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Cabinet Member (Strategic Finance and Resources)

2 December 2013

**Name of Cabinet Member:**

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

**Director Approving Submission of the report:**

Executive Director Resources

**Ward(s) affected:**

All

**Title:**

Performance within the Benefits Service for the period April 2013 – September 2013

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**Is this a key decision?**

No. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

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**Executive Summary:**

The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the benefits service during the financial year 2013/14. The benefits service in Coventry administers more than £160 million (paying Housing Benefit and Council Tax Support) to more than 40,000 households. The service processed the average new claim for benefit in 24.8 days and processed the average notification of a change in circumstances in 19.7 days.

**Recommendations:**

The Cabinet Member is requested to:

- 1) Endorse the performance of the benefits service for the period 1 April 2013 to 30 September 2013.
- 2) Agree to receive a further report at the first meeting of the 2014/15 municipal calendar to provide an update for the financial year 2013 -14.

**List of Appendices included:**

None

**Other useful background papers:**

None

**Has it or will it be considered by Scrutiny?**

No

**Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

**Report title:**

Performance within the Benefits Service for the period April 2013 – September 2013.

**1 Context (or background)**

- 1.1 Coventry benefits service administers more than £131 million in housing benefit (HB) and £30 million for council tax support (CTS) payments each year to more than 40,000 Coventry households.
- 1.2 During the first six months of 2013-14, the Service has dealt with a number of additional pressures through the Governments significant programme of Welfare Reforms. These changes include:
  - The introduction of Council Tax Support (replacing Council Tax Benefit).
  - The size restriction in socially rented properties (also referred to as the 'bedroom tax' or 'spare room subsidy).
  - A new Community Support Grant Scheme (replacing Crisis Loans and Community Care Grants – previously administered by the Department for Work and Pensions (DWP)).
  - Administering the National Benefit Cap from July 2013.
  - Additional funding to support people impacted by the changes through the Discretionary Housing Payment fund.

Summary of Performance

- 1.3 During the period 1 April 2013 to 30 September 2013 the benefits service has processed new HB/CTS claims in an average of 24.8 calendar days. This is below the operational target of 23 days – but an improvement of 2.4 days when compared to the same period last year (when the year-end figure was 24.6 days).
- 1.4 This report will also describe the operational context for this performance and the improvements the Service has made to deal with the challenges of a constantly changing welfare reform agenda.
- 1.5 The Department for Work and Pensions (DWP) has published the latest comparative data on benefit processing performance as National Statistics for the first quarter of 2013/14. This shows the national average for new claims to be 24 days (the same figure Coventry reported in that quarter). Comparison with other West Midland unitary councils for the same period shows that Coventry had the second best level of performance.

Council	Number of days to process new claims
Dudley	14
<b>Coventry</b>	<b>24</b>
Sandwell	24
Birmingham	26
Wolverhampton	27
Solihull	28
Walsall	35

Fig 1: New claims comparison Q1 2013/14 – source DWP

- 1.6 This performance has been achieved through maintaining focus on new claims and staff taking 'ownership' of the outcomes for customers (eg by encouraging interviews and following up with phone calls). On line claiming is now in place for all new claims and the

Service has been receiving over 170 claims per week taken in this way since the middle of July 2013. The balance of claims (around 25%) are received direct from DWP and cannot be taken on line.

- 1.7 The average time to process a change in circumstance in the first six months of 2013/14 was 19.7 days. Whilst this is above the operational target for the year of 12.5 days it is 3.7 days better than the same period last year. The year-end total in 2012/13 was 17 days. We are expecting a similar improvement in the second six months of this year, which will bring us close to our operational target.
- 1.8 The national average for the speed of dealing with changes of circumstances was 11 days for the first three months of 2013/14. Our performance is below average. In comparison with unitary neighbours in the West Midlands our performance is fifth best.

Birmingham	6
Sandwell	9
Solihull	9
Walsall	10
<b>Coventry</b>	<b>16</b>
Dudley	17
Wolverhampton	20

Fig 2 – Average days to process change in circumstances – source DWP

- 1.9 The context for the performance is around the volumes of additional work received. In addition to the 'normal' weekly workload of over 4,000 changes to deal with, the Service has continued to receive many more through the automation of information coming from DWP. Nearly 70,000 items were received providing updates on tax credits and DWP benefits in the first six months of the year. This has added a considerable pressure to the Service whilst also dealing with the impact of welfare reform. Recent improvements to our IT software have enabled a number of these changes to be automated – a process most of the other West Midlands councils already had in place through their different software supplier.
- 1.10 Recent initiatives to clear some of the older work will assist performance in the second half of the year. The Service expects to see a reduction in the number of days processed to meet the operational target of 12.5 days by the end of the financial year. Delays in dealing with changes of circumstances can lead to unnecessary overpayments – classified as 'Local Authority Error'. This can lead to a significant loss of subsidy paid to the Council from DWP. The Service is currently on track to receive maximum subsidy. This area is closely monitored by the Service.
- 1.11 Customer enquiries have continued to increase – with staff reporting that people are reporting more complex financial issues all the time. The table below shows the figures for customer enquiries (in person and by phone) over the first six months of the last three years. The caseload has stayed relatively stable at around 40,000.

	2011/12	2012/13	2013/14	% increase
Phone calls received	37,952	42,015	43,922	+15.7%
Customers visiting CCC Benefits	23,541	24,579	25,051	+6.4%

Fig 3 – Numbers of customer enquiries at CCC – April to September figures (2011/12 – 2013/14)

### Discretionary Housing Payments

- 1.12 Discretionary Housing Payments (DHP) are used to help people in difficult circumstances with their housing costs. The new DHP policy was approved by Cabinet in March 2013. The Welfare Reforms introduced from April 2013 has resulted in considerable demands on this area of work.
- 1.13 In the first six months of 2013/14, the Service received 1,541 applications. The number of applications in 2012/13 was 727 (a 56% increase from 2011/12). At the end of September 2013, £159,620 had been allocated out of the total budget available of £798,643. The Service has recently reviewed this position and will be undertaking some promotional activity to ensure that awareness of the support available is maximised. The Service also expects a greater demand during the second half of the year due to seasonal factors (pressures with additional spending on fuel and Christmas, for example) and the on-going accumulative impact of welfare reform.

### Community Support Grants

- 1.14 The Service has successfully introduced a new Community Support Grant scheme – which has replaced the discretionary elements of the Social Fund (Community Care Grants and Crisis Loans) previously administered by DWP. The grants are designed to help vulnerable people living in Coventry who find themselves in a crisis situation or where, for example, they require support to remain in the community. The Council is now responsible for administering the £1,195,847 annual grant for these awards.
- 1.15 Payment is made by the issue of a spending card – replacing the cash based system previously used by the DWP. The Service has put in place a responsive process and has worked hard with partners to ensure money is targeted on individual needs. The new team has received 4,340 phone calls and 1,962 applications of which 940 were successful. Spending in the first six months of the new scheme totalled £162,550 (926 were collected with a value of £162,087). Whilst this is relatively low compared to the budget allocation, we do expect demand to increase during the second half of the year. The removal of cash from the system has contributed to a significant reduction in demand when compared to the previous scheme.

### Welfare Reform and communication

- 1.16 The year of unprecedented change in welfare reform saw a number of important changes which led to reductions in housing benefit. The Council decided to protect people under the previous Council Tax Benefit scheme rules under the new localisation of council tax support. There were a number of reforms which did require a significant input from the Benefit Service, which were:
- The introduction of Community Support Grants (see 1.13);
  - The introduction of the under-occupation charge for social housing tenants (also referred to as the Bedroom Tax and Spare Room Subsidy). This change was administered successfully from 1<sup>st</sup> April 2013, with 3,180 cases initially identified. All the people affected were given plenty of notice of the change, and many took up the offer to claim a DHP in advance of April. The initiative involved close liaison with all the Housing Associations – which were also very proactive in keeping their tenants informed.
  - The introduction of the national Benefit Cap (from 15<sup>th</sup> July 2013). This change meant that couples or people with children were subject to a deduction of housing benefit

when all their benefits totalled over £500 per week (£350 for single people). Some people were exempted (for example if they were in receipt of DLA). The Benefit Service worked closely with advice agencies and council colleagues in children's services (see 1.16). Around 160 families in Coventry have been affected by this change.

- 1.17 The Service has been a key contributor to effective partnership working. A strategic partnership group was developed and has been meeting monthly for well over a year to coordinate our efforts. Partners include: Coventry City Council, Whitefriars, Midland Heart, Job Centre Plus, Coventry Law Centre, and Citizens Advice Bureau.

The partnership has:

- produced two DVDs on Welfare Reform;
- designed and distributed posters highlighting under occupation and other benefit changes;
- produced leaflets with common messages;
- ran a series of 'Pop Up shops' in the City;
- been innovative in redirecting resources to put more into Money and Debt Advice; and
- held a very successful conference with over 200 attendees.

- 1.18 A further benefit of closer working has led to direct improvements for benefit customers. Joint work has taken place between partners and with the City Council to help people manage the impact of welfare reform. Joint visits have taken place (on Benefit Cap cases) and close links established as a result. On-going partnership working is in place between the Council and CAB to provide budgeting support for the people (large families) and impacted by the Benefit Cap.

- 1.19 Landlords have been kept regularly updated on welfare reform, through the Councils Landlord Forums. The Benefit Service has regularly updated the forum to ensure private landlords are aware of the impact of benefit changes. They (landlords) have continued to utilise the ability to access information on line. All Registered Social Landlords (RSLs) regularly access the data they are allowed to view – saving them time and helping to limit the number of enquiries made to the Service. A number of private landlords are also regular users of this facility. The service is keen to expand this and is making plans to reduce paper copies of information by encouraging all landlords to sign-up.

## **2 Results of consultation undertaken**

- 2.1 No consultation has been undertaken.

## **3 Timetable for implementing this decision**

- 3.1 Not applicable.

## **4 Comments Executive Director, Resources**

- 4.1 The Administration of HB/CTB is being delivered within the current budgetary provision. The achievement of 100% subsidy on LA error overpayments will continue to be monitored closely in 2013/14.
- 4.2 There are no legal implications arising from this report.

## **5 Other implications**

None

### **5.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?**

The effective administration of HB/CTB impacts on a range of agendas and supports the Council's vision and objectives for jobs and growth, supporting young people and protecting vulnerable residents.

### **5.2 How is risk being managed?**

Risks relating to fraud/corruption and the HB subsidy threshold's impact on the general fund revenue account are managed through the corporate risk register. The challenges of the significant welfare reforms are also included on the register.

### **5.3 What is the impact on the organisation?**

Welfare reform is having a significant impact on the organisation (as outlined in the report) as staff deal with the increasing volume and complexity of enquiries to the service.

### **5.4 Equalities / EIA**

No equality impact assessment has been carried out as the recommendations do not constitute a change in service or policy

### **5.5 Implications for (or impact on) the environment**

None

### **5.6 Implications for partner organisations?**

The effective administration of HB/CTB is in the interests of a number of partner organisations, including local social landlords, and the benefits service works closely with those organisations.

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