

EAST HERTS COUNCIL

EAST HERTS COUNCIL AND STEVENAGE BOROUGH COUNCIL
JOINT REVENUES AND BENEFITS COMMITTEE – 29JUNE2015

REPORT BY THE HEAD OF REVENUES AND BENEFITS SHARED
SERVICE

QUARTERLY UPDATE

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- To report to Committee the position in respect of the following areas:
 - Performance reporting
 - Other challenges

<u>RECOMMENDATION FOR EAST HERTS COUNCIL AND STEVENAGE BOROUGH COUNCIL JOINT REVENUES AND BENEFITS COMMITTEE:</u> That

(A)	The report be received.
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1.0 Background

1.1 This report includes an overview of performance in 2014/15 and details future objectives and challenges.

2.0 Report

2.1 **Performance reporting**

2.1.1 The workload received by the Benefits Service in 2014/15 has increased again. Stevenage increased by 7.9%, whilst East Herts increased by 3.8%. Since 2010/11 this means the workload for Stevenage has increased by 58% and East Herts 69%.

2.1.2 Council Tax collection.

The performance measure looks at the proportion of the current years liability collected in that year.

Stevenage collection rate was 96%, which is the highest since 2011/12, and East Herts 98.2, an improvement on 2013/14.

2.1.3 Business Rates

The performance measure looks at the proportion of the current years liability collected in that year.

Stevenage collection rate was 97.38%, which is the highest since before 2011/12, and East Herts 96.97, an improvement on 2013/14.

2.1.4 Housing Benefit processing. (N181)

This performance indicator measures the average processing time for new claims and changes in circumstances.

Stevenage N181 was 10.82 days, the best result since at least 2009/10.

East Herts N181 was 10.28, close to the performance for 13/14. These results demonstrate a harmonising of performance across the two Councils.

These core indicators represent a significant achievement for the shared service in the face of the welfare reforms and changes in local government finance.

2.2 Discretionary Housing Payments

2.2.1 The demand for Discretionary Housing payments arising from the changes in the welfare reforms has not abated. Unfortunately the Government grant for 2015/16 has reduced significantly for both Councils. In 14/15 Stevenage topped up the grant by approximately £13,000 to meet the demand.

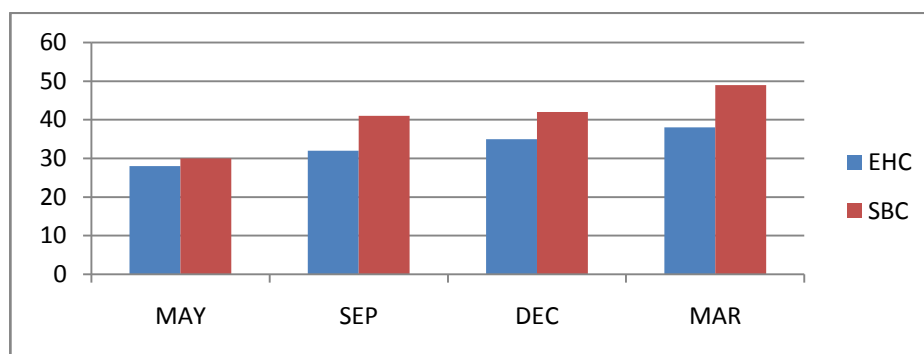
2.2.2 Members have previously expressed their desire to support those most vulnerable residents, particularly those with significant disabilities.

	2014/15	2015/16	Reduction
Stevenage	£183,788	£156,565	£27,223
East Herts	£156,347	£124,641	£31,706
Totals	£340,135	£281,206	£58,929

2.2.3 The most significant area of spend continues to be in relation to the spare room subsidy.

2.3 Benefits CAP

2.3.1 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. The table below demonstrates the trend during 2014/15.



2.3.2 At the time of writing the Queens Speech is expected to include announcements of a reduction in the CAP level from £26k to £23k. It is not known at this point how many more families will be affected by this potential adjustment.

2.4 Universal Credit.

2.4.1 Both Stevenage and East Herts should be affected to a small degree by the introduction of universal credit by the very end of 2015/16. This is currently only affecting "single people with no dependent children, who would otherwise apply for JSA".

2.4.2 East Herts has yet to be contacted by the DWP in respect of any role that it might wish to engage with during this particular role out. Stevenage are working on options through their Housing Services department. This initial period only runs to 31/03/2016 before a new phase is expected.

2.4.3 The speed of roll out is unclear currently due to the recent general elections. It is anticipated that more information will become available as the new administration settles in.

2.4.4 There remains no indication of any scheme for pensioners who will until further notice remain eligible for Housing Benefit.

2.5 **Queens speech**

2.5.1 The Queens speech announced a number of policy objectives that will impact on Housing Benefit and Council Tax Support. These include;

- A working-age benefit freeze.
The new legislation would freeze the main rates of the majority of working age benefits, tax credits and Child Benefit for two years from 2016-17. Pensioners would be protected, as would benefits relating to the additional costs of disability. Statutory payments, such as Statutory Maternity, Paternity, and Adoption Pay would also be exempted.
- The new legislation would lower the benefit cap so that the total amount of benefits a non-working family can receive in a year would be £23,000.
Households are exempt where someone is entitled to Working Tax Credit or is in receipt of benefits relating to additional costs of disability, or War Widow's and Widower's Pension.
- Put in place a new Youth Allowance for 18-21 year olds with stronger work related conditionality from Day 1. After 6 months they will be required to go on an apprenticeship, training or community work placement;
- Remove automatic entitlement to housing support for 18-21 year olds;

2.5.2 We are unable to change the Council Tax Support scheme regulations midyear, and accordingly there may be a disparity in entitlement for these customers.

2.5.3 There is a significant amount of speculation at this time around further welfare reforms but no formal notice has been received in respect of any yet.

2.6 Single Fraud Investigation Service (SFIS)

2.6.1 The DWP's single fraud investigation service subsumed the Benefits fraud team from the 1 May 2015 for both Stevenage and East Herts.

2.6.2 New procedures for referring cases to the DWP are in place, but we remain responsible for providing relevant information, carrying out adjudications and the collection of any overpayments.

2.6.3 The monthly data matching exercises also continue and we remain responsible for the initial investigation and evaluation of these prior to any referral back to the DWP for formal investigation when appropriate.

2.6.4 Both Councils are taking part in the DWP's latest initiative to reduce fraud and error called FERIS. We successfully bid for a small amount of funding for resources to specifically review higher risk cases, and achieved the maximum available award. All the funding must be used on additional staff costs.

2.6.5 Further funding may be available if the project identifies substantial fraud or error which reduces the ongoing benefit awards. This will of course increase the amount and value of overpayments which need to be recovered and reduce the level of full subsidy received by each council.

	FERIS AWARD
Stevenage	£14, 364
East Herts	£13, 155
Totals	£27,519

2.7 Shared Anti-Fraud Service (SAFS)

- 2.7.1 Stevenage and East Herts are now members of the SAFS group, part of the Shared Internal Audit Service, who will deliver a range of anti-fraud functions for the member authorities.
- 2.7.2 We are awaiting details of the services they will provide to the shared service. There will be more detailed briefings on the service being provided, directly from SAFS coming out in the near future. The service was officially launched on 10 June 2015 and a hot line has already been established.

2.8 New Business rates team

- 2.8.1 The shared service has established a small specialist Business Rates team following the additional resources allocated to the service re-sizing report which supported permanent recruitment to the shared service.
- 2.8.2 The team's objectives include increasing in –year recovery rates, reducing prior year arrears and looking for opportunities to increase the rateable value on which the Councils income is assessed.
- 2.8.3 The work of the team is supported by the use of an online business rates product which provides essential information about properties and how they have been assessed for business rates.
- 2.8.4 It also provides valuation advice on the type and value of appeals against rateable values lodged with the Valuation Tribunal.
- 2.8.5 The team aims to have a closer relationship with business rates payers to ensure that advice on discounts, exemptions and payment arrangements is provided effectively.

2.9 Council Tax

- 2.9.1 The shared service had originally set up the Revenues team to be generic across both Council Tax and Business rates, in both billing and recovery stages.
- 2.9.2 The establishment of the separate business rates team has enabled further specialisation within the remaining staff into billing

and collection. These staff work as generic revenue Officers, but specialise in one of these two disciplines, whilst being able to provide cover for both areas. This additional focus on billing and recovery is intended to further improve in-year collection rates as well as addressing prior year arrears.

2.10 Training

2.10.1 At least four staff will be training for qualifications with the IRRV (Institute of Revenues Rating and Valuation) this autumn, and six staff have recently completed NVQ's and are awaiting their final assessments.

2.10.2 This investment in staff and the increased knowledge and confidence that they bring to the shared service provides a positive position from which to address the challenges ahead.

2.11 Service plan objectives 2015/16

2.11.1 The agreed service plan is detailed below. This illustrates both the direction of travel and emphasis of non operational activity during this year.

<ul style="list-style-type: none">• Evaluate the Council Tax Support scheme (CTS) and make recommendations for a revised scheme if appropriate for 2016/17.

<ul style="list-style-type: none">• Evaluate the NNDR valuation list and explore options to ensure that the maximum appropriate rating valuation (RV) is being collected.

<ul style="list-style-type: none">• Implement the changes to the benefits system resulting from the welfare reform, continue working with partners to support customers, and develop the 'Here to Help' agenda, whilst responding proactively to any plans for the roll out of universal credit.
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<ul style="list-style-type: none">• Implement and develop new Business Rates Team developing relationships with charge payers and increasing in year recovery rates and reducing outstanding arrears.

<ul style="list-style-type: none">• Review the way in which Benefits service are delivered and evaluate a re-engineering of the service to provide assessment at point of contact.
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| <ul style="list-style-type: none">• To continue channel shift to self service options for customers and to explore further self service facilities for future development. |
| <ul style="list-style-type: none">• Review the way in which Council tax is collected and recovered and consider alternatives to increase in year collection rate and arrears reduction. |
| <ul style="list-style-type: none">• To manage the transition for Benefit and other fraud from internal provision to SFIS (DWP) and SAFS (shared anti-fraud service). |

2.12 Other areas of focus during the year.

2.12.1 Print and post contract

We are currently exploring a new print and post contract which in addition to undertaking the annual billing activity, is intended to produce savings for the Councils and create some additional capacity to achieve the objectives detailed in the service plan. This would be achieved by sending the majority of outgoing mail to be printed and enveloped by the company. They can achieve significant savings on postage not otherwise accessible to us.

2.12.2 New document management system

A business case is being drawn up in conjunction with the shared IT service to replace the existing document management system. This will provide improved performance monitoring information as well as greater flexibility and efficiency in the ways of working.

2.12.3 Enforcement framework

The service also hopes to use a new Enforcement framework to review current enforcement arrangements and explore any additional services that will assist recovery rates.

2.12.4 Supporting customers

The service is also exploring additional sources of free advice and support for customers in financial difficulty, with a view to early intervention preventing the additional costs of enforcement action being necessary.

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.

Contact Members:

Councillor J Lloyd, Executive Member for Resources (Stevenage Borough Council).

Councillor E Buckmaster, Executive Member for Health and Wellbeing (East Herts Council).

Councillor G Williamson, Executive Member for Finance and Support Services (East Herts Council).

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