committee.
- 1.8 A named Substitute shall be entitled to attend, speak and vote as if an ordinary Member of the Joint Committee or any Sub-Committee, where 24 hours' notice has been given to the Secretary of the Joint Committee that:
 - 1.8.1 it is impractical for the named ordinary Member to attend a specified meeting;
 - 1.8.2 the named Substitute Member will attend in place of the named ordinary Member;
and
 - 1.8.3 the named Substitute Member is also an Executive Member of the same Council as the appointed Executive Member.
- 1.9 The Members appointed to the Joint Committee shall have full voting rights.

2. ANNUAL MEETING

- 2.1 The Joint Committee shall in every year hold an Annual Meeting.
- 2.2 The first meeting held after 30 June in any Year shall be the Annual Meeting.
- 2.3 The Annual Meeting shall be held not later than 31st July every Year.
- 2.4 The Joint Committee may in every year hold in addition to the Annual Meeting such other meetings as they may determine.

3. APPOINTMENT OF CHAIR AND VICE-CHAIR

- 3.1 Subject to rule 3.4 below, the Joint Committee shall at their first meeting and thereafter at their Annual Meeting appoint one of their Members to be Chair who shall, unless he/she resigns his/her office or ceases to be a Member of the Joint Committee, continue in office for a period of one year or until his/her successor becomes entitled to act.
- 3.2 In the case of an equality of votes in respect of the appointment of a Chair the person presiding at the meeting shall have a casting vote in addition to any other vote he/she may have.
- 3.3 The Joint Committee shall at its Annual Meeting appoint one of its Members to be Vice-Chair who shall, unless he/she resigns his/her office or ceases to be a Member of the Joint Committee, continue in office for a period of one year or until his/her successor becomes entitled to act.
- 3.4 The office of Chair (otherwise than to fill a casual vacancy) shall be held by an appointee of each Council in rotation.

4. CASUAL VACANCIES

- 4.1 On a casual vacancy occurring in the office of Chair or Vice-Chair of the Joint Committee the vacancy shall be filled by the appointment, by the Joint Committee, of one of its Members at the next meeting and the person so appointed shall hold office until the date upon which the person in whose place he/she is appointed would regularly have retired.

5. CONDUCT OF MEETINGS

- 5.1 At a meeting of the Joint Committee the Chair if present shall preside.
- 5.2 If the Chair is absent for a meeting of the Joint Committee the Vice-Chair shall preside.
- 5.3 If both the Chair and Vice-Chair of the Joint Committee are absent another Member of the Joint Committee chosen by a majority of the Members of the Joint Committee present and voting shall preside as Chair for that meeting.
- 5.4 The Member presiding at the meeting of the Joint Committee may exercise any power or carry out any duty of the Chair.

6. CALLING OF MEETINGS

- 6.1 The Secretary of the Joint Committee shall summon the Members to such meetings as may:
 - 6.1.1 have been agreed in accordance with rule 2.4 above;

- 6.1.2 be called by the Chair of the Joint Committee or, if the office of Chair is vacant, the Vice-Chair of the Joint Committee at any time;
 - 6.1.3 be requisitioned by any two Members of the Joint Committee giving notice in writing signed by them to the Secretary of the Joint Committee specifying the nature of the business to be transacted, or
 - 6.1.4 be requisitioned by any Council giving notice in writing to the Secretary of the Joint Committee specifying the nature of the business to be transacted and signed by the Chief Executive or proper officer of that Council.
- 6.2 Unless the persons giving notice requisitioning a meeting in accordance with rule 6.1.3 or rule 6.1.4 above agree to a later date, any meeting consequent upon such requisition shall so far as practicable be held within 10 working days of the date of receipt of the requisition by the Secretary to the Joint Committee.
- 6.3 At least five clear working days before a meeting of the Joint Committee
- 6.3.1 notice of the time and place of the intended meeting shall be published at the offices of each Council and
 - 6.3.2 subject to rule 6.4 below a summons to attend the meeting, specifying the agenda for that meeting and signed by the Secretary to the Joint Committee shall be sent to:
 - 6.3.3 every Member of the Joint Committee, and
 - 6.3.4 the proper officer of each Council
either by sending by first class mail to the usual place of residence of the Member (or principal office address of each Council) or by sending an electronic copy by e-mail to any e-mail address notified to the Secretary of the Joint Committee for that purpose.
- 6.4 In the event that at least four Members of the Joint Committee give notice to the Secretary that an urgent meeting should be convened within five working days, identifying the special circumstances necessitating such meeting, then subject to the agreement of the Monitoring Officer of the Host Authority the meeting shall be so convened.
- 6.5 Lack of service of the summons in accordance with rule 6.3.2 above shall not affect the validity of a meeting.
- 6.6 No business shall be transacted at a meeting requisitioned by the Members of the Joint Committee or by any Council other than that specified in the agenda.

7. NOMINATED OFFICERS TO ATTEND

- 7.1 The Chief Executive and the Section 151 Officer and Monitoring Officer or their nominated officer of each Council and the Head of Shared Service shall be entitled to attend every meeting of the Joint Committee.

8. MEETINGS IN PUBLIC

- 8.1 Meetings of the Joint Committee shall be held in public except in respect of any item where the agenda for the meeting indicates that the public will be excluded in accordance with the provisions of the Local Government Act 1972 and the Joint Committee so resolves.

9. QUORUM

- 9.1 No item of business shall be transacted at a meeting of the Joint Committee unless at least two one Member from each Council are is present. **In the event that there is an unequal number of members from each Council present at the meeting any decision to be made will be on the basis that each Council holds 1 vote each.**
- 9.2 During any meeting of the Joint Committee, if the Chair counts the number of Members present and declares that there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chair does not fix a date, the remaining business will be considered at the next ordinary meeting of the Joint Committee.

10. MOTIONS ON NOTICE

- 10.1 Every Notice of Motion must be in writing and signed by the Member of the Joint Committee giving the Notice of Motion, and delivered to the Head of Member Services of the Host Authority at least 10 clear days before the meeting at which it is to be moved. (10 clear days before a meeting on a Thursday means on or before noon of Friday two weeks before the meeting.)
- 10.2 The Head of Member Services of the Host Authority will date and number each Notice of Motion in the order in which it is received and will enter the Notice of Motion in a book open to public inspection.
- 10.3 Every Notice of Motion must be relevant to the functions of the Joint Committee. The Chief Executive of the Host Authority, after consulting the Chair, may rule a Notice of Motion to be out of order and will immediately write to the Member giving the Notice of Motion of the decision.
- 10.4 If more than three valid Notices of Motion are received the Chair, in consultation with the Leaders of each Council or their nominated representative, will agree that up to a maximum of three Notices of Motion may be considered at the meeting of the Joint Committee, and also agree the order in which they are to appear on the agenda. The Secretary to the Joint Committee will set out on the agenda those Notices of Motion which are to be considered by the Joint Committee.
- 10.5 Any Notice of Motion which is not moved will be treated as abandoned unless the Joint Committee decides to postpone it. There will be no debate on the question of postponement.

11. MOTIONS WITHOUT NOTICE

- 11.1 The following motions may be moved without notice:
- (i) to appoint a Chair of the meeting at which the motion is moved;
 - (ii) in relation to the accuracy of the minutes;
 - (iii) to change the order of business in the agenda;
 - (iv) to refer something to an appropriate body or individual;

- (v) to appoint a Sub-Committee or Member arising from an item on the summons for the meeting;
- (vi) to receive reports or adoption or recommendations of Committees or officers and any resolutions following from them;
- (vii) to withdraw a motion;
- (viii) to amend a motion;
- (ix) to proceed to the next business;
- (x) that the question be now put;
- (xi) to adjourn a debate;
- (xii) to adjourn a meeting;
- (xiii) to suspend a particular Joint Committee procedure rule;
- (xiv) to exclude the public and press in accordance with the Access to Information Rules;
- (xv) to not hear further a Member named under rule 28.1 below or to exclude them from the meeting under rule 29.1 below; and
- (xvi) to give the consent of the Joint Committee where its consent is required by its Constitution.

12. RULES OF DEBATE

- 12.1 No speeches may be made until after the Mover has moved a proposal and explained the purpose of it and until the motion has been seconded.
- 12.2 Unless notice of the motion has already been given, the Chair may require it to be written down and handed to him/her before it is discussed.
- 12.3 When seconding a motion or amendment, a Member may reserve their speech until later in the debate.
- 12.4 Speeches must be directed to the question under discussion or to a personal explanation or point of order. No speech may exceed 6 minutes without the consent of the Chair.
- 12.5 A Member who has spoken on a motion may not speak again whilst it is the subject of debate, except:
 - (i) to speak once on an amendment moved by another Member;
 - (ii) to move a further amendment if the motion has been amended since he/she last spoke;
 - (iii) if his/her first speech was on an amendment moved by another Member, to speak on the main issue (whether or not the amendment on which he/she spoke was carried);
 - (iv) in exercise of a right of reply;
 - (v) on a point of order; and
 - (vi) by way of personal explanation.

13. AMENDMENTS TO MOTIONS

- 13.1 An amendment to a motion must be relevant to the motion and will either be:
 - (i) to refer the matter to an appropriate body or individual for consideration or reconsideration;

- (ii) to leave out words;
 - (iii) to leave out words and insert or add others; or
 - (iv) to insert or add words
- as long as the effect of (ii) to (iv) is not to negate the motion.

- 13.2 Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.
- 13.3 If an amendment is not carried, other amendments to the original motion may be moved.
- 13.4 If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.
- 13.5 After an amendment has been carried, the Chair will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

14. ALTERATION OF MOTION

- 14.1 A Member may alter a motion of which he/she has given Notice with the consent of the meeting. The meeting's consent will be signified without discussion.
- 14.2 A Member may alter a motion which he/she has moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion.
- 14.3 Only alterations which could be made as an amendment may be made.

15. WITHDRAWAL OF MOTION

- 15.1 A Member may withdraw a motion which he/she has moved with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion. No Member may speak on the motion after the Mover has asked permission to withdraw it unless permission is refused.

16. RIGHT OF REPLY

- 16.1 The Mover of a motion has a right to reply at the end of the debate on the motion, immediately before it is put to the vote.
- 16.2 If an amendment is moved, the Mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.
- 16.3 The Mover of the amendment has no right of reply to the debate on his or her amendment.

17. MOTIONS WHICH MAY BE MOVED DURING DEBATE

- 17.1 When a motion is under debate, no other motion may be moved except the following procedural motions:
- (i) to withdraw a motion;
 - (ii) to amend a motion;
 - (iii) to proceed to the next business;
 - (iv) that the question be now put;
 - (v) to adjourn a debate;
 - (vi) to adjourn a meeting;
 - (vii) to exclude the public and press in accordance with the Access to Information rules; and
 - (viii) to not hear further a Member named under rule 28.1 below or to exclude them from the meeting under rule 29.1 below.

18. CLOSURE MOTIONS

- 18.1 A Member may move, without comment, the following motions at the end of a speech of another Member:
- (i) to proceed to the next business;
 - (ii) that the question be now put;
 - (iii) to adjourn a debate; or
 - (iv) to adjourn a meeting.
- 18.2 If a motion to proceed to next business is seconded and the Chair thinks the item has been sufficiently discussed, he/she will give the Mover of the original motion a right of reply and then put the procedural motion to the vote.
- 18.3 If a motion that the question be now put is seconded and the Chair thinks the item has been sufficiently discussed, he/she will put the procedural motion to the vote. If it is passed he/she will give the Mover of the original motion a right of reply before putting his/her motion to the vote.
- 18.4 If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chair thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, he/she will put the procedural motion to the vote without giving the Mover of the original motion the right of reply.

19. POINT OF ORDER

- 19.1 A Member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of the Joint Committee Procedure Rules or the law. The Member must indicate the rule or law and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final.

20. PERSONAL EXPLANATION

- 20.1 A Member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the Member which may appear to have been misunderstood in the present debate. The ruling of the Chair on the admissibility of a personal explanation will be final.

21. VOTING

- 21.1 If there are equal number of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote.

22. RIGHT TO REQUIRE INDIVIDUAL VOTE TO BE RECORDED

(mandatory standing order under local authorities (standing orders) regulations 1993)

- 22.1 Where any Member requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

23. VOTING ON APPOINTMENTS

- 23.1 If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

24. PROCEEDINGS OF MEETINGS

- 24.1 Minutes of the proceedings of every meeting of the Joint Committee shall, subject to rule 24.2 below, be drawn up and signed at the next following meeting of the Joint Committee by the person presiding thereat and any minute purporting to be so signed shall be received in evidence without further proof. The only part of the minutes which can be discussed is their accuracy.
- 24.2 Notwithstanding anything in any enactment or rule of law to the contrary, the minutes of the proceedings of the Joint Committee may be recorded on loose leaves consecutively numbered, the minutes of the proceedings of any meeting being signed and each leaf comprising those minutes being initialled at the next following meeting of the Joint Committee by the person presiding thereafter and any minute purporting to be so signed shall be received in evidence without further proof.
- 24.3 Until the contrary is proved, where a minute of any meeting of the Joint Committee has been made and signed in accordance with this Rule, the Joint Committee shall be deemed to have been duly constituted and to have had power to deal with the matters referred to in the minute, the meeting shall be deemed to have been duly convened and held and the Members present at the meeting shall be deemed to have been duly qualified.
- 24.4 A copy of the minutes of the proceedings at each meeting of the Joint Committee shall be sent to the proper officer of each Council within fourteen days after the date of the meeting at which they are signed.

- 24.5 Each Member of the Joint Committee present at a meeting of the Committee shall have one vote on any question arising before the Joint Committee **save that if there is an unequal number of members from each Council present at the meeting any decision to be made will be on the basis that each Council holds 1 vote each.**
- 24.6 Subject to rule 24.7 below all questions coming or arising before the Joint Committee shall be decided by a majority of the Members of the Joint Committee present and voting thereon at a meeting of the Committee.
- 24.7 In the case of an equality of votes, the person presiding at the meeting shall have a casting vote.
- 24.8 The method of voting at meetings of the Joint Committee shall be by show of hands and on the requisition of any Member of the Joint Committee and seconded by one other Member of the Joint Committee made before the vote on any question is taken the voting shall be recorded to show whether each Member present and voting gave his vote for or against that question. Any Member shall be entitled on request to have his dissenting vote recorded.
- 24.9 The names of the Members present at the meeting of the Joint Committee shall be recorded.

25. FORM OF MINUTES

- 25.1 Minutes will contain all motions and amendments in the exact form and order the Chair put them.

26. EXCLUSION OF PUBLIC

- 26.1 Members of the public and press may only be excluded either in accordance with the Access to Information Rules (as set out in the Host Authority's Constitution) or rule 30 below.

27. MEMBERS' CONDUCT

- 27.1 When the Chair stands during a debate, any Member speaking at the time must stop and sit down. The meeting must be silent.

28. MEMBER NOT TO BE HEARD FURTHER

- 28.1 If a Member persistently disregards the ruling of the Chair by behaving improperly or offensively or deliberately obstructs business, the Chair may move that the Member be not heard further. If seconded, the motion will be voted on without discussion.

29. MEMBER TO LEAVE THE MEETING

- 29.1 If the Member continues to behave improperly after such a motion is carried, the Chair may move that either the Member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

30. DISTURBANCE BY PUBLIC

- 30.1 If there is a general disturbance making orderly business impossible, the Chair may adjourn the meeting for as long as he/she thinks necessary.
- 30.2 If a Member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair will order their removal from the meeting room.

31. CLEARANCE OF PART OF MEETING ROOM

- 31.1 If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared.

32. SUSPENSION AND AMENDMENT OF JOINT COMMITTEE PROCEDURE RULES

- 32.1 All of these Joint Committee Rules of Procedure except rule 22.1 above may be suspended by motion on notice or without notice if at least one half of the whole number of Members of the Joint Committee are present. Suspension can only be for the duration of the meeting.
- 32.2 Any motion to add to, vary or revoke these Joint Committee Rules of Procedure will, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Joint Committee.

33. STANDING ORDERS AND ACCESS TO INFORMATION LEGISLATION

- 33.1 Subject to the provisions of the Legal Agreement the Joint Committee may make Standing Orders for the regulation of its proceedings and business and may vary or revoke any such Standing Orders.
- 33.2 The provisions of the Local Government Act 1972 and the Local Government Act 2000 relating to public access to meetings and access to information apply to the proceedings of the Joint Committee and any Sub-Committee.

34. SUB-COMMITTEES

- 34.1 The Joint Committee Procedure Rules other than those relating to Annual Meetings and the number of Members forming a quorum shall apply in the same way to meetings of Sub-Committees as they do to meetings of the Joint Committee. The Chair and Vice-Chair may be appointed by the Joint Committee or by the Sub-Committee.

<p>Report to: Shared Revenues & Benefits Service - Joint Committee Meeting to be held on 26 July 2021</p>	<p>Electoral Ward Affected: All</p>
<p>Report submitted by: Chief Officer (Revenues & Benefits) - Head of Shared Service</p>	
<p>Report title: SHARED SERVICE - BUSINESS PLAN 2021 - 2023 (Shared Revenues & Benefits Service)</p>	

1. SUMMARY

- 1.1 Lancaster City Council and Preston City Council entered into a formal shared service arrangement for a further 10 years, with effect from 1 July 2021 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 2021/23, 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 2020/21 outturn position, and the budget requirement for 2021/22, approved at the previous meeting of the Joint Committee.

2. DECISION REQUIRED

- 2.1 The Joint Committee is asked to consider and approve the Business Plan for 2021 – 2023 as set out in **Appendix 1** to this report.

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 business grants and 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.
- 3.3 Appended to this report at **Appendix 1** is the revised Business Plan for the Shared Service, covering the period 2021/23. 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.
- 3.4 In developing this Business Plan consideration has been given to:

- Response to the Covid-19 pandemic
 - 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
- 3.5 Budgets for both Councils have been formally approved and the Business Plan sets out the detailed budget position for the shared service for 2021/22, developed in line with these overall budget projections. It also contains a review of the Shared Services financial performance during 2020/21.
- 3.6 To develop future years' budgets, existing arrangements will continue as follows:
- This year's budget will 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 developments in the Government's planned welfare reforms, any re-allocation of resources or potential growth will be agreed in the same way
- 3.7 In terms of cost sharing, budget costs are shared equally across the two Councils and each year the Section 151 Officers of each Council consider the budget requirement for Joint Committee expenses for the following year, taking into account any changes in the caseload, work demand and other expenditure in relation to each Council, and report to the Joint Committee the appropriate proportions for sharing income and expenditure for the years after 2021/22. Should they be unable to reach an agreed position, the Joint Committee would be asked to make a decision based on the evidence presented to them.
- 3.8 Any agreed adjustments to Shared Service budgets will be fed into each authority's own budget process, ensuring that relevant Members and other officers are kept up to date with any issues arising and that these are considered and addressed in a co-ordinated way.

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 currently focussing on responding to the needs of the two communities due to the impact of Covid-19, particularly in relation to business grants and other individual grants to those most in financial need.

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 It would be inappropriate not to reconsider and refresh the 'existing' Business Plan as planned, as to continue without review would ignore the impact the pandemic has had on service delivery and performance, and the changing priorities that have come to the fore.

8. REASON FOR INCLUSION IN PART B, IF APPROPRIATE

8.1 No applicable

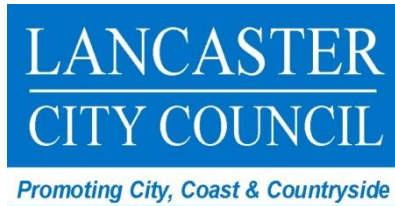
Background Documents:

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

Paper	Date	Contact/Directorate/Ext
Report to Cabinet – Preston Shared Services for Revenues and Benefits	30 June 2021	Jackie Wilding Director of Resources 01772 906994
Report to Cabinet – Lancaster Shared Services for Revenues & Benefits	13 July 2021	Sarah Davies Director for Corporate Services 01524 582660

Contact for further information:

Adrian Robinson	Tel. (01772) 906023	Chief Officer (Revenues & Benefits) / Head of Shared Service
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**BUSINESS PLAN
2021-2023**

**REVENUES & BENEFITS
SHARED SERVICE**

**LANCASTER CITY COUNCIL
&
PRESTON CITY COUNCIL**

(This Plan will be refreshed annually)

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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 Covid related grants and other Government initiatives
- Administer Housing Benefit and Council Tax Support;
- Administer welfare reforms and work in partnership with DWP
- 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 & Control)
- Operations & Support

The current establishment for the existing service areas has contracted over time and totals 91.3 full time equivalent (FTE) posts, split as follows.

- 4.0 staff in Senior Management Team
- 35.9 staff in Benefits
- 27.1 staff in Council Tax
- 12.0 staff in Business Rates
- 12.3 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	4	2.0
Managers	5.8	10.8	16.6	7.9	8.7
Team Leaders	6.3	14	20.3	12.15	8.15
Officers (*)	19	13.7	32.7	12.05	20.65
Processors (**)	42.1	52.5	94.6	53.12	41.48
Admin Staff (***)	4.1	3.5	7.6	2.04	5.56
Totals	80.3	97.5	177.8	91.3	86.5

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

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

(***) includes Admin staff and Sanction Support Officer

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

The service has a benefits caseload which currently standing at 25,532 (11,648 cases at Lancaster and 13,884 cases at Preston) and has an increasing number of households for Council Tax purposes at 131,449, (66,056 households in Lancaster and 65,393 households in Preston). In addition there are 11,688 business premises liable for business rates (5,320 in Lancaster and 6,368 in Preston).

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;
- Valuation Office Agency;
- Department for Work and Pensions;
- Pensions Service;

- Jobcentre Plus;
- Rent Service;
- Tribunal Service;
- Estate Agents;
- Advice Agencies – CAB & Welfare Rights Service;
- Ministry of Housing, Communities & Local Government;
- Enforcement Agents;
- Solicitors;
- 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 helps to 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 2021/22 are:

- To deliver cost effective services that provide value for money.
- To resource and manage the impact of the COVID-19 pandemic and assist and support customers.
- 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, but also recognising that customers have a responsibility to pay their debts;
- the operation and development of efficient, cost effective collection and recovery procedures;
- work within 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:

- ensuring 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 2021/22 include:

- Recovery from COVID19 in terms of both staffing (returning to the workplace) and customers.
- Supporting local businesses in the management and administration of the SBRR and RHL grants.
- The Government's breathing space scheme was launched on 4th May 2021. Procedures for dealing with breathing space have been developed and continue to evolve during roll-out. There is a possibility of a small impact on collection rates.
- Virtual courts for Council Tax & Business Rates using COVID safe procedures.
- 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 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;
- Continually Review the Inform solutions to support Customer Services and encourage channel shift.
- The Verification Earnings and Pension alerts service (VEP) identifies changes in income (Pension Credit, Employment Support Allowance, Carers Allowance, Job Seekers Allowance and Income Support). Funding is still being made available to Local Authorities to administer these changes.
- Work with other Lancashire Authorities via benchmarking groups to formulate and implement a vulnerability policy that incorporates agreed best practice.
- Explore software solutions to interpret and analyse available information streams to reduce fraud and maximise income.
- Publicise the availability of discretionary/hardship funding for vulnerable customers.

FINANCIAL APPRAISAL**2020/21**

The actual Shared Service expenditure for 2020/21 was £3,550k.

The Joint Committee approved a Shared Service expenditure budget for 2020/21 of £3,594k in December 2019. This has since been adjusted during the year for:

- Essential upgrades to IT systems due to legislation changes as a result of the pandemic, funded by a Ministry for Housing, Communities and Local Government grant (£30k).
- Further funding has been received from the Department for Work and Pensions for Local Authority Data Sharing. This has increased budgets by £17k and incurred matching costs for ICT projects.
- Savings due to vacant posts (-£200k)
- Additional 0.75% for pay award (£20k) agreed in August 2020
- Recruitment of four temporary Benefits Officer posts for two years, funded from the drawdown of grant income (£108k).

The final 2020/21 expenditure budget was £3,569k.

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

Table 1: Outturn Position 2020/21

	Latest Budget £'000	Actual £'000	Variance £'000	
Service Expenditure				
Management	161	163	2	(A)
Business Rates	553	538	(15)	(F)
Council Tax	979	996	17	(A)
Operations	303	324	21	(A)
Housing Benefits	1,573	1,529	(44)	(F)
Service Expenditure Total	3,569	3,550	(19)	(F)
Income				
Preston City Council	(1,784)	(1,775)	9	(A)
Lancaster City Council	(1,785)	(1,775)	10	(A)
Income Total	(3,569)	(3,550)	19	(A)
Total	0	0	0	

Notes to Table 1:

(F) - Favourable Variance

(A) - Adverse Variance

The outturn expenditure as at 31st March 2021 was £3,550k which resulted in an underspend of £19k against the latest budget, and an underspend of £44k compared with the original budget. Both these underspends were mainly due to four recently created temporary Benefits Officer posts in the Shared Benefits Service which had not been recruited to by 31st March 2021. All costs are under constant review to ensure that they are minimised, with budgets adjusted to reflect future anticipated spend.

2021/22

The 2021/22 budget approved by the Joint Committee on the 14th December 2020, together with prior year comparison, is shown below:

Table 2: Approved 2021/22 Budget

	Original Budget 2020/21 £'000	Budget 2021/22 £'000
Service Expenditure		
Management	160	126
Business Rates	556	514
Council Tax	974	1,010
Operations	301	419
Housing Benefits	1,603	1,699
Service Expenditure Total	3,594	3,768
Income		
Preston City Council	(1,797)	(1,884)
Lancaster City Council	(1,797)	(1,884)
Income Total	(3,594)	(3,768)
Total	-	-

Notes to Table 2:

1. The 2021/22 budget is a net increase of £174k on the original 2020/21 budget.
2. The difference consists of:
 - Pay awards: an additional 0.75% agreed in 20/21 and an assumed 2% pay award in 21/22, and the impact of staff increments - £66k (A) ongoing
 - Four additional Temporary Benefit Officer posts, funded by government grants - £108k (A) ongoing
3. Grant funding and equivalent expenditure will adjust the 2021/22 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 (46) and for Lancaster is (112) out of 317 principal councils, including 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 2021/22 based on the effects of COVID19, staffing resources, local trends and previous year performance.

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

Performance Appraisal

- **Local Taxation**

The Council Tax teams achieved 90.2% (Preston) and 94.6% (Lancaster) in-year collection for Council Tax.

A credible outcome, given the impact of Covid-19 which hit taxpayers' ability to pay, together with ongoing welfare reform changes. The cut in Council Tax Support (Preston) also has a negative impact upon collection.

With the assistance of new technology and data analysis the teams work hard to effectively target the "won't pays" as opposed to the "can't pays". 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. The teams are trialling new schemes to try to identify those taxpayers facing the greatest difficulties and proactively reaching out to them to assist. The results are constantly reviewed.

NDR collection rate for 2020/21 achieved 90.5% (Preston) and 97.2% (Lancaster).

Unfortunately, COVID19 has had a detrimental effect on the ability of businesses to make payment, but assistance has been provided for small businesses. Rate avoidance tactics in relation to empty rate charges in the form of claiming charitable and de-minimis occupation continue to have a significant impact upon collection rates and recent court decisions will have a significant impact in this area.

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 20/21 processing changes in circumstances in 4.6 days down from 5.2 days (Target 10 days), whilst new claims were processed in 17.4 days down from 20.4 days (Target 23 days).

The Control teams have worked tirelessly in a difficult environment to recover benefit overpayments from the poorer members of society.

The Revenues & Benefits Shared Service achieved a good level of performance in most operational areas during 2020/21 but 2021/22 promises to be a challenging year as we support customers through the recovery from COVID-19 and the continuing welfare reforms. In the circumstances realistic but challenging targets have been set for all teams.

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"> • Maintenance contracts in place with demanding service levels. • Dedicated Account Managers in respect of critical IT systems/providers. • Business continuity plans developed and tested. • Capita Remote Support contract in place for Academy systems. • Regular updates and de-briefs between project leaders, the project manager and Service Heads.
2.	COVID19 – inability to meet statutory requirements and customer expectations	<ul style="list-style-type: none"> • Appropriate staffing levels and structure • Budget monitoring and management • Contingency at each site • Flexible agile staff • Home working • Overview & Scrutiny • Partnership & collaborative working • Review of recovery policy • Robust policies

FUTURE DEVELOPMENT

• Universal Credit

Manage the requirements, ongoing changes and continued roll-out of Universal Credit and its impact on customers;

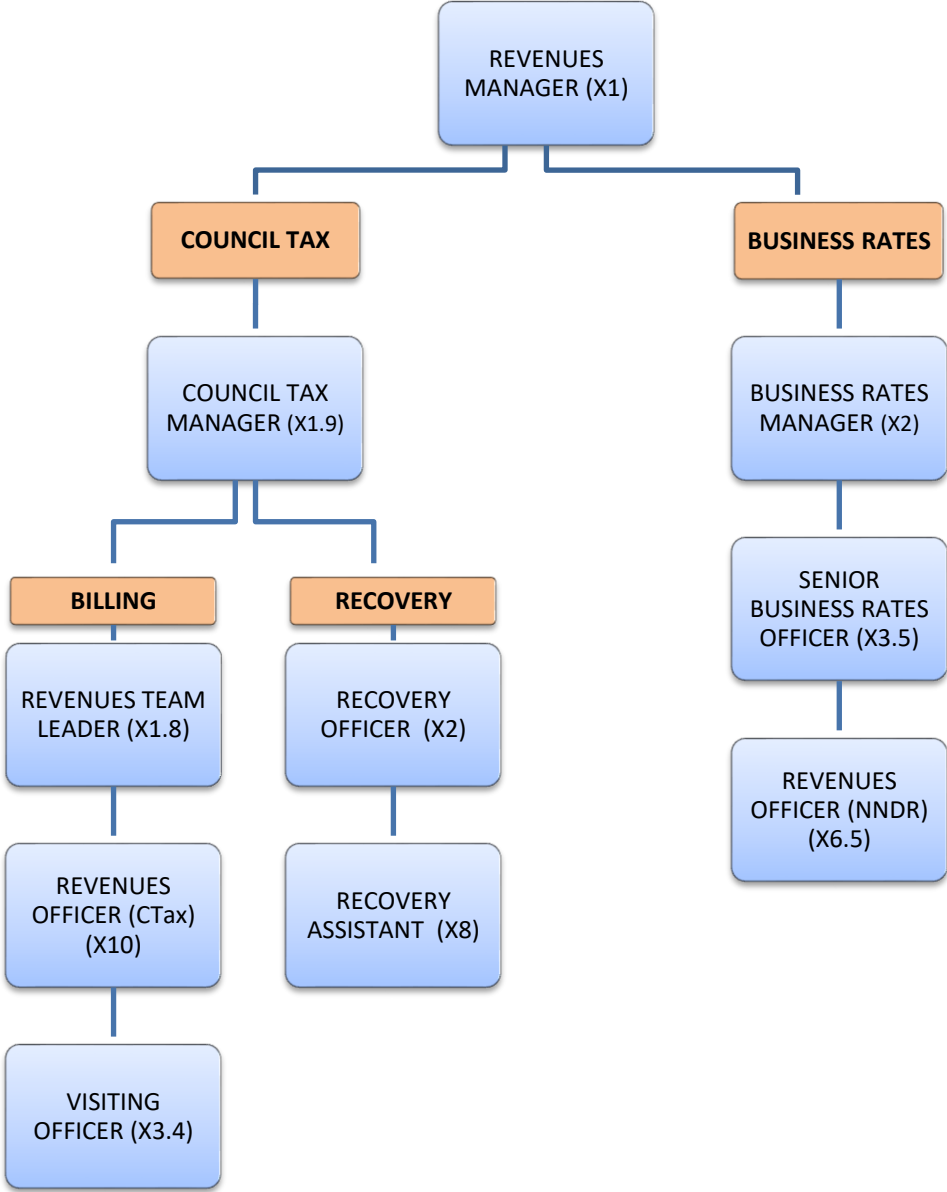
The official figure for the number of UC claims in Preston has been confirmed as 21,088 but the current number of actual claims affected by Universal Credit is 5,396.

The official figure for the number of UC claims in Lancaster has been confirmed as 13,859 but the current number of actual claims affected by Universal Credit is 5,183.

TWO YEAR HORIZON

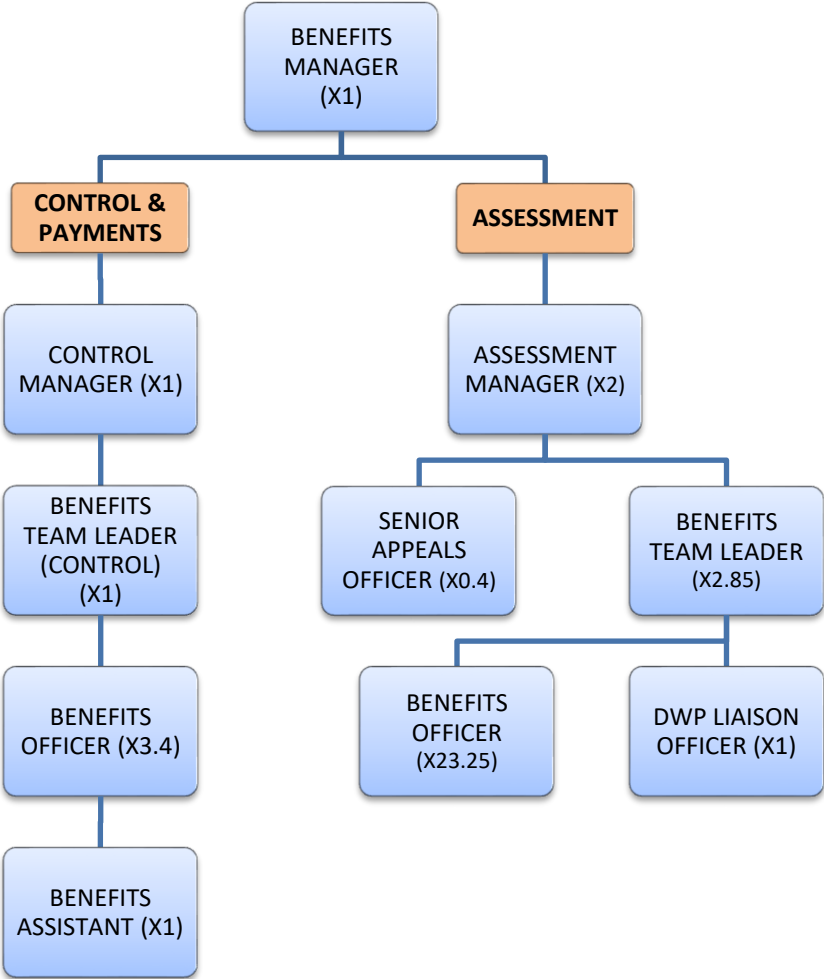
- To maintain a good standard of Benefits processing with ever reducing resources. However, ongoing welfare reforms and the difficulties with introduction of Universal Credit will continue to challenge the way in which the Benefits service is delivered.
- Progress and embrace new technology by developing 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 debt, in addition to that accrued during COVID, 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



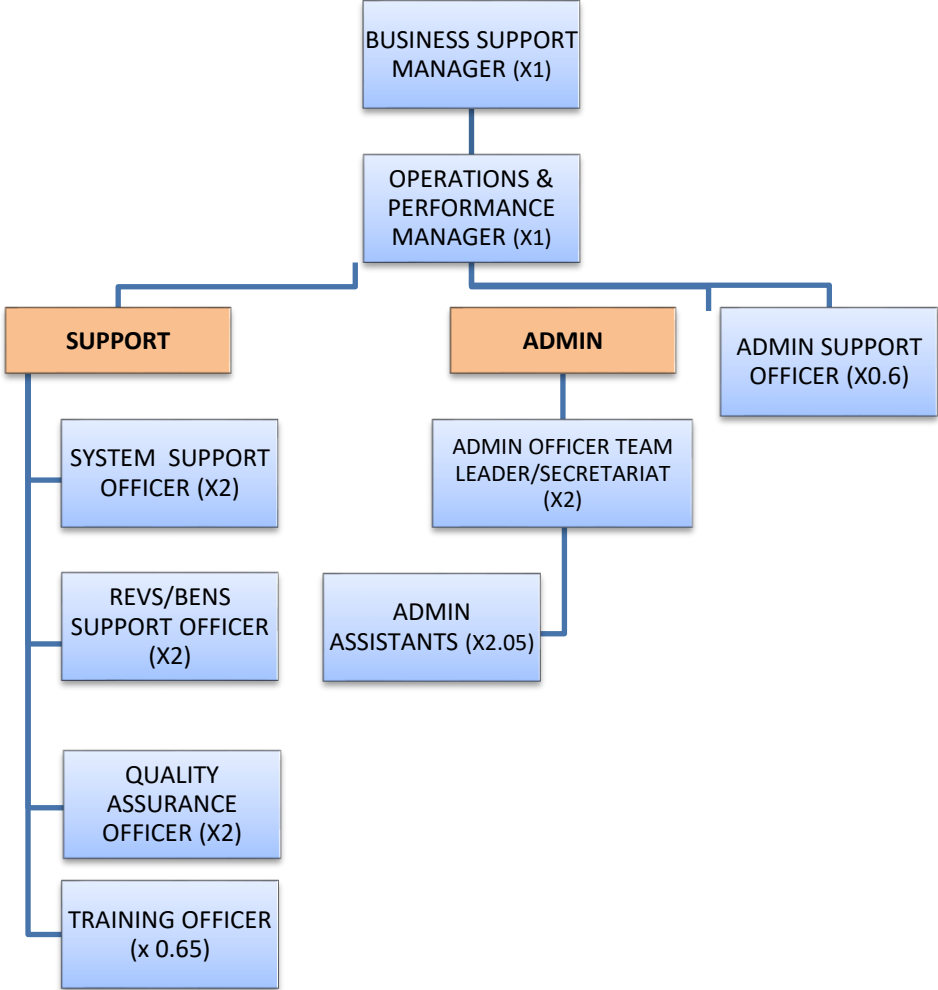
NOTE: (i) The structure roughly represents actual line management responsibility.
(ii) Total Staff = 40.1 FTE's

BENEFITS SERVICE



NOTE: (i) The structure roughly represents actual line management responsibility.
(ii) Total Staff = 36.9 FTE's

OPERATIONS SUPPORT SERVICE



NOTE: (i) The structure roughly represents actual line management responsibilities.
(ii) Total Staff = 13.3 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		As & when	Benefits Manager	
				Ongoing		
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	Ongoing	Benefits Manager supported by other services			

Description of Concern	Adverse issues identified	Action Required	Targets / Measure	Date Due	Responsible Officer	Monitoring
		Wellbeing, Welfare Rights, CAB				
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		
Potential Homelessness	As above	Work with Strategic Housing to ensure no greater risk of homelessness. Liaison Meetings Publicity on the new scheme.	Minimise the detrimental affects the scheme will have on people	Ongoing Ongoing	Benefits Manager Benefits Manager	Welfare Reform Group DHP Panels

Description of Concern	Adverse issues identified	Action Required	Targets / Measure	Date Due	Responsible Officer	Monitoring
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 CTS scheme	As above	As above	Benefits supported by the Community Engagement Teams	Benefits supported by the Community Engagement Teams
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

Description of Concern	Adverse issues identified	Action Required	Targets / Measure	Date Due	Responsible Officer	Monitoring
Capacity for some groups to be incentivised to Work, 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 2020/21 Target		Year 2020/21 Performance		Year 2021/22 Target	
	Preston	Lancaster	Preston	Lancaster	Preston	Lancaster
Revenues						
% of Council Tax collected in year	93.6%	96.4%	90.2%	94.6%	91.5%	95.0
% of NNDR collected in year	95.6%	98.4%	90.5%	97.2%	93.0%	98.0
Housing Benefits	Shared Service		Shared Service		Shared Service	
Average turnaround time for new claims (measured in days)	23		17.4		23	
Average turnaround time for changes in circumstances	10		4.6		10	
% recovered of Housing Benefit overpayments raised during the year	85%	90%	131.8%	142.9%	100%	110%
% recovered of Housing Benefit overpayments raised in previous years.	26%	30%	25.4%	24.0%	25%	25%

REVENUES & BENEFITS SHARED SERVICE RISK LOG

	Risk Description	Likelihood	Impact	Mitigation
1.	ICT & Systems	Low	Critical	<ul style="list-style-type: none"> • Maintenance contracts in place with demanding service levels. • Installation Procurement of improved new connection between the two Councils • Business continuity plans developed and tested. Resources utilised for home working arrangements. • PRINCE2 accredited ICT project managers. • Regular updates and de-briefs between project leaders, the project manager and heads of service. • Dedicated Account Managers for high profile systems. • Procured Capita Remote Support for Academy Systems. • Disaster Recovery testing frequently carried out
2.	Reduction in quality of service and/or performance	Low	Significant	<ul style="list-style-type: none"> • Continuously review staff structure ensuring it remains fit for purpose. • Contingency plans in place to enable input of additional resources from either site to minimise risk during early stages. • Set realistic performance targets. • Overview by Joint Committee and S151 Officers.
3.	Welfare Reform	Medium	Significant	<ul style="list-style-type: none"> • 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. • 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. • Lack of information on changes to the benefits systems from DWP and MHCLG poses a risk for Council's that they will not forecast income/ expenditure/resources accurately (in addition to grant cuts).

4.	COVID19 - Inability to meet statutory requirements and customer expectations	Medium	Significant	<ul style="list-style-type: none"> • Robust policies in place to meet the needs of the Community and public information provided • Regular budget management of grant allocation • Continuously review staffing structure to ensure it remains fit for purpose. • Home working plans in place, adequately resourced • Contingency plans in place to enable input of additional resources from either site to minimise risk • Transfer of staff to priority tasks • Review recovery policy and set realistic performance targets in relation to collection • Partnership working with internal and external organisations and keep members onboard and informed • Overview by S151 Officers, Members, Joint Committee
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