

# WEST DUNBARTONSHIRE COUNCIL

## Report by Strategic Lead - Resources

Corporate Services Committee: 8<sup>th</sup> September 2021

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**Subject: The Provision of Managed Work for Housing Benefit and Council Tax Reduction**

### **1. Purpose**

- 1.1** The purpose of this report is to seek Committee approval to procure the provision of managed work associated with the processing of Housing Benefit (HB) and Council Tax Reduction (CTR) claims.

### **2. Recommendations**

- 2.1** It is recommended that the Committee approves the procurement of the managed work associated with the processing of HB and CTR for a 2 year period with the unilateral option on the Council's part to extend for a further 2 x 12 month period subject to continued funding from Department for Work and Pensions (DWP) as per point 4.2 of this report.

### **3. Background**

- 3.1** The Council processes HB and CTR claims and change of circumstances for claimants in our area that require assistance towards their rent and/or council tax.
- 3.2** The impact of Covid 19, welfare reform and other UK Government initiatives has resulted in an increase in demand and workload for the teams involved in processing these claims and changes of circumstances. In addition, as has previously been reported as a result of the ongoing uncertainty for staff due to the continued and long-delayed roll-out of Universal Credit (UC) by the DWP there has been an increased and ongoing turnover of staff.
- 3.3** The performance of the Council in relation to processing time for new claims and change of circumstances is monitored extremely closely by the DWP and is subject to both internal and external audits. It is also essential to point out that timely processing of HB and CTR is critical to the Council meeting its rent and council tax collection targets.
- 3.4** On 7<sup>th</sup> February 2018, the Committee approved the tender for the provision of managed work for HB and CTR with an annual spend up to £75,000.
- 3.5** Following approval in 2018, a tendering exercise was undertaken and the contract was awarded to the successful bidder for a 2 year period with the

unilateral option on the Council's part to extend for a further 1 x 12 month periods on 29<sup>th</sup> August 2018 at a meeting of the Tendering Committee..

#### **4. Main Issues**

- 4.1** It was anticipated that councils would see a reduction in caseload due to the introduction of UC however this has not been the case as the workload has increased due to the additional work required to obtain and process CTR claims from UC claimants. The impact of Covid-19 and welfare reforms has increased the workload in this service area however this is in an unpredictable manner with significant peaks in demand at different points of the year.
- 4.2** The DWP is providing Councils with new burdens funding on an annual basis and the intension is to use the new burdens funding towards the managed work contract up to £75,000 per year. At this point it is anticipated that this funding will continue be available for the next 4 years, however any change, i.e. reduced levels of new burdens funding from DWP, could lead to reductions in the scale of the managed work contract used each year.
- 4.3** The use of a managed work contract allows the section to manage the demands of the service, loss of staff as a result of turnover and sickness absence/ maternity leave, whilst maintain performance at expected levels.
- 4.4** It is anticipated that in any single financial year no more than £75,000 would be required and any use of this external resource would be a last resort and used only as necessary.

#### **5. Options Appraisal**

- 5.1** Consideration has also been given to realigning the Revenues and Benefits team (moving staff) between the three areas i.e. Housing Benefits, Council Tax and Corporate Debt. Whilst there are some similarities between Housing Benefits and Council Tax there are differences which will require a level of training if staff are moved to Housing Benefits and movement of staff would also impact on Council Tax performance, which would not be acceptable. In relation to Corporate Debt, the work is very different from Housing Benefits team and would require full training and this would impact the monies brought in by this team in terms of Rent, Council Tax and Sundry debt. Therefore, this was ruled out as a viable option.

#### **6. People Implications**

- 6.1** There are no people implications. As stated above the team has been experiencing staff turnover and difficulty in filling posts due to implementation of Universal Credit.

#### **7. Financial & Procurement Implications**

- 7.1** The DWP provides funding to mitigate the welfare reform changes which will be used to fund this increase along with the budget held for vacant posts which fund the current costs. There will therefore be no additional cost to the Council.
- 7.2** All procurement activity carried out by the Council in excess of £50,000 is subject to a contract strategy. The contract strategy for the provision of managed work for HB and CTR will be produced by the Corporate Procurement Unit in close consultation with Revenues and Benefits officers. The contract strategy shall include but may not be limited to; contract scope, service forward plan, the market, procurement model and routes – including existing delivery vehicles, roles and responsibilities, risks, issues and opportunities and ongoing contract management.
- 7.3** The provision of managed work for HB and CTR will contribute to delivery of the Council strategic priorities through continuing to provide high quality HB and CTR services and support individuals, families and carers live independently and with dignity by ensuring HB and CTR claims and change of circumstances are processed efficiently and accurately.

## **8. Risk Analysis**

- 8.1** The DWP no longer set national targets however they monitor the speed of processing new claims and change in circumstances performance on a quarterly basis. If there is an increase in the processing times, the DWP's Performance Development Team (PDT) will contact the Council to discuss this and would be placed on performance monitoring framework. Failure to improve, could result in DWP intervention by the PDT and there could be a financial risk to the Council in terms of lost subsidy. Any processing delays can result in overpayments of benefit which require to be recovered.

## **9. Equalities Impact Assessment (EIA)**

- 9.1** None

## **10. Consultation**

- 10.1** The views Procurement and Legal Services have been requested on this report and have advised there are neither any issues nor concerns with the proposal.

## **11. Strategic Assessment**

- 11.1** Sound financial practice and budgetary control are imperative to assist with the governance of the Council and supports officers of the Council in achieving the five strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council.

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**Stephen West**

**Chief Officers - Resources**

**Date:** 19<sup>th</sup> July 2021

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**Appendices:** None

**Background Papers:** Report to Corporate Services Committee, 7 February  
2018; and  
Report to Corporate Services Committee, 12 November  
2014

**Wards Affected:** All Council wards.