



NORTH HERTFORDSHIRE DISTRICT COUNCIL

The 2017/18 Service Plan for Revenues & Benefits (Including the MSU)

April 2017

The service plan is a key component of NHDC's Corporate Business Planning Process. It supports the delivery of the Corporate Plan, and the delivery of the day to day business activities of the Council, within agreed budgets.

These plans, specific to each service cannot be written in isolation. The Senior Management Team works together to identify areas where synergy, cross authority working or additional skills or temporary resource may be required to deliver an individual project. The service plans will provide the detailed actions which ensure delivery of the priorities.

The Council has three new Objectives from 2016/17 that form the basis of the corporate business planning process. These will be the areas on which the Council will concentrate resources and activities for delivery.

Actions arising from the corporate business planning process will feed into personal objectives for individual members of staff via appraisals and 1:1 meetings. The clear lines of responsibility, outcomes and target dates will be monitored as part of the Council's project governance and performance management reporting.

As part of the Corporate Business Strategy, this service plan should also outline any service area that Corporate Board have indicated will be subject to review in 2017/18..

The following are descriptions of the Council's Objectives:-

Objectives

- **Attractive & Thriving**
To work with our partners to provide an attractive and safe environment for our residents, where diversity is welcomed and the disadvantaged are supported
- **Prosper & Protect**
To promote sustainable growth within our district to ensure economic and social opportunities exist for our communities, whilst remaining mindful of our cultural and physical heritage
- **Responsive & Efficient**
To ensure that the Council delivers cost effective and necessary services to our residents that are responsive to developing need and financial constraints

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1. INTRODUCING THE SERVICE

Head of Service /Corporate Manager: Howard Crompton – Head of Revenues Benefits & IT

Executive Member(s): Cllr Terry Hone Finance & IT Executive Member and Deputy Leader

Service Managers: Sarah Gibbs
Revenues & Benefits Service Manager
Mark Scanes
Systems & Technical Manager
Antonella Di Maria
MSU Manager

Number of FTE's: 64.01 (73 employees)

1.1 The purpose of the Team

The purpose of the Revenues, Benefits & MSU service area is to deliver

- Administration and Recovery of Council Tax
- Administration and Recovery of Non-Domestic Rates
- Administration and Payment of Housing Benefit and Council Tax Reduction including recovery of Overpayments, preparation of Benefit Subsidy Claim and completion of all Government Returns
- Investigation and prosecution of Council Tax Reduction Scheme and other Corporate Fraud
- Administration of the Central Cashiering Function including development of the Council's e-payment roll out
- Recovery of all Miscellaneous Income to the Council
- Corporate Administrative support
- Land Charges
- Lead on corporate property database

1.2 How the service links to our Objectives

The service areas link with the Objectives in the following ways:-

Service Area	Category*	Objective	Link to Objective
Administration & Recovery of Council Tax	Statutory	Responsive & Efficient	This is a statutory service, which ensures that Council Tax payers are charged the correct amount of Council Tax, that this is collected efficiently and that the Council collects the Tax to ensure that all precepts are met.
Administration & Recovery of Non-Domestic Rates	Statutory	Responsive & Efficient/ Prosper & Protect	This is a statutory service, which ensures that the correct levels of Business Rates are charged and

			collected. Limited discretion is available in the application of the Discretionary Rate Relief Scheme. Localisation of Business Rates from 1 April 2013 has meant that there is now a greater incentive for Local Authorities to maximise its Business Rate collection. As part of the Business Rates Service, the Council also administers and collects BID Levies from three different BID areas within North Hertfordshire.
Administration and Payment of Housing Benefit and Council Tax Reduction including recovery of Overpayments, preparation of Benefit Subsidy Claim and completion of all Government Returns	Statutory	Responsive & Efficient/Prosper & Protect	This is a statutory service, which calculates entitlement to and pays Housing Benefit and Council Tax Reduction to many of our most vulnerable customers. This involves the payment of approximately £42.8M of public money. This service is highly regulated and subject to a Housing Benefit Subsidy audit each year, which is extensive and has zero tolerance, despite the high expenditure. Since 1 April 2013, the Council has had to administer the Council Tax Reduction Scheme as a replacement for Council Tax Benefit. This is a cash limited scheme, which must provide protection for pensioners. This requires the Council to estimate the number and value of claims expected in any financial year. The service also covers the calculation and recovery of overpayments of Housing Benefit.
Investigation and Prosecution Council Tax Reduction Scheme and other Corporate Fraud	Discretionary Core	Responsive & Efficient	Responsibility for the investigation of Housing Benefit Fraud passed to the DWP on 1 June 2015. However, the Council is now a partner in a new Shared Anti-Fraud Service (SAFS) with five other Councils in Hertfordshire. This new service investigates Council Tax Reduction Scheme and other Corporate Fraud such as Procurement Fraud,

			Tenancy Fraud, Business Rate Fraud etc. The Head of Revenues, Benefits & IT is the co-ordinating Officer between the Council and SAFS
Administration of the Central Cashiering Function including development of the Council's e-payment roll out	Discretionary Core	Responsive & Efficient	In recent years the Council has greatly expanded its payment methods to allow customers to find the best way for them to make payments. This service administers and accounts for all income coming into the Council to ensure that it is properly allocated to the relevant back-office system. The expansion of payment methods and the closure of the cash office has allowed the Council to substantially reduce the resources in this team. A new cash management system was implemented in 2013. E-Store was implemented in 2016, which provides a more efficient way for customers to pay multiple charges to the Council and to check on payments made, balances etc.
Recovery of all Miscellaneous Income to the Council	Discretionary Core	Responsive & Efficient	This is a vital service to ensure that all income due to the Council is collected wherever possible. This service ensures the on-going viability of all the Council's services.
Corporate Administrative Support	Discretionary Core	Responsive & Efficient	The Management Support Unit provides a wide range of administrative support to a number of the Council's services. This enables those services to meet their statutory obligations. In 2016, the Team has taken on additional work to support the expanding Careline service.
Land Charges	Statutory	Responsive & Efficient	This is a statutory service that maintains the Land Charges Register and provides an important service to Solicitors and members of the public in relation to property transactions
Lead on	Discretionary	Living within our means	This function maintains the

Corporate Property Database	Core		link between the supplier and the Council services using the system to ensure that there is an integrated approach to development and management of the system. In 2015, the Council began a process to replace the existing supplier by 31 May 2017 with two separate suppliers for Environmental Health (Tascomi) and Planning & Building Control (Uniform) as the operating system is due to be de-supported from that date.
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***Category**

Statutory/Mandatory – NHDC has a statutory duty to provide this service

Discretionary Core – NHDC has the power to provide this service. It either supports the delivery of front line services or generates a net income for NHDC.

Discretionary non core – Discretionary services that do not directly support any other front-line Council service.

1.3 Budget

The budget for this service area for 17/18 is attached as Appendix C

2. WHERE ARE WE NOW?

Baseline assessment of service

2.1 Performance Profile

The performance indicators for the service areas set out how well the service is currently performing against a range of criteria, measures, targets and customer expectations. The performance indicators below are reported to the Overview and Scrutiny Committee. In addition to these, there are management information indicators that are used to ensure the service strives to improve or deliver services more efficiently.

PI	Description	Annual 2016/17 Target	Latest Data	Status
BV9	% of Council Tax collected in year	98.00%	98.40% at 31/03/2017	Green
BV10	% of National Non-Domestic Rates collected in year	97.00%	98.55% at 31/03/2017	Green
CTRS 001	Number of Council Tax Reduction Scheme claims - pensioners	No Target	3,404 (Mar 17)	N/A
CTRS 002	Value of Council Tax Reduction Scheme claims - pensioners	No Target	£3,228,818 (Mar 17)	N/A
CTRS 003	Number of Council Tax Reduction Scheme claims - vulnerable persons	No Target	1,783 (Mar 17)	N/A
CTRS 004	Value of Council Tax Reduction Scheme claims - vulnerable persons	No Target	£1,901,972 (Mar 17)	N/A
CTRS 005	Number of Council Tax Reduction Scheme claims - working age employed	No Target	1,204 (Mar 17)	N/A
CTRS 006	Value of Council Tax Reduction Scheme claims - working age employed	No Target	£658,005 (Mar 17)	N/A
CTRS 007	Number of Council Tax Reduction Scheme claims - working age other	No Target	1,200 (Mar 17)	N/A
CTRS 008	Value of Council Tax Reduction Scheme claims - working age other	No Target	£817,649 (Mar 17)	N/A
MI LC001	Number of local land charge full residential searches	No Target	1,585 (Mar 17)	N/A
MI LC002	Number of local land charge full commercial searches	No Target	230 (Mar 17)	N/A
MI LC003	Number of local land charge searches - Form LLC1 only	No Target	45 (Mar 17)	N/A
MI LC004	Number of local land charge personal searches that generated income	No Target	740 (Mar 17)	N/A
MI R&B001	Total number of Housing Benefit recipients	No Target	6,901 (Mar 17)	N/A

2.2 Public Perception

The customer's perception of the service is analysed to ensure the service responds to feedback. This includes analyses of information obtained from the Council's Compliments, Comments and Complaints process.

The following details consultation that has highlighted areas of success or the need for improvement:-

- The Service had a Quality Management Accreditation to ISO9001:2000 since 2002, which was superseded in 2009 by ISO9001:2008 and which ensured that the Service remains customer focussed. This involves a detailed review of any complaints and action taken to ensure there is no recurrence. For cost saving purposes, it was decided not to retain the Standard in

2014/2015, however the Service continues to abide by the practices and principles of the Standard, just not incur the expense of being inspected twice each year.

- The Service also responds to comments made by customers through its Comments procedure and will make changes accordingly, for example the wording on Council Tax bills has been amended to make it clearer
- The Service has also taken advice from the Department of Works and Pensions Performance Development Team and introduced a number of changes in working practices designed to improve performance.
- Consultation has taken place during 2016 on proposals for the Council Tax Reduction Scheme for 2017/2018
- District Wide Survey is run bi annually and is due for completion summer 2017.

2.3 Key achievements and outcomes from 2016/17

What did you successfully deliver against your service action plan for 2016/17:

Action	Output	Outcome
Capacity Grid	Comprehensive Business Property list maximising collection rates	Unoccupied properties brought back into occupation. Higher collection rates.
SAFS - Single Person Discounts	Analyse the way in which single person discounts are reviewed	Removal of discounts where the claimant is not entitled to receive.
SAFS – Empty Homes Review	Analyse the way in which empty homes are reviewed	Identification of new homes bonus
Fraud & Error Reduction Incentive	Reduction of benefit expenditure targeting claimants where there has been no changes in pensions or salaries within 52 weeks	Cost saving due to reduction of benefit expenditure
National Fraud Initiative	Identification of any mismatched information held within the NFI data base	Collection of funds where incorrect data has been found
LOCTA	Tracing tool to identify council tax debt whereby occupants have moved on from their registered address	Increased revenue from collection of debt
Office Accommodation move to Town Lodge	Small refurbishment of Town Lodge and movement of staff from DCO to T/L	All staff moved to allow DCO project to commence on time
Civica – e-Store, replacement for web payment service	To convert existing web payments into modular payments	Improved customer access to payments
Redbox Call Recording Software	Software solution to enable full or partial telephone recording of benefit calls	Capture of benefit call data relating to changes in circumstances
Govtech Forms	To replace the current Firmstep forms to a fully automated online self service process	Improved customer satisfaction
System and Technical Restructure	Restructure to enable continuous cover of all areas within technical	Streamlined and efficient service with cost savings
Civica V16.1 Upgrade	To enable our data to be fully hosted offsite	To be fully compliant
Benefit Cap	Advise all claimants of the benefit cap changes that came	To Comply with imposed government legislation

	into force from Autumn 16	
Re-evaluation of Business Rates	Implementation of the 2017 Rating List.	To have a comprehensive list of all businesses within the area detailing the new rateable value
Careline and HES Implementation	Transferal of Careline and HES administration into the MSU	Successful embedding of administration to the MSU
Replacement application system for Environmental Health	Evaluate new software solutions	To enable the service area to implement its new solution

The following actions were not delivered in 2016/17 and will be carried forward into the 2017/18 action plan

Action	Original Due Date	Revised Due Date
Civica Call Safe	30.09.2016	Check with MS
Twilight Billing	31.03.2017	31.03.2018
Permit Smartie	01.01.2017	30.09.2017
Migration of Landcharges into Land Registry	Unknown 2017-2023	Unknown 2017-2023
Legal Backscanning	01.07.2016	01.07.2017
Continued Roll out of DMS	31.03.2017	30.09.2017
Postal Efficiencies (N mail)	30.03.2017	31.12.2017

2.4 External Reviews

The Service was subject to reviews as detailed below:

- External Audit of Benefit Subsidy Claim – Qualified (Ernst & Young)
- External Audit of NNDR3 Claim – No Qualifications

In addition, the service was subject to the following internal audits:

- Benefits – Full Assurance SIAS
- NNDR – Full Assurance
- Council Tax – Substantial Assurance

3. WHERE DO WE NEED TO BE?

The Service has been undergoing massive change from 2012/2013 onwards due in the main to the implementation of the Government's Welfare Reforms. At the time of writing this, there remains considerable uncertainty around some aspects of the legislation to be implemented and the various options for different delivery models.

The main elements of the reforms are:

- Implementation of Universal Credit
- Changes to support for Council Tax – Now in its fifth year, an independent review has recently reported and there is no indication yet whether the Government will support all, some or none of the recommendations.
- Changes to Housing Benefit, i.e. Social Sector Size Criteria and the Benefit Cap – These have been implemented and further changes to the Benefit Cap were implemented in November 2016. The effects of this latest change are still working their way through
- Localisation of NNDR – This is being phased in and is causing uncertainty because of fluctuations in the Rating List, especially the number of appeals, which will only increase with the implementation of the 2017 Rating List
- Migration of the Fraud Team to the Department for Works and Pensions – This was completed on 1 June 2015, however there remains a substantial amount of fraud related work which remains with the Local Authorities. This has resulted in a growth bid for additional resources and an additional Officer has been appointed to address this additional work

In addition, the Land Charges Service faces continued uncertainty around a legal decision waiting to be heard in the High Court relating to fees charged, although there are indications that this will be settled out of court at a cost within that set aside by the Council.

Implementation of Universal Credit

Universal Credit will roll a number of existing welfare benefits, including Housing Benefit, into a single Benefit. There is wide support for this concept as it will make claiming easier, will result in one single set of rules and will promote work above claiming Benefit.

Implementation of Universal Credit is behind schedule as the Government wishes to ensure that each stage of implementation is fully tested. The intention was that Universal Credit would be fully implemented by April 2017. Claims for single, non-household working claimants with no dependants (around 3% of the caseload) began in North Hertfordshire in March 2016. We expect to go full service in February 2018 with all types of claimants. It is now expected that the Council's Housing Benefit caseload will be migrated to DWP 2019/ 2020..Universal Credit is only applicable to working age claimants and the Council will retain Housing Benefit for pensioner claimants and other supported claims such as hostels etc. for some time after Universal Credit is fully implemented.

There have been discussions around the continuing involvement of Local Authorities in assisting with Universal Credit. The Government has introduced a scheme, which is based on the number of claimants assisted and the type of assistance given. It is very early days in the implementation of Universal Credit and the case load is too small to gauge how this will work in the long term. This arrangement has been re branded by the DWP as "Universal Credit Delivered Locally".

This continuing uncertainty is unsettling for staff and makes it impossible for the Council to be able to plan with any certainty what its ongoing staffing requirements will be.

Changes to Support for Council Tax

Council Tax Benefit was abolished on 31 March 2013 and replaced by Council Tax Reduction Schemes, created by each individual Local Authority. The requirements of the scheme were:

- Cash limitations on the amount of Support awarded. 90% of the expected expenditure for 2013/2014 as determined by the Office for Budget Responsibility
- Full protection for Pensioners
- Protection for other vulnerable groups, which must be determined locally

The timetable for implementation of this legislation was so tight as to make it impossible to design any scheme other than one based on the existing legislation, with amendments to satisfy the criteria detailed above.

The Council made a conscious decision not to take the Government's offer of a one-year transitional grant and to implement the full level of cut in one go to avoid further cuts in subsequent years.

This has proved to be a prudent decision as due to the reduction in caseload, the Council has been able to relax the amount by which each claim is reduced from 33.13% for the first two years of the scheme to 25% in the third, fourth and fifth years, rather than having to contemplate increases due to unsustainable subsidies to the scheme through the General Fund.

The Service needs to be in a position where it can deliver these huge changes to welfare benefits and live within its means. 2012/2013 was crucial in determining what level of funding is needed and available so that from 2013/2014 onwards plans could be put in place to adjust staffing levels to the new requirements. All the indications from Councils where Universal Credit has been fully rolled out are that the number of enquiries is such that make it impossible to consider any reductions in staff. Unfortunately, funding uncertainties remain. The intention is to manage any required reduction in staff through natural churn.

Changes to Housing Benefit, i.e. Social Sector Size Criteria and the Benefit Cap

These changes were successfully implemented in 2013/2014 but continue to be of concern. The impact of these changes on the household budgets of those effected continue to be of concern and the longer term effect has still to be evaluated and will need to be taken into consideration when making changes to the Scheme in subsequent years.

Further reductions in the Benefit Cap have been implemented, causing additional financial hardship to a number of working age families.

To compensate for the various reductions in Welfare Benefits, the Government has substantially increased the level of funding for Discretionary Housing Payments, which stands at £283,334 for 2017/2018.

These changes are the subject of numerous Freedom of Information requests.

Localisation of NNDR

Again the phased implementation of this began on 1 April 2013 and considerable work is required to ensure that the Council can maximise its income on an on-going basis. It is expected that full implementation will be completed for 2019/2020. To this end, the Council has entered into an agreement with an external partner to identify commercial properties where there is a potential for increases in rateable value. There remains uncertainty on the Council's income from the Local Retention of Business Rates due to the volatility of the Rating List caused by the number and frequency of appeals.

During 2015/2016, the arrangements with our external partner identified over £1M of rateable value, that had not been previously identified. Despite this, because of the effect of appeals, the total rateable value actually reduced slightly during this period.

The number of new cases identified in 2016/2017 has reduced the RV to £779,110. which is to be expected as most of the long standing cases were identified in the first year.

The Government has announced its intention to carry out a review of Business Rates with many business organisations claiming that it is no longer “fit for purpose”. This again gives rise to uncertainty over future funding for Councils from a form of “business tax”

Migration of the Fraud Team to the Department for Works and Pensions

This took place on 1 June 2015 and the Council is one of the six founding members of the Shared Anti-Fraud Service (SAFS), which has been set up to investigate all types of fraud, other than Housing Benefit, throughout the six authorities. Somewhat belatedly, DWP decided that it may be sensible to do joint investigations where Housing Benefit and Council Tax Reduction were concerned and the Council, through SAFS is one of a few involved in a pilot scheme with DWP to determine how best this can be achieved.

Land Charges Legal Challenge

The Council, along with many other Councils is subject to a class action relating to charges made for searches over a number of years. At the time of preparing this Service Plan, some progress has been made towards a national settlement of this case, which is nearing its conclusion.

There is no specific savings target for the Service for 2017/2018. However, the Service remains vigilant to any opportunities to make savings and some may be achieved through reduction in staff hours and implementation of an on-line service for customers to make Benefit claims and report changes in circumstances, which complements the service already implemented and working well, which enables customers to report house moves and other changes in circumstances, relevant to their Council Tax accounts.

It is not possible to make any significant efficiency savings within the Revenues & Benefits functions during 2017/2018 because of the increased workload due to the implementation of the welfare changes and other burdens placed on the Service. Indeed, it has been necessary to request an increase in resources to cover the residual fraud work left after the migration of the Fraud Investigations function to the DWP. This is likely to change, once these have become embedded and Housing Benefit is migrated into Universal Credit.

Our aim throughout delivery of any service is that it should be inclusive. In order to ensure this and as is required of the Authority and its services under the Equalities Act 2010, officers will be required to

- complete an Equality Analysis each time a proposal is made which changes the manner in which a service is delivered, costs in excess of £50,000 (excluding utility contracts) or affects more than two wards
- Evidence of that assessment and its findings will be referred to and available as a 'background paper' for any report requiring a decision by members, so that the impact and its risks can be fully considered before recommendations for change or adoption are agreed.
- The positive and negative impacts of such analysis will be provided in summary within the committee report using the new report template available from the Committee Services section.
- The report must also be approved by a member of the corporate Policy Team in order to ensure it fulfils the requirements of the Equality Duty, 'that members are fully informed and aware of equality implications at the time they make a decision'.

From January 2013, under Public Services (Social Value) Act 2012, local authorities were required to capture the 'social value' of their investment into local projects. Two comparative projects may have the same financial value, but it is the value to the local community, community groups or individuals which needs to be captured and reflected more accurately in order to better inform decision making; this should therefore be built into individual service plans, and the individual projects reflected within them. The corporate Policy team will be able to advise further if help is required.

In order to mitigate risks or improve governance arrangements the service needs to :-

- Complete agreed internal audit actions
- Ensure all documentation and IT records comply with the retention policy

HOW DO WE GET THERE?

This is the framework for action, with clear indications of what needs to be done, by when and who is responsible for doing them.

4.1 Detailed action plans

The main actions and planned outcomes are outlined in the Service Action Plan. This includes the improvements required to service delivery identified by external reviews, internal audits, risk management and Assurance actions, legislative changes as well as key projects. It has been colour coded to show why the action is required.

This service plan predominantly focuses on actions to be delivered in 2017/18 but certain actions that impact on the service beyond this timeframe have been included with milestones to indicate the anticipated delivery date.

These need to be living plans, with performance, milestones and targets updated regularly, in the context of team meetings as well as during appraisals and 1:1's.

The Service Action Plan is attached as Appendix A.

4.2 Risk & Opportunities Actions to mitigate risks thereby ensuring the delivery of projects by reducing threats to service delivery, are included within the Service Action Plan. The threats that will prevent the service from achieving targets have been identified and recorded.

Opportunities which may present themselves could include existing or emerging service sharing arrangements, or sharing parts of a service, especially going forward – and how will the benefits of those opportunities be measured?

5. HOW DO WE KNOW WE ARE THERE?

Accurate and reliable information is important to ensure the Council can measure how well it is achieving its goals. The information held by the Service is accurate, reliable, timely, consistent, relevant, secure and of high quality to meet the needs of our partners, residents and fulfil audit and inspection requirements.

Progress against the Corporate Plan will be reported to Overview & Scrutiny Committee

Budget monitoring reports are submitted to Cabinet on a quarterly basis and include information on our key financial health indicators.

In preparing the Service Plan local performance indicators have been considered and their continuing use reviewed and/or new indicators have been introduced with details shown in Section 2.

The performance measures for each of the Service indicators have been reviewed by the Executive Member and relevant Heads of Service. The risks to the achievement of the targets are evaluated and where necessary entered onto the Risk Register held on Covalent.

Performance against indicators is reported quarterly to the Overview & Scrutiny Committee. Where performance is below target Heads of Service/Corporate Managers are required to provide information as to what action is being taken to remedy the situation in order that members can review proposals for improving performance levels.

Every member of staff has an annual appraisal when individual performance is reviewed against individual objectives linked to the service plan. In addition, managers are required to have a formal appraisal review every 6 months. This ensures delivery against the service plan is kept on track.

The Council's Top Risks are reported to the Finance, Audit and Risk Committee to ensure that key risks are being identified and managed.

6. ASSURANCE FRAMEWORK

The Council has an assurance framework to map the Council's priorities to risks, controls and assurances. An essential part of this framework is a Management Assurance Statement that is completed by all Heads of Service and Corporate Managers.

This Assurance Statement is a critical review of the service area against the Council's Local Code of Corporate governance and provides evidence for the Annual Governance Statement published with the Council's Annual Accounts.

The Head of Service/ Corporate Manager's Assurance Statement is attached as Appendix B.

The following appendices for your Service area must be included;

- A. Service Action Plan**
- B. Assurance Statement**
- C. Budget for 17/18**