



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

**VENUE** : SHIMKENT ROOM, DANESHILL HOUSE,  
DANESTRETE, STEVENAGE, SG1 1HN

**DATE** : MONDAY 30 JUNE 2014

**TIME** : 6.00 PM

**PLEASE NOTE TIME AND VENUE**

**MEMBERS OF THE COMMITTEE:**

Councillor Michael Tindale (Chairman)  
Councillors S Batson, L Haysey, Mrs J Lloyd (Vice-Chairman), J Thornton  
and A Webb

**Substitutes:**

Conservative: Councillors G McAndrew (East Herts Council)  
Labour: Councillor R Raynor (Stevenage Borough  
Council)

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

**CONTACT OFFICER: PETER MANNINGS**  
**01279 502174**  
[peter.mannings@eastherts.gov.uk](mailto:peter.mannings@eastherts.gov.uk)

## 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. Appointment of Chairman and Vice-Chairman
2. Apologies for Absence and Declarations of Interest
3. Minutes – 28 January 2014 (Pages 7 – 12).
4. Quarterly Update (Pages 13 – 26).

The Committee is requested to receive a report detailing the current position in the following areas:

- Performance Reporting
- Budget Outturn 2013/2014
- Other Challenges.

5. Urgent Part 1 Business

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

6. 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.

7. Urgent Part 2 Business

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

MINUTES OF A MEETING OF THE  
EAST HERTS COUNCIL AND STEVENAGE  
BOROUGH COUNCIL JOINT REVENUES  
AND BENEFITS COMMITTEE HELD IN THE  
ROOM 27, WALLFIELDS, HERTFORD ON  
TUESDAY 28 JANUARY 2014, AT 6.00 PM

PRESENT: Councillor Mrs J Lloyd (Chairman).  
Councillors S Batson, L Haysey,  
G McAndrew and A Webb.

ALSO PRESENT:

Councillors P Ruffles.

OFFICERS IN ATTENDANCE:

Scott Crudgington	- Strategic Director (Resources)
Peter Mannings	- Democratic Services Officer
Su Tarran	- Head of Revenues and Benefits Shared Service
Adele Taylor	- Director of Finance and Support Services

7 APOLOGIES

Apologies for absence were submitted on behalf of Councillors J Thornton and M Tindale. It was noted that Councillor G McAndrew was substituting for Councillor M Tindale.

8 CHAIRMAN'S ANNOUNCEMENTS

The Chairman thanked East Herts Council for hosting the meetings of the Joint Revenues and Benefits Committee during the 2013/14 civic year.

9 MINUTES – 21 OCTOBER 2013

RESOLVED – that the Minutes of the meeting held on 21 October 2013 be confirmed as a correct record and signed by the Chairman.

10 QUARTERLY UPDATE

The Head of the Revenues and Benefits Shared Service submitted a quarterly update report in relation to the following areas:

- Performance reporting
- Budget 2014/15
- Service Plans for 2014/15
- Performance Targets 2014/15
- Future challenges

Members were advised that the Autumn Statement had included various changes to be introduced from April in respect of Business Rates. Officers had also received information relating to the roll out of Universal Credit (UC) and an outline of Council Tax changes.

The Head of the Revenues and Benefits Shared Service advised that the workload of the Benefits Service had continued to substantially increase albeit at a reduced rate during the third quarter. Council Tax Support caseloads had also slightly reduced although overall caseloads had remained relatively stable.

Members were advised that, in conjunction with the increased caseload, the transactions per claim had increased and Officers had attributed the majority of this increase to individuals' changes in tax credits, which might change frequently if someone was working different hours and/or overtime every week or month. Members were also advised that, due to the changes in welfare reforms, the demand for discretionary housing payments had also risen significantly and this had proven to be a very resource intensive workstream.

The Head of the Revenues and Benefits Shared Service stated that following a court decision, the Department for Work and Pensions (DWP) had issued revised instructions in November that narrowed the definition of a child that could qualify for a separate bedroom due to disability.

Officers had contacted the households which would be worse off by this ruling and had advised them of the availability of Discretionary Housing Payments to support the transition. The DWP had also issued revised instructions in January 2014 in relation to customers who might be exempt from the under occupation rule if they had been continuous tenants in receipt of an unbroken award of Housing Benefit entitlement since 1996. Officers would be engaging with the External Auditors in respect of the appropriate action for the Joint Revenues and Benefits Shared Service.

Members were advised that performance in respect of NI181 had shown a substantial improvement since October 2013 and the table at paragraph 2.3.4 of the report submitted, detailed the current performance figures. Officers anticipated that, pending the availability of resources, performance should continue to improve.

The Head of the Revenues and Benefits Shared Service advised that the benefit cap was now running as a 'regular' feature of the Benefits scheme and the number of customers remained small at approximately 35 – 40 per Authority.

Members were referred to paragraph 2.6.6 as well as Essential Reference Paper 'B' for information in respect of the 2014/15 draft budget. An extensive list of performance information had been collected for the joint service and each Authority had reported a different selection of these indicators and the proposed targets for these published targets was detailed at paragraph 4.1 of the report now submitted.

The Head of the Revenues and Benefits Shared Service summarised the future challenges for the Shared Service and Members were reminded of the changes that were due in respect of Council Tax, in particular, the proposals to introduce a nationwide 50% discount for Annexes occupied by a family member from April 2014.

The Committee received the report.

RESOLVED – that the report be received.

#### 11 HOUSING BENEFIT DATA SHARING

The Stevenage Strategic Director (Resources) submitted a report updating Members on the ability of the Revenues and Benefits Shared Service to share Housing Benefit customer data with other services at Stevenage Borough Council.

Members were advised that 3 areas had been identified where data could be shared, as detailed in Essential Reference Paper 'B' to the report now submitted. Officers would work proactively where a Stevenage service made a request to work with the Revenues and Benefits Shared Service.

Members were advised that Officers would prepare a draft of the data sharing protocol with a final version anticipated in April 2014. The Committee received the report.

RESOLVED – that (A) the current position regarding the sharing of data between the Revenues and Benefits Shared Service and other Stevenage Borough Council services be noted; and

(B) the plans for the introduction of a data sharing protocol be noted.



The meeting closed at 6.55 pm

Chairman .....

Date .....

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## EAST HERTS COUNCIL

COMMITTEE – DATE      30 June 2014

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

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### **Purpose/Summary of Report**

- To report to committee the current position in the following areas.
  - Performance reporting
  - Budget out turn 13/14
  - Other challenges

<b><u>RECOMMENDATIONS FOR East Herts Council and Stevenage Borough Council Joint Revenues and Benefits Committee</u></b>
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<b>That:</b>
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<b>(A)</b>	<b>The report be received.</b>
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#### 1.0      Background

1.1      Since the last report to committee (January 2014) the Autumn statement announcements for Business Rates have begun to impact on our residents and businesses, combined with the introduction of flood relief for both Council Tax & Business properties.

1.2      A review of the shared service capacity has been commenced which will enable a review of the resource needs and demands on the service since it was initially scoped in 2010/11.

1.3 This report provides an over view of the current position and future challenges facing the service.

## 2.0 Report

### 2.1 **Performance reporting**

#### **Workload**

2.1.1 The workload received by the Benefits Service continues to increase and is currently 54.7% higher than when the service was scoped..

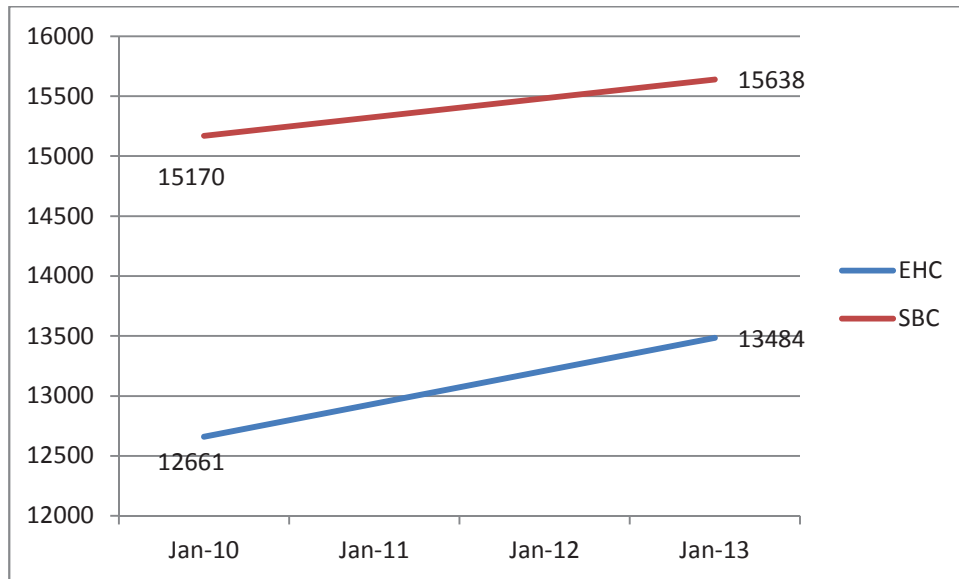
Workload	EHC	SBC	Total	% Year on year increase	Total % increase
2010/11	32097	39377	71474		
2011/12	34770	43773	78543	109.9	
2012/13	48681	53124	101805	129.6	
2013/14	52625	57949	110574	108.6	154.7

*“Workload” relates to the number of case level items of correspondence received The main sources are; 1. From the customer/landlord or other representative in the post or hand delivered to the offices. 2. From the DWP via ATLAS, 3. from the DWP via ETD, 4. From any party via email or other electronic source.*

*E.g.: If a claim form is received in the post with 10 supporting documents this is counted as 1 item because it relates to one claim.*

2.1.4 Caseload has in contrast remained relatively stable in the last year, although CTS caseloads have reduced slightly.

2.1.5 In contrast the caseload since the scoping of the shared service has increased more significantly.



2.1.6 In conjunction with the increased caseload the transactions per claim have increased. Anecdotally this is attributed to changes in tax credits.

	EHC	SBC
<b>Changes circumstances/ caseload 2010/11</b>	5.72	5.68
<b>Changes circumstances/ caseload 2013/14</b>	8.26	7.71

### Discretionary Housing Payments

2.2.1 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.

Applications for DHP	EHC	SBC
<b>2013/14</b>	485	668
<b>April 2014</b>	130	244

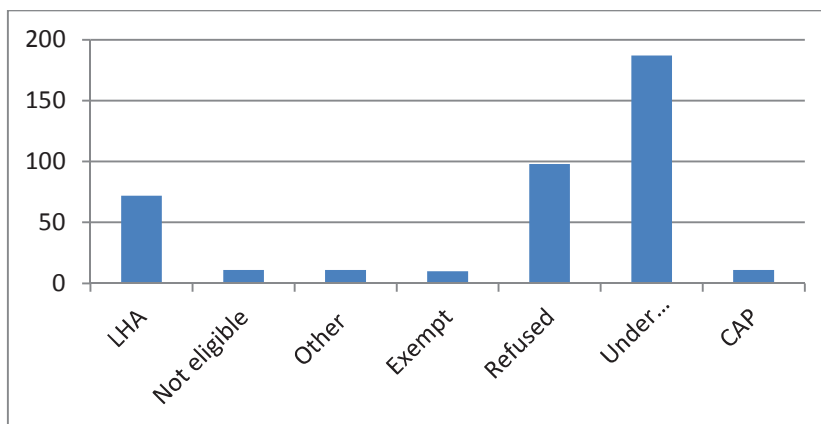
2.2.2 Applications received in just April 2014 represent 32% of the total applications received in 2013/14 (27% EHC & 36% SBC)

2.2.3 No record was kept in 2010/11 of the number of DHP applications received, but for context, only 136 awards were made in the whole of 2010/11 (88 for EHC & 48 for SBC).

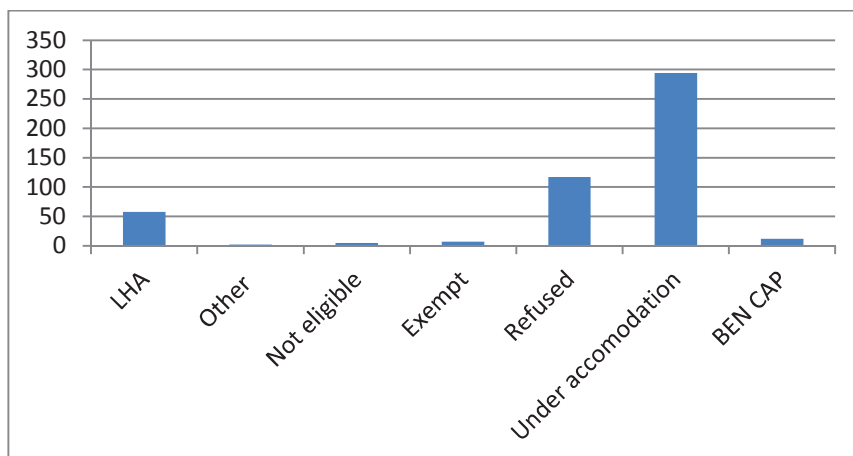
2.2.4 Awards are made for three or six months on average, which encourages customers to explore longer term solutions to the impact of the welfare reforms. Customers are free to reapply for a further award, but there is an expectation that they will provide evidence of their activity in resolving the situation.

2.2.5 The graphs below shows where the DHP was spent in relation to cause of request during 13/14.

East Herts:



Stevenage



2.26 The level of funding being made available for DHP's is also indicative of the increased workload.

DHP year	East Herts	Stevenage
2010	£ 33,233	£ 28,823
2011	£ 40,380	£ 23,941
2012	£ 63,214	£ 46,850
2013	£ 162,055	£ 163,535
2014	£ 156,347	£ 183,788

### N181 performance

2.3.1 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, other factors may need to be considered for the cause.

*\*Work is processed in date order. Aligning each work stream means for example that both Councils Atlas files have been processed up to the same date.*

2.3.2. New claims performance indicators for this year show the following disparity.

New Claims	East Herts Days	Stevenage Days
April	19.4	23.16
May	26.94	26.8

	Cumulative average time to process new claims & changes in circumstances for Housing Benefit.
East Herts	7.4 (2 data cuts)
Stevenage	10.31days (2 data cuts)

## 2.4 Benefits CAP

- 2.4.1 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. (33 Stevenage, 28 East Herts).

## 2.5 Council Tax & Business Rates

- 2.5.1 The Revenues service have also been affected by the impact of welfare reforms and the autumn statement .

### Council Tax Support

- 2.5.2 From the collection perspective the introduction of Council Tax support has meant that the service had 6550 (EHC 2614 & SBC 3936) new customers to collect Council Tax from, some for the very first time in 2013/14. These customers had previously had all their Council Tax liability paid by benefits, and were unaccustomed to the budgeting requirements and recovery actions that the service is required to follow in the absence of payment.
- 2.5.3 Whilst the overall in year collection rate for council rate payers was 98.1% (EHC) and 95.6% (SBC) respectively in 2013/14, the collection rate for those working age customers in receipt of Council Tax support was only 59% for SBC and 68% for EHC. It should be noted that customers may be affected by not just this change but by one or more other changes from the welfare reforms.



## Council Tax Discounts

2.5.4 There has also been an impact from the changes in Council Tax discounts since 1.4.13 when Councils could determine the level of relief given to properties that were unfurnished and empty, and those that were uninhabitable. The table below demonstrated the pre and post situation for each council. Whilst these discounts have generated a combined saving in excess of £650k, this is also additional liability which needs to be collected.

	East Herts	Stevenage
<b>Empty and unfurnished 100% for up to 6 months</b>	50%	10%
<b>Uninhabitable 100% up to 12 months</b>	50%	10%

2.5.5 These changes require Council Tax to be collected for periods previously eligible for 100% relief.

## Localisation of Business Rates

2.5.6 Since April 13 Business Rates directly affects the income that the Council receives. The Government completely changed the way local government is funded and in simple terms if Business Rates income is not maximised, income collected, including extensive recovery activity (Bankruptcy and liquidations), avoidance investigated and minimised and fraud prevented, the level of income to the Council falls.

2.5.7 The Council may suffer a budget deficit should it not collect all of the rates due, and in a two tier authority this affects both us and the County (to a lesser extent.)

2.5.8 The localisation of Business Rates also leaves the Council vulnerable to mandatory reliefs over which it has no control and appeals against rateable values which are submitted to the Valuation Office.

2.5.9 Businesses are understandably keen to reduce their rates liability and due to the complexities and onus of the current legislation this requires Councils to be proactive in identifying changes in rateable values (new owners, changes of use,

extensions, use of empty buildings etc), otherwise income will be forgone.

### **Government Reliefs**

- 2.5.10 Under the new localisation of Business Rates legislation councils have the authority to grant discretionary reliefs beyond the traditional discretions granted to support local interest groups for example.
- 2.5.14 The Government are now using this 'facility' in the legislation to achieve policy objectives quickly and without the need to change legislation. This is achieved by a commitment to fund the 'relief' that it wants to grant.
- 2.5.15 Currently these reliefs include the following;
- Flood relief
  - New Empty" Property Relief
  - "Long Term Empty" Property Relief
  - Retail Relief
- 2.5.16 All these require applications and certification of state aid rules compliance. Indicative of the volumes of work, we expect to administer in excess of 900 retail reliefs in just the first few months of 14/15 as well as having to answer a number of queries from customers, and consider any appeals.

#### **2.6.1 Current workload position.**

The level of work and new demands on the service as briefly outlined above continue to impact on the performance of the service. The volumes of work outstanding are growing and repeat contacts from customers are being received. Additional funds are being made available to the service when 'new burdens' grants are allocated by the DWP and or DCLG, but these short term solutions do not adequately address the ongoing core needs of the service.

A report which more fully considers all of the issues is in construction and will identify the resizing needs of the service going forward.

The most up to date workload data will be provided verbally at the meeting.

### 3. **Budget Monitoring**

- 3.1 The 2013/14 budget out turn is attached at ERPB for consideration.

### 4. **Other Challenges**

#### **Universal credit:**

- 4.1 The pilots continue but very small numbers of customers are being processed in this way. There has already been a planned delay of three years before the national roll out commences and moves the introduction to the other side of the next general election. Whether any new Government will continue with these plans or timescales is unknown.
- 4.2 There has been no further information in respect of the housing credit solution for Pensioners, since it was announced that it was delayed until 2018/19 at the earliest.
- 4.3 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.
- 4.4 There is still a need to consider the development of a Working Age Council Tax Support scheme that resembles a discount and not a means tested benefit.

#### **Single Fraud Investigation Service**

- 4.5 The DWP still plan to introducing SFIS. The date given for East Herts & Stevenage is 1 May 2015.
- 4.6 If this goes ahead all fraud investigation of Housing Benefit etc will have to cease. Staff will transfer to the DWP, admin subsidy

will be cut, and there will be no resources to investigate CTS or any other service specific fraud.

4.7 Consideration is being given to the Councils response to fraud in the light of this development.

5. Implications/Consultations

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

Background Papers None

Contact Members: Joan Lloyd, Executive Member for Resources, Stevenage Borough Council, and  
Michael Tindale, Executive Member for Finance, East Herts Council.

Contact Officer: Su Tarran, Head of Revenues & Benefits Shared service Contact Tel No 01279 502075

**BOARD OUTTURN SUMMARY 2013-14**

		2013/14	2013/14	VARIANCE
		ESTIMATE	ACTUAL	ORIGINAL
Code:	Service	£	£	Estimate
				to Outturn
				£
<b>REVENUES &amp; HOUSING BENEFITS SHARED SERVICE</b>				
<b>EXPENDITURE</b>				
<b>Employees</b>				
0110	Salaries	2,209,330	2,219,246.48	9,916.48
0590	Professional Training	5,000	4,259.00	-741.00
0630	Home Working Allowance	6,910	8,243.05	1,333.05
0651	Long Service Award	350	-1.02	-351.02
0661	Staff Appointment Expenses	0	5,350.58	5,350.58
0670	Retirement Gifts	280	0.00	-280.00
0682	Eye Tests	600	1,143.00	543.00
0693	Childcare Fees	350	374.36	24.36
0810	Agency Staff	200,000	165,942.50	-34,057.50
<b>Transport Related Expenses</b>				
2510	Car Expenses	25,500	27,896.05	2,396.05
2610	Lease Car Costs	3,400	2,945.77	-454.23
2710	Travel Allowance	1,400	892.06	-507.94
<b>Supplies &amp; Services</b>				
3010	Purchase & Maint of Equipment	5,000	9,513.13	4,513.13
3015	DBS Payments	50	0.00	-50.00
3038	BFI Funding	6,000	8,715.40	2,715.40
3110	Protective Clothing & Uniforms	100	0.00	-100.00
3210	General Stationery	24,000	20,269.94	-3,730.06
3220	Printing	40,000	27,577.07	-12,422.93
3230	Photocopying	5,000	4,668.62	-331.38
3250	Books & Publications	1,600	962.37	-637.63
3310	Advertising	6,000	5,896.97	-103.03
3401	Subscriptions	5,000	4,832.50	-167.50
3510	Telephones	7,600	5,014.66	-2,585.34
3572	Postages	140,000	148,165.33	8,165.33
3610	Subsistence Allowance	50	0.00	-50.00
3620	Training & Development	6,000	6,084.00	84.00
3820	Misc & Third Party Insurance	14,930	14,930.00	0.00
3870	Other Expenses	10,000	10,188.45	188.45
Support Services & Divisional Costs		1,016,710	1,017,130.00	420.00
<b>TOTAL EXPENDITURE</b>		<b>3,741,160</b>	<b>3,720,240.27</b>	<b>-20,919.73</b>



## ESSENTIAL REFERENCE PAPER 'A'

### IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):	<p><b>EHC:</b></p> <p><b>People – Fair and accessible services for those that use them and opportunities for everyone to contribute</b></p> <p>This priority focuses on delivering strong services and seeking to enhance the quality of life, health and wellbeing, particularly for those who are vulnerable.</p> <p><b>SBC:</b></p> <p><b>A Vibrant Town:</b> Improve the economy and encourage financial resilience Regenerate the town centre and neighbourhoods</p> <p><b>A Quality Environment</b> Provide affordable homes and housing growth Help people feel safe</p> <p><b>An Excellent Council</b> Deliver value for money Putting customers first</p>
Consultation:	N/A
Legal:	N/A.
Financial:	N/A
Human Resource:	N/A
Risk Management:	N/A.
Health and wellbeing – issues and impacts:	N/A

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