

**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**FINANCE, INNOVATION and PROPERTY ADVISORY BOARD**

**08 January 2014**

**Report of the Director of Finance and Transformation**

**Part 1- Public**

**Matters for Information**

**1 BENEFITS UPDATE**

**A report advising Members of current issues arising in the benefits field.**

**1.1 Performance and Workload of the Benefits Section**

- 1.1.1 Over the course of the past year I have kept Members informed of the difficulties faced by my officers in both the Revenues and Benefits Sections and the impact of changes we have had to introduce because of the welfare reform agenda. Undoubtedly this has been a year of many challenges and, given recent announcements by Government, which I will come on to, these look set to continue for some time to come.
- 1.1.2 The year has seen a continuous effort to balance staffing levels against demands; introduce significant changes to benefits; meet customer needs and all whilst keeping a keen eye on budgets and anticipated future developments. Despite the battle to maintain our usually high level of performance, it has been in steady decline and that has been the message that I have had to deliver to Members at several Board meetings.
- 1.1.3 However, in my last update to Members, I said that there were early signs of improvement, with less outstanding work in the Section. I am very pleased to be able to end the year on a positive note. The number of days to process new claims for housing benefit has significantly dropped from around 40 to 30 days and, perhaps more importantly, the backlog of work outstanding has been further reduced to below 10 days (previously 20 at the time of our last meeting). This turnaround has not taken place overnight but is the result of a culmination of measures introduced to this end. I believe we will be entering the new year with a much more manageable workload, allowing me to focus resources on still further improvements in service delivery.
- 1.1.4 The two key factors that have enabled the improvement are the use of reliable, high calibre agency staff to cover the vacancies in the Section and an arrangement for East Kent Services (Dover DC, Thanet DC & Canterbury CC in

partnership) to process our new claims at their offices. The agreement with East Kent Services is due to continue into the new year.

## **1.2 Local Council Tax Reduction**

- 1.2.1 To-date, the schemes (working-age and pension-age) introduced by the Council from April have been successful. Financial support is available to pension-age households at the same level as with the previous council tax benefit scheme and support is available to working-age households at a rate 8.5% lower than that to which they previously would have been entitled.
- 1.2.2 I have provided information on the impact on council tax collection rates, particularly for households entitled to the new reduction, in my Council Tax and Business Rates Update elsewhere on this agenda.
- 1.2.3 Members will recall that the scheme for 2013/14 is subsidised by a 'transition grant' from central Government, allowing a decrease to the reduction in 'benefit' from the 18.5% that we initially proposed, consulted on and agreed.
- 1.2.4 There does not appear to be any such grant forthcoming for 2014/15, meaning the scheme from April 2014 will operate in the same way as the current scheme but apply a reduction to entitlement of 18.5% instead of 8.5% for working-age households. Pension-age households will remain fully protected.
- 1.2.5 As Members will recall, our Scheme will reflect, for 2014/15, the general uprating of allowances etc used by the government for other state benefits. The refreshed Scheme will be made available on our website in due course as and when we are advised of the uprated amounts by the government. If Members would like any more information in the meantime, please contact Paul Griffin, the Revenue and Benefits Manager.
- 1.2.6 In monetary terms, an average working age household in the Borough in receipt of full council tax benefit in 2012/13 will have been faced with a council tax bill of approximately £85 this year, rising to around £185 from April 2014.

## **1.3 Universal Credit**

- 1.3.1 As members know, the roll-out of universal credit to local authorities did not take place in October, as anticipated. In early December revised plans were announced. I have attached a letter from Lord Freud to the Chief Executive at **[ANNEX 1]**.
- 1.3.2 The letter sets out the new timetable for the introduction of universal credit, stating that it will be available across the country during 2016, with the conversion of most existing benefit claims taking place in 2016 and 2017.
- 1.3.3 The letter also refers to the planned transfer of housing benefit claims to nationally administered pension credit; the transfer originally planned to run concurrently

with the introduction of universal credit. This plan is now on hold and it is unlikely to commence until at least 2018.

- 1.3.4 The letter was accompanied by an updated document regarding the local support services framework. The document can be found at:

<https://www.gov.uk/government/publications/universal-credit-local-support-services-update-and-trialling-plan>

- 1.3.5 The document contains a lot of information about the Government's vision for the formation of locally commissioned partnerships to support the implementation and maintenance of universal credit, as well as 'learning outcomes' from trial sites.

#### **1.4 Discretionary Housing Payments (DHP)**

- 1.4.1 The annual fund provided to us by Government is £129,610, of which £30,000 remains unallocated.
- 1.4.2 Previously I have reported a relatively large number of outstanding applications. I am pleased to say there is currently just a handful.
- 1.4.3 In total, to-date, 247 claims have been awarded and 127 declined. We are just about on track to fully use the fund by the end of the year. Although the budget has been monitored and managed to some extent (in general, claims are awarded for three months), all applications have been decided based on the financial circumstances of the claimant without having to consider any constraints of potential overspends on the fund.
- 1.4.4 In September, the Department for Work & Pensions announced a 'DHP reserve fund for the removal of the spare room subsidy (RSRS) of £20m'. Councils are invited to bid for allocations from the fund until 3 February 2014.
- 1.4.5 Bids will be allocated to Councils facing the greatest challenges, with exceptionally high volumes of DHP applications due to RSRS. There are also several points the DWP will consider when making allocations from the fund.
- 1.4.6 Any underspend at 31 March 2014 of DHP / Reserve Fund allocation must be returned to the DWP.
- 1.4.7 I have attached the Housing Benefit Circular which sets out details of the scheme at **[ANNEX 2]**. I will be happy to take any comments or suggestions from Members on this subject.
- 1.4.8 My officers, together with officers from Housing, have discussed the possibility of making a bid for additional funding. At this point in time we have decided not to bid for additional funding, for two main reasons: We are not convinced that we can show an 'exceptional demand' in DHP applications; and, if successful, we would not be able to use the fund in time before having to return any underspend.

1.4.9 Should the fund be made available during 2014/15. then my officers will endeavour to bid and attract additional funding for the Borough.

**1.5 Legal Implications**

1.5.1 None

**1.6 Financial and Value for Money Considerations**

1.6.1 None

**1.7 Risk Assessment**

1.7.1 Nil

Background papers:

contact: Andrew Rosevear

Nil

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