

## EAST HERTS COUNCIL AND STEVENAGE BOROUGH COUNCIL

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JOINT REVENUES AND BENEFITS COMMITTEE – 21 OCTOBER  
2013

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### REPORT BY THE HEAD OF REVENUES AND BENEFITS SHARED SERVICE

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#### 5. 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
- Future challenges
- Consideration of Customer Charter.

<b><u>RECOMMENDATION FOR EAST HERTS COUNCIL AND STEVENAGE BOROUGH COUNCIL REVENUES AND BENEFITS COMMITTEE:</u></b> That
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<b>(A)</b>	The report be received.
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#### 1.0 Background

1.1 Since the last report to committee (July 2013) The Benefit Cap has been introduced, and various changes introduced in the wider welfare reforms agenda.

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 **Performance reporting Workload**

- 2.1.1 The workload received by the Benefits Service continues to increase and is currently 13 % higher (East Herts 17% and Stevenage Borough 10%) than that for the same period last year.

<b>Work received April to August</b>	<b>EHC</b>	<b>SBC</b>	<b>Total</b>
2012	20136	23446	43582
2013	23606	25721	49327
% increase	17.23	9.7	13.18

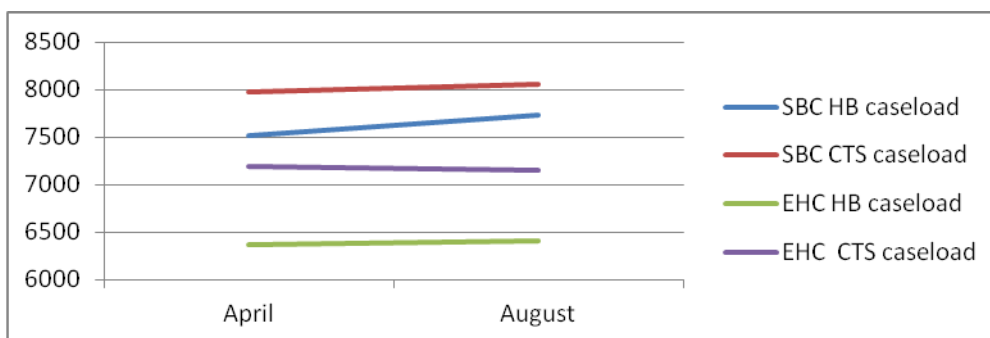
*“Workload” relates to the number of case level items of correspondence received The main sources are; 1. From the customer/landlord or other representative in the post or hand delivered to the offices. 2. From the DWP via ATLAS, 3. from the DWP via ETD, 4. From any party via email or other electronic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

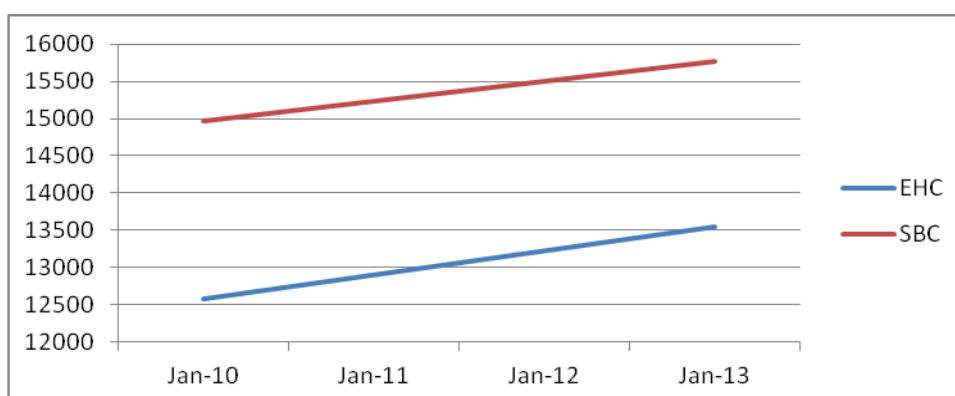
- 2.1.3 To put these figures into context, the following table demonstrates the increased benefits workload since the shared service was scoped.

	<b>East Herts</b>	<b>Stevenage</b>	<b>Total</b>
Workload received April-August 2010/11	12845	14886	27731
Workload received April to August 2013/14	23606	25721	49327
% Increase	84%	73%	78%

- 2.1.4 Caseload has in contrast remained relatively stable this year, although EHC’s CTS caseload has 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.

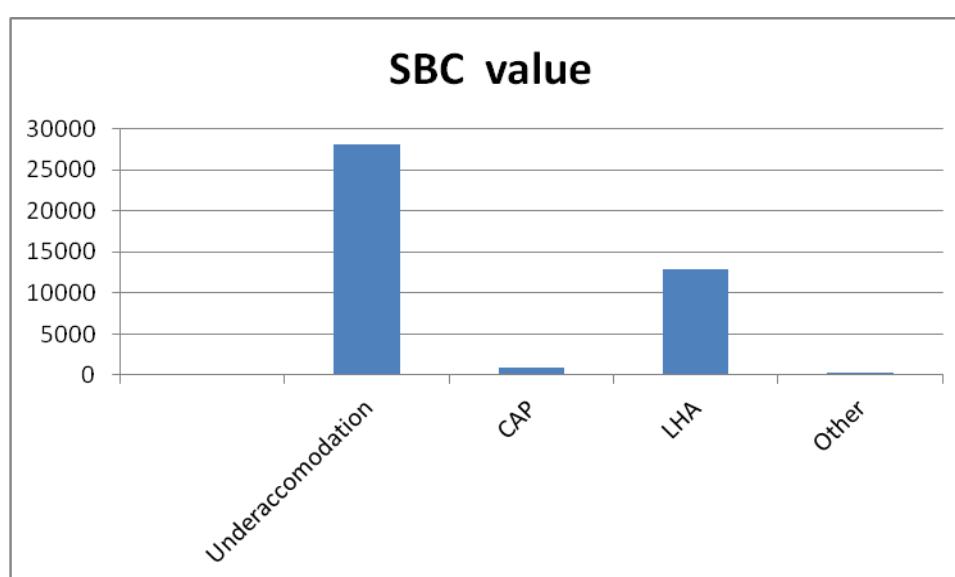
Based on 5 months workload	East Herts	Stevenage
Transactions per HB caseload at August 2010	<b>2.2</b>	<b>2.1</b>
Transactions per HB caseload at August 2013	<b>3.7</b>	<b>3.3</b>
% Increase	<b>63%</b>	<b>57%</b>

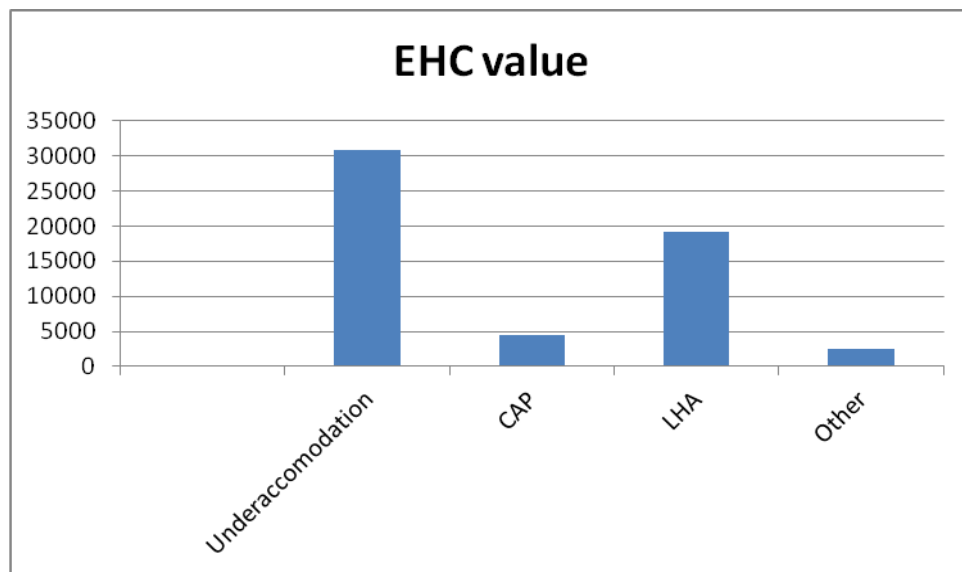
## Discretionary Housing Payments

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.

	DHP claims awarded <u>in all</u> of 12/13	DHP requests received April to September 2013
East Herts Budget £162 055	161	237
Stevenage Budget £163 535	110	232

- 2.2.2 Most awards are made for three month periods, 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.
- 2.2.3 Those customers affected by the under accommodation restrictions living in properties with significant disabled adaptations etc were awarded 50% of their shortfall for six months, in an attempt to offer some degree of certainty to those least able to find alternative accommodation.
- 2.2.4 As part of the ongoing monitoring and review of spend in this area, we have been able to offer improved support to those with disabled adaptations from October. This will give 100% of the shortfall until the end of the financial year.
- 2.2.5 The graphs below shows where the DHP has been spent in relation to cause of request.





- 2.2.6 It is unlikely that we will know what the DHP budget will be for 14/15 until the new year.

### **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 18 September 2013.*

- 2.3.2 Initial investigations indicate that some differences may be attributed to customer behaviour. This is best demonstrated by an example. Consideration will be given as to how best to address these customer behaviours to improve service delivery.

### **Customer “A”**

Customer A, submits a claim form which is partially completed and includes only some of the necessary evidence. The performance indicator starts counting on receipt of this incomplete claim form.

The service writes to the customer advising what information is necessary to complete the application. The customer has one

month to provide this information before the claim is deemed defective.

The customer provides some of the required information after three weeks but not enough for the claim to be assessed.

The service has to write to the customer again. Depending on how much information is missing, the customer may be given additional time to produce the data, beyond the one month statutory period, which commenced at the initial request date.

*It is worth noting that the service does not have to grant this additional time. It could deem the case defective after one month, and the customer would have to reapply. This would improve the performance statistics but not provide a high level of customer service.*

The customer provides the remaining information, enabling the claim to be assessed. The performance clock now stops.

### **Customer “B”**

Customer B submits a claim form and all necessary evidence to assess his claim. The performance indicator starts counting on receipt of the claim form. The claim is assessed and put into payment. The performance clock now stops.

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

New Claims	East Herts Days	Stevenage Days
April	22.65	43.05
May	27.42	48.36
June	29.03	39.62
July	32.41	37.02
August	24.86	30.06

- 2.3.4. As previously discussed, the SBC new claims caseload required some tidying up at the beginning of the year, producing higher timelines. This was because if a claim becomes defective but is not manually closed down by an officer, the performance indicator clock keeps ticking.

	Cumulative average time to process new claims and changes in circumstances for Housing Benefit.
East Herts	13.44 days (6 data cuts)
Stevenage	26.08 days ( 5 data cuts)

- 2.3.5 From mid September the processing of some ATLAS files will be partially automated. This will contribute to improvements in changes in circumstances performance and reduce overpayments created by the frequent alterations in awards of working and child tax credits.

## 2.4 Benefits CAP

- 2.4.1 The Benefit cap was introduced between July and September 2013. Pre introduction, the DWP advised of 42 households in East Herts and 74 households in Stevenage were likely to be affected. The current position is:

Households affected by the Benefits CAP	East Herts Households	Stevenage Households
Expected	42	74
Actual at 23.9.13	30	35

The impact on the Discretionary Housing Payment fund has as yet been less than initially expected. Only five applications for DHP (3 for EHC and 2 for SBC) have been received to date.

## 2.5 Council Tax and Business Rates

- 2.5.1 The Revenues service have also been affected by the impact of welfare reforms.  
It was not possible prior to April to adequately quantify the additional burden on resources that the introduction of CTS would have on the service. This has been two fold.

- 2.5.2 Firstly the level of enquiries to the service in respect of the reduced 'benefit award' affecting in excess of 8200 (working age) properties.
- 2.5.3 Secondly the ongoing increase in 'management' of the collection and recovery of council tax from in excess of 6500 accounts which previously had their full liability paid automatically by Council Tax Benefit. These accounts are disproportionately more resource intensive than non benefit dependant properties.
- 2.5.4 The technical changes in Council Tax in relation to empty and uninhabitable homes is a further source of communication and complaint.
- 2.5.6 Every change in Benefits generates a new Council Tax bill, revised payment profiles and or recovery actions. As demonstrated above, the frequency of changes administered has also increased since the shared service was scoped, and the impact of this on the Revenues workload should not be underestimated.
- 2.5.7 One indicator of this impact is demonstrated by the increase in reminders issued to Council Tax payers.

	Reminders issued 2012 April-September	Reminders issued April-September 2013-14	Average value of reminder in 2013-14	% change
East Herts	9044	10536	£111.99	16.5%
Stevenage	6399	11254	£96.08	75.8%

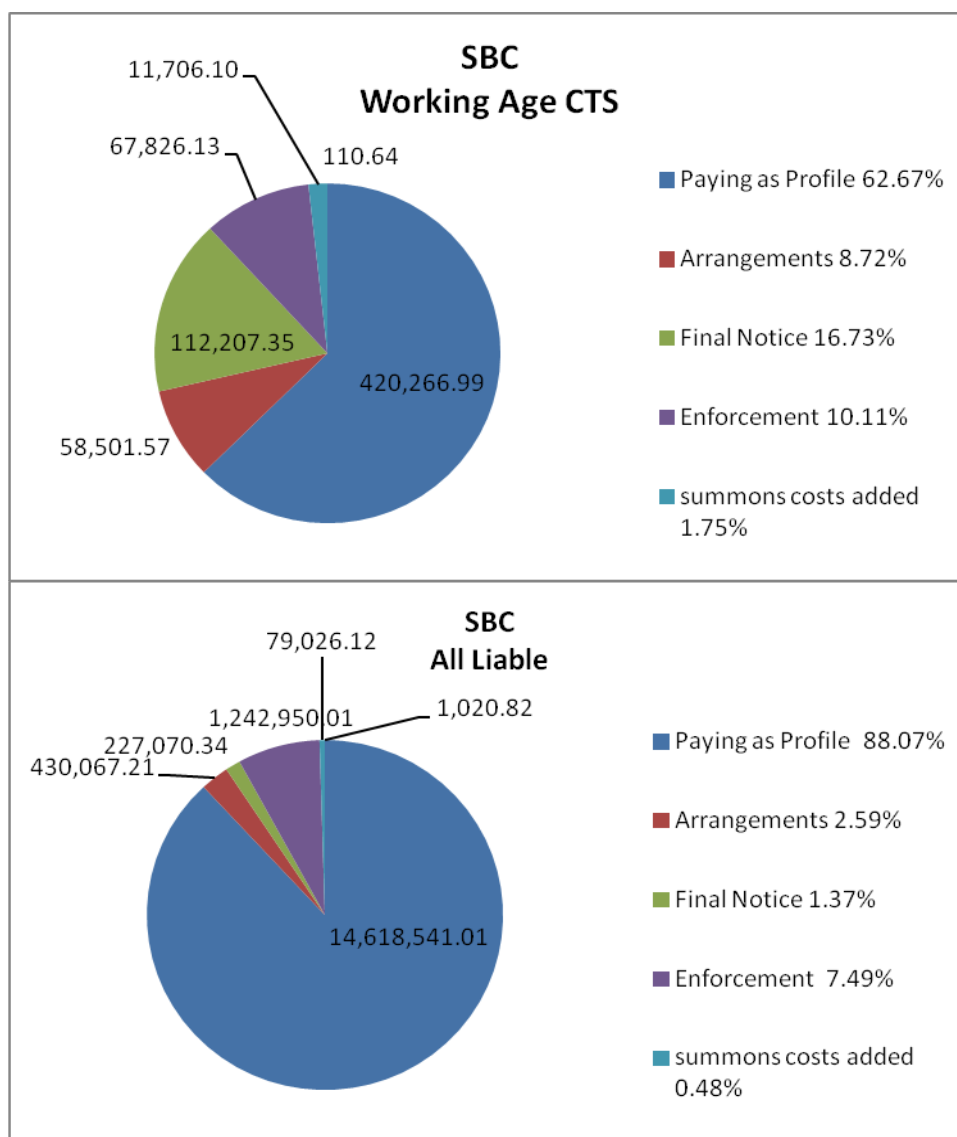
- 2.5.8 There were approximately 6530 customers on the 31.3.13 who received 100% of their Council Tax liability paid for by Council Tax Benefit. They would previously have had little interaction with the revenues service other than a bill each March confirming that they had nothing to pay for the coming financial year. These customers have proved to be resource intensive, and consequently existing customers (both Council Tax and Business Rates) have experienced a deterioration in the level of service that they are accustomed to.

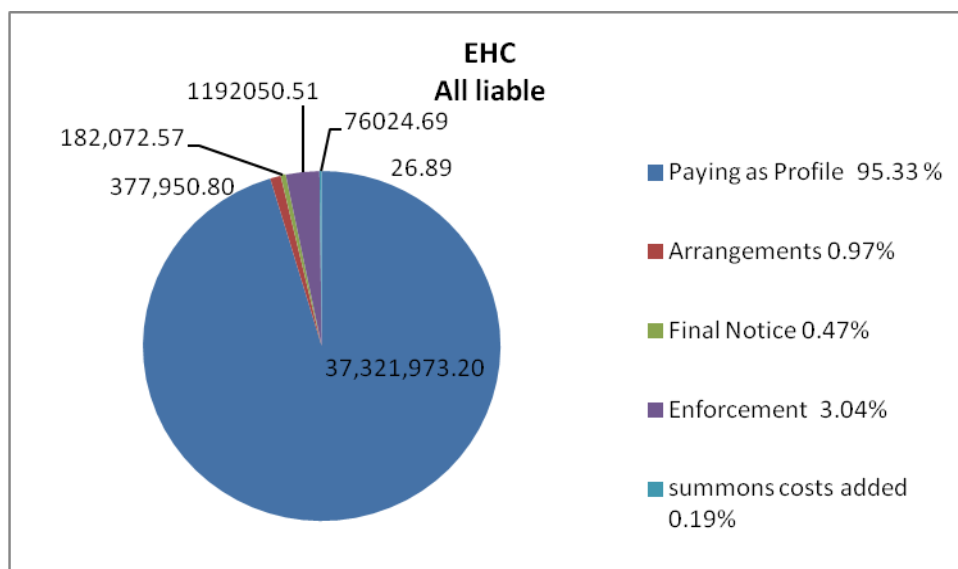
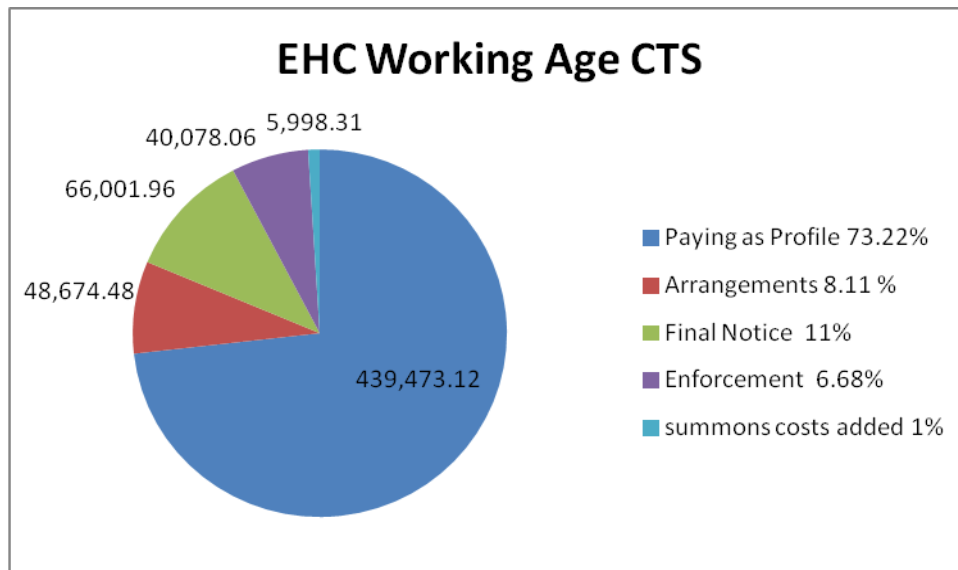


2.5.9 In an attempt to support these new payers, additional letters have been sent encouraging payment of the liability and encouraging them to avoid the additional £80 costs when a summons is generated. Summons action has been deferred until October on these cases.

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.

The arrears profile in September for all customers, and for those working age customers in receipt of CTS are detailed below.





2.5.10 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.

2.5.11 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.

- 2.5.12 An 'anytime' contract for offsite capacity for Revenues and Benefits services was put out to tender recently, and is currently undergoing the review process. This should prove access to resources as and when needed over a four year period, subject to need and available funds.

## 2.6. **Budget Monitoring**

- 2.6.1 The 2012/13 budget outturn has been approved by Directors and is attached at **Essential Reference Paper 'B'** for consideration.
- 2.6.2 Work has commenced on the budget for 13/14 and will be reported separately.
- 2.6.3 Retained costs:** Stevenage Councils retained costs in the 2012/13 budget are currently £382,266. Following a review of these costs, the Directors are in discussion over their accessibility.

## 3.0 **Future Challenges**

- 3.1 Universal credit has had significant press coverage in recent months, and it is unclear from the various reports exactly how much progress is being achieved towards national roll out. It is increasingly unlikely however that there will be any significant impact on the service during the first half of 2014/15.
- 3.2 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.
- 3.3 The transfer of Pensioner claims into the pension service (they are not included in universal credit) may also slip beyond the last 2016 target.

## 4.0 **Customer charter**

- 4.1 The service plan for the shared service included an objective to devise a customer charter for approval by the shared service Members committee in October 2013. The attached Customer Charter is attached therefore for approval. Please see **Essential Reference Paper 'C'**.

## 5.0 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.

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Councillor M Tindale, Executive Member for Finance (East Herts Council).

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