

Title: Revenue and Benefits Service 2013/14

Wards Affected: All Wards

To: Overview and Scrutiny Board On: 21 May 2014

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1. Purpose of the Report

1.1 The purpose of this report is to update members on

- The work of the Revenues and Benefits Service during 2013/14
- Claim processing times

2. Key points and Summary

2.1 During 2013/14 the Revenues and Benefits Service was responsible for the collection and payment of approximately £77.6 million in Council Tax, £36.9 million in Business Rates, £67.3 million in Housing Benefit payments and £12.9 million in Council Tax Support. It also awarded just over £0.250 million in Crisis Support payments.

2.2 We also gained £0.165 million (unaudited until November 2014) extra Housing Benefit subsidy through maintaining Local Authority error overpayments below DWP thresholds.

2.3 The service has been subject to an unprecedented level of change to legislation relating to Business Rates, Council Tax, Housing Benefit and Council Tax Benefit. All of the changes had an implementation date of 1 April 2013.

2.4 The key changes were:

1. Abolition of the national Council Tax Benefit Scheme and the localisation of Council Tax support
2. Social sector size restrictions for Housing Benefit (Bedroom Tax)
3. Benefit Cap
4. Localised welfare provision – Crisis Support
5. Technical reforms of Council Tax
6. Local retention of Business Rates

- 2.5 It has been an enormous change programme with extremely challenging timescales for delivery. In addition to this work we undertook the usual annual billing and year end processes for Business Rates, Council Tax, Housing Benefit and the replacement for Council Tax Benefit (Council Tax Support).
- 2.6 These processes alone present a very real challenge for the team each year and the addition of the above changes meant a complete redesign of the approach to annual billing and an unprecedented workload, with much at stake for the Council and our residents if any of the work could not be completed on time.

3. Background

- 3.1 The number of people claiming Housing Benefit and Council Tax Support in January 2014 was just over 19,500. According to the 2011 Census there are 59,000 households in Torbay, which means nearly 1 in 3 households are financially supported by both schemes and just over half of them are of working age.
- 3.2 Over the past five years the Housing Benefit caseload has risen by nearly 16% to 13,940. During this period the number households renting from the private sector have increased by 20% to constitute 68% of the Housing Benefit caseload.
- 3.3 There has also been a marginal increase in the Council Tax Benefit/Support caseload over the past five years by just over 2% to 16,751. Following the scheme change from Council Tax Benefit to Council Tax Support in April last year, the number claiming fell by around 650 cases, which to a degree off set the year on year increase in caseload. Working age households receiving less than £4 per week in Council Tax Benefit generally lost their entitlement and those that had capital over £6,000 or received second adult rebate were no longer entitled.
- 3.4 Torbay's Housing and Council Tax Benefit caseload in comparison with other Devon Councils is attached as Appendix 1.
- 3.5 In 2013/14 approximately 170 new Housing Benefit and/or Council Tax Support claims were processed each week. When a claim is received, if we do not have all the evidence required to process the claim we contact the claimant and the legislation allows the customer up to 30 days to provide this information. However, processing times are calculated from the date the application is received, so if the information is not returned promptly this can be severely affected. These cases have a negative impact on new claim processing, but is not within the control of the council.
- 3.6 Once a claim is in payment the claimant has a legal obligation to inform the council of any changes in their personal circumstances that could affect their claim. In 2013/14, just over 1,000 change of circumstance requests were processed each week. If changes are not dealt with promptly and the level Housing Benefit remains unchanged it may result in Local Authority

overpayments that could have been prevented, which increases the risk of not qualifying for full rate subsidy.

4. Performance Overview

- 4.1 Since 2009 demand for Housing and Council Tax Benefit/Support has significantly increased.

Historic Volumes

1st April	Number of New Claims and Changes of Circumstances Processed	Caseload	Assessment Staff
2009/10	52,600	18,077	38
2010/11	53,600	19,236	35
2011/12	67,900	20,004	30
2012/13	68,100	20,336	28
2013/14	62,900	19,689	25
2014/15	-	19,450	26

Performance against Target

	New Claims (Days to Process)	Target (days)	Changes of Circumstances (Days to Process)	Target (days)
2009/10	26.13	20	11.04	10
2010/11	30.02	20	12.44	10
2011/12	20.47	20	9.31	10
2012/13	18.00	17	9.25	7
2013/14	23.43	17	12.04	7

- 4.2 A significant impact on work has been caused by the DWP's ATLAS (Automated Transfers to Local Authority Systems) project which began three years ago. This involves the transfer of data in relation to changes to Welfare Benefits claimed from DWP and Tax Credits claimed from HMRC. As a result there has been a substantial increase in workload, where the process sometimes duplicates information already received from customers and on other occasions advises customers of changes that the HMRC have yet to notify. This has an impact on the processing times.
- 4.3 In addition the changes resulting from the Government's Welfare Reform agenda have been administered by Revenue and Benefits, including the introduction of the new Council Tax Support scheme and the social sector size restrictions for Housing Benefit (bedroom tax) in April 2013 and the introduction of the Benefit Cap in July 2013.
- 4.4 Torbay's claim processing times in comparison to the National Statistics and other Devon Councils for 2013/14 is attached as Appendix 2.

5. Current Performance

- 5.1 Since April we have on average been processing 150 new claims and 980 change of circumstance requests each week.
- 5.2 Claim processing times have increased further and are currently taking 44 days to process new claims and 14 days for changes of circumstances. This increase can be attributed to the resourcing issues, caused by long term sickness as well as the increase in workload due to seasonal employment and other factors affecting the local economy.

6. Financial Implications

- 6.1 Housing Benefit represents a significant “business”. In 2013/14 Housing Benefit and Council Tax Support payments exceeded £80.2 million. Good performance is important to meeting our customer needs. Any deterioration in performance could result in, for example.
- Increase in “local authority error” overpayments, leading to reduced subsidy from Central Government
 - Potential increase in overpayments which may not be recoverable

Paul Looby
Executive Head of Finance

Appendices

Appendix 1 – Housing and Council Tax Benefit Caseloads (February 2013)

Appendix 2 – Claim Processing Times (2013/14 – 1 April to 31 December)

Appendix 3 – Impact of Welfare Reform on Torbay Council