

EAST HERTS COUNCIL AND STEVENAGE BOROUGH COUNCIL

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JOINT REVENUES AND BENEFITS COMMITTEE – 1 JULY 2013

REPORT BY HEAD OF REVENUES AND BENEFITS SHARED
SERVICE

6. QUARTERLY UPDATE

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- To report to committee the current position in the following areas:
 - 1 Performance reporting
 - 2 Future challenges

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|---|-------------------------|
| <u>RECOMMENDATION FOR DECISION:</u> That | |
| | |
| (A) | The report be received. |

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| | |
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1.0 Background

1.1 Since the last report to committee (February 2013) The New Council Tax support scheme has been introduced, the new funding arrangements for Business rates have taken affect and the major welfare reforms operating through Housing benefit have started.

1.2 These have not been without their challenges and the report details these with the current position and future challenges facing the service.

2.0 Report

2.1 **Partnership Implementation update**

- 2.2 The implementation phase is now complete. Further significant changes will be considered as separate projects in accordance with normal operational activity.
- 2.3 Staff are now able to work on both caseloads and resources can be effectively directed where needed.
- 2.4 **Performance reporting**
- 2.5 The level of work received by the Benefits service continues to increase and is currently 15% higher [East Herts 12.3% Stevenage Borough 17.5%] than that for the same period last year.
- 2.6 Caseload has also increased since April [East Herts 0.5 %, Stevenage Borough 1.3%]
- 2.7 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.

| | DHP requests received April & May 2012 | DHP requests received April & May 2013 | % change |
|-------------------------------|--|--|----------|
| East Herts Budget £162 055 | 25 | 146 | 584% |
| Stevenage Budget £163 535 | 12 | 114 | 760% |

- 2.8 The service has been focused on aligning the processing of each Councils work. As staff have become more able to move between workloads this has been more easily achieved.
- 2.9 The current performance for Benefits shows a disparity, however as the outstanding workload is now at the same date* for each Council, the second quarter performance should demonstrate a closer correlation. Variations will be more easily identifiable and adjusted for.

**Work is processed in date order. Aligning each work stream means for example that both Councils Atlas files have been processed up to the 14 June 2013.*

| | |
|------------|--|
| | Average time to process new claims and changes in circumstances for Housing Benefit. |
| East Herts | 9.41 (3 data cuts) |
| Stevenage | 29.33 (2 data cuts) |

2.10 The Revenues service have also been affected by the impact of the reforms and this is best demonstrated by the 50% overall increase in reminders issued.

| | Reminders issued May 2012-13 | Reminders issued May 2013-14 | Average value of reminder in 2013-14 | % change |
|------------|------------------------------|------------------------------|--------------------------------------|----------|
| East Herts | 2885 | 3388 | £87.55 | 17.4% |
| Stevenage | 2500 | 4693 | £68.26 | 87% |

2.11 Those customers who were in receipt of 100% Council Tax Benefit at 31.3.13 represent 6530 (at 30.5.13) new accounts to be managed by the staff. These customers (EHC 2569 and SBC 3425) are resource intensive and are demonstrating patterns of repeat callers. Anecdotally there appears little understanding of Council Tax liability and payment requirements.

2.12 A further separate letter will be issued to all CTS customers before the summons are issued in an attempt to help them avoid the £80.00 costs. Once a liability order is secured, any account owing over £130.00 (approximately) will be sent to bailiffs for collection. This represents £80.00 costs and £50.00 arrears.

2.13 Customers have been generally confused and frustrated by the welfare reforms and are keen to express this dissatisfaction to

officers. The volume of contacts with customers is very high and often repeated.

2.14 It is anticipated that the level of customer interaction will continue to rise during the year at each stage of the recovery cycle.

2.15 Customers are not currently issued with a summons if the balance outstanding is less than £40. This will give customers paying only the 8.5% charge an extended period to settle the account. Reminders are being issued to all accounts with a balance outstanding of £6.

2.16 Both Councils are addressing the welfare reform issues corporately and significant joint working is being carried out. East Herts have funded three administrative posts to 31 March 2014, and increased the transactions managed by the councils corporate customer support team. Stevenage have increased capacity in the customer support centre to assist with telephone contact for Housing Benefit enquiries.

2.17 The service continues to rely on the support of agency staff and off site processing, and £100k was provided by each council within the budget to support this during 13/14.. External resources are becoming more difficult to secure. One offsite company when asked for assistance in April, could not provide any until July.

2.18 Budget Monitoring

2.19 The 2012/13 draft budget outturn has been provided to Directors and they will be reviewing this prior to audit.

2.20 Retained costs: Stevenage Councils retained costs in the 2012/13 budget are currently £382,266. Following a review of these costs, the Directors are now in discussion over their accessibility.

2.21 Future Challenges

2.22 The Benefit cap is due to impact on customers from the 15 July to September 2013. The most recent list (May 2013) of customers who may be affected by the Cap indicates 42

households in East Herts and 74 households in Stevenage. This is slightly less than previously expected.

- 2.23 Universal credit is still due to go live in October, but appears to be at a much lower level than previously anticipated. It is increasingly unlikely that the service will see any real impact during 2013/14.
- 2.24 The DWP are unable to provide any timescales for the transfer of claims, but are already identifying areas of work they are unable to take on in the medium term as they are deemed too complex. This includes Exempt accommodation claims.
- 2.25 The transfer of Pensioner claims into the pension service (they are not included in universal credit) may now slip to 2016 at the earliest.

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:

None.

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