

Report to: **Overview & Scrutiny Panel**
Date: **6 July 2017**
Title: **Revenues & Benefits Performance and Service Update**
Portfolio Area: **Customer First – Cllr Bastone**
Wards Affected: **All**
Relevant Scrutiny Committee:

Urgent Decision: **N/A** Approval and clearance obtained: **Y**

Date next steps can be taken:

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RECOMMENDATIONS:

That the Panel NOTE the:

- 1. current position and performance of the Revenues & Benefits Service; and**
- 2. initiatives and improvement currently under development**

1. Executive summary

- 1.1 This report seeks to give Members more of an insight into the current performance of the Revenues & Benefits service areas. It is also intended to give an update and assurances about how these key areas of business, with high levels of customer interaction are continuing to develop, using innovative new products that will improve customer service and drive through efficiency.

2. Background

- 2.1 The Revenues Service exists to collect Council Tax from Residents and Business Rates from Businesses on behalf of all preceptors, for the purpose of clarity this is listed below

Council Tax - 43,769 properties (31/03/17)	Business Rates - 5,549 premises (31/03/17)
73% DCC (including adult social care)	50% Central Government
10% Police & Crime Commissioner for Devon & Cornwall	40% SHDC
9% SHDC	9% DCC
5% Devon & Somerset Fire & Rescue Authority	1% Devon & Somerset Fire & Rescue Authority
3% (approx. average) Town/Parish Council	

2.2 In 2016/17 our in-year collection rate for council tax was 98.12% (a slight reduction of 0.05% on the previous year's figure) and 97.70% for Business Rates (a reduction of 1.35% on the previous year). It is important to note that these figures relate to in-year collection, and efforts to collect the remaining debt do not cease. There are several mitigating reasons for the business rate collection reduction, due to an unavoidable reduction in the number of courts and repayment arrangements concerning one large business that alone related to 0.7% of the total collection fund. (Please see appendix 1 for month by month collection information)

2.3 Whilst our collection rate remains strong, we also work hard to recover unpaid taxes. Our recent audit recommended we firm up on our approaches around persistent broken arrangements and failed direct debits. When internal lines of recovery are unsuccessful, the Council do refer to an external debt collector. The table below details cases referred to the external debt collector in 16/17

	Council Tax	Business Rates
Cases Referred	169	46
Returned at our request	6	12
Returned uncollectable	14	8
Total debt available for collection	£145,211.46	£91,777.76
Total Remittance	£21,151.38	£13,441.94

*further cases have made arrangements with the debt collector and this amount will continue to come in as the debt is cleared.

2.4 Whilst it is right and proper that we ensure that outstanding debt is pursued wherever possible, it is important to note the safety net of council tax reduction. Currently we have 5166 council tax reduction claimants. Of this 2803 are pensioner claims and a further 2363 are from working age people.

Benefits

- 2.5 The purpose of the Housing Benefits Service is to assess and administer applications for payment towards rent on behalf of the Department of Work & Pensions. The South Hams has a current caseload of 5702 active claims.
- 2.6 In 2016/17 the service processed 1066 new claims. As an annual average these took 27.68 days against a target of 24 days. In addition the service also processed 17564 changes in circumstances and these were completed on average over the year in 9.73 days against a target of 11 days.
- 2.7 The Service is also responsible for the allocation of Discretionary Housing Payments (DHP). This is a pot of money that we receive from the DWP to provide claimants affected by housing benefit reforms with further assistance for their housing costs. In the last financial year South Hams awarded in excess of £40k, assisting 137 claimants with a weekly DHP award. This helped 8 claimants that had been affected by the Benefit Cap, 46 claimants affected by the reductions in Local Housing Allowance (LHA) rates, 31 claimants that hadn't been affected by any welfare reforms but were suffering financial hardship and 52 claimants that had been affected by the spare room subsidy. We also awarded £52,588.47 to 114 claimants as one-off payments to assist with rent in advance, removal fee's and we also paid off arrears for 63 claimants to avoid eviction and prevent homelessness

Resource

- 2.8 Staff levels for each service is made up as follows

	Benefits	Revenues
Specialist	1	1
Case Management	12.3 FTE	7.5 FTE
Interim Resource	3 FTE (provided by off-site contractor)	3 FTE (1X fixed term, 2x provided by off-site contractor)

*3.7 FTE interim resource are covered by vacancies on the establishment

- 2.9 There are current backlogs in each service, as of the 22nd June these were;

	Benefits	Revenues
Backlog	396	2897
Oldest date	30 th May 2017	2 nd May 2016

*items in backlog include outstanding correspondence, work waiting to be processed, changes in circumstances etc

- 2.10 There is a further backlog in our recovery work, with 250 outstanding pieces of work, the oldest has a date of November 2016.

3. Outcomes/outputs

- 3.1 It is our aim to reduce our temporary resource to zero by March 2018, with the majority ceasing in September 2017. We will do this by reducing demand on the service, by investing in our digital offer, giving our residents choice in how they interact with us and by improving our internal processes. We are also investigating our debt recovery options, in a way to better improve our collection rates, whilst supporting our vulnerable customers and ensuring we offer easier ways to pay.

4. Options available and consideration of risk

- 4.1 It has not been an option for the Council to continue delivering these services in the same way. If we are not successful in our proposed changes we will ultimately collect less, incur larger housing benefit overpayment debts, we risk being qualified by the DWP and therefore subject to more scrutiny, whilst at the same time not processing work in a timely manner, resulting in high customer dissatisfaction (which could ultimately lead to homelessness, if we are unable to put into payment housing benefit applications) and unacceptable levels of work related-stress on our staff.

5. Initiatives Underway

- 5.1 In the autumn of 2015 we began work with a software supplier – IeG4 who were able to offer us solutions for both our Revenues & Benefits Services. These were an online Housing Benefit application form, a web portal for Council Tax and Housing Benefit Accounts and automated processing.

5.2 Online Housing Benefit Application

For the first time in South Hams we are now able to offer benefit claimants the ability to complete their application for benefit online. The intuitive form directs the customer to only the pages they need to complete as part of their form, rather than a paper form running to an excess of 20 pages which was complex and confusing for even those familiar with the process. The online claim form can also, whilst the form is being completed, performs a check for what evidence is needed based on the risk based verification principles. The customer is then presented with a list of evidence they need to provide and given the opportunity to upload photographs (if copies are sufficient) to ensure all the information is complete for the processing of the claim. This removes the manual entry of paper forms onto the computer system, the need to write out requesting further information as well as the return of in-complete forms back to the claimant. Since February 2017 (date of transfer for housing benefit into the W2 corporate IT) 83% of new claims have been completed online. Whilst the figures for changes in circumstance demonstrate a need to further work on this area – 11% since February we fully expect this to improve further as more people make their initial claim online and have a good experience.

Online Account

South Hams Customers for both Council Tax and Housing Benefit now have the opportunity to sign up for an online account. This allows them to make changes to their application at a time and place convenient to themselves, without needing to phone in or come into our offices. The Account can give the customer details on their direct debit (including changing details of this), how much remains on their bill, when their next payment is due and allows them to add or remove people from their application or report a move. For Benefits this will allow them to complete the changes in circumstance, see details of when their next payment is scheduled, and any additional information we may be waiting for. To date there have been 2271 online accounts created. (Appendix 2,3,4)

It is important that vulnerable customers are not adversely impacted or that there are any delays in them claiming because they are not confident in using the online solution. For this reason we offer support, access to IT in our own reception, the use of friend, family and advocates where appropriate and in the exceptional cases we will send a localities officer out to assist someone who really is unable to claim by themselves. We still stock paper forms and these are offered when necessary. It is important to encourage people to self-serve when possible but ensuring we continue to provide a safety net for our most vulnerable customers.

Automated Processes

Currently in test stage we have commenced work on automated processes or robotics, which will remove the need for any human intervention in a number of processes such as single person discount, direct debit set up and change of address. These processes will be able to "work" up to 24 hours a day (there will be downtime for vital daily system reconciliation) 7 days a week and afford us our biggest opportunity to ensure workload requirements are able to be met. Once live this element of service change will remove our reliance on the interim resource currently provided. We are one of the first few Local Authorities in the country to begin working with robotics, recognising the need to embrace changes in technology to ensure we can continue to deliver our services in the future and our partnership with IeG4, has been hugely positive.

Challenging work practices

As part of our ongoing improvements it has been necessary to look at existing work practices and find ways we can ensure our staff are equipped to be able to work in the most efficient way whilst offering quality customer service. In Revenues we have drawn up a timetable of improvements. This includes additional training for our CST, supporting them to resolve more at the first point of contact, organising the work in a different way, and working with a critical friend to ensure we are doing everything in the most efficient way possible. In Housing Benefit we have worked with the case managers to ensure creations of overpayment are avoided

wherever possible and that timetables for returning information are adhered to.

Debt Recovery

It has been recognised that our corporate approach to debt recovery requires improvement. Within Housing Benefit we have used some of the interim resource to specifically concentrate on recovery of overpayments. In 16/17 we were able to recover £114,035.96 (detail of outstanding overpayments can be found at Appendix 5)

The Council is also revisiting the service level agreement we hold with our debt collector and bailiff. We are also undertaking a piece of work to understand whether debt recovery as a corporate function would be better provided by a third party supplier or whether there is a business case to build a central resource in-house.

The focus remains finding the best way to run good quality services which are customer focused and offer value for money.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	Whilst there is legislation governing both Revenues & Benefit functions, this is not relevant to this report
Financial	N	Whilst there has been expenditure on software and interim resource this report does not seek additional funding for either.
Risk	N	This report is not seeking any decision making, however it is recognised that there are significant risks in this service area notably financial, performance & customer satisfaction and legislative compliance
Comprehensive Impact Assessment Implications		
Equality and Diversity		n/a
Safeguarding		n/a

Community Safety, Crime and Disorder		n/a
Health, Safety and Wellbeing		n/a
Other implications		n/a

Supporting Information

Appendices:

Appendix 1 – In-year Collection Rates for Council Tax & Business Rates

Appendix 2, 3, 4 detailed breakdown of online account activity

Appendix 5 – Extract from Audit Annual Report (Appendix D)