

**THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE**

**Date of Meeting: 28 May 2012**

PART A	AGENDA ITEM
	<b>7</b>

**Title: REVENUES AND BENEFITS - UPDATE**

**Report of: Phil Adlard – Head of Revenues and Benefits**

---

**1. SUMMARY**

1.1 This report gives an update on the revenues and benefits service.

**2. RECOMMENDATION**

2.1 That the contents of the report are noted.

**Contact Officer:**

For further information on this report please contact:

Phil Adlard - Head of Revenues & Benefits

telephone: 01923 278023

email: phil.adlard@watford.gov.uk

**Report approved by:**

David Gardner, Director of Corporate Resources & Governance – Three Rivers D.C.

Bernard Clarke, Head of Strategic Finance – Watford B.C.

### 3.0 **DETAILED PROPOSAL**

#### 3.1 **DWP Inspection Visit**

3.1.1 Members were advised on 5 March 2012, that during that week, an inspection of the Benefits Shared Service would be conducted by Inspectors from the DWP. The purpose being to confirm the service is on track with improvements and identifying other areas in which we can improve.

3.1.2 Following that visit a draft report has been produced and has been the subject of a positive meeting between the Shared Service together with Dr Halls and the DWP staff on 1 May 2012 in which our action plan to meet the recommendations was discussed.

3.1.3 At the time of writing (15 May 2012) we have received the final revised report and are in the process of preparing our formal response of which the DWP staff have suggested that our Action Plan forms the major part.

3.1.4 The final report and our formal response will then be presented to the Secretary of State for Work & Pensions, who will make any directions that are necessary.

#### 3.2 **Revenues & Benefits “E-Services”**

3.2.1 The Revenues & Benefits Shared Service has been working on a project to deliver a number of self-service options for customers to enable them to answer a number of their queries without the need to call on Revenues & Benefits or Customer Service staff.

3.2.2 The project will also enable Customer Service staff to handle more queries thereby releasing resources in the Revenues & Benefits Service. In addition, electronic claims will be introduced to encourage more accurate claims and speed up the processing of claims.

3.2.3 The project has faced a number of obstacles which has delayed the implementation of these e-services. In addressing these obstacles we have introduced sustainable improvements and avoided “quick fixes”. This has added to the delays.

3.2.4 To add to the delays, it has been acknowledged that corporately, more attention is needed to be paid, at this time of year, to the closing of accounts and the preparation of the Benefit Subsidy claims and the decision was made that it would be in the interests of both authorities that resources were diverted onto these tasks.

3.2.5 The input to the closing of accounts should be completed by 18 May 2012 after which, resources can be dedicated back to the project.

3.2.6 The revised “go-live” date for the e-services will as a result be delayed to 30 June 2012.

#### 3.3 **Local Council Tax Support**

3.3.1 Both authorities will be required to devise and operate a scheme for offering support to Council Tax Payers from 1 April 2013 as the current Council Tax Benefit scheme will be abolished. An added consideration is that we will have to provide a scheme in light of a 10% -11% cut in grant.

- 3.3.2 The funding for this new scheme will be in the form of an “up-front” DEL (Departmental Expenditure Limits) grant which will pose a challenge if there is an increase in demand during the year.
- 3.3.3 The funding arrangements will also have an impact on the County Council and the Police Authority as precepting authorities and both authorities have committed to working with the County to deliver a county-wide scheme.
- 3.3.4 This will itself provide challenges. There is currently a scarcity of legislation to support the new scheme but the guidance from the DCLG is that certain groups such as pensioners and “vulnerable” claimants will have their current benefit awards protected. The consequence of this is that what starts as a 10% cut, effectively becomes a 20% cut when only applied to working age claimants.
- 3.3.5 Unfortunately, each district has its own demography such that Watford has a pensioner caseload of 38% whilst Three Rivers, 46% meaning the impact of any change at its most basic level will be felt more acutely by Three Rivers’ working age claimants and that a scheme that is appropriate for Watford may not be for Three Rivers.
- 3.3.6 Ultimately, the composition of a Local Scheme will be a decision that each individual authority will have to make and further, more detailed reports will be directed through individual reporting channels.

#### 3.4 **Business Rates Retention**

- 3.4.1 In July 2011, the DCLG published proposals for a scheme of Business Rates Retention with the aim to give local authorities greater financial autonomy and strengthen the incentives to support growth. This was followed in December 2011 with the publication of the Local Government Finance Bill.
- 3.4.2 The Shared Service is taking part in a county-wide initiative to attempt to determine the impact of this scheme and the potential growth that can be realised.
- 3.4.3 We cannot accurately predict the financial consequences of this scheme at present and will not be able to do so until the baseline is determined.
- 3.4.4 The opportunity for both authorities will be that if there is an increase in business growth (increase in Rateable Value) then, within limits, that growth will be kept by the local authority.
- 3.4.5 More details are expected during the summer months but as with Local Council Tax Support Schemes, any decisions will be the matter for individual authorities.

### 4. **IMPLICATIONS**

#### 4.1 **Policy**

- 4.1.1 The recommendations in this report are within the policies of the Joint Committee, Three Rivers District Council and Watford Borough Council.

#### 4.2 **Financial**

- 4.2.1 There are no changes to the budget or the efficiency gains already agreed by the Joint Committee, Three Rivers District Council or Watford Borough Council as a result of this report.

4.3 **Legal Issues** (Monitoring Officer)

4.3.1 None specific to this report.

4.4 **Risk Management and Health & Safety**

4.4.1 There are no risks associated with the decision members are being asked to take, i.e. to note the report.

4.5 **Equalities, Staffing, Accommodation, Community Safety, Sustainability & Environment, Communications & Website and Customer Services**

4.5.1 None specific.

**Appendices**

None

**Background Papers**

No background papers were used in the preparation of this report.