



MEETING : EAST HERTS COUNCIL AND STEVENAGE
BOROUGH COUNCIL JOINT REVENUES AND
BENEFITS COMMITTEE

VENUE : SHIMKENT ROOM, DANESHILL HOUSE,
STEVENAGE

DATE : TUESDAY 23RD OCTOBER, 2012

TIME : 6.00 PM

MEMBERS OF THE COMMITTEE:

EAST HERTS COUNCIL:

Councillor Michael Tindale (Chairman)
Councillors: L Haysey and G McAndrew.

Substitutes: P Moore.

(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting).

STEVENAGE BOROUGH COUNCIL

Councillors: S Batson, Mrs J Lloyd (Vice-Chairman) and A Webb

Substitutes:

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DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
 - must not participate in any discussion of the matter at the meeting;
 - must not participate in any vote taken on the matter at the meeting;
 - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
 - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
 - must leave the room while any discussion or voting takes place.
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.
4. It is a criminal offence to:
 - fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
 - fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
 - participate in any discussion or vote on a matter in which a Member has a DPI;

- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

AGENDA

1. Apologies for Absence and Declarations of Interest
2. Minutes - 19 July 2012 (Pages 5 - 8)
3. Quarterly Update (Pages 9 - 16)
4. Urgent Part 1 Business

To consider any Part I Business accepted by the Chair as urgent.

5. Exclusion of Press and Public

To consider the following motions:

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in paragraphs 1-7 of Part 1 of Schedule 12A of the Act as amended by SI2006 No.88.
2. That Members consider the reasons for the following reports (if any) being in Part II and determine whether or not maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

6. Urgent Business

To consider any Part II Business accepted by the Chair as urgent.

JOINT REVENUES AND BENEFITS COMMITTEE

Agenda
Item: 2

MINUTES

Date: Thursday 19 July 2012

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, STEVENAGE

- Present:** Stevenage Borough Councillors: Mrs J Lloyd.
East Herts Councillors: G McAndrew and M Tindale
- In Attendance:** Scott Crudginton (Strategic Director (Resources) SBC), Alan Madin (Director of Internal Services (East Herts Council)) and Su Tarran (Head of Revenues and Benefits)
- Start/End Time:** Start Time: 6.00 p.m.
End Time: 7.10 p.m.

1. **APPOINTMENT OF CHAIR (EAST HERTS) AND VICE CHAIR (SBC)**

Nominations were requested for the appointment of the Chair and Vice Chair of the Joint Revenues and Benefits Committee for the 2012 / 2013 Municipal Year.

It was duly proposed and seconded that Councillor M Tindale be appointed as Chair for the 2012 / 2013 Municipal Year.

There being no other nominations a vote was taken and it was **RESOLVED** that Councillor M Tindale be appointed as Chair of the Joint Revenues and Benefits Committee for the 2012 / 2013 Municipal Year.

It was duly proposed and seconded that Councillor Mrs J Lloyd be appointed as Vice Chair for the 2012 / 2013 Municipal Year.

There being no other nominations a vote was taken and it was **RESOLVED** that Councillor Mrs J Lloyd be appointed as Vice Chair of the Joint Revenues and Benefits Committee for the Municipal Year 2012 / 2013.

2. **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors S Batson MBE DL, L Haysey, P Moore and A Webb.

There were no declarations of interest.

3. TERMS OF REFERENCE

It was **RESOLVED** that the Terms of Reference be noted.

4. MINUTES – 24 JANUARY 2012

It was **RESOLVED** that the Minutes of the meeting of held on 24 January 2012 be approved as a correct record and signed by the Chair.

5. QUARTERLY UPDATE

This report had not been circulated to Members 5 clear days before the meeting, nor had it been available for public inspection for this time. The Chair determined however that given the reason for urgency set out in the report it be considered on this occasion.

The Committee received a report detailing the current position in the following areas:

1. Implementation
2. Performance Reporting
3. Budget Monitoring
4. Future Challenges

In reply to a question concerning the rebranding of communications the Committee was advised that there had been no comments from Stevenage residents.

The Committee was advised that in addition to the increase in workload attributable to the introduction of ATLAS by the Department of Work and Pensions (DWP) the benefits team was seeing an increase in workload due to the number of duplicate notices and errors sent by the DWP.

A number of graphs and tables, which highlighted the workflow and increasing number of cases dealt with by the service, were distributed at the meeting about which Members asked a number of detailed questions which were answered by the Officers.

Following discussion of the issues, which included the need to recruit fully trained staff, the ability to 'deskill' tasks, the risk of losing staff to London Boroughs and the likely impact of Universal Credits, the Committee agreed to receive an amended proposal to provide funding in addition to that requested in the report to deal with the increased workload.

In reply to a question it was confirmed that the additional funding would be used either to provide third party staff (agency workers) or utilise off-site third party processing.

In reply to a further question it was confirmed that should the second option be followed there would be no customer facing impact on residents.

It was **RESOLVED**:

1. that the report be noted.
2. that the proposal to provide an additional £240,000 (£120,000 from each Council) to deal with the increased workload be supported.

Reason: The initial bid for £80,000 was to provide support for a 10-week period however it was the view of the Officers that the workload situation would not moderate for the remainder of the year. Providing additional funding at this stage would allow the service to make longer term plans and secure efficiencies in the provision of temporary staff.

6. OUTTURN 2011 - 2012

This report had not been circulated to Members 5 clear days before the meeting, nor had it been available for public inspection for this time. The Chair determined however that given the reason for urgency set out in the report it be considered on this occasion.

The Committee received a report which detailed the outturn position for the shared service for the period January to March 2012.

It was **RESOLVED** that the report be noted.

7. URGENT PART I BUSINESS

NONE

8. EXCLUSION OF PRESS AND PUBLIC – *Not required*

PART II

9. URGENT PART II BUSINESS

NONE

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EAST HERTS COUNCIL

COMMITTEE – DATE

23 October 2012

East Herts Council and Stevenage Borough Council Joint Revenues and Benefits Committee

REPORT BY Head of Revenues and Benefits Shared Service

REPORT TITLE : Quarterly update

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To report to committee the current position in the following areas.
 - 1 Implementation
 - 2 Performance reporting
 - 3 Budget monitoring
 - 4 Future challenges

RECOMMENDATIONS FOR East Herts Council and Stevenage Borough Council Joint Revenues and Benefits Committee

That:

(A)	The report be received.

1.0 Background

1.1 Since the last report to committee (July 2012) progress has been made in the establishment of the shared service. This continues to have its challenges and the report details these with the current position and future challenges facing the service.

2.0 Report

2.1 **Implementation update**

- 2.1.1 The shared service continues to develop as each stage of the implementation progresses.
- 2.1.2 The next phases include converting East Herts data base on to a windows platform (23-26th November) and the installation of a 'shared desk top' for the Capita system (end of December). This will enable staff to use one 'front end' rather than loading separate systems for each council.
- 2.1.3 Work has commenced on the annual billing process. Adjustments to this process may be necessary to reflect the launch of the Local Council Tax Support Scheme.
- 2.1.4 The roll out of further Capita products to each Council can then be continued.
- 2.1.5 Staff continue to receive training and support in their new roles and are developing well in their new teams. This is a considerable and necessary investment in staff, but also contributes to reduced productivity whether attending organised courses or being taught internally by the officer previously responsible for that area of work. The need for training is increasing as the changes to the welfare reform bill approach.
- 2.2 **Performance reporting**
- 2.2.1 Performance has suffered considerably this year due to the increase in workload.
- 2.2.2 These increases can be attributed to both the introduction of ATLAS by the Department of Work and Pensions (DWP), which is a means of sending notifications of changes in other state benefits to local authorities, combined with more frequent fluctuations in customers circumstances resulting from the economic climate.
- 2.2.3 The caseload also continues to rise slowly and will invariably create an increase in changes proportionate with its growth.
- 2.2.4 These changes in Benefits, in turn impact on the Revenues Service by generating new bills and new collection profiles etc.

- 2.2.5 As the DWP hope to further increase the number of changes in circumstances that are notified to local authorities through ATLAS over the coming months, we are investigating what proportion of these could be automated. The DWP consider that most ATLAS files should be automatically updated. However there is concern that the frequency of DWP errors and corrections could lead to increased customer confusion if these were not manually handled.
- 2.2.6 Capita, our software supplier is developing tools to enable some items to be automated, although these tools are not yet available.
- 2.2.7 As such the service has faced significant demands and pressures in recent months.
- 2.2.8 The service has lost over 36 hours processing time due to various IT systems changes and problems. Not all the down time affects all users. This loss combined with increased demand and staff learning new ways of working has contributed to performance below the planned levels.

Systems downtimes	
July	26.33 hours
Aug	2.48 hours
Sep	7.25 hours

- 2.2.9 As we move to a more stable operating environment then further progress can be made to improve this situation.
- 2.2.10 Contracts with two off-site processing centres are being entered into whilst a tender is drawn up. This should provide both an increase in capacity in the short term to deal with the backlog, and then ongoing support as demand dictates.
- 2.2.11 Off site-processing capacity may also be useful as and when the roll out of universal credit impacts. We may lose staff more quickly than caseload, and rather than train new staff and risk redundancy costs, the off-site processing resource could provide the needed support.

2.2.12 Until additional resources are available the focus is on targeting new claims and aligning the performance dates for each Council.

2.3. **Budget Monitoring**

2.3.1 The current salaries budget for the shared service, after adjustment for a turnover factor (£ 69 759) is £2,189, 200.

Additional funding has been approved by each Council to provide Agency staff to support the service and avoid increasing backlogs of work. This currently stands at a contribution of £120k each. Representing an additional 10.9% of the net salary budget.

2.3.2. All other budgets remain on target.

2.3.3 The salaries budget reflects an estimated overspend of £17 360.

2.4 **Future Challenges**

2.4.1 The replacement for Council Tax Benefit will have a significant impact on the service. It is not yet known if both Councils will adopt the same Council Tax support scheme. Consultation is due to close shortly.

2.4.2 New regulations have been drafted to support the new schemes and these will be subject to Council approval. There are however still decisions to be made in respect of some areas of activity, currently this is in relation to the treatment of Universal Credit as an income.

2.4.3. Customers who have never paid Council Tax before will need considerable help in adjusting to this new responsibility and it is intended that we write to all those affected in December & January and encourage payment by direct debit.

2.4.4 There is expected to be a significant increase in customer contact to both Benefits and Council Tax recovery teams.

- 2.4.5 Any variation between the existing Council Tax Benefits scheme and the replacement schemes will have an impact on the administration of the 'support scheme' and collection of the council tax.
- 2.4.6 If two different support schemes are adopted, there will be further administrative implications.
- 2.4.7 The DCLG have made some funding available to Councils to help with the introduction of these changes. This is likely to be absorbed by software changes, consultation and transitional set up arrangements.
- 2.4.8 Other welfare benefit changes to be introduced in 2013 will also increase pressure on the service as well as colleagues in other areas.

These include;

- (i) The cap on benefit income paid to working age families, which is anticipated to be at a national average of £93 per week. The Department of Work & Pensions (DWP) have already written to those customers who will be affected by the cap based on their current income and are now writing to those who they believe will be affected after the up-rating of benefits etc in April. It is anticipated that 56 000 claimants will be affected nationwide. We are anticipating up to 200 households to be affected locally.
- (ii) The bedroom 'tax' on social sector housing. Which cuts eligible Housing Benefit by 14% for one excess bedroom and 25% for two or more excess bedrooms. The DWP assess that this will affect 31% of social sector working age claimants.

We are currently in discussion with social landlords to collect the data on their tenancies so that we can upload this information into the systems to identify who and by how much existing claimants will be affected.

We will then need to notify all those affected by the changes.

Both of these will involve considerable administrative and processing work. It is anticipated that the DWP will make some funds available to support this extra work.

- 2.4.9 The localisation of business rates, which shifts the risks and benefits from central to local government, may impact on the cost of granting both mandatory and discretionary relief. If this is the case, a review of the discretionary rate relief policies will need to be carried out to ensure that the current schemes are affordable.
- 2.4.10 Changes in discounts for empty properties will generate increases in customer contact and issues for collection.
- 2.4.11 The DWP's intention to introduce a single fraud investigation service using local authority staff is also due to commence in 2013. Details of how this will operate are still pending, but there is a perception that Local Authorities will retain the risks and costs of employing fraud staff, which will work almost exclusively at the direction of the DWP. Contingency planning about sustainability and efficiency are being considered.
- 2.4.12 The DWP intend to substantially increase the awards of Discretionary Housing Payments (DHP) to Local Authorities. These were trebled for 2012/13 (£60m nationally), and are due to increase to £165m for 2013/14. This is intended to enable the Benefit Service to target help to those most affected by the cuts detailed above. This will inevitably increase the number of applications for DHP that will need to be processed by the service, and demand is likely to exceed the funds available. New processes for dealing with appeals internally will also need to be determined.
- 2.4.13 These changes follow on from substantial change experienced since April 11. The year in which the Local Housing Allowance (LHA) was restricted to 4 bedrooms, and the £15.00 excess awards were removed. The size criteria for a non resident carer were amended, and claimants experienced a significant increase in deductions for non dependants. The LHA rates

were set at the 30th percentile, instead of the median of rents, and those claimants under 35 (previously those under 25) were restricted to a shared accommodation rate.

- 2.4.14 Other reforms due to take place in 2013 include the reassessment of disability living allowance (DLA) for personal independence payments (PIP). Those claims subject to changes will have to be reassessed by the service.
- 2.4.15 Universal Credit (UC) is due to go live in October 2013. Decisions have already been made to exclude supported housing from UC, and consideration is being given to excluding temporary accommodation. It is not yet clear if the intention is to leave these to be administered in some form by the local Authorities, but changes to the funding of temporary accommodation are expected from April as a pre cursor to the introduction of UC.
- 2.4.16 Overpayment recovery. Local authorities will remain responsible for recovering Housing Benefit overpayments once universal credit goes live, and we will be able to seek recovery from this benefit. It should be anticipated that this will not be as efficient or effective as the current attachment to ongoing Housing Benefit, and a greater bad debt provision may need to be considered.
- 2.4.17 The DWP advise that they will be requiring each Council to produce a Business Change Impact Analysis this autumn, and they are currently developing a regional plan to collect this information.

3.0 **Implications/Consultations**

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

Background Papers

Minutes of meeting of the committee 19 July 12

Contact Member: Joan Lloyd (Chairman) & M Tindale(Vice-Chairman)

Contact Officer: Name – Su Tarran

Contact Tel No 01279 502075

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives	<i>People</i> This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.
Consultation:	N/A
Legal:	N/A
Financial:	N/A
Human Resource:	N/A
Risk Management:	N/A