

## **BRECKLAND COUNCIL**

### **COUNCIL – 23 APRIL 2009**

#### **REFERENCES FROM ARP JOINT COMMITTEE**

##### **1. Purpose of Report**

- 1.1 In view of the cancellation of the Cabinet meeting on 7 April 2009, the following recommendations from the meeting of the ARP Joint Committee held on 5 March 2009 are referred direct to the Council to avoid any undue delay in reaching a decision:
- Additional Funding for Benefits Administration
  - Local Housing Allowance (LHA) and Employment Support Allowance (ESA) Funding

##### **2. ADDITIONAL FUNDING FOR BENEFITS ADMINISTRATION**

- 2.1 The Joint Committee has considered a report on additional funding being made available for Benefits administration. The report explained that, in recognition of the impact of the current recession on the number of Housing Benefit claims and changes in claimants' financial circumstances reported to Local Authorities, the Government, through the Department for Works and Pensions (DWP), is providing extra funding to authorities over the next two years to ensure they can respond to the extra Housing Benefits workload. A copy of the financial report (Proforma B) relating to this item is appended for information (Appendix A).
- 2.2 Nationally, some £45 million is being made available for the year ending March 2010 as a subsidy to Councils towards statutory Housing Benefits and Council Tax claims administration. Further subsidy will be provided in 2011, although the amount is not yet known.
- 2.3 The amount of subsidy for the year 2009-10 for each of the partner authorities is as follows:
- Breckland - £79,490
  - East Cambridgeshire - £39,669
  - Forest Heath - £30,313
- 2.4 The report outlined the level of increased Benefits workload currently being handled, for which extra staff resources are required. The DWP funding would be used for the temporary employment of agency staff within the Housing Benefits team. Appendix B outlines the latest position regarding unemployment and therefore evidences the continuing impact on demand for benefits.
- 2.5 The options were:
- (i) Not to request the extra funding available, from DWP and not to employ extra benefits officers; and
  - (ii) To request the extra funding available as additional subsidy to be used for temporary employment of agency staff within the Housing Benefits team.
- 2.6 The reason for the recommendation is to enable the ARP to continue to provide a Benefits service at the current level of performance whilst experiencing increased workload.
- 2.7 **RECOMMEND** to each of the Partner Councils and/or their relevant Committees that

approval is given for the release of the grant funding to the Partnership and that the funding received by East Cambridgeshire and Forest Heath is paid into the Partnership budgets held by Breckland Council and allocated accordingly to the Partner Authorities.

**3. LOCAL HOUSING ALLOWANCE (LHA) AND EMPLOYMENT SUPPORT ALLOWANCE (ESA) FUNDING**

- 3.1 The Employment Support Allowance (ESA) project was a new welfare benefit introduced by the Government, through the Department for Work and Pensions (DWP), replacing Incapacity Benefit. The DWP had fully funded the implementation of the project via a specific grant to local authorities.
- 3.2 The Joint Committee has considered a report which explained that, following the closure of the ESA project, there was a surplus of funding remaining in the budget amounting to £28,365. A copy of the appendices to the report (schedule of costs and financial Proforma B) are appended for information (Appendices C and D).
- 3.3 The DWP had confirmed that the authority could retain the surplus and use it in 2009-10 for the purpose of Benefits. If the surplus was used for any other purpose, the DWP would seek repayment of the surplus.
- 3.4 In the circumstances, it was proposed to use the money to extend the fixed-term employment of the Housing Benefits Overpayments Officer (amounting to £25,872.03). It was further proposed that his back-filled post of Council Tax Officer be also extended for a period of 12 months, and that the residue of the surplus money (£3,350.32) be allocated to the Benefits additional staffing budget.
- 3.5 The options were to:
  - i) note the report and approve the extension of this key post; or
  - ii) reject the report and repay the surplus to the DWP.
- 3.6 The reasons for the recommendations are to provide an update on the project and to extend the key post as it had proved invaluable in terms of maximising income received on behalf of the three partner authorities. As the post holder was seconded into this role, his post (Council Tax Officer) had also been backfilled on a fixed-term contract.
- 3.7 **RECOMMEND** to each of the Partner Councils and/or their relevant Committees that approval is given to a supplementary budget, to be funded from the DWP, as outlined above.

**BRECKLAND COUNCIL**

PROFORMA FOR EXECUTIVE MEMBER APPROVAL OF THE RELEASE OF RESOURCES  
(CAPITAL AND REVENUE BUDGETS)

FROM: Carol Dunne-Bathurst (Revenue Accountant)

THIS PROFORMA PROVIDES THE FINANCIAL IMPLICATIONS  
IN RESPECT OF THE ATTACHED

REPORT: **Additional Funding for Benefits Administration**

REPORT DATE: **5<sup>th</sup> March 2009**

	£ Year 1 2008/09	£ Year 2 2009/10	£ Year 3 2010/11	£ Year 4 2011/12	£ Year 5 2012/13
404 0000 *** 1***		£149,360			
Breckland		(£79,490)			
East Cambs		(£39,669)			
Forest Heath		(£30,313)			
<b>Total Capital + Revenue</b>	<b>£0</b>	<b>£0</b>			

<b>Funding required:</b>		<b>Considered by:</b>	<b>Date:</b>
Total capital cost	£0	ARP Joint Committee	05/03/09
Revenue cost	£0		

**Financial Services Comments**

Each partner authority will be in receipt of funding from the DWP solely to for the purpose of assisting local authorities in administering and process Housing and Council Tax claims. Council will need to approve the supplementary budget Forest Heath and East Cambridgeshire will need appropriate committee approval to release grant funding to the partnership.

If approval is given to this report, it is recommended that:

- o Funding received by East Cambridgeshire & Forest Heath to be paid into the partnership budgets held by Breckland and allocated accordingly to the partner authorities.

**Risk**

No financial risk identified, as the surplus will only be used for the benefits service

**Procurement**

There are no procurement issues involved.

### **Additional Funding for Benefits Administration**

A meeting has been held at Thetford with the local CAB and Job Centre plus today (8<sup>th</sup> April 2009)

At that meeting the Thetford Job Centre plus manager stated that they were experiencing difficulty with the numbers unemployed. At this time last year in Thetford there were 300 people registered as looking for work, this year there are 1,400 and this is increasing every week. Across Norfolk the numbers being dealt with by Job Centre staff have increased by 130%. They are recruiting 68 new officers across Norfolk, this figure is now being reviewed, and any recruits will need to be trained. Retired Job Centre plus staff have been contacted and recruited where possible already.

The Thetford Job Centre has been hit most severely and an extension is being built to accommodate the increased throughput of customers. However, customers who are usually required to 'sign on' weekly have been excused from doing so for 12 weeks to enable the Job Centre to cope.

**APPENDIX C**

**LOCAL HOUSING ALLOWANCE (LHA) AND EMPLOYMENT SUPPORT ALLOWANCE (ESA) FUNDING**

Schedule of Costs

<b>LHA</b>					
<b>General Ledger Codes</b>	<b>Code Description</b>	<b>BUDGET</b>	<b>ACTUAL S</b>	<b>COMMITMENTS</b>	<b>VARIANCE</b>
<b>Reserve</b>					
'40481000860771	LOC HSE ALLOW cont fr reserve	-	-	0.00	<b>-44688.79</b>
		165362.00	120673.21		
<b>Revenue</b>					
'40481000861100	LOC HSE ALLOW salaries	10000.00	7586.53	0.00	<b>2413.47</b>
'40481000861130	LOC HSE ALLOW addition. staff	110327.00	117228.37	<b>20271.41</b>	<b>-27172.78</b>
'40481000861970	LOC HSE ALLOW staff adverts	2500.00	0.00	0.00	<b>2500.00</b>
'40481000861976	LOC HSE ALLOW training	16650.00	69.38	0.00	<b>16580.62</b>
'40481000864402	LOC HSE ALLOW stationery	9180.00	10852.84	-6324.86	<b>4652.02</b>
'40481000864507	LOC HSE ALLOW hired services	2540.00	10648.25	-9962.07	<b>1853.82</b>
'40481000864601	LOC HSE ALLOW postages	7960.00	0.00	-2040.34	<b>10000.34</b>
'40481000864621	LOC HSE ALLOW s.ware purchase	210.00	1900.00	-1900.00	<b>210.00</b>
'40481000864904	LOC HSE ALLOW non staff adver	5995.00	0.00	0.00	<b>5995.00</b>
'40481000867301	LOC HSE ALLOW postage alloc	0.00	15.01	0.00	<b>-15.01</b>
<b>Balance of Revenue Codes</b>		<b>165362.00</b>	<b>148300.38</b>	<b>44.14</b>	<b>17017.48</b>
<b>*** Additional Staff costs of £24671 for Feb added as a commitment</b>					<b>-4399.9</b>
Total Surplus LHA					<b>12617.58</b>
Grand Total Surplus					<b>28365.88</b>
Overpayments Officer Cost 2009/10 (incl oncosts)					<b>25872.03</b>
Residual balance to be allocated to Benefits additional staffing					<b>2493.85</b>

**BRECKLAND COUNCIL**

PROFORMA FOR EXECUTIVE MEMBER APPROVAL OF THE RELEASE OF  
RESOURCES  
(CAPITAL AND REVENUE BUDGETS)

FROM: Carol Dunne-Bathurst (Revenue Accountant)

THIS PROFORMA PROVIDES THE FINANCIAL IMPLICATIONS  
IN RESPECT OF THE ATTACHED

REPORT: **Local Housing Allowance (LHA) & Employment Support  
Allowance (ESA) Funding Report**

REPORT DATE: **5<sup>th</sup> March 2009**

	£ Year 1 2008/09	£ Year 2 2009/10	£ Year 3 2010/11	£ Year 4 2011/12	£ Year 5 2012/13
<b>Revenue</b>					
Anticipated spend on ESA	£0	£25,872	£0	£0	£0
DWP Funding	£0	(£25,872)	£0	£0	£0
<b>Total Capital + Revenue</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

**Funding required:**

Total capital cost £0

**Considered by:**

ARP Joint Committee

**Date:**

05/03/09

Revenue cost £0

**Financial Services Comments**

The current predicted spend (as detailed in appendix A to the report) can be met from the funding received.

Cabinet will need to recommend to council a supplementary budget, to be funded from DWP.

**Risk**

No financial risk identified, as the surplus funding will only be used for the benefits service.

**Procurement**

There are no procurement issues involved.