

**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE
HELD ON TUESDAY, 9 FEBRUARY 2016
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 6.30 - 7.10 PM**

Members Present: G Mohindra (Chairman), , S Kane, A Mitchell, C P Pond and S Watson

Other members present: J Philip and S Stavrou

Apologies for Absence: K Angold-Stephens, N Bedford, H Mann, A Patel and J M Whitehouse

Officers Present P Maddock (Assistant Director (Accountancy)), B Copson (Senior Performance Improvement Officer), J Twinn (Assistant Director Benefits) and A Hendry (Senior Democratic Services Officer)

36. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

It was noted that Councillor C P Pond was substituting for Councillor H Mann.

37. NOTES OF THE LAST MEETING

The notes from the meeting on 14 December 2015 were agreed as a correct record.

38. DECLARATIONS OF INTEREST

There were no declarations of interest made pursuant to the Member's Code of Conduct.

39. TERMS OF REFERENCE AND WORK PROGRAMME

The Select Committee noted their terms of reference and work programme, noting that item 11 of the work programme, the quarterly financial monitoring, would now go to the April 2016 meeting.

40. HOUSING BENEFIT FRAUD AND COMPLIANCE

The Assistant Director, Benefits, Ms J Twinn, introduced her report on Housing Benefit Fraud and Compliance. The meeting noted that from 1 October 2015, the responsibility for the investigation of Housing Benefit fraud was transferred from the Authority to the Single Fraud Investigation Service (SFIS) which was part of the Fraud and Error Service within the Department for Work and Pensions (DWP). Responsibility for Local Council Tax Support fraud remained within the Authority and was investigated by the Corporate Fraud Team.

Four of the existing Benefit Investigators were transferred to the DWP under TUPE like legislation. Three of these were transferred to the Harlow DWP office and the other was transferred to the Basildon DWP office. The former Benefit Investigation Manager was now the Manager of the Council's Corporate Fraud Team and was the

only member of the former Benefit Investigation team who remained with the Authority. The transfer went smoothly.

If a referral was passed to SFIS for investigation, it could be allocated to any SFIS team and would not necessarily be investigated by the SFIS team in Harlow. As they had no documents relating to Housing Benefit, the Council were requested to provide all the documentation that it had. However, this had proved problematic as the Council needs to send the documents electronically but the DWP's IT system could not accept the file size that the Council needed to send. This has emerged as a problem for all Authorities which the DWP has not yet resolved. The Council either has to split it up into a lot of smaller emails or hand over the paperwork physically, but the amount of work this was causing was becoming a problem.

Any investigation that had been commenced prior 1 October 2015 was transferred to SFIS and re-allocated to the Officer who had commenced the investigation. 31 cases in total were transferred. Of these 4 have been closed, prosecution proceedings were being taken for 3, a Pension Credit decision was awaited for 3, 2 had been referred to the Compliance team, 3 had been transferred to the SFIS teams at Braintree, Hoxton and Stevenage, and the rest were ongoing investigations.

A Compliance team was created to carry out initial enquiries and clarify/obtain information relating to applications for Housing Benefit/Local Council Tax Support, and Liaison Officer posts were created with part of their duties being the liaison point between the Authority and SFIS.

Traditionally communication with the DWP was difficult because their staff were frequently moved to different roles and/or offices. It was therefore not possible to build any relationship with regard to any particular project or work stream. Communication with the SFIS team in Harlow had been good with regard to the cases that were transferred, but only because three members of the former Benefit Investigation team were currently based there. However, two of those are now transferring out of the Harlow office which means that future communication may not be so effective.

The Council's working practices have been changed to adapt to the lack of control over Housing Benefit fraud investigation and officers would continue to monitor the situation and make further changes if necessary. However, it was too early to determine exactly how effective the transfer to a single fraud investigation service would be in reducing fraud in the Housing Benefit system in the future.

The Chairman commented that prevention was better than prosecution for stopping problems getting into the benefits system. Ms Twinn said that they now tended to make a lot more decision up front.

The Chairman noted that the DWP saga had been dragging on for years and we should applaud our prevention strategy.

Councillor Stavrou said that this was the third year of our Compliance Scheme, set up with Essex County Council. It was now working with the DWP who were getting the funding for it. Ms Twinn added that this Council was now doing the work without the staffing or the funding.

RESOLVED:

That the current situation in regard to Housing Benefit Fraud and Compliance was noted by the Select Committee.

41. DATA QUALITY STRATEGY 2016/17 TO 2018/19

The Senior Performance Improvement Officer, Ms Copson, introduced the report on Data Quality Strategy (2016/17 to 2018/19). She noted that the Council needed timely, accurate and reliable data in order to manage activities and meet internal and external requirements to demonstrate accountability through accurate reporting. Data was used for the assessment of the Council's performance, including the Key Performance Indicators (KPIs). The Data Quality Strategy set out the arrangements for the next 3 years to ensure key data met the highest standards and was 'right first time'.

Good quality data was essential to support the Council's decision making especially decisions involving finance and performance. Additionally the Council's customers, partners and others interested in the Council's performance, needed to be able to rely on the data produced for evaluation purposes. The Council was also accountable for the money it spent and must manage competing claims on its resources. It therefore required data which was accurate, reliable and timely in order to plan for the future and meet customer needs.

The Council had identified principles and arrangements to ensure high standards of data quality and had for a number of years, formalized them within a strategy, to support consistency and encourage high standards of practice of data quality management. This revised strategy continued to reflect the principles for data quality originally identified by the former Audit Commission.

The Data Quality Principles were:

Accuracy – Data must be accurate for its intended purpose and be represented clearly and in sufficient detail to enable informed decision making.

Validity – Data must be recorded and used in accordance with relevant requirements, rules and definitions to ensure consistency.

Reliability – Data must reflect stable and consistent collection methods.

Timeliness – Data must be available for its intended use within a reasonable time period. It must be available quickly and frequently enough to support information needs.

Completeness – Data must be recorded in its entirety, avoiding gaps in information and duplication of data.

Relevance – Data must be relevant to the purpose for which it is used.

Security – Data must be stored securely and confidentially where appropriate.

This report has already been to the Governance Select Committee where they discussed what was meant by the term data, but concluded that defining it would tend to exclude certain data streams. There was also a need to be aware of the relevance of the data streams.

The Chairman asked if we label third party data to indicate that this was not our data. Ms Copson said that they did. They defined where they had received the data from and attempted to ensure that it was accurate by identifying the data streams.

Councillor Kane asked if there was any need to refer to the redundancy or timeliness of data. Ms Copson said that they needed to know if the data was accurate and also the relevance and timeliness. Councillor Philip added that they needed to know the frequency of the data and that it was up to date.

RESOLVED:

That the Data Quality Strategy for 2016/17 – 2018/19 was noted.

42. KEY PERFORMANCE INDICATORS 2015-16 - QUARTER 3 PERFORMANCE

The Senior Performance Improvement Officer, Ms Copson introduced the report on the quarter 3 performance of the Key Performance Indicators for 2015/16.

A headline Quarter 3 performance summary in respect of each of the KPIs falling within the Resources Select Committee's areas of responsibility for 2015/16, was attached to the report together with details of the specific nine-month performance for each indicator.

The overall position with regard to the achievement of target performance for all of the KPIs at the end of Q3 was as follows:

- (a) 28 (78%) indicators achieved target at the end of Q3;
- (b) 8 (22%) indicators did not achieve the Q3 target; and
- (c) 0 (0%) indicators performed within their tolerated amber margin.
- (d) 28 (78%) indicators are currently anticipated to achieve their cumulative year-end target and for a further 3 (8%), it is uncertain whether they will achieve their cumulative year-end target.

Nine of the Key Performance Indicators fell within the Resources Select Committee's areas of responsibility. The overall position with regard to the achievement of target performance at the end of Q3 for these 9 indicators was as follows:

- (a) 7 (78%) indicators achieved the Q3 target;
- (b) 2 (22%) indicators did not achieve their Q3 target; and
- (c) 0 (0%) indicators performed within their tolerated amber margin.
- (d) 7 (78%) indicators are currently anticipated to achieve their cumulative year-end target, and for a further 1 (11%) indicator, it was uncertain whether it would achieve its cumulative year-end target.

The Assistant Director Accountancy noted that RES002 – *What percentage of the invoice we received were paid within 30 days* – had only just missed its target in December, but met it in January and would remain on target for the rest of the year.

Councillor Philip noted that RES010 – *Are customers needs being met by the main Corporate Websites not having broken links* – had exceeded its target this time.

RESOLVED:

That the Key Performance Indicators for quarter 3 that fell within the areas of responsibility for this Select Committee were noted.

43. GOVERNMENT CONSULTATION ON NEW HOMES BONUS

The Assistant Director Accountancy, Mr Maddock introduced the report on the government consultation on New Homes Bonus, part of the draft financial settlement for local authorities. The consultation would run until 10 March.

A number of the issues covered by the consultation related to planning matters but in order to produce the report for this agenda it had not been possible to consult colleagues in planning on the draft responses. The draft responses have been shared with colleagues in planning and an update was provided.

The meeting noted that:

- The consultation sought views on a number of significant changes to the New Homes Bonus.
- The stated intention of the proposed changes to the scheme was to save £800 million which can then be used to fund adult social care.
- The removal of £800 million and the re-allocation of this amount has the overall effect of changing the distribution so two thirds will now go to counties and only a third to districts.

The first proposal was to reduce the cost by cutting the number of years that the bonus remained in payment for. Currently the bonus relating to a particular year was payable for the six years following that year but the Government's preferred option was to reduce this to four years. This reduction from six to four may or may not include a transition year to five. The consultation also included the possibility of reducing the number of years of payment to three or two. The option that would have the smallest impact on this Council would be a reduction to four with a transition year of five included.

Another proposed mechanism to reduce payments was to cut New Homes Bonus by either 50% or 100% for authorities who do not have a Local Plan in place. Clearly there was the potential for this proposal to greatly reduce our income from the Bonus.

A further proposal to reduce payments was to limit the Bonus where planning approval had only been given on appeal. It was difficult to envisage how this could work in practice without there being a huge administrative burden. It was also difficult to predict the exact effect on this council, although it was unlikely to be positive.

There was a proposal to introduce a baseline so the first 0.25% of new homes would not qualify for the Bonus. This was intended to stop the rewarding of growth that would occur naturally without positive decisions by an authority. However, the introduction of such a baseline would significantly reduce or remove the incentive for low growth authorities.

The final question in the consultation asked whether there should be protection for those facing adverse impacts from the proposals. As an authority that currently receives £2.7 million of New Homes Bonus but did not have a Local Plan we could be one of the authorities who might benefit from some form of floor to limit

reductions. Unfortunately there was no detail to the proposal in terms of the level of reduction at which any protection would become effective and whether this would be funded by greater reductions for authorities that are initially above the floor.

There were 14 questions posed with draft responses attached to the report.

Mr Maddock reported the comments given to him by planning. They were:

“Q1: Might Members ask about the other options are that are referred to?”

Q2: As above, was it likely there would be a question on whether the financial viability of EFDC could be threatened in the way suggested?”

Q6: In an instance where a planning authority refuses planning consent in accordance with the Local Plan and/or Neighbourhood Plan, but this is subsequently overturned on appeal, it would appear there would be a direct conflict with the Localism agenda if local authorities were penalised further. A refusal of planning consent that is subsequently overturned by the Planning Inspectorate is not necessarily an indicator of “a bad planning decision”, but one which is taken on the basis of policies contained within Local /Neighbourhood Plans which have been prepared following extensive public and stakeholder engagement.

Q9: Such an approach would potentially penalise authorities where there are genuine constraints on growth (administrative boundaries, environmental or policy designations, infrastructure delivery constraints, etc), and in such instances it would not be appropriate to set an arbitrary baseline level for growth. Such an approach would be too blunt, and would not take account of local circumstances.”

Councillor Mohindra noted that the government had said we would get funding from new homes bonus, but now they have taken away money from us. We need to have a robust response to this consultation to tell them to keep their hands off.

Councillor Watson agreed and said that we may not like the baseline as it may well go up.

Councillor Philip noted that a lot of councils did not have a full Local Plan and just had a single document. As for land banking we could not force people to implement the planning permission we give them. The government should pay us on how many planning applications we have granted; and question 4 talked about planning submission instead of planning approval.

Mr Maddock reported on a comment sent in by Councillor Jon Whitehouse on question 4 that: *“My main query relates to the Draft Responses Question 4. I think to carry weight it will need to provide some evidence that land banking locally is the cause of delays in building rather than the absence of an up to date local plan. Otherwise the government will assume that the absence of allocated sites combined with the absence of a five-year land supply is a constraint to supply. Some specific examples or at least a fuller explanation here would strengthen the response.”*

Councillor Stavrou noted that one of the proposals was that local authorities should receive a set percentage (50%) of the Bonus allocations where they have published a local plan but not yet submitted it to the Secretary of State for examination.

The Chairman informed the Committee that if they had any further comments they should get in touch with Mr Maddock. Councillor Philips asked that an item also be put in the Council Bulletin asking for members comments.

RESOLVED:

- (1) That the Select Committee considered and commented on draft officer responses to the Government Consultation on New Homes Bonus; and
- (2) That an item be put in the Council Bulletin asking members if they had any more comments to make.

44. REPORTS TO BE MADE TO THE NEXT MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE

The Committee noted that a general update would be going to the next O&S Committee.

45. FUTURE MEETINGS

The next meeting of the Committee was noted.

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