

Report to: **Hub Committee**

Date: **11 June 2024**

Title: **Cost of Living Crisis: Plans for Household Support Fund Allocation (1 April to 30 September 2024) and 12-Month Review of the Revenues and Benefits Service.**

Portfolio Area: **Cllr J Elliott – Community Wellbeing**

Wards Affected: **All**

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

Date next steps can be taken: Immediately following this meeting.

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RECOMMENDATIONS:

It is RECOMMENDED that the Hub Committee instructs the Head of Revenues and Benefits to:

- 1. take immediate steps to progress support payments of £500 to Devon County Council Care Leavers known to be living at an address in the Borough on 1 June 2024.**
- 2. take steps to progress support payments of £500 to Devon Care Leavers newly notified by Devon County Council to be living at an address in the Borough between 2 June and 30 September 2024.**
- 3. release the balance of the Household Support Fund for an open application process until 30 September 2024 or until the fund is fully spent, if sooner.**
- 4. to note the progress made by the Revenues and Benefits Service in the last 12 months.**
- 5. to note the intention to create a new post of Cost Of Living Support Officer (shared with South Hams District Council) to provide financial support, advice and signposting to residents.**

1. Executive summary

- 1.1 On 6 March 2024, in the Spring Budget, the Chancellor announced that the Household Support Fund (HSF) would be extended for a further 6 months, from 1 April 2024 to 30 September 2024 with a further £421m of funding.
- 1.2 Devon County Council has been provided with funding of £5m by the Department for Work and Pensions for a Household Support Fund (1 April to 30 September 2024).
- 1.3 Following the pattern of previous Household Support Fund Schemes, Devon County Council has provided districts with an allocation based on Universal Credit uptake. For West Devon this is £125,045.
- 1.4 The funding is intended to support who households would otherwise struggle to buy food, pay essential utility bills or meet other essential living costs.
- 1.5 A variety of support options have been considered, including providing further support to some of the households who received direct support previously. This included families and single income households receiving council tax reduction, war pensioners and those with caring responsibilities and disabilities. Due to the short term nature of the funding and a desire to get funding out to households as quickly as possible, the recommended options strike a balance between providing targeted support to certain individuals (Devon care leavers) and the opportunity to apply for support through an application process.
- 1.6 The report also provides an update on the progress made by the Revenues and Benefits Service in the last 12 months following the service review. The priorities for the service for 2024/25 are also set out within the report.

2. Background

Household Support Fund (April to September 2024)

- 2.1 Devon County Council has been provided with funding of £5m by the Department for Work and Pensions for a Household Support Fund (1 April to 30 September 2024).
- 2.2 The funding is intended to support households who would otherwise struggle to buy food or pay essential utility bills or meet other essential living costs or housing costs (in exceptional cases of genuine emergency) and to help them with living costs.

- 2.3 The Council's allocation is £125,045 which is based on the Universal Credit uptake for West Devon. The Council can provide direct and targeted financial help and assistance to households who we have identified through existing datasets to be vulnerable and struggling financially to secure food, water and energy as well as operating an open application-based scheme.
- 2.4 Household Support Fund 4 saw the Council receive a larger allocation due to it covering the whole financial year. Household Support Fund 3 saw the Council support 717 households with a total spend of £124,407 and Household Support Fund 4 enabled the Council to support 1,193 households from its allocation of £248,814. The support provided through Household Support Fund 4 is shown in the table below.

	Households with children	Households with pensioners	Households with a disabled person	Other households	Total
Spend (£s)	£65,947	£8,290	£38,457	£136,120	£248,814
Number	318	41	175	659	1,193

- 2.5 Team Devon have agreed that Devon care leavers (i.e. people who have received care in Devon) who are in receipt of a council tax discretionary discount and/or council tax reduction will be included in the Council's priority group to receive support and assistance.
- 2.6 The Council wishes to take this further as not all care leavers are liable for council tax and we have a moral imperative to do our best for looked after children and care leavers. We can do this by acting in a way a good parent would, by providing them the necessary care and support to help them reach their full potential. We will therefore include all Devon care leavers residing in the West Devon as a cohort the Council wishes to support through a direct payment.
- 2.7 Officers have undertaken some initial analysis from existing datasets to identify care leavers the Council is already aware through the Devon-wide work on the council tax discretionary discount scheme. This figure includes care leavers who, due to their individual circumstances, may not be liable for council tax. These currently total 17, however we estimate that we may be notified of further care leavers through the monthly update reports, and it is therefore prudent to estimate that we may support up to 25 care leavers until the end of the current Household Support Fund in September 2024.

- 2.8 It is recommended to Members that we make a targeted support payment of £500 to all Devon care leavers we are currently aware of, by the end of June 2024. If we are notified of further Devon care leavers in the period to 30 September 2024, we will make a £500 support payment to them within 15 working days of the notification.
- 2.9 In formulating these recommendations, the Council has decided to focus most of its allocation on an open application-based scheme. This means the Council will be able to support a broad range of households in a timely manner.
- 2.10 Whilst there are other cohorts the Council could provide further support to using existing datasets, we have already provided support to families and single income households receiving council tax reduction, war pensioners, carers and residents with disabilities through previous schemes.
- 2.11 As the scheme will only run for 6 months, the recommendation is that the Council uses the bulk of its funding for an open application scheme, which means we will be able to deliver support to vulnerable households based on demonstrable need and as soon as possible. After support has been given to care leavers, it is estimated that the amount available for the open application process will be approximately £112,000.

12 - Month Review of the Revenues and Benefits Service

- 2.12 Following the appointment of a Head of Revenues and Benefits in September 2022, SLT agreed proposals for the restructure of the team. The primary objective of the new structure is to ensure that the Council is delivering the best possible services to residents and businesses in the most efficient and effective way.
- 2.13 The Revenues and Benefits Service Review – Staff Consultation was shared with the team in May 2023. After the consultation period, the new staffing structure went live on 1 September 2023.
- 2.14 The Devon Audit Partnership (DAP) has recently undertaken audits of Council Tax, Business Rates and Housing Benefit. For Council Tax and Business Rates, the audit opinion has improved from 'Limited Assurance' to 'Reasonable Assurance.' This is a substantial achievement of the revenues and benefits team and is the result of a significant amount of work to implement previous years' recommendations and make significant progress and improvements. These internal audit opinions and reports will be presented by DAP to the next meeting of the Audit and Governance Committee in July 2024.

- 2.15 For Housing Benefit the audit opinion of 'Reasonable Assurance' has remained unchanged when compared to previous audits, however it should be noted that the level of assurance has increased to 'Substantial Assurance' for the implementation of previous recommendations.

3. Outcomes/outputs

Household Support Fund (April to September 2024)

- 3.1 The expectation is that the Household Support Fund will be used to support households in the most need. There are no DWP funding targets in terms of supporting certain cohorts of the population, but there is an expectation that support is offered for the duration of the funding period. At least part of the scheme must be on an open application basis.
- 3.2 As part of the funding arrangements, the Council is required to provide management information to Devon County Council on the delivery of the fund. This will in turn be used by the County Council to inform the Department for Work and Pensions on the speed and effectiveness of delivery. Authorities are also required to make it clear in any publicity material for the scheme, including via online channels and media releases, that the funding is being provided by the UK Government.
- 3.3 Getting funding out to residents in need as quickly as possible is a key measure of success and throughout the delivery of all Government schemes over the last few years, the Council has a proven track record in this area.

Revenues and Benefits Service – 2023/24

Customer Service

- 3.4 The new Revenues and Benefits structure has the team answering all telephone calls in a consistent and knowledgeable manner meeting the requirements of our customers. By ensuring advice is given and all relevant information is obtained at the first point of contact, we avoid double handling and increase levels of customer satisfaction.
- 3.5 Whilst we will always support those residents and businesses who do need to contact the Council by telephone, there is more work to be done in 2024/25 on maximising online services, automation and channel shift opportunities. The team have therefore been set a target of reducing the overall number of calls by 5% in 2024/25.

One-off activities delivered in 2023/24

3.6 Below is a summary of some of the one-off activities undertaken by the team in the last 12 months which has either provided support to residents or contributed to the Council's on-going financial sustainability:

- Energy Bills Support Scheme (Alternative Funding) – 216 households who do not have a direct relationship with an energy supplier were supported with their energy costs. This included park home residents and self-funding residents in care homes.
- Domestic Alternative Fuel Payment (Alternative Fund) – 305 households who are not on the mains gas grid and use an alternative fuel (such as heating oil) for heating, supported with a £200 payment towards their energy costs.
- Single Person Discount Review – the Devon County Council funded Single Person Discount Review saw the removal of 281 single person discounts. It is estimated that this will result in additional income of £141,000 with West Devon Borough Council keeping 11% (approximately £15,000).
- Continued work on identifying renewable energy sites, allowing West Devon Borough Council to retain all the business rates windfall income from these sites of £215,836 in 2023/24, in accordance with legislation (without having to share this business rates income with other preceptors and Central Government in the normal way).

3.7 Revenues and Benefits is a statutory service with all activities underpinned by legislation and best practice which can frequently change. To ensure the service is delivered fairly, consistently and correctly, several policies were reviewed and updated in 2023/24 as follows:

- Amendment to the March 2023 Council Tax, Non-Domestic Rates and Housing Benefits Overpayments Policy to incorporate a section on sundry debt.
- Discretionary Rate Relief Policy.
- Corporate Debt Policy.
- Discretionary Housing Payments Policy.

Housing Benefit and Discretionary Housing Payments

- 3.8 Housing Benefit supports residents who are on a low income with paying their rent. Whilst it is still the Government's intention to migrate most working age people receiving legacy benefits to Universal Credit, the team continued to administer a caseload of 1,430 claimants in 2023/24. The team processed:
- 193 new claims for Housing Benefit.
 - 5,489 changes in circumstances.
 - 180 Discretionary Housing Payments totalling £127,233 which supported residents with on-going rental costs or provided help to move to alternative accommodation.
- 3.9 Performance is reported to Overview and Scrutiny Committee and it is expected that the Council's performance will be better than the national average with new claims generally being processed within 12 days and changes in circumstances in 5.7 days. The national average changes every quarter and in the last published quarter, which was quarter 3, the national average figures for England were 18 days for new claims and 8 days for changes in circumstances. The speed of processing of the team is helping our customers receive the right amount of benefit in as timely a manner as possible.

Collection rates and outstanding debt

- 3.10 In the Revenues and Benefits Service Review Update paper considered by Hub Committee in April 2022, it was noted that the new Head of Revenues and Benefits would have specific and stretching targets to improve collection rates for each of the next 3 years. Key Performance Indicators (KPIs) in relation to collection rates are reported to the Council's Overview and Scrutiny Committee on a regular basis.

Council Tax

- 3.11 The Council is required to complete a Government return (QRC4) in early May which collects data nationally on council tax and non-domestic rates income. This return is used to calculate the Council's collection performance compared to the rest of the country. It is anticipated that the 2023/24 collection rate of 98.3% will keep the Council in the top quartile nationally.
- 3.12 In 2022/23 the Council achieved top quartile performance for Council Tax collection and the Council was ranked 26th highest out of 181 District Councils. We were also ranked 13th out of 72 predominantly rural Councils.
- 3.13 It should also be noted that the net collectable debit for council tax income which the Council must collect increased from £48.2m

in 2022/23 to £51.5m in 2023/24. The Council is the Billing Authority and is therefore required to bill and collect council tax income for WDBC and all the other preceptors (Devon County Council, Police, Fire and Town and Parish Councils). The Council retains 11% of all council tax income to fund its services. The rest is passed onto DCC, the Police, the Fire, and Towns and Parishes, to fund the services which they provide.

- 3.14 The latest internal audit report on Debt Management stated that 'The Council has a good focus on debt collection.' The current level of Council Tax debt is £4.7m, however this needs to be considered in the context of the latest annual amount of council tax billed by WDBC being £51.5m.
- 3.15 It should also be noted that the team capacity to collect income was impacted during the Covid-19 pandemic years with the focus shifting to supporting businesses through the administration of business grants (over £33.5m was administered and paid to businesses in West Devon).
- 3.16 The last 12 months have continued to be challenging for the Revenues team due to the volume of work and difficulties being experienced in collecting debt due to the impact of the cost of living crisis on people's income. Having said that, more structure has been embedded with a focus on overall management of the team, performance management and management of work. The team are also taking a more proactive approach to collect both in year and historic debt and preventative measures are now in place to ensure individual debt does not build up.

Business Rates

- 3.17 One of the key objectives of the new Revenues and Benefits structure was to increase capacity in relation to the billing, collection and enforcement of business rates. This decision has enabled the team to provide better and more consistent support to ratepayers, however in 2023/24 collection performance was impacted significantly by one debtor who owed £128,000 at year end. This meant that the Council achieved a collection rate of 97.78%. The Council is the Billing Authority for business rates and collects around £9m, of which the Council retained £1.96m in 2023/24, the equivalent of around 22% of all income collected.
- 3.18 For business rates we achieved top quartile performance in 2022/23 and the Council was ranked 23rd highest out of 181 District councils. We were also 8th out of 72 predominantly rural Councils with a collection rate of 98.95%.
- 3.19 The latest internal audit report on Debt Management stated that 'The Council has a good focus in debt collection. The current level of debt for business rates at 31 March 2024 is £1.2m, however this

should be seen in the context of the annual amount of business rates being billed by WDBC being £9m. Again, more proactive action is being taken by the team in collecting current and aged debt.

4. Proposed Way Forward

Household Support Fund (April to September 2024)

- 4.1 The recommendations in this report will provide support in different ways to individuals and households, with particular focus on supporting Devon care leavers. The Council has a statutory duty to co-operate with the County Council in making arrangements for improving the wellbeing of children in Devon.
- 4.2 The proposals will ensure that Council continues to provide timely and effective support to some of our most vulnerable residents who are struggling with the impact of the cost of living crisis.

Revenues and Benefits Service – the next 12 months

- 4.3 Whilst the team has made progress in the last 12 months, it is important to ensure that the momentum is not lost and we build further on areas of improvement to date as well as developing and improving the service for residents and businesses in other key areas.
- 4.4 The Revenues and Benefits Service Plan 2024/25 supports the delivery of several priorities in the Council Plan including providing good quality responsive frontline services that achieve good value for money for our communities. The team's service priorities for 2024/25 include:
 - Quality and customer focused service, where we offer a timely and consistent service and get things right first time.
 - Maximise income from Council Tax, Non-Domestic Rates and Housing Benefit overpayments.
 - Maintain speed of processing performance for Housing Benefit.
 - Respond effectively to legislative changes such as second homes and managed migration to Universal Credit.
- 4.5 In recognition of the continuing impact of the Cost of Living Crisis, the Council intends to create a new 2-year fixed term post (shared with South Hams District Council) to provide targeted support and assistance to residents. This will include support to those residents who would prefer to engage with us on an in-person basis. The post will be funded from administration costs from past and current Household Support Fund schemes. The postholder will work closely with partners such as Citizens Advice, West Devon

CVS and the Department for Work and Pensions to ensure we are providing joined up support to vulnerable residents.

- 4.6 In successfully delivering these priorities, the Revenues and Benefits service will be able to demonstrate that it has continued to develop and implement further service improvements, whilst continuing to provide excellent customer service and support for residents and businesses.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Department for Work and Pensions (DWP) has provided funding to County Councils and Unitary Authorities (including Metropolitan Councils and London Boroughs), under section 31 of the Local Government Act 2003, to administer The Fund and provide assistance to households most in need.
Financial implications to include reference to value for money		The Council will receive £125,045 from Devon County Council to deliver the Household Support Fund (1 April 2024 to 30 September 2024). An allocation of £16,000 will also be made to cover administration costs. Partners will be required to complete Management Information (MI) returns within clear timeframes. Payment will be received once the County Council has submitted MI returns and received funding from the Department for Work and Pensions.
Risk		There is a reputational risk if the Council does not deliver support in a timely and responsive manner.
Supporting Corporate Strategy		Support for residents during the cost of living crisis. Housing. Health and Wellbeing. Performance and Resources.
Consultation & Engagement Strategy		There is no formal requirement to consult.
Climate Change - Carbon / Biodiversity Impact		No direct carbon/biodiversity impact arising from the recommendations.
Comprehensive Impact Assessment Implications		

Equality and Diversity		Equality impact assessments will be completed if required.
Safeguarding		None as a direct result of this report, however some actions may help keep vulnerable children and adults safe.
Community Safety, Crime and Disorder		None as a direct result of this report, however some of the recommendations may help to reduce crimes such as domestic violence.
Health, Safety and Wellbeing		Financial wellbeing is crucial to the wellbeing of our residents and the recommendations in this report are designed to support this.
Other implications		None.

Supporting Information

Appendices:

None.

Background Papers:

None.