

**FORMAL RESPONSE OR CONSULTATION REQUESTS FROM THE CABINET
AND/OR SELECT COMMITTEES FOLLOWING MATTERS REFERRED BY THE
COMMITTEE**

- (a) Performance Monitoring: LPI DS 002 – Total Trading Account Position - referred on 27.09.11 (Finance Advisory Group 02.11.11)

Members were directed to the commentary in the item on Financial Results to the end of September. Graphs were circulated showing the rise in the cost of diesel since April 2010. Officers also told the Group that fees for waste disposal had risen. Savings were expected to be made from moving the Direct Services team from Task software to AGRESSO.

Members considered the possibility of buying fuel in bulk, in advance. The Head of Finance and Human Resources confirmed the Council did have storage tanks which allowed it enough fuel for emergencies and which held more than some neighbouring districts. Fuel futures had not been considered but Officers could investigate this.

Members agreed that it would be helpful to consider further the finances of Direct Services.

Action: Direct Services to be added to the Forward Programme for discussion in March 2012.

- (b) Performance Management Performance Report - LPI HB 001, 002, 005 & 006 – referred on 27.09.11 (Services Select Committee 08.11.11)

Extract from the draft minutes, the referral was considered as part of the report Revenues and Benefits Partnership Update: -

The Head of Finance and Human Resources believed that the average days to process claims was the greatest concern for the Partnership and confirmed the workload had increased by 23% over the past year. Across a range of indicators activities had remained high into October. The introduction of Automated Transfers to Local Authority Systems (ATLAS) had helped to notify of changes to claimants' tax credits. However, this meant that claimants' circumstances had likely changed and needed to be investigated by staff; consequently this had significantly increased the workload. Due to the economic conditions customers were generally reporting more changes to their circumstances than usual. The time taken to process reported changes had begun to fall, though.

The Benefits Team faced difficulties from staff shortages but recruitment was a key focus. The pool of assessors was decreasing because of uncertainty caused by the proposals for Universal Credit.

They had therefore introduced new processes to increase efficiency for new claims.

A triage system had been established and information was put onto the computer database more flexibly. Tasks had been re-evaluated so that the more experienced Officers could focus on the more complex ones. They had also reconsidered what activities were undertaken so that any resources, which could be, were moved to assessing claims.

The Head of Finance and Human Resources gave an overview of the changes expected from the Welfare Reform Bill. From October 2013 Housing Benefit would be incorporated into the Universal Credit, except for those at pension age. Council Tax Benefit would be abolished from April 2013, with the introduction of a new localised Council Tax Support. This meant two separate benefit assessment systems would need to be in place. She added that there would be little time to organise IT infrastructure because of the delay in publishing the secondary legislation.

Members asked whether the reforms could even mean more work than at present. The Head of Finance and Human Resources confirmed this was possible while the Team had to manage 2 separate assessment systems. Beyond that point, if half of the workload had transferred to the Department for Work and Pensions (DWP), Officers would have to consider whether the Team was still cost effective.

Another Member commented that when the localised Council Tax Support scheme was introduced the Council would be expected to deliver a reduction in spending of 10%. He also believed that taking responsibility for the Social Fund could have significant financial implications. Officers clarified that the savings would be difficult to make because of all the groups Government had said were to be protected. The 10% savings would have to be made from 9% of the total paid out if pensioners and those receiving 100% Council Tax Benefit were protected. It was also not yet clear whether the Social Fund would be passed to the County or District Council.

There was concern at the presumption that claims for Universal Credit would be made online when customers may have neither the resources or ability to use this method. It was noted few currently made their applications this way. The Committee was informed that Officers had raised this matter with the DWP.

The Portfolio Holder for Finance and Value for Money explained that the uncertainty over transitional arrangements exacerbated the difficulties in planning ahead. Members also had to consider whether, in the future, the Council would need increased income either to cover greater staffing or to compensate for the 10% reduction in funding for the localised Council Tax Support.

Resolved: That the progress made in addressing the challenges facing the Benefits Service be noted and the action being taken to reduce processing times be endorsed.