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MEETING	EXECUTIVE MEMBER FOR CORPORATE SERVICES AND ADVISORY PANEL
DATE	18 MARCH 2008
PRESENT	COUNCILLORS HEALEY (CHAIR), JAMIESON-BALL (EXECUTIVE MEMBER), LOOKER, PIERCE AND R WATSON

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## **59. DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Cllr R Watson declared a personal non prejudicial interest in Agenda Item 9 (Audit and Fraud Shared Service – Business Options – Minute 67 refers) as Housing Associations were potential clients of fraud services.

Cllr R Watson declared a personal non prejudicial interest in Agenda Item 10 (Update on the Local Housing Allowance – Minute 68 refers) as he owned rental property in York.

Cllr Looker declared a personal non prejudicial interest in Agenda Item 9 (Audit and Fraud Shared Service – Business Options – Minute 67 refers) as Clerk to the Governors for York St John University.

## **60. EXCLUSION OF PRESS AND PUBLIC**

RESOLVED: That the press and public be excluded from the meeting during consideration of the following:

Annexes A-C to Agenda Item 7 (National Non-Domestic Rates, Sundry Debtors, Council Tax and Overpaid Housing Benefit and Car Park Charges Accounts Submitted for Write-Off – Minute 65 refers) on the grounds that it contains information which is likely to reveal the identity of an individual and relating to the financial or business affairs of any particular person. This information is classed as exempt under paragraphs 2 & 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

Annexes 2 & 4 of Annex A to Agenda Item 9 (Audit & Fraud Shared Service – Business Options – Minute 67 refers) on the grounds that it contains information relating to any individual and the financial or business

affairs of any particular person (including the authority holding that information). This information is classed as exempt under paragraphs 1 & 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

**61. MINUTES**

RESOLVED: That the minutes of the last meeting held on 29 January 2008 be approved and signed as a correct record.

**62. PUBLIC PARTICIPATION**

It was reported that there had been no registrations to speak under the Council's Public Participation scheme.

**63. FORWARD PLAN UPDATE**

Members received an update on the Resources Directorate items which were listed on the Forward Plan.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the Forward Plan be noted.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To inform the Executive Member of future business for Corporate Services EMAP meetings.

**64. RESOURCES DIRECTORATE PLAN**

Members considered a report which sought approval for the final version of the Directorate Plan for Resources.

At the January meeting of Corporate Services EMAP Members considered an early draft version of the first Directorate Plan for Resources. Following a period of consultation the final Plan was re-presented here. The Plan was designed to cover a 3-year timescale. Whereas the draft Plan brought to Members at the January meeting was for comment only, Members were asked to approve this final version or suggest further amendments to it.

Members queried as to whether there would be any interim arrangements to cover the management vacancies that would be coming up soon. It was reported that the posts for Director of Resources and Assistant Director for audit and risk management would shortly be advertised and hopefully filled

in April. It was further reported that a restructure was planned and that a report would be brought to members in the near future.

#### Advice of the Advisory Panel

That the Executive Member be advised:

- (ii) That the revised Directorate Plan be approved.<sup>1</sup>

#### Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To provide strategic direction for the Directorate and to act as a consolidated reference point for Service Managers.

#### Action Required

1. To implement the Resources Directorate Plan.

SA

### **65. NATIONAL NON-DOMESTIC RATES, SUNDRY DEBTORS, COUNCIL TAX AND OVERPAID HOUSING BENEFIT AND CAR PARK CHARGES ACCOUNTS SUBMITTED FOR WRITE-OFF**

Members considered a report which asked for Executive Member approval to write-off irrecoverable accounts each one over £2,000 in value, for National Non-Domestic Rates, Sundry Debtors and Housing Benefit Overpayments. It also provided details of the value of other irrecoverable accounts under £2,000 that had been written-off under delegated authority in the current financial year.

Members were presented with two options:

Option 1 - To approve for write-off the amount of £628,849 shown in para. 4 (the individual debts were listed in the attached annexes).

Option 2 - Not to approve the total write-off figure as shown in para. 4.

Members congratulated officers on the level of debt that had been recovered and for lowering the percentage of write offs.

#### Advice of the Advisory Panel

That the Executive Member be advised:

- (iii) That the amount of £628,849 shown in para. 4, (the individual debts are listed in the attached annexes), taking note that each debt has a greater value than £2,000, be approved for write off<sup>1</sup>;
- (iv) That the amount of £503,339 (shown in para. 4) of accounts valued at less than £2,000 written off in the 2007/08 financial year under the Head of Finance's delegated authority be noted.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASONS: (i) To allow prudent management of the Authorities debt portfolio.  
(ii) To inform the Executive Member.

Action Required

1. To implement the write off of £628,849 of debt. SA

**66. REVIEW OF THE COUNCIL'S COUNTER FRAUD POLICIES**

Members considered a report which sought approval for the adoption of a new Counter Fraud and Corruption Policy, along with a refreshed Fraud and Corruption Prosecution Policy to further strengthen and improve overall governance arrangements at the Council.

Officers reported that the implementation date for the refreshed Fraud and Corruption Prosecution Policy was incorrect on the published version and that it should read 1 April 2008.

Members queried how many administrative penalties were issued each year. Officers reported that there was approximately 20 to 30 administrative penalties a year, but that they wanted to increase that figure and reduce the number of prosecutions.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the adoption of the Counter Fraud and Corruption Policy as set out in Annex 1 to this report be approved<sup>1</sup>;
- (ii) That the adoption of the re-freshed Fraud and Corruption Prosecution Policy as set out in Annex 2 to this report be approved<sup>2</sup>.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASONS: (i) To ensure the Council has robust arrangements in place to counter fraud and corruption.  
(ii) To enable appropriate action to be taken in response to acts of fraud and corruption committed against the Council.

Action Required

1. To implement the Counter Fraud and Corruption Policy. SA  
2. To implement the re-freshed Fraud and Corruption Prosecution Policy. SA

## **67. AUDIT & FRAUD SHARED SERVICE - BUSINESS OPTIONS**

Members considered a report which advised of the progress which had been made to date in developing the shared audit and fraud service initiative with North Yorkshire County Council (NYCC). It also sought Executive Member approval to proceed with the project as originally defined and to implement an appropriate long term structure for the service.

An Outline Business Case (OBC), attached as annex A, had been prepared which set out the aims and objectives for the project. The OBC was intended to provide the basis for determining the most appropriate organisational structure for the shared service, as well as detailing the anticipated outputs and outcomes which the project was expected to deliver.

Members had four options to consider at this stage in the project process, as set out in the OBC. The options were;

Option 1 – abandon the current process of collaboration between the two Councils and revert back to the service arrangements which existed prior to 1 October 2007 (do nothing);

Option 2 – abandon the current project to develop a long term shared service solution for the provision of audit and fraud services but explore more limited collaboration where appropriate (do the minimum);

Option 3 – proceed with a shared service project but change the original scope and, or direction of the process by, for example, bringing in additional partners or changing the range of services to be included (do something else);

Option 4 – proceed with the scope and direction of the project, ie to establish a formal shared service between CYC and NYCC, as originally set out and agreed by Members in September 2007 (to continue with the current development process). This was the recommended option.

Assuming that Members wished to proceed with the project as defined (Option 4), then seven possible options had been identified for the long term organisational structure of the shared service. These were detailed under paragraph 23. The Project Board assessed all of these options against a series of agreed criteria. The results of this assessment were set out in paragraph 42 of the OBC. This evaluation process identified three preferred options, as follows:

- Option A – Joint Working Arrangement
- Option C – Joint Committee
- Option E – Company Limited by Shares or Guarantee

A document detailing the legal implications of implementing Option E was tabled at the meeting.

Members queried whether North Yorkshire County Council (NYCC) were still enthusiastic about this project. It was reported that Unison at NYCC were in opposition to it but NYCC were still committed and that a report

would now be going in April instead of March at NYCC to allow Unison to make representations.

It was questioned whether only pursuing Option E was a risk, and how would officers ensure that if Option E collapsed the whole project did not disintegrate. Officers reported that Option E would be a fully worked up business case, but Options A and C would be alternatives to fall back on. It was reported that the next report would have a comparative assessment of Options A, C and E.

Members thanked Liz Ackroyd for all her hard work during her tenure with the council.

#### Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the progress which had been made in developing the shared service initiative to date, and the outcome of the options appraisal as set out in the Outline Business Case be noted;
- (ii) That the options for the future direction of the project, as set out in paragraph 19 be noted, and the officer recommendation to proceed with the project as originally defined (Option 4) be approved;
- (iii) That the officer recommendation to proceed with option E, as the long term organisational structure of the shared service be approved in principle;
- (iv) That the intention to report back to this Committee for final Member approval, before progressing to full implementation of the chosen option, be noted<sup>1</sup>.

#### Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASONS: (i) To enable Members to consider the progress made with the shared service initiative to date, and the outcome of the options appraisal undertaken by the Project Board.  
(ii) To enable Members to agree the next steps in the development of the shared service.

#### Action Required

1. To bring a report back for final Member approval, before SA progressing to full implementation of the chosen option.

### **68. UPDATE ON THE LOCAL HOUSING ALLOWANCE (LHA)**

Members considered a report which provided an update to Members on the work being done to implement the new Local Housing Allowance from April 2008 and also set out details of the Safeguard Policy.

This report was for information only and no decision was required. The authority was due to be issued with final LHA rates by the Rent Service in

early March. An assessment of the likely financial impact for customers was presented. It was reported that the final LHA rates had still not been issued and were now due at the end of March. Officers informed the committee that approximately 47.5% would see a reduction in the amount of rent they would be allowed. About a third of customers would lose up to £5 a week and two thirds would lose between £5 and £10 a week in terms of the rent allowed.

Officers further reported that a bid was due to be submitted shortly to the Department for Works and Pensions (DWP) for £100 000 to cover the budget, and that the DWP were supportive of the application as they understood the impact of the Broad Rental Market Area on York.

Board members raised concerns that the level of debt might increase with the rents being paid direct to the customers instead of to landlords, and that landlords might start to refuse to take tenants on housing benefits which could affect long term provision of private housing.

Officers reported that they would be emailing a report round to all councillors with updated figures to try to raise awareness of the two changes coming into effect from 7 April 2008. It was suggested that an Executive Summary should be sent with this report in the email.<sup>1</sup>

#### Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the content of this report be noted with concern;
- (ii) That the establishment of a safeguard protocol be noted and welcomed;
- (iii) That the financial assessment of the likely impact of the LHA scheme on tenants be noted.

#### Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To keep the Executive Member informed of changes in legislation that impact on the processing and payment of Housing Benefit.

#### Action Required

1. To email a report with an Executive Summary round to all SA councillors with updated LHA figures and proposed changes.

Cllr Healey, Chair

Cllr Jamieson-Ball, Executive Member

[The meeting started at 5.34 pm and finished at 7.25 pm].