

Additional Information Requested by Overview and Scrutiny Board

Revenue Budget Monitoring Report

The lessons learnt in respect of Housing Benefit overpayments (in particular those made by Council rather than claimant error)

Housing and Council Tax Support is paid to just over 18,500 households in Torbay to help them pay their rent, Council Tax or both. In the vast majority of cases people receive the correct amount of Benefit to which they are entitled. However there are occasions when Benefit is paid where there is not an entitlement creating an overpayment.

Overpayments may be made to the person claiming Benefit, their landlord or another nominated person.

The Council recognises that overpayments may occur for a number of reasons including:

- The Council's own action or inaction.
- Deliberate or unintentional errors in the information and evidence they provided for Benefit to be calculated.
- Deliberately or unintentionally delay reporting a change in circumstances so Benefit is paid at a higher rate than it should be.

Many overpayments can either be avoided or reduced if changes in a person's circumstances are reported promptly. Consequently, the Council will encourage people to report changes promptly and, in turn, the Council will act on them promptly. Where all the details of a change are not known but an overpayment is likely to arise, the Council will suspend future payments until the correct payment can be decided unless it is not in the interests of the person claiming Benefit to do so.

The principles by which the Council determines whether to appoint consultants and the costs associated with consultants currently contracted

In terms of consultants, there are no set principles upon which a decision to appoint a consultant are assessed against. Each service's need for such support will be considered on an individual basis, by the relevant team and their Executive Head/Director.

Once a decision is taken to engage a consultant, then the procurement team will (according to the value of the contract) assist in obtaining such support for example through an individual procurement contract or a call off from a framework agreement.

Defining a supplier engaged to undertake a specific piece of work is often subjective. The work undertaken by Social Finance in supporting Childrens Services could be described as consultancy. The Council has paid Social Finance £214,000 of costs to date in 2014/15.

The trends (against projections) within Adult Social Care on the numbers of clients receiving Direct Payments and the numbers of clients within residential care

ORDINARY RESIDENCY

| | 2012/2013 (YE) | 2013/2014 (YE) | 2014/2015 (P10) | Total |
|----------------------|-------------------|-------------------|--------------------|-----------|
| Number of Clients | 28 | 8 | 13 | 49 |
| In Year Cost £'s | 676,277 | 195,004 | 162,997 | 1,034,279 |
| Full Year Effect £'s | 1,189,285 | 414,451 | 488,441 | 2,092,177 |

| | | | | |
|------------------|--------|--------|--------|--------|
| Average Cost £'s | 814.62 | 993.60 | 720.61 | 818.90 |
|------------------|--------|--------|--------|--------|

- Client numbers have dropped since 2012/13 levels.
- 2014/15 - in year cost is lowest but the full year effect is greater. This has been caused by an increase of client numbers towards the end of financial year. This is linked to changes arising from the Care Act from the 1st April 2015.

DIRECT PAYMENTS

| | 2012/13 Actual | 2013/14 Actual | 2014/15 Estimate |
|--------------------------------|-------------------|-------------------|---------------------|
| Direct Payments £'s | 6,255,000 | 5,801,000 | 5,506,391 |
| Direct Payments (Snapshot) | 440 | 424 | 402 |
| Direct Payments - Average Cost | £273 | £262 | £263 |

- Year on Year drop in client numbers on average being 4-5%.
- Year on Year drop in cost by 5-7%

RESIDENTIAL LONG STAY (INCLUDES FULL COST)

| | 2012/13 Actual | 2013/14 Actual | 2014/15 Estimate |
|------------------------------|-------------------|-------------------|---------------------|
| Res Long Stay £'s | 18,586,000 | 18,128,000 | 17,839,000 |
| Res Long Stay (Snapshot) | 780 | 735 | 704 |
| Res Long Stay - Average Cost | £457 | £473 | £486 |

- Year on Year drop in client numbers on average being 4-6%. Note the highest drop of 6% is between 2012/13 and 2013/14.
- Overall year on year expenditure has dropped by on average 2%.

NURSING LONG STAY (INCLUDES FULL COST)

| | 2012/13 Actual | 2013/14 Actual | 2014/15 Estimate |
|----------------------------------|-------------------|-------------------|---------------------|
| Nursing Long Stay £'s | 2,341,000 | 2,472,000 | 2,715,097 |
| Nursing Long Stay (Snapshot) | 95 | 91 | 98 |
| Nursing Long Stay - Average Cost | £495 | £521 | £531 |

- Numbers fluctuate over the period
- Costs increase over period linking to Care Home fee increases and client needs
- Numbers dropped considerably in years prior to above and appear to have levelled out.

Further information on the shortfall in income within the sports service

- Shortfall on income from concessions and facilities – income (the service is looking into whether everything is being charged correctly/why this is not meeting targets).
- Expected saving of £50k not being realised as saving passed on from TOR2 less than expected and leases are taking a long time to get in place.

A year-on-year comparison of write offs within the Benefits Debtors system

Write Offs

The Council's policy objective is to avoid the creation of overpayments by the effective administration of the statutory Housing Benefit and Council Tax Support schemes. Where overpayments occur, the objective is to maximise recovery and where necessary to write-off unrecoverable debt in a controlled and cost-effective manner, to achieve targets set.

Debts must be considered for writing off in the following circumstances:

- where it is uneconomic to pursue recovery
- where the debtor cannot be traced and there is no prospect of commencing recovery action within one year of the debt being created
- where, in the case of a deceased debtor, there are no funds available from the debtor's estate
- where the debt cannot be recovered due to the insolvency or bankruptcy of the debtor
- where recovery would cause undue hardship to the debtor

In the case of an untraced debtor, recovery action should be considered if the debtor's whereabouts become known within six years of the creation of the overpayment(s).

| Financial Year | Housing Benefit £ | Council Tax Support £ | Discretionary Housing Payments £ | Total £ |
|--------------------|-------------------|-----------------------|----------------------------------|---------|
| 2014 (to 31/12/14) | 207,371 | 10,644 | 6,426 | 224,441 |
| 2013 | 295,093 | 15,049 | 7,973 | 318,115 |
| 2012 | 298,450 | 23,971 | 4,833 | 327,254 |
| 2011 | 330,140 | 12,035 | 5,027 | 347,202 |
| 2010 | 214,881 | 22,941 | 6,496 | 244,318 |