

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

23 July 2014

Report of the Director of Finance & 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 Service

- 1.1.1 Since the start of the financial year, new claims for housing benefit and council tax support have been processed in an average of 30.7 days. Changes in circumstances took 10.2 days. There has been a backlog of work due to a very busy period in April and May. At its peak this equated to nearly 25 days' worth of work, which, at the time of writing this report, has been brought down to 14 days.
- 1.1.2 Over this period there was also a national breakdown in the 'Atlas' service. This is the process whereby changes of entitlement to national benefits and tax credits are electronically sent to Councils by the Department for Work & Pensions (DWP). Atlas was out of service for almost 10 days due to a technical fault, significantly hampering our performance for changes in circumstances and presenting a large amount of unprocessed data when the fault was eventually rectified.
- 1.1.3 The number of households in the Borough receiving housing benefit remains fairly static. Since April the caseload has increased by 15 homes. However, the trend of non-working households moving into lower paid or part-time jobs continues with an increase of over 40 'in-work' claims.
- 1.1.4 In mid June, we introduced a 'fast-track' claim process. The objective being for a dedicated officer to assess new claims for housing benefit and / or council tax support, that are received with sufficient information and supporting evidence, within two working days. The fast track process will be run for eight weeks, at which time it will be reviewed and decisions taken based on its success and continuation.
- 1.1.5 Our customer service and benefits staff have been encouraged to take every opportunity to promote the fast track service when handing out, sending, receiving and assisting claimants with new claims. In addition, Russet Homes officers have been briefed on the new process as their tenants make the majority of new benefit claims.

1.1.6 The fast track service is a departure from the date driven prioritisation of workflow that everyone has been used to. Careful monitoring and recording is taking place over the trial period. Although there will be a marked service improvement for customers whose claims are handled through fast tracking it is also important to assess any negative impacts elsewhere. The system cuts the double or triple handling that we frequently experience when assessing new claims. That 'freed up' resource is used to assess the fast tracked cases.

1.2 Discretionary Housing Payments (DHP)

1.2.1 At the time of writing this report over 200 applications for DHP have been received and processed since the start of the financial year. Many of the applications have an urgent nature and for that reason they are processed as a priority and kept up to date as far as possible.

1.2.2 Of those applications, 66 are repeat claims, 55 of which have been granted (6 of those were refused previously), 10 have been refused and one case was refused in both years. There are relatively few appeals against the decisions to make awards.

1.2.3 Approximately 70% of successful applications are from households with social sector size criteria restrictions to benefit.

1.2.4 So far, £51,003.52 of the £165,494 annual DHP fund has been allocated.

1.3 Universal Credit

1.3.1 The timetable for the introduction of Universal Credit remains unchanged since it was reset last December when Lord Freud stated Universal Credit will be available across the country during 2016, with the conversion of most existing benefit claims taking place in 2016 and 2017. The gradual roll-out of trial sites continues with testing of joint claims about to start.

1.3.2 The DWP has recently published a 'Q&A' style document specifically relating to housing costs and Universal Credit. It can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325324/universal-credit-and-rented-housing.pdf

1.3.3 The document does not provide any new information.

The Party in opposition has announced that, if successful at next year's election, the Universal Credit programme would be suspended and thoroughly reviewed to assess value for money. If it then goes ahead, it is likely to do so with some big changes.

1.4 Direct Payment Demonstration Project

- 1.4.1 A key aspect of Universal Credit is that the benefit will be paid monthly, straight to the claimant to mimic salary payments. The intention being to encourage personal financial responsibility and budgeting and to make the transition into, or out of, work that much simpler.
- 1.4.2 Direct payments, including an element for housing costs which will be wrapped up into Universal Credit, mark for a serious change to the way housing benefit is paid to the majority of social tenants. Housing benefit legislation allows for claimants in social sector (housing association) accommodation to choose whether to have payments made to themselves or to their landlord. In approximately 95% of cases payment is made directly to the landlord.
- 1.4.3 Understandably, the policy change to make payments directly to claimants carries significant risk for both landlords and tenants. To learn more of the impact of such a change the Government set up six pilot projects to test direct payments and establish what may be necessary to make them work. The projects concluded in December 2013 and a final report has been published with the findings. The report can be found at:
- https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325389/direct-payment-demo-figures-may-2014.pdf
- 1.4.4 The work done by the pilots is welcomed and appears thorough. The report not only identifies issues, as we probably already knew, but also their scale. For the administration of direct payments to work, it is clear that there will be significant resourcing implications for the DWP when Universal Credit is rolled out. Without sufficient support and resource there is a threat that local Councils will be left to pick up the pieces.
- 1.4.5 The provision of support and assistance for claimants making and maintaining Universal Credit claims is proposed through Local Support Services Frameworks (LSSF). The frameworks will take the form of structured partnership agreements between local Councils, the DWP and other such organisations relevant to meet local needs. It looks likely that local Councils will bear the duty to commission and maintain LSSF, with a funding arrangement provided by Government. The inherent risks of direct payment, amongst several others, provide a strong incentive for local Councils to ensure establish adequate arrangements under LSSF to support Universal Credit.

1.5 Legal Implications

- 1.5.1 None

1.6 Financial and Value for Money Considerations

- 1.6.1 The cost and performance of the Service continues to be monitored

1.7 Risk Assessment

1.7.1 No current risks to report

Background papers:

contact: A Rosevear

Nil

Sharon Shelton

Director of Finance & Transformation