

Report to CenSus Joint Committee

17th June 2016

By The Head of Revenues and Benefits (CenSus)

INFORMATION REPORT

CenSus Revenues and Benefits report.

Executive Summary

This report sets out the 15/16 end of year performance of CenSus Revenues and Benefits and performance and activity since the last report in March 2016.

Recommendations

The Joint Committee is asked to

1. Note the performance and activity of the Service.

Background Papers	-	None
Consultation	-	None
Wards affected	-	All
Contact	-	Tim Delany 07889 721964

1. Performance – 15/16 year

- 1.1 Benefits/Council Tax Support (CTS) – Stats are at Appendix 1. –
CenSus new claims performance met targets with some small variation between authorities.
- 1.2 For Housing Benefit changes the performance exceeded target. The CTS changes performance target (a target that was reduced in September 2015) was missed by 0.6 of a day. While Adur performance was on target, Horsham and Mid Sussex targets were exceeded by 0.6 and 0.7 days respectively.
- 1.3 Discretionary Housing Payment (DHP) – expenditure was closer to budget than in past years (see appendix 2). Managing the DHP budget may become something of a challenge as the year progresses; additional budget has been provided to cater for the increase in claims anticipated when the benefit cap is reduced “in the autumn”. At present we have no confirmation of the date of introduction of the reduction, no information on the number of cases that may be affected by this change or whether there will be any transitional arrangements for current claimants.
- 1.4 Revenues – Statistics are at Appendix 3.
Council Tax - Collection rates for all three authorities were very marginally below target but in all cases there was a marginal increase on last year’s collection rates. As was to be expected, cash collected increased by –
- | | | |
|------------|---|---------|
| Adur | - | £ 424K |
| Horsham | - | £1,981m |
| Mid Sussex | - | £1,571m |
- 1.5 Non Domestic Rates -Adur collection was 1.1% off target but 0.9% up on last year and Horsham was 0.5% off target but up on last year by 0.1%. For reasons that we have been unable to establish (despite detailed analysis being undertaken) Mid Sussex collection was below target month on month throughout the year, culminating in the annual target being missed by 2.2%. Despite this, the amount of cash collected for Mid Sussex marginally increased on last year with a substantial increase in respect of Adur and Horsham by –
- | | | |
|------------|---|---------|
| Adur | - | £1,797m |
| Horsham | - | £1,460m |
| Mid Sussex | - | £ 173K |
- 1.6 At Appendix 4 is a table showing the outcome of continuing activity to collect past years’ debts. This shows a snapshot of past years’ collection rates and the amounts collected and amounts written-off during 15/16.

2. Performance – 16/17

- 2.1 Benefits/CTS - statistics are at Appendix 5. Performance is within target apart from CTS claims which have been delayed on occasions by end of year pressures within Revenues.
- 2.2 DHP – statistics at Appendix 6. The high level of expenditure in Horsham is primarily as a consequence of continuing benefit cap claims. Expenditure this year is a challenge to manage as we have no details of the revised benefit cap likely to be introduced during the autumn. If demand then exceeds the budget available, each authority will have to develop a policy for dealings with demand while living within budget.
- 2.3 Revenues - statistics are at Appendix 7 - Only April’s stats are available at the time of writing; apart from Adur’s CT figure which is marginally under achieved, collection is on or above target. It is too early to draw any conclusions from these figures (although it is a reassuring to see the Mid Sussex NDR rate not below target).

3. Staffing

- 3.1 Seven new Revenues staff commenced training in mid-April and four Benefits staff will start at the beginning of June. At this stage we do appear to have attracted a high calibre of applicant from a broader spectrum of the population. We will be able to assess the overall outcome of our revised recruitment process once training has been completed and these new members of staff have settled into their roles.
- 3.2 As previously discussed, there has been an issue recruiting staff at the starting salary. The last recruits were offered a starting salary above the first scale rate and this appears to have been a success. We have ensured that this does not disadvantage any current staff or conflict with Mid Sussex policies.

4. Welfare reform/CTS

- 4.1 At Appendix 7 is a briefing note on Welfare Reform changes, most of which are due to come into effect from April 2017 onwards – these are in addition to (or part of) Universal Credit. The service will plan for these as and when appropriate.
- 4.2 The briefing note touches on the question of the continuing viability of Council Tax Support Schemes as they are configured at present. We are currently exploring options for a simplified CTSS for working age claimants which would be a discount and therefore straightforward enough for Revenues assessors to manage without the need for significant IT support (which is not available as a national product and is unlikely to be so for the foreseeable future). We do not have the tools or straightforward methodology to model options at present but are in discussion with a consulting firm that does (and which has done so for 3 or 4 other authorities).
- 4.3 Given the need to properly understand the impact of any such changes which are likely, by their very nature, to be something of a blunt instrument, it is unlikely that the necessary work can be completed to introduce any such scheme from 2017. However, we would expect to have options to present to the authorities during the autumn.

5. Web site and e-mail address

- 5.1 We experienced a complete cessation of service via the CenSus email address on 15/02/16. It is unclear quite what happened at this point to ensure reinstatement. However, in April we were informed that we were about to be cut off with no possibility of reconnection. Investigation by the Senior Information Officer at Mid Sussex established that CenSus ICT had been informed last year that the 'CenSus.gov.uk' mail and web address did not meet legal requirements and was to be withdrawn. We are now aware that this is a matter of the legal standing of (particularly) partnership organisations and that several other LA partnerships have had to cease the use of their addresses. Sheila Harris was told that a 6 month extension had been requested and granted to enable us to put alternatives in place and a further extension had been agreed in February but that this grace period had now expired. It was only as a consequence of dogged persistence that a further extension was granted; initial discussions having been met with a refusal to do so. However, the extension was only for a further 2 weeks to 22/04/16.
- 5.2 It was established that there were no circumstances under which the essential 'dot gov' address would be allowed. Given the timescale to put an alternative in place there was little opportunity to consult extensively with the three partner authorities and no time to put anything other than a straightforward alternative in place. Consequently, all CenSus addresses and the web address are now '...@midsussex.gov.uk'.
- 5.3 We were able change websites, inform all business contacts, change letter headings and email all customers for whom we had an email address to inform them of this change. There have not, so far, been any repercussions as a consequence of this change.

- 5.4 It is recognised that the use of the Mid Sussex address may not be the preferred long-term option.
- 6. Issues raised by Horsham members for JC consideration.**
- 6.1 The Mid Sussex Chief Executive, the Chief Financial Officer and CenSus Head of service attended an informal meeting with Horsham members along with the Horsham Chief Executive and Chief Financial Officer to discuss the 14/15 subsidy audit. Members were largely reassured about the work undertaken and current systems in place to mitigate the risk of errors in benefit assessment occurring.
- 6.2 Members requested that the JC –
- To consider the pay grades of staff and whether this is right for the roles and responsibility of staff and
 - To examine performance versus target times and whether this is having an impact on accuracy.
- 6.3 In relation to pay, the grading is decided by the Mid Sussex pay and grading structure which is currently the subject of a Job Evaluation exercise. CenSus managers exercise discretion about the entry spine point (see 3.2) for new starters. There is a clear path of progression through the clerical grades over and above the award of annual increments; this is dependant of performance (achieving a consistent level both accuracy and output) and the ability and willingness to undertake additional complex tasks.
- 6.4 Performance v targets – targets, both accuracy and throughput are set at every stage of an officers' development. At the base grade, these are minimum requirements and are mostly exceeded by individuals on a month by month basis. Equal importance is given to accuracy and throughput and a close watch is kept on the achievement of a balance between the two. There is no evidence that staff are pressured to deliver throughput at the expense of accuracy. In fact, given the constant pressure and spotlight on accuracy, the reverse is true.
- 6.5 It is recognised however that the Joint Committee will have an opinion on the performance of the service and the level of resource consumed and are invited to seek reassurance from the Head of Revenues and Benefits (Census) as necessary.

DHP at 31/03/16				
	DHP claims awarded	Budget	DHP committed	Percentage of budget committed
ADUR				
U/O claims	38		£ 14,716.65	
Benefit Cap claims	20		£ 22,335.89	
Other' claims	67		£ 32,076.98	
Total	125	£ 72,249.00	£69,129.52	95.7%
HORSHAM				
U/O claims	89		£ 33,822.33	33%
Benefit Cap claims	17		£ 31,938.64	31%
Other' claims	65		£ 33,380.07	33%
Total	171	£102,036.00	£ 99,141.04	97%
MID SUSSEX				
U/O claims	60		£ 30,814.54	30%
Benefit Cap claims	13		£ 6,713.25	7%
Other' claims	95		£ 65,351.00	62.1%
Total	168	£103,778.00	£ 102,878.80	99.1%

15/16 Collection rates

														Collected	
ADUR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	14/15	
	CT	Collected	11.4%	20.6%	29.9%	39.2%	48.3%	57.7%	67.2%	76.4%	85.7%	94.8%	96.6%	97.8%	97.60%
		Target	11.5%	20.8%	29.8%	39.1%	48.2%	57.6%	67.3%	76.6%	85.7%	94.7%	96.4%	98.0%	
NNDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
		Collected	11.2%	18.8%	29.2%	35.9%	46.8%	56.6%	64.7%	72.9%	81.3%	89.1%	94.4%	96.9%	96.00%
		Target	9.9%	19.8%	30.0%	39.3%	47.9%	57.3%	65.9%	74.2%	81.9%	90.8%	94.6%	98.0%	
HORSHAM		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March		
	CT	Collected	11.2%	20.8%	30.0%	39.4%	48.8%	58.2%	67.6%	77.0%	86.4%	95.7%	97.5%	98.7%	98.60%
		Target	11.3%	20.8%	30.5%	39.9%	49.5%	59.0%	68.5%	78.0%	87.4%	96.7%	97.3%	98.8%	
NNDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
		Collected	11.2%	20.8%	30.4%	39.6%	52.9%	61.0%	68.8%	75.5%	83.2%	90.5%	94%	97.5%	97.40%
		Target	12.4%	21.0%	29.4%	38.0%	50.8%	60.1%	68.8%	76.7%	86.6%	91.9%	96%	98.0%	
MSDC		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	CT	Collected	11.5%	20.9%	30.2%	39.5%	48.7%	58.0%	67.6%	77.0%	86.3%	95.5%	97.3%	98.6%	98.50%
		Target	11.3%	20.8%	29.9%	39.2%	48.3%	57.7%	67.5%	76.8%	86.1%	95.3%	97.0%	98.8%	
NNDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
		Collected	9.8%	18.5%	26.7%	35.2%	47.2%	55.7%	64.3%	72.8%	81.0%	89.0%	93.3%	95.8%	97.30%
		Target	10.7%	19.3%	28.1%	36.8%	48.5%	57.7%	65.9%	74.0%	83.4%	90.8%	94.6%	98.0%	

SUMMARY - 'up to date' collection rates for past years; payment collected during 15/16 for past years' arrears; amount of past years' arrears written off.								
COUNCIL TAX								
ADUR	Collection rate at relevant year end.	Collection rate at March 2016	HORSHAM	Collection rate at relevant year end	Collection rate at March 2016	MID SUSSEX	Collection rate at relevant year end	Collection rate at March 2016
2009/10	97.00%	99.54%		98.70%	99.81%		98.20%	99.65%
2010/11	97.65%	99.49%		98.71%	99.75%		98.37%	99.69%
2011/12	97.70%	99.50%		98.71%	99.74%		98.55%	99.65%
2012/13	97.71%	99.38%		98.59%	99.69%		98.52%	99.57%
2013/14	97.71%	99.13%		98.36%	99.52%		98.13%	99.37%
2014/15	97.62%	98.72%		98.64%	99.28%		98.53%	99.17%
Payment collected during 15/16 -		£ 778,598	Payment collected during 15/16 -		£ 1,387,764	Payment collected during 15/16 -		£ 1,572,096
Amount written off		£ 22,407	Amount written off		£ 43,430	Amount written off		£ 71,719
NDR								
ADUR	Collection rate at relevant year end.	Collection rate at March 2016	HORSHAM	Collection rate at relevant year end	Collection rate at March 2016	MID SUSSEX	Collection rate at relevant year end	Collection rate at March 2016
2009/10	96.00%	99.98%		97.20%	99.99%		97.20%	99.95%
2010/11	96.51%	99.89%		96.32%	99.51%		96.08%	99.83%
2011/12	97.25%	99.82%		97.46%	99.77%		97.50%	99.83%
2012/13	96.17%	99.60%		97.06%	99.57%		96.63%	99.54%
2013/14	97.78%	99.64%		96.92%	99.16%		97.20%	99.45%
2014/15	96.03%	98.56%		97.42%	98.97%		97.27%	99.04%
Payment collected during 15/16 -		£ 1,162,605	Payment collected during 15/16 -		£ 1,635,558	Payment collected during 15/16 -		£ 2,089,998
Amount written off		£ 65,899	Amount written off		£ 150,660	Amount written off		£ 137,874

DHP spent or committed as at 31.04/16.

	DHP claims awarded	Budget	DHP committed	Percentage of budget committed	
ADUR					
U/O claims	4		£ 3,042.51		
Benefit Cap claims	2		£ 6,269.64		
Other' claims	4		£ 1,473.50		
Total	10	£102,994.00	£ 10,785.65	10%	total
HORSHAM					
U/O claims	9		£ 7,600.52	5%	
Benefit Cap claims	4		£ 22,860.08	16%	
Other' claims	2		£ 500.00	0%	
Total	15	£ 140,904.00	£ 30,960.60	22%	total
MID SUSSEX					
U/O claims	9		£ 7,422.87	6%	
Benefit Cap claims	1		£ 4,124.63	3%	
Other' claims	12		£ 8,223.64	7%	
Total	22	£126,392.00	£ 19,771.14	16%	total

16/17 Collection Rates

														Collected
ADUR CT		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	15/16
	Collected	11.2%												97.8%
	Target	11.5%	20.8%	29.8%	39.1%	48.2%	57.6%	67.3%	76.6%	85.7%	94.7%	96.4%	98.0%	
NNDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	Collected	10.4%												96.90%
	Target	9.9%	19.8%	30.0%	39.3%	47.9%	57.3%	65.9%	74.2%	81.9%	90.8%	94.6%	98.0%	
HORSHAM CT		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	
	Collected	11.3%												14.00%
	Target	11.3%	20.8%	30.5%	39.9%	49.5%	59.0%	68.5%	78.0%	87.4%	96.7%	97.3%	98.8%	
NNDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	Collected	12.2%												97.50%
	Target	12.4%	21.0%	29.4%	38.0%	50.8%	60.1%	68.8%	76.7%	86.6%	91.9%	96%	98.0%	
MSDC CT		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	Collected	11.4%												98.60%
	Target	11.3%	20.8%	29.9%	39.2%	48.3%	57.7%	67.5%	76.8%	86.1%	95.3%	97.0%	98.8%	
NNDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	Collected	11.2%												95.80%
	Target	10.7%	19.3%	28.1%	36.8%	48.5%	57.7%	65.9%	74.0%	83.4%	90.8%	94.6%	98.0%	

FUTURE WELFARE REFORM AND THE COUNCIL TAX SUPPORT SCHEMEWORKING AGE BENEFIT FREEZE

A range of benefits will be frozen for 4 years from April 2016 including tax credits, JSA, and ESA Wrag (Work Related Activity group) payments, but not PIP or ESA support group payments made to claimants who are deemed unlikely to work again because of illness or disability.

HOUSING BENEFIT FREEZE

From April 2016 local housing allowance (LHA) will be frozen resulting in a potential increase in the number of claimants with a gap between HB payments and actual rent, particularly in high-cost areas.

TAX CREDIT AND UNIVERSAL CREDIT REFORMS

Universal credit (UC) is still to be rolled out in its totality in the CenSus area; the current timetable is for roll-out is not known but may be as early as October 2016.

From April 2016, families making new claims for UC will be able to claim for only two children regardless of when they were born. For working age families there will be the scrapping of the £545 a year family element in UC and the £17.45 a week housing benefit family premium (this whether or not UC is in payment).

From April 2017 there will be a “two child limit” on households with at least two children meaning that no extra support will go to children born from April 2017 onwards. It is unclear whether this will apply to new claims only.

UC childcare costs

From April 2016 85% (previously 70%) of eligible childcare costs will be paid as claimants receive this element with UC rather than tax credits.

HOUSING BENEFIT CAP

During the autumn of 2016 the level of the benefit cap will be reduced from £26k to £20k (£13,400 for single adults with no children). Those in receipt of carer's allowance, guardian's allowance or Personal Independence Payments (PIP) are exempt from this measure. Those claimants in the ESA Wrag are not exempt.

EMPLOYMENT SUPPORT ALLOWANCE – illness and disability

At present, people who are deemed to be too unwell to work following a DWP work capability assessment are placed into two groups. Those judged permanently incapable of work are placed into the support group and receive £109 per week. Those judged to be too ill or disabled to work immediately (but who are deemed to be capable of work in the future) are placed in the work related activity group (Wrag) and receive £102 per week.

From April 2017 all people making a new claim to ESA who are placed in the EAS Wrag will receive no additional support and will receive the same weekly payment as those on ESA who are not ill or disabled – around £70 per week

AGE RESTRICTION ON HB

HB for 18 – 21 year olds will be abolished from April 2017, unless the claimant has a child or is deemed vulnerable or has been living independently and been working continuously for the previous 6 months.

DISCRETIONARY HOUSING PAYMENTS – DHP

There has been an increase in the DHP budget provided by central government for 16/17 as follows–

	15/16 budget	16/17 budget	Increase
Adur	£ 72,249	£102,994	£30,745
Horsham	£102,036	£140,904	£38,868
Mid Sussex	£103,778	£126,396	£22,614

All the welfare reforms set out in previous paragraphs (along with the 'reduction in spare room subsidy' which continues, unchanged) are likely to lead to a significantly increased demand on the DHP budget.

The greatest demand is expected to be when the revised benefit cap comes into effect. At present we are unable to plan for this as indicative numbers etc. will not be known until information is received from the DWP; initial indications may be available late in May 2016.

EQUALISATION OF STATE PENSION AGE

From April 2016 the equalisation of pension age for women will be fast-tracked. Women's retirement age will be 65 by November 2018. Pension age for both men and women will be 66 from December 2018.

COUNCIL TAX SUPPORT SCHEME(S)

All these welfare reforms will impact on CTSSs both for individual claimants and in adding further significant complexity to Schemes as they stand at present.

Given that many of the intended welfare reforms and changes are lacking fine detail or their date of introduction or implementation is either not yet known or is not until the autumn of 2016, effective planning for the CTSS from April 2017 onwards is particularly problematic. Work on modelling, devising a revised/amended scheme, obtaining a Political steer, completing an options appraisal and undertaking Impact assessment(s) would have to be completed by the end of August 2016 at the latest if changes were to be introduced from April 2017. Any changes would require Council recommendation and then be subject to consultation (to be completed by the end of December 2016 at the latest).

Mid Sussex is one of one of a diminishing number of Authorities that does not include a minimum payment from all CT payers. With effect from April 2016, 259 Authorities' Schemes contain this requirement.

There is a view being increasingly voiced that the future of CTSSs is to, in effect, disaggregate the schemes from benefits conditions and develop them as a discount. At present, CT teams apply a

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number of discounts to CT liability, some mandatory and others discretionary. The general feature of a discount is the relative simplicity of its conditionality. Clearly this is the diametrical opposite of current CTS benefit related conditionality. At present, discussion about creating a discount founders on the philosophical shift and the practicalities that would be involved in moving from one to the other.

The two most common areas of discussion/contention are the continuing protection (or otherwise) for more 'disadvantaged groups' and the detail of how to take income into account without introducing the complexities of the current scheme.

Tim Delany

08/05/16