
To: Finance and Resources Policy Board

On: 26 August 2015

Report by: Director of Finance and Resources

**Heading: BENEFITS ADMINISTRATION – WELFARE
REFORM AND PERFORMANCE STATEMENT**

1. Summary

- 1.1. This report details the processing performance in relation to Housing Benefit and the Scottish Welfare Fund, as at the end of July 2015. The report provides an update on the funding and expenditure position in relation to Discretionary Housing Payments and the Scottish Welfare Fund.
- 1.2. The report also includes high level information on a recent risk assessment of Housing Benefit administration carried out by Audit Scotland.

2. Recommendations

- 2.1 The Finance and Resources Board considers the content of this report.
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3. Background

3.1 Service Information

- 3.1.1 The Service continues to successfully balance a significant work load along with managing the impact of the ongoing effect from the welfare reform agenda.
- 3.1.2 The Service is realising benefits of the implementation of Risk Based Verification in the form of sustained improved processing times. This new process methodology was approved by Members at the Finance & Resources Policy Board on 14 November 2014.

3.2 Speed of Processing – Housing/Council Tax Benefit

3.2.1 As detailed in Table 1 below, processing speed for New Claims remains well within target. In relation to New Claims processed within 14 days of all information received, this measure is also within target for the period and year to date.

3.2.2 Processing of Changes in Circumstance (CIC) is within target for the period and year to date.

(Supplementary processing information is attached in Appendix 1 for member's reference)

Table 1 – Performance Summary

Performance measure	4 Week Reporting Period 12 June 2015 to 9 July 2015	Year to date position	Annual Target
New Claims – processing time	19.32 days	22.57 days	24 days
New Claims - % processed within 14 days of all information received	94.01%	93.99%	92%
Changes in Circumstance – processing time	8.51 days	5.11 days	10 days

3.3 Discretionary Housing Payments

3.3.1 The total budget for Discretionary Housing Payments is shown in table 2 below.

3.3.2 £1,787,020 of the total budget of £1,898,354, is expected to be used to mitigate the effect of the so called 'bedroom tax.' Members may wish to note the application and award details shown in table 3 below. The table shows a larger proportion of decisions made compared with application volumes. This effect is due to the process put in place by the Service this year that; customers affected by the bedroom tax do not have to reapply for a DHP if they had made an application last year.

3.3.3 As previously reported to members, sufficient funds have been made available for 2015/16 to ensure that customers affected by the 'bedroom tax' will have their shortfall fully mitigated. The balance of funding available, £111,334 is being used to support customers experiencing other financial hardship with the Benefits Service continuing to receive steady demand for DHP from customers for this form of support. Members are advised that this is a significantly lower level of funds than was made available to support customers in this position, compared with last year.

- 3.3.4 The Service will continue to carefully monitor all DHP expenditure and anticipates, that it is likely, similar to previous years, that there will be a requirement to consider topping up DWP resources to meet the demand over the course of 2015/16.

Table 2 – DHP Budget

Allocation	amount
DWP	£366,294
Scottish Government	£1,532,060*
Total budget for the year	£1,898,354

*this includes the balance of the Scottish Government allocation which is expected to be paid early 2016/17 to support full mitigation of the so-called Bedroom Tax

Table 3 – DHP Performance Summary

Measure	1 April 2015 to 31 July 2015
Volume of DHP applications received	820 applications
Volume of DHP decisions made	1,995 decisions
Number of DHP awards	1,846 awards (1,809 customers)
Average processing time (target 29 days)	20.20 days
Total amount committed/paid	£975,542

3.4 The Scottish Welfare Fund

- 3.4.1 The Service had spent/committed 36% of its original budget for the Scottish Welfare Fund (SWF) by the end of July 2015. The performance data relating to the fund is presented in table 4 below.
- 3.4.2 The Service continues to make awards in 2015/16, in line with Scottish Government guidance. Due to the budgetary position, the service is continuing to make awards for “high” priority applications only.
- 3.4.3 The Service will continue to monitor all SWF expenditure and, as previously reported to members, it anticipates that, similar to 2014/15, it will continue to make awards for ‘high’ priority applications only. If trends in application volumes continue it is likely that the Council will again be required to consider providing additional funds to support the SWF.

Table 4 – SWF Performance Summary

Measure	1 April 2015 to 31 July 2015
Number of Crisis Grant applications received	2,803
Number of Crisis Grant Awards	2,378
Total amount paid for Crisis Grants	£151,870
Average Processing time (2 working days target)	1 day
Number of Community Care Grant applications received	752
Number of Community Care Grant Awards	531
Total amount paid for Community Care Grant	£273,536
Average processing time (15 working days target)	9 Days
Total amount paid/committed from the fund	£ 425,406
Total budget for 2015/16	**£1,168,257

*Note that figures are adjusted each month to reflect awards previously made, but not fulfilled.

** The total budget for 2015/16 is £1,168,257 being £1,148,857 funded by the Scottish Government (same level as 2014/15) plus £19,400 carried forward from 2014/15 to cover applications received in 2014/15 but not processed by the financial year end

4. Audit Scotland – Risk Assessment

4.1 Audit Scotland is required to carry out Housing Benefit Audit Risk Assessments across the 32 Local Authorities in Scotland. The main objective of the benefit performance audit is to help councils improve their benefit services, but it also holds councils to account for any failing services.

Risk assessment reports are provided to council Chief Executives who are invited to prepare an improvement plan detailing the actions with associated timescales that they will take to address identified risks. These reports are also copied to the DWP to provide assurances over how Scottish councils are performing.

4.2 During May 2015, Audit Scotland carried out a follow up Housing Benefit Risk Assessment for Renfrewshire. A full report of the outcome of this Assessment will be provided to the Audit, Scrutiny and Petitions Board on 21 September 2015.

4.3 Members may be assured that the Audit Scotland report provided to the council's Chief Executive on 4 June 2015 was very positive noting improvements in key areas. These improvements, the report stated, were seen to be 'commendable' as they had been realised in a period of significant change for the service.

4.4 Members can also be assured that the two risks to continuous improvement identified are already being addressed by the Service and the improvement plan referred in 4.1 above has been approved by Audit Scotland. Members may note that the level of risk identified during this recent audit was a significant improvement compared with previous audit in 2012 when twenty four risks were identified.

Implications of the Report

1. **Financial** - an efficient, effective Benefit Service assists council tenants meet their financial obligations in terms of rent and council tax and ensures overpayments are minimised and DWP subsidy maximised
2. **HR & Organisational Development** - None
3. **Community Planning –**
Community Care, Health & Well-being – An effective Benefits service is vital to the quality of life of many of our citizens as it provides vital support for low income households in order to sustain tenancies and meet their rent obligations
4. **Legal** – None
5. **Property/Assets** – None
6. **Information Technology** - None
7. **Equality & Human Rights**- The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required, following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - None
9. **Procurement** - None
10. **Risk** - None
11. **Privacy Impact** - None.

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Housing Benefit Statement – Appendix

Supplementary KPIs – Finance & Resources Policy Board

APPEALS

Where a claimant disputes a Benefits decision and also disputes a revision decision they can formally make an Appeal. The Benefits Service will prepare a detailed submission which is then considered by the Independent Tribunals Service. Preparation of a submission is a very involved process and requires significant data gathering.

Target processing speed (number of days)	60		
Result: last 3 months (days)	May: 57 days	June: 35 days	July: 98 days
Average (12 months to date)	51 days		
Average Appeals Completed (12 months to date)	8 Appeals per month		

Comment:-

The Service continues to manage Appeals processing, with a short term dip in performance in July due to the holiday period.

REVISIONS

Where a claimant disputes a benefits decision in the first instance they can request for it to be looked at again. This is known as a Revision. The process involves a Senior Benefit Assessor reviewing the decision thoroughly to decide whether the decision should stand.

Target	28 days		
Result last report	January: 27	February: 25	March: 26
Result Last 3 months	May: 29	June: 23	July: 24

Comment:- The service continues to process Revisions within target.

ACCURACY

The Service proactively monitors the accuracy of benefits decisions made through a robust audit checking programme. The Service targets to audit 3% of all calculations and measures the percentage where correct benefit has been paid to the customer

	Target %	Actual %
Volume of Audits	3%	10%
Accuracy – June 15	95%	93.58%
Accuracy – Year to Date	95%	94.63%

Comment:-

The Service has set a stretching target for Accuracy this year and is close to achieving this.

Overpayments

The value of overpayments reported at the last board was £5,328,554, the current value is £5,758,728. Levels are increasing due to the ongoing receipt of real time information from HMRC which has resulted in changes in circumstances identified, not reported directly by customers.

	Target %	Actual %
Target : % recovery of debt raised	73%	71%
14/15: % recovery of debt raised	n/a	72.9%

Comment:-

The Service is slightly behind target on recovery but anticipates that the target will be achieved.

