
Cabinet Member (Strategic Finance and Resources)

17 June 2014

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 – March 2014

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.

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 £162 million to around 40,000 households. The service processed the average new claim for housing benefit and council tax support in 23 days and processed the average notification of a change in circumstances for Housing Benefit in 12.2 days.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the benefits service for the period 1 April 2013 to 31 March 2014.
- 2) Agree to receive a further report to provide an update for the period April 2014 to September 2014.

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 – March 2014.

1 Context (or background)

- 1.1 Coventry benefits service administers more than £134 million in housing benefit (HB) and £28 million for council tax support (CTS) payments each year to around 40,000 Coventry households.
- 1.2 2013/14 saw a year of unprecedented welfare reforms, with changes to Housing Benefit (Social Sector under-occupation and the Benefit Cap), Council Tax Benefit (abolished and replaced with Council Tax Support), and the localisation of elements of the social fund (Community Support Grants). The Benefit Service has implemented all the changes successfully, and at the same time shown improvement in its performance.

Summary of Performance

- 1.3 During the period 1 April 2013 to 31 March 2014 the benefits service has processed new HB/CTS claims in an average of 23 calendar days which meets the operational target and is an improvement of 1.6 days when compared to the previous year (see figure 1 below). 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.
- 1.4 The operational target for processing new claims in 2013/14 is 23 days. The chart below shows the best recorded performance for new claims processing in Coventry.

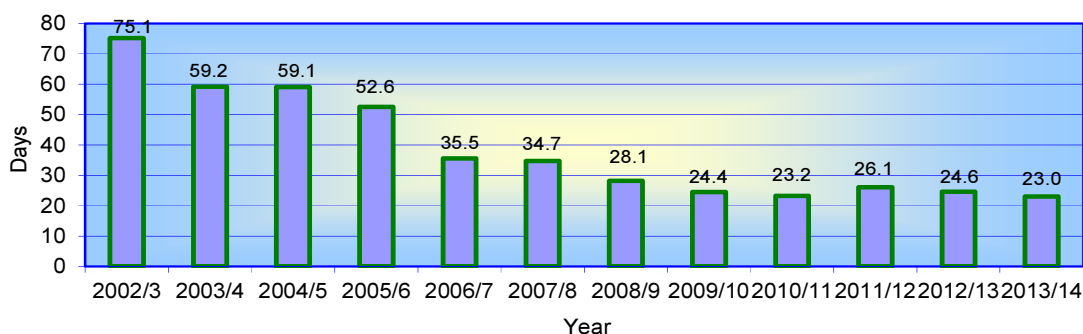


Fig 1 – Average number of days to process new HB/CTS claims

- 1.5 The Department for Work and Pensions (DWP) has published comparative data on benefit processing performance as National Statistics for the first three quarters of 2013/14. This shows the national average for new claims to be 23 days. Our own benchmarking with the other large benefit services (core cities) in England shows that Coventry performed second best out of 16 councils. The Service will update the Cabinet Member with benchmarking information in the report due for the half-year for 2014/15.
- 1.6 This performance has been achieved through the continued commitment to encourage customers to claim 'on-line'. All new claims have been made in this way since July 2013. This has enabled customers to receive the benefit more quickly and has 'freed-up' staff time to help others. Customers with difficulties using this approach are supported personally by our staff in person or over the telephone.

1.7 The move away from council tax benefit (CTB) to council tax support (CTS) since April 2013 has meant a slight change in the way performance information is reported. DWP now only report nationally on Housing Benefit (HB) performance. The average time to process a change in circumstance for HB was 12.2 days. This was within the operational target for the year of 12.5 days (as illustrated in figure 2 below). The Service continues to report on the speed of processing changes for CTS. Our IT system can only report a combined figure with HB included. The total combined figure for the year was 14.8 days which is an improvement of 2.2 days when compared to the 17 days recorded in 2013/14.

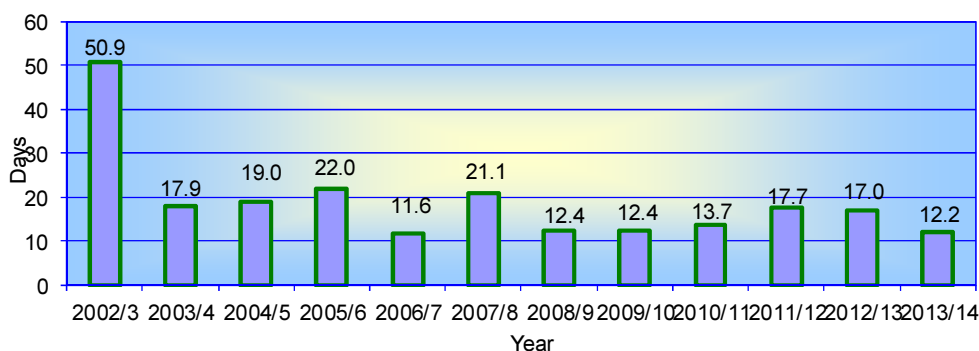


Fig 2 – Average days to process change in circumstances

1.8 The DWP reported national average in processing changes of circumstances is 11.3 days. This is the same as the average of our core cities benchmarking group. The software to allow more automation of some changes in circumstances is being installed in May 2014. This will help our other efforts to further improve performance in this area.

2 Background to performance

Welfare Reform

- 2.1 The significant changes to the welfare benefit in the City included:
- Council Tax Benefit abolished and replaced with Council Tax Support;
 - The introduction of the national benefit cap;
 - The introduction of an under-occupation charge for social sector tenants (otherwise known as the ‘bedroom tax’ or ‘Spare room subsidy’);
 - Setting up a Community Support Grant system to deal with the localisation of previous elements of the Social Fund (Community Care Grants and Crisis Loans); and
 - More money available to grant ‘Discretionary Housing Payments’
- 2.2 All of these major reforms were delivered on time. The Council worked very closely with other ‘partners’ in the City to help to limit the impact of the reforms. A specific ‘working together’ group (set-up through the Coventry Partnership) led a number of initiatives, including joint publicity, joint home visits, radio coverage and attending ‘pop-up shops’. This was supported by regular meetings to share information in order to ensure that our resources were maximised for the good of local people.
- 2.3 Council Tax Benefit was abolished from 1st April 2013 and replaced with Council Tax Support. Coventry was one of just under 60 (and just over 40 in 2014/15) councils which decided to keep the same rules as the previous CTB scheme. This continued to support people with the same level of benefit and thus relieving some pressure on people facing difficult financial circumstances.

- 2.4 The national benefit cap was phased in between July and September 2013. The number of people subject to the cap is lower than the original estimate provided by DWP (around 270). At any one time there are between 140 and 150 families affected in Coventry. The Council has worked closely with partners to raise awareness and provide support (eg money advice). As this change was fully implemented in the middle of the financial year, the overall impact of the change is not yet known.
- 2.5 The reduction in benefit due to under-occupation in the social housing sector was one of the more high profile reforms. In Coventry, the number of households affected was originally over 2840. This reduced to 2421 by the end of the financial year. There is no data available to analyse the reasons for the reduction but it is likely to be a combination of people ‘downsizing’, taking in lodgers and other changes in circumstances. Again, some very proactive partnership working took place to advise people of the impacts (one room, £13 per week and two or more rooms, around £22.50 per week) – and provide support, especially through discretionary housing payments (DHPs, see below).
- 2.6 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 meant that there were considerable demands on this area of our work.
- 2.7 The number of applications in 2013/14 increased from 727 to 2,999 (over 400% increase) compared to 2012/13. Over £811,000 of our DHP allocation of £798,000 was allocated. The balance was met from an underspend on Community Support Grants. This compares with £377,000 awarded in 2012/13 and £130,000 in 2011/12 (both years spending the full allocation).
- 2.8 Customers have a statutory right to appeal their housing benefit and council tax support decisions. The number of appeals increased significantly (nearly 21%) over the last 12 months – from 274 (in 2012/13) to 331 in 2013/14. The quality of our decision making remains strong with just five cases out of 48 found against the Council decision by the Tribunal Service. Whilst only about 10 appeals relate directly to welfare reform (bedroom tax and benefit cap), people do seem to be appealing on relatively small amounts of money

Customer service

The number of people making enquiries about their benefit continued to be very high. This is despite a slight drop in the caseload, from 39,960 to 39,518 over the last 12 months. Over the last two years, the total number of people visiting our offices in Spire House has increased by nearly 4,400 (per year). More customers have been seen and waiting times have reduced – both for personal callers and on the telephone.

	2011/12	2012/13	2013/14	Increase over 2 years
Visitors	45,093	47,445	49,555	+9.9%
Phone calls received	80,848	86,112	85,037	+5.2%
Phone calls answered	49,710	53,174	56,811	+14.3%

Fig 3: Numbers of visitors and phone calls (received and answered)

LA error overpayments

- 2.9 Work has been effectively prioritised to minimise Local Authority (LA) error overpayments. LA error overpayments totalled £479,000 compared to £671,000 for the previous year. This is below the threshold of around £618,000. Although the previous year included council tax benefit, a 'like for like' comparison still shows a significant reduction from £553,000 in housing benefit overpayments. The Council receives 100 per cent subsidy for LA error overpayments (on housing benefit payments) providing the overpaid amount does not exceed 0.48 per cent of normal benefit payments of over £134 million.

Community Support Grants

- 2.10 The Service has successfully managed its first year of Community Support Grants – which 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.
- 2.11 The work volumes were high – although much lower than the previous scheme, which largely focussed on cash awards:
- Over 8,600 phone calls;
 - Nearly 4,000 claims made; and
 - £350,500 awarded.

The team responded to all requests for assistance very promptly with the average telephone waiting time of just over 30 seconds (with only 5% of calls abandoned).

3 Results of consultation undertaken

- 3.1 No consultation has been undertaken.

4 Timetable for implementing this decision

- 4.1 Not applicable.

5 Comments from Executive Director, Resources

- 5.1 The Administration of HB/CTB is being delivered within the current budgetary provision. The achievement of 100% subsidy on LA error overpayments, referred to in paragraph 2.9 will continue to be monitored closely in 2014/15.
- 5.2 There are no legal implications arising from this report.

6 Other implications

None

6.1 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/CTS 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.

6.2 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.

6.3 What is the impact on the organisation?

Welfare reform is having a significant impact on the organisation (as outlined in section 6.4 of the report) as additional staff, agency staff and acting up arrangements are required to deal with the increasing volume and complexity of enquiries to the service.

6.4 Equalities / EIA

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

6.5 Implications for (or impact on) the environment

None

6.6 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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