

Report to CenSus Joint Committee

17th March 2017

By The Head of Revenues and Benefits (CenSus)

➔ INFORMATION REPORT

CenSus Revenues and Benefits report.

Executive Summary

This report sets out the 16/17 year to date performance of CenSus Revenues and Benefits and activities undertaken by the service since the last report to the committee in December 2016. The report also sets out the services' proposed headline targets for 17/18.

Recommendations

1. The Joint Committee is asked to note the performance and activity of the Service.
2. The joint committee agrees the proposed headline targets to be achieved during 17/18

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

1. Performance – 16/17

- 1.1 Benefits/CTS - stats are at appendix 1. New claims performance has dipped following the Christmas break, the continued emphasis on changes of circumstance and the introduction of a mandatory action sheet being completed in all cases (see 5.3). Until analysis is completed we are unsure whether this may be a long-term trend. However, performance of 21.14 days in February is better than the national average of 23 days.
- 1.2 Changes of circumstances performance always improves markedly at this time of year as a large number of straightforward changes of circumstance (rent increases) can be swiftly processed.
- 1.3 DHP – stats are at appendix 2. Expenditure has been closely monitored and is within expected budget for this time of year.
- 1.4 Revenues - stats are at appendix 3 – Council Tax – Collection is marginally off target but on track to be on, or close, to target by the year end.
- 1.5. NDR collection in year continues to be a challenge in both Horsham and Mid Sussex

2. Budget position

The position outlined shows a surplus against budget to date of £98K for Census Revenues and Benefits, to the end of November. This is detailed in the table below. The staffing budget is overspending, whilst there is additional Enforcement Income and Grant income, which more than mitigate this. Significant variations are further explained below:

- 2.1 Employee costs – Additional costs are a consequence of the use of agency staff to backfill posts while new recruits are being recruited and trained.
- 2.2 Grant Income – Additional grant income has been received for new burdens in 2016/17 in respect of Implementing Welfare reform; Single Fraud Investigation Service; Pension Credit Assessed Income; Real Time information and Fraud; Error reduction Incentive Scheme; Benefit Cap changes; Universal Credit set up costs and Local Authority Data Sharing programme. It has been possible to manage the costs of these new burdens within existing resources and therefore the grant income received to date is contributing to the surplus achieved.
- 2.3 Fees and Charges – Additional income as a result of increased enforcement activity in the first eight months of the year.

Revenue	Revised Budget	Budget to date	Actual after prepay / accrual adjs	Variance
	£	£	£	£
Employee Costs	2,750,368	1,833,579	1,928,157	94,578
Transport Costs	71,610	47,740	33,814	(13,926)
Supplies and Services	715,386	476,924	494,989	18,065
Total Expenditure	3,537,364	2,358,243	2,456,960	98,717
Grant Income	0	0	(114,975)	(114,975)
Fees & Charges	(565,330)	(376,887)	(460,529)	(83,642)
Miscellaneous Income	(3,000)	(2,000)	(522)	1,478

Total Income	(568,330)	(378,887)	(576,026)	(197,139)
Net Expenditure	2,969,034	1,979,356	1,880,934	(98,422)

3. Discretionary Housing Payment budgets for 17/18

3.1 The DHP budget for all 3 authorities has been increased for 17/18. This should enable us to meet the demand for a full year of the revised benefit cap –

	17/18 budget	increase of
Adur	£155,109	£52k
Horsham	£210,316	£69k
Mid Sussex	£207,133	£81k

4. Single Person Discount (Council Tax)

4.1 A single person discount review (as detailed in my update in December 2016) has now been completed. The outcome was –

	Adur	Horsham	Mid Sussex
Cases reviewed	1635	3084	3292
Discounts cancelled	282	438	523
Increase in tax base	£97,646	£156,203	£167,872

5 Subsidy Audit

5.1 The Action Plan developed following The Welfare Reform Club report is at appendix 4.

5.2 Correcting Errors

A dedicated team continues to work on (re) assessing all earnings cases. As at 28/02/17, some 1,200 cases had been actioned. Details of the type of error and the individual concerned are recorded and fed into 1:1s and our training plan.; there is still a high level of errors on earnings cases. Apart from correcting errors, our prime aim is to complete this exercise before we commence 40+ testing for the 16/17 audit; this exercise and the testing needs to be undertaken by the end of August. It is likely we will need to increase the numbers on the team to achieve this.

5.3 Benefits Case Action Sheet

The benefits case action sheet has been introduced and its impact on accuracy and performance during the first 6 weeks of use is about to be analysed. Average clearance times have increased markedly (21.1 days in February as opposed to the usual 18 days). However, given the knock on effect of the Christmas break and the impact of the announcement of Horsham's likely departure from CenSus, it cannot yet be said that the action sheet has been solely responsible for increasing clearance times.

5.4 LA error position

An exercise to assess whether 'underlying entitlement' is being correctly assessed in LA error overpayment cases is being undertaken during March.

All 3 authorities are better placed this year in terms of the 'gap' between current LA error identified and the limits where 'cliff edge' subsidy penalty apply.

<u>Gap between LA error and 100% loss cliff-edge</u>	<u>15/16</u>	<u>16/17 to (28/02)</u>
Adur	£14,777	£52,750
Horsham	£30,339	£54,419
Mid Sussex	£ 1,875	£76,810

5.5 We are still working with the Auditors to resolve our challenge that Adur's extrapolation is over-assessed by some £85k as a case extrapolated across the caseload is a "one off"; the benefits manager is meeting with them during the week commencing 13/03/17.

5.6 Benefit overpayment recovery is on track to be on a par with or a less than last year's. as follows -

	<u>15/16</u>	<u>16/17 to end February</u>
ADC	£ 864k	£ 727k
HDC	£1,643k	£1,065k
MSDC	£1,985k	£1,140k

The amount of overpayment identified so far this year compared to last is down in both Horsham and Mid Sussex while slightly higher in Adur.

6. 17/18 targets

6.1 Benefits – It is not yet known what the longer –term impact on new claims the introduction of the clerical action sheet may have. Consequently it is recommended that we maintain the current target (against national average of 23 days) but review them after an analysis of the revised quality demands (in the form of the action sheet) has been undertaken.

6.2 We intend to continue the shift of emphasis on changes of circumstances and therefore recommend a reduction in the benefits target to achieve the national average.

6.3 Proposed targets –

Benefits New claims	-	18 day average
CTS claims	-	20 day average
Benefits change of circumstances	-	7 days average
CTS change of circumstances	-	10 days

6.4 Revenues – It is recommended that the current targets (see app 3) are retained for 17/18.

7 Next Steps

7.1 None

8 Outcome of Consultations

8.1 None

9 Other Courses of Action Considered but Rejected

9.1 None

10. Staffing Consequences

10.1 None

11 Financial Consequences

11.1 None

2016/17 - performance -average days to process

HB/LHA New Claims	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	YTD	YTD Target
Adur	16.2	20.6	17.2	17.5	18.2	15.6	18.7	20.7	17.9	17.5	22.8		18.4	
Horsham	17.0	21.1	17.5	19.5	16.4	16.1	19.4	19.6	18.6	23.2	20.1		18.9	
MSDC	19.0	20.3	17.7	19.0	16.9	16.7	18.5	21.8	19.7	22.0	21.0		19.3	
CenSus	17.5	20.6	17.5	18.9	17.0	16.2	18.9	20.7	18.8	21.3	21.1		19.0	
Target	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0		18.0
Changes	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	YTD	YTD Target
Adur	8.2	7.5	11.7	11.5	9.0	5.7	7.7	8.7	8.7	9.4	2.2		6.9	
Horsham	9.4	9.5	12.3	11.2	9.3	6.9	5.9	10.4	9.5	10.1	2.4		7.7	
MSDC	8.3	9.6	12.9	11.3	9.5	6.6	7.6	9.6	15.5	10.0	4.0		9.0	
CenSus	8.6	9.0	12.3	11.3	9.3	6.5	6.8	9.7	11.8	9.9	2.7		8.0	
Target	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0		10.0

CTRS Claims	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	YTD	YTD Target
Adur	18.2	21.7	17.7	19.1	19.0	17.6	18.4	20.7	21.8	17.8	21.4		19.4	
Horsham	22.9	23.5	17.8	23.4	16.9	18.7	21.7	20.3	118.9	24.1	22.2		20.9	
MSDC	24.1	21.2	19.4	20.4	19.1	21.2	19.0	23.6	23.4	23.2	24.7		21.7	
CenSus	22.1	22.2	18.4	21.2	18.2	19.5	20.0	21.6	21.3	22.1	23.0		20.8	
Target	18.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0		20.0
Changes	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	YTD	YTD Target
Adur	7.8	7.2	12.4	11.6	8.9	6.1	8.1	7.9	9.2	9.3	5.5		8.5	
Horsham	8.1	10.0	13.3	11.2	8.6	7.3	7.4	10.3	9.4	10.1	6.5		9.4	
MSDC	8.5	8.0	13.4	10.8	9.6	6.7	7.6	8.8	8.6	9.8	7.0		9.0	
CenSus	8.2	8.4	13.1	11.2	9.3	6.7	7.7	9.1	9.0	9.7	6.4		9.0	
Target	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0		10.0

DPH – Expenditure and commitment at 27/02/17

	DHP claims awarded	Budget	DHP committed	Percentage of budget committed
ADUR				
U/O claims	20		£ 11,235.00	
Benefit Cap claims	44	£ 30,745	£ 46,521.00	45%
Other' claims	53		£ 31,559.00	
Total	117	£ 102,994	£ 89,334.00	87%
HORSHAM				
U/O claims	38		£ 44,180.00	31%
Benefit Cap claims	25	£ 38,868	£ 41,055.00	29%
Other' claims	66		£ 40,134.00	28%
Total	129	£ 140,904	£ 125,369.00	89%
MID SUSSEX				
U/O claims	35		£ 19,623.00	16%
Benefit Cap claims	33	£ 22,614	£ 37,769.00	30%
Other' claims	74		£ 51,268.00	41%
Total	142	£ 126,392	£ 108,660.00	86%

16/17 Collection Rates

														Collected
														15/16
ADUR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	
CT	Collected	11.2%	20.5%	29.7%	39.0%	48.2%	57.5%	66.8%	76.1%	85.3%	94.4%	96.2%		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%	18.5%	28.6%	37.3%	46.8%	56.1%	64.8%	73.7%	81.9%	90.9%	95.1%		96.9%
	Target	9.9%	19.8%	30.0%	39.3%	47.9%	57.3%	65.9%	74.2%	81.9%	90.8%	94.9%	98.0%	
HORSHAM		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	
CT	Collected	11.3%	20.7%	30.0%	39.4%	48.9%	58.2%	67.6%	76.9%	86.2%	95.6%	97.1%		98.6%
	Target	11.3%	20.8%	30.5%	39.9%	49.5%	59.0%	68.5%	78.0%	86.6%	95.8%	97.3%	98.8%	
NNDR		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	Collected	12.2%	19.7%	28.1%	36.8%	50.2%	59.0%	67.5%	75.6%	83.8%	91.3%	95.0%		97.5%
	Target	12.4%	21.0%	29.4%	38.0%	50.8%	60.1%	68.8%	76.7%	84.6%	91.9%	95.5%	98.0%	
MSDC		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
CT	Collected	11.4%	20.8%	30.2%	39.4%	48.5%	57.8%	67.4%	76.9%	86.1%	95.3%	96.9%		98.6%
	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%	19.0%	28.0%	36.6%	48.3%	56.9%	65.6%	74.1%	82.5%	89.9%	93.6%		95.8%
	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%	

SUBSIDY AUDIT ACTION PLAN - following the 15/16 subsidy audit and an independent subsidy review by The Welfare Reform Club – UPDATE @ 08/03/17

Aim/Objective	Action	Who	Relevant Dates	Progress																				
To reduce 'official delay' overpayments	Reprioritise benefits team activity to reduce changes of circumstances processing times from 10 days to (the national average of) 7 days; this activity commenced in the middle of August 2016. Monitored monthly and discussed by CenSus management team	Tim Delany Morag Freitas Debbie Helsby	08/16- ongoing	CenSus average clearance times for changes of circumstances since June have been – <table border="1" data-bbox="1608 507 1892 751"> <thead> <tr> <th>Month</th> <th>Average days</th> </tr> </thead> <tbody> <tr><td>June</td><td>12.7</td></tr> <tr><td>July</td><td>11.2</td></tr> <tr><td>August</td><td>9.3</td></tr> <tr><td>Sept</td><td>6.5</td></tr> <tr><td>Oct</td><td>6.8</td></tr> <tr><td>Nov</td><td>9.6</td></tr> <tr><td>Dec</td><td>11.8</td></tr> <tr><td>Jan</td><td>9.9</td></tr> <tr><td>Feb</td><td>2.7</td></tr> </tbody> </table>	Month	Average days	June	12.7	July	11.2	August	9.3	Sept	6.5	Oct	6.8	Nov	9.6	Dec	11.8	Jan	9.9	Feb	2.7
Month	Average days																							
June	12.7																							
July	11.2																							
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Sept	6.5																							
Oct	6.8																							
Nov	9.6																							
Dec	11.8																							
Jan	9.9																							
Feb	2.7																							
To correct errors in the 'earnings' caseload (approx. 7,000 cases)	Conduct check of evidence and consequent calculations for all 16/17 earnings cases. <ul style="list-style-type: none"> - Refer any incorrect cases to benefits team for correction - Maintain detailed records for 16/17 audit - Produce monthly stats with outcome of checks - Consider training needs on an ongoing basis 	Tim Delany Morag Freitas Megan Shepherd	01/12/16 – 31/05/17	3 experienced Agency staff have been employed (starting at various dates during December) and are working as a dedicated team under the supervision of the CenSus benefits expert. (N.B these costs are being funded from within the current CenSus budget.)																				
To improve accuracy and ensure benefits processors make adequate explanation of their assessments.	<ol style="list-style-type: none"> 1) In discussion with the QA team and processing staff, devise an action sheet to be completed in ALL cases. 2) Introduce processes and procedures to incorporate the action sheet into day to day 	Morag Freitas Debbie Helsby Shirley Eveleigh As above	19/12/16 – 06/01/17 By 18/01/17	1) and 2) Draft action sheet was constructed, discussed at benefit team meetings on 10/01/17 and final version introduced on 18/01/17.																				

	<p>activity, including QA checking.</p> <p>3) Monitor effectiveness of the use of the action sheet.</p>	<p>Tim Delany Morag Freitas</p>	<p>13/02/17 onwards</p>	<p>3) Full analysis on both accuracy of cases where the sheet has been used and the consequent reduction in the number of cases completed to be undertaken by 18/03/17.</p>
<p>To maximise benefit overpayment recovery (the 'profit' from which can mitigate any subsidy clawback);</p>	<p>1) Carry out a full review of benefit overpayment recovery processes and procedures (N.B. CenSus already has a 90+% recovery rate compared to the national average of 60%)</p> <p>2) Consider report on review and any appropriate action to be taken in terms of organisation etc.</p>	<p>Morag Freitas Laura Foote</p>	<p>12/12/17 to 28/02/17</p>	<p>1) The report was completed 28/02.</p> <p>2) A number of recommendations to improve workflow and performance to be considered – by 01/04/17</p>
<p>Minimise 'Official Error' overpayment amounts</p>	<p>Conduct an exercise (based on random samples) to assess whether an 'underlying entitlement calculation' has been made on appropriate 16/17 cases (an underlying entitlement can reduce an official error overpayment.)</p> <p>- Review outcome and decide way forward</p>	<p>Morag Freitas Megan Shepherd</p> <p>Tim Delany Morag Freitas</p>	<p>01/02/17 – 24/02/17</p> <p>27/02/17 – 03/03/17</p>	<p>To be conducted during March '17.</p>
<p>Provide further understanding and emphasis on subsidy for all staff.</p>	<p>In addition to discussing the outcome of the 16/17 subsidy audit at staff meetings,</p> <p>1) Develop and deliver a subsidy refresher training session for all staff</p> <p>2) Develop for delivery to new starters, a separate subsidy training module.</p>	<p>Shirley Eveleigh</p> <p>As above</p>	<p>By 31/07/17</p> <p>By 30/06/17 (no requirement to recruit at present)</p>	<p>1) IRRV to deliver training during April with emphasis on earnings cases</p> <p>2) Follow up sessions booked for all staff for 3rd May –</p>

				overpayments and underlying entitlement and 4 th July – Subsidy and The Audit.
Seek (further) external assistance in dealing with subsidy.	1. Investigate the service provided by 'professional subsidy practitioners' and their cost (usually a % of additional subsidy to be claimed or clawback 'prevented)	Tim Delany Morag Freitas	TBC	Given the known nature of some of these companies, it is intended to establish what outcomes from our own activities (detailed above) will be achieved before approaching and meeting any of these practitioners. Visit to be made to Wealden, 1 of the 31 authorities not to have received a 'qualified' subsidy audit for 14/15.
	2. Approach DWP for support by way of a visit from the Performance development team.	Morag Freitas	TBC	
	3. Visit an LA that has moved from "qualified! To "not qualified".	Debbie Helsby Shirley Eveleigh	Week commencing 13/03/17	