

EAST HERTS COUNCILCOMMITTEE – DATE 19 January 2015East Herts Council and Stevenage Borough Council Joint Revenues and Benefits CommitteeREPORT BY Head of Revenues and Benefits Shared ServiceREPORT TITLE : Quarterly updateWARD(S) AFFECTED: ALL**Purpose/Summary of Report**

- To report to committee the current position in the following areas.
 - Performance reporting
 - Other challenges

<u>RECOMMENDATIONS FOR</u> East Herts Council and Stevenage Borough Council Joint Revenues and Benefits Committee	
That:	
(A)	The report be received.
(B)	That the committee meet only once a year, annually in June.
(C)	That the section 151 officers complete the budget preparations for the shared service.

1.0 Background

- 1.1 Since the last report to committee (October 2014) the re-sizing report which reviews the changes in demand on the service and the available resources since the shared service was scoped, has been approved by Executive committees and recruitment has commenced.
- 1.2 This report includes an over view of performance and future challenges.

2.0 Report

2.1 **Performance reporting – Benefits Workload**

2.1.1 The workload received by the Benefits Service up to the end of November 2014 has reduced slightly on the same period in 13/14, although in November it has started to rise again.

2.1.2 In September 2014 the DWP commenced a major project based on a bulk data matching exercise using real time information from HRMC. So far 403 referrals have been received (SBC 229, EHC 174). This represents 3 data cuts.

2.1.4 This has proven to be a significant drain on resources as the cases are necessarily complex and many involve multiple reassessment periods. They must be assessed as a priority or they impact negatively on the councils subsidy claim.

2.1.5 Some customers are experiencing high overpayment notifications as previously undeclared income has been identified.

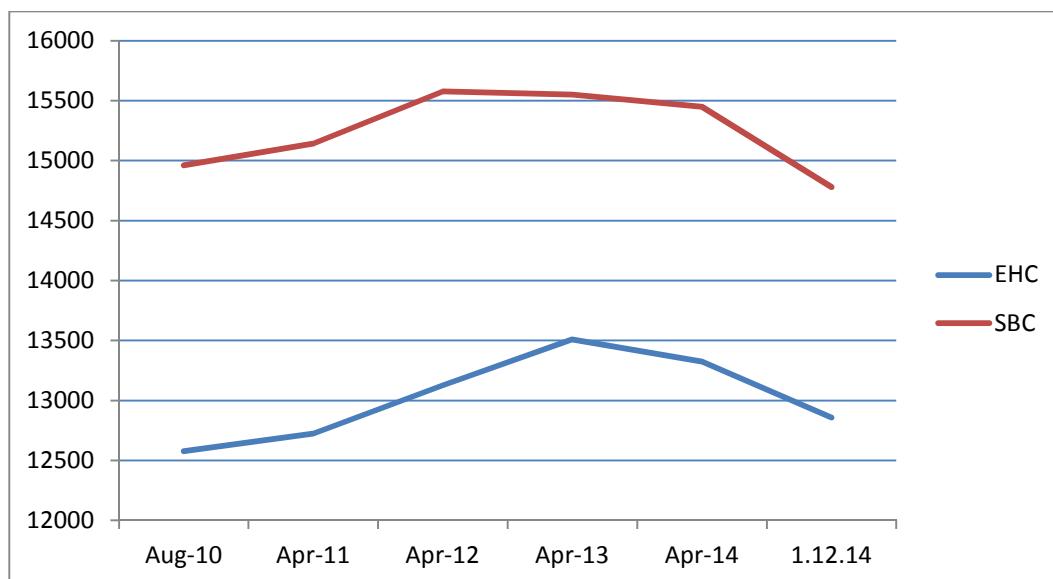
2.1.6 We have been advised that we will receive New burden funding for this exercise. The DWP advise that this will be £15.13 per referral; this includes £10.13 for dealing with the referral, plus an additional £5.00 to cover the cost of debt recovery action. This is insufficient to cover the cost of processing these cases.

2.1.13 Benefits and Council Tax Support Caseload has reduced slightly in the first 8 months of 14/15 for both pensioners and working age caseloads.

2.1.14 At a recent national conference attended by the DWP it was acknowledged that services are impacted most significantly by the number of changes requiring processing for each claim.

2.1.15 This was attributed to a number of factors including; tax credits, zero hour contracts, and the high proportion of claimants in multiple low paid part time work.

2.1.16 The graph below demonstrates the long term trend in caseload.



2.2 Performance reporting – Revenues Workload

2.2.1 The workload of the Revenues teams continues to increase as demonstrated in the level of recovery action being taken. The table below demonstrates the number of **Council Tax** reminders, final reminders, and arrangement reminders issued.

Stevenage	.12/13	13/14	% increase	14/15 to 1.12.14
Reminders	10679	16797	57.29	10239
Finals	2645	3475	31.38	2586
Arrangement	1607	3360	109.09	2727
	14931	23632	58.27	15552

East Herts	.12/13	13/14	% increase	14/15 to 1.12.14
Reminders	14591	17276	18.40	12843
Finals	3933	4149	5.49	1785
Arrangement	2231	2385	6.90	2092
	20755	23810	14.72	16720

2.2.2 These are indicative of workload increases in all areas of the Revenues service. Customer contacts are very high.

2.2.3 The Autumn statement has delivered further work streams as a result of the extension of particular reliefs from business rates. Administratively the complexity of state aid rules will require further contacts with eligible businesses to ensure that they continue to be entitled to these enhanced and or extended reliefs.

2.3 Discretionary Housing Payments

2.3.1 The demand for Discretionary Housing payments arising from the changes in the welfare reforms has also risen significantly, and has proven to be a very resource intensive work stream.

2.3.2 However the approach adopted this year, to award for longer periods for those with the most complex needs appears to be having a positive impact on the number of separate applications.

Applications for DHP	EHC	SBC
2013/14	485	668
1.12. 2014	281	447

2.3.3 At the end of November the following DHP grant had been spent &/or committed. Any unspent money has to be returned to the DWP at the end of the financial year.

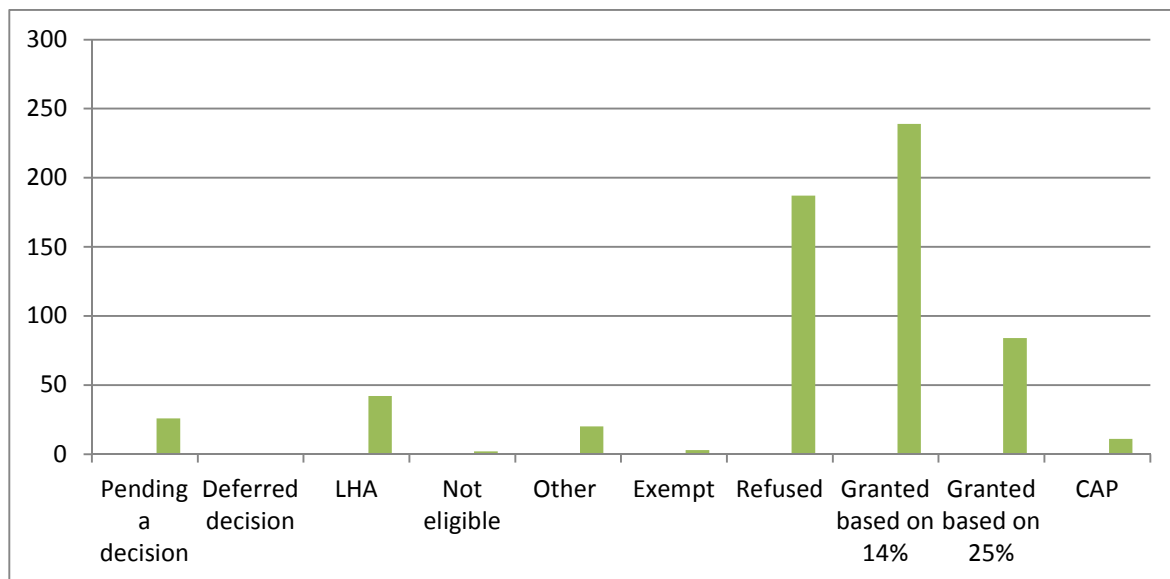
DHP	SBC	EHC
Grant	£ 183,788.00	£ 156,347.00
Spent/committed	£ 173,719.88	£ 126,798.49
%	94.5%	81%

2.3.4 The service will encourage colleagues in Housing Associations etc in the East Herts area to identify potential claimants for the uncommitted element of the funding. Consideration has

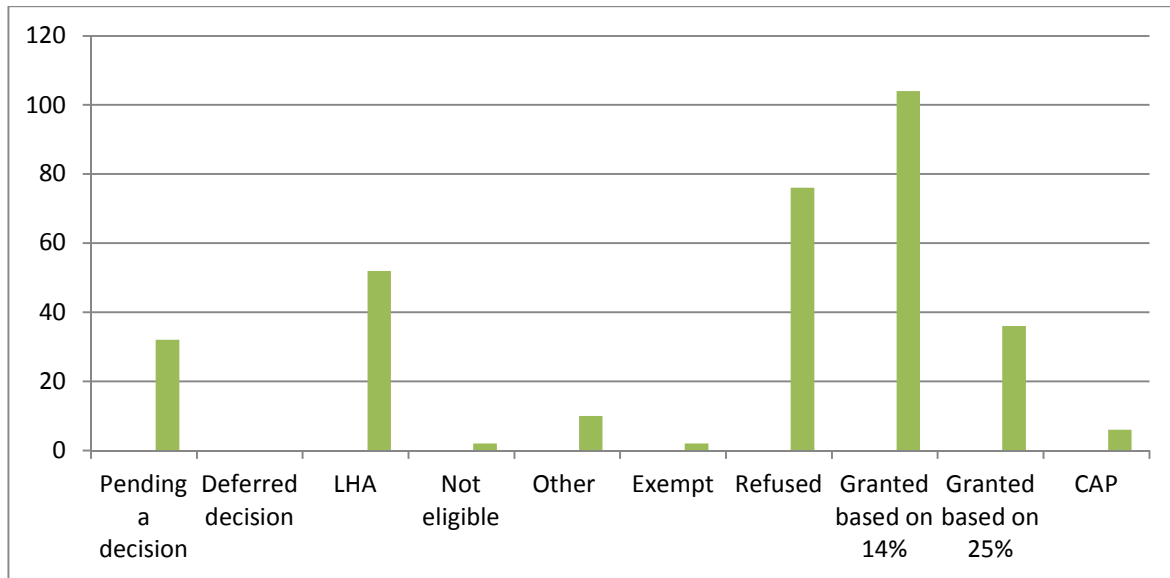
already commenced of alternative funding solutions if the SBC fund is over subscribed before year end.

- 2.3.4 The graphs below shows where the DHP is being spent in relation to cause of request during 14/15.
- 2.3.5 The most significant area continues to be in relation to the spare room subsidy.
- 2.3.6 A number of legal cases are progressing through the courts, which attempt to challenge the regulations. These mainly now focus on the definition of a bedroom and its minimum size. The shared service has submitted a challenge against a tribunal decision in respect of an appeal based on size of room. We believe the tribunal decision is faulty in law, and inconsistent with other decisions.

Stevenage



East Herts



2.4 N181 performance

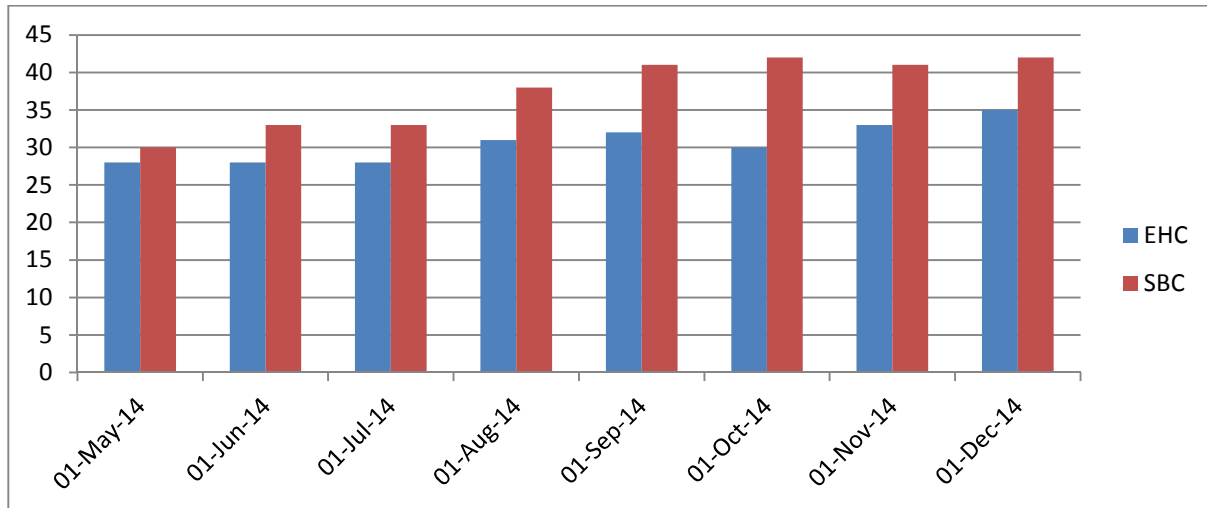
2.4.1 The current performance for Benefits N181 shows a disparity, between Councils. However as the outstanding workload continues to be at the same date for each Council. This is caused by variations in the volumes of transactions at different periods during the year.

2.4.2. Processing indicators for this year show the following alignment.

No. of days	East Herts	Stevenage
Data period	11.3.14 -2.12.14	2.4.14 - 26.11.14
New Claims	27.10 days	26.67 days
Changes in circumstances	14.62 days	14.93 days
N181(cumulative)	13.78 days	16.06 days

2.5 Benefits CAP

2.5.1 The Benefit cap is now running as a 'regular' feature of the Benefits scheme. Customers are affected by the CAP for various periods of time, but the number affected at any one time remains small, although increasing.



3. Other Challenges

Universal credit:

- 3.1 The pilots continue but very small numbers of customers are being processed in this way.
- 3.2 The DWP confirmed in October that they would be rolling out universal credit to all single claimants of (Job Seekers Allowance) JSA by March 2016.
- 3.3 The DWP also advise that in respect of **Migrants' Access to Benefits**, they will be restricting European Economic Area migrants' access to Jobseeker's Allowance from 6 to 3 months for new claimants, and extending the Genuine Prospect of Work assessment to all existing claimants not previously tested.
- 3.4 There has been no further information in respect of the 'universal credit' solution for Pensioners, since it was announced that it was delayed until 2018/19 at the earliest.

- 3.5 Some experts believe that the DWP may wish to press ahead with the roll out of direct payments to customers in the social sector, ahead of the UC rollout. This will be a significant project for all concerned. There has been no further information about this in recent months.
- 3.4 The move to include working age singles and couples in universal credit, during 2015/16 in increasing numbers of areas may indicate that progress in roll out is now being made.

Single Fraud Investigation Service (SFIS) & Shared Anti Fraud Service (SAFS)

- 3.5 The DWP continues with the roll out of SFIS. The date given for East Herts & Stevenage is 1 May 2015. Contact has now been made with their transformation team who will assist with the arrangements to move responsibility for Housing Benefit fraud to the DWP.
- 3.6 Stevenage & East Herts are now members of the SAFS group, part of the Shared Internal Audit Service, who will deliver a range of fraud functions for the member authorities.
- 3.7 Issues relating to legacy cases have yet to be concluded.

Funding

- 4.1 The service is focussed on recruiting to the new permanent and two year contract posts that the re-sizing report has secured.
- 4.2 It is anticipating that once these vacancies are completed the service can begin delivering an improved service across all areas of activity.

5. Meetings

- 5.1 Members agreed at the last meeting to review the frequency of these reports. The joint Revenues and Benefits committee was established to oversee the successful launch and implementation of the shared service. As the shared service is now in its fourth year it is now felt that the frequency of meetings can be reduced to an annual update. If any

significant events occur such as the full implementation of universal credit then extraordinary meetings will be arranged.

- 5.2 The board has been meeting three times a year, (June, October & January). The contract for the shared service actually only expected 2 meetings a year (June and January).
- 5.3 The agreement provides for changes where these are agreed between the parties.
- 5.4 The agreement currently requires that the board inform their authorities by 1 December of the proposed amounts of their contribution to the budget, with each authority to confirm by 7 March approval of the proposed budget. In practise this has been delegated to the section 151 officers.
- 5.5 It is proposed therefore, to hold one meeting a year in June to receive a report from the Head of Service, as intended in the original agreement, and that the 151 officers to continue to determine the budget proposals for the shared service.

6. Implications/Consultations

- 6.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers None

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