

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE20 January 2022Report by ClerkNATIONAL EXTERNAL AUDIT REPORT
IMPACT OF COVID-19 ON SCOTTISH COUNCILS' BENEFIT SERVICES**PURPOSE OF REPORT**

1. To provide information on the Audit Scotland report *Impact of COVID-19 on Scottish Councils' Benefit Services: A Thematic Study*.

RECOMMENDATION

2. It is recommended that the committee considers the report.

BACKGROUND

3. A copy of the Audit Scotland report [The Impact of Covid-19 on Scottish Councils' Benefit Services: A Thematic Study](#), published on 7 October 2021, has already been circulated to all Audit and Scrutiny Committee Members. Under the committee's specialisation arrangements, the Members leading the review of this particular report are Councillor McLean and Councillor Swift. The Head of Communities, Revenues & Change has provided comments on that report and a copy of those comments is attached (see Appendix A).

RECOMMENDATIONS

4. It is recommended that the committee considers the report.

Local Government Access to Information Act 1985

Report Author: Linda Hutchison, Clerk to the Committee (Tel.No.0141 577 8388)
e-mail: linda.hutchison@eastrenfrewshire.gov.uk

Background Papers:-

1. Audit Scotland Report – *Impact of COVID-19 on Scottish Council's Benefit Services: A Thematic Study*.

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External Audit Report – Housing Benefits, the impact of Covid-19

Comments for Audit & Scrutiny Committee on 20 January 2022

Prepared by Head of Communities, Revenues & Change and Senior Revenues Manager

January 2022

INTRODUCTION

1. This paper aims to provide high level comments on the Council's position regarding the External Audit report on the topic of Housing Benefits and the impact of Covid-19 by Audit Scotland ([The impact of Covid-19 on Scottish councils' benefit services: A thematic study \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/publications/the-impact-of-covid-19-on-scottish-councils-benefit-services-a-thematic-study)).

BACKGROUND

2. As one of the smallest Housing Benefit services in Scotland, with an annual caseload of around 2,700, we have been planning for the gradual phasing out of Housing Benefit (HB) as a result of the implementation of Universal Credit. There is an eventual national goal to retain only those of pension age and a few complex or specific cases on HB post Universal Credit (UC). National delays in UC implementation have made the planning of resources in recent years a particular challenge.

3. Audit Scotland have reported on the impact of the Covid-19 pandemic on Scottish Councils' benefits services through responses to a questionnaire which was completed by 29 out of 32 councils, including a response from East Renfrewshire Council.

4. The purpose of this paper is to provide the Audit and Scrutiny Committee with comments on the Covid-19 paper and to update the Committee on progress within East Renfrewshire Council's Housing Benefit Service, building on comments that Elected Members will have seen in regular reports to Cabinet and Council on performance and the impact of Covid-19.

COMMENTS

The impact of Covid-19 paper from Audit Scotland

5. The Covid-19 report identified that Scottish councils reacted positively to the implications of the Covid-19 pandemic and were effective in meeting the significant challenges of delivering benefit service remotely, with more than three quarters impacted adversely by absence during 2020/21.

6. The worldwide shortage of IT and office equipment contributed to delays in claims processing times during the early stages of the pandemic. Although the majority of benefit staff worked remotely the accuracy of claims had not been adversely impacted, with 75% maintaining or improving accuracy.

7. The paper makes a number of recommendations, which can be summarised as relating to recording of absence, resourcing, information technology, minimising fraud and error and accuracy.

8. East Renfrewshire was quoted in the report as a positive example of the swift response of the ICT service in providing laptops to enable homeworking, and the training provided on information security and data protection to ensure staff were aware of their responsibilities.

9. 11 of 32 Councils had experienced a decline in processing times, including East Renfrewshire Council. The decline in processing experienced by East Renfrewshire Council was highlighted as being impacted by the implementation of a new Benefits ICT system during the pandemic. Delivery of a significant change project in a remote environment was recognised as being a significant challenge.

East Renfrewshire Council – Update on Progress

10. The implementation of the new Council Tax and Benefits system was achieved on time in December 2020, working in a remote environment and with services under pressure as a result of COVID demands. 2021/22 Council Tax bills were issued using the new system in March 2021 and financial year-end procedures were completed successfully. This has been a considerable achievement. It has also been a significant challenge for the teams involved and it has not been without its customer impacts, with longer response times, which have continued into 2021/22. Recovery plans are in place and good progress has been made to work through the backlog caused by the new system. Work has also been undertaken with HR to support our teams with the increased workloads and to improve staff wellbeing and resilience.

11. As has been reported to Members throughout the year, previous good progress in Housing Benefit performance indicators stalled in 2020/21 with a dip in performance. This dip in performance was expected from the implementation of the new system. Rising caseload and time taken to familiarise staff with a new ICT system, which has replaced a significant legacy system and all business processes has had a real impact on the service and also staff morale and wellbeing. The benefits service in particular had a large backlog which affected performance for 2020/21 and into 2021/22. Scottish Welfare Fund Crisis Grants are up 12%; Community Care Grants by 34% and Council Tax Reduction new cases by 119% for 2020/21 – these cases take significantly longer to process. The service has also had to take on the new workload of Covid Self Isolation Support Grants (SISGs).

12. Various actions have been undertaken to mitigate the impact on customers, such as overtime, support from other teams within the Council, recruitment of agency resource and external contractors to eliminate the backlog of work. This ensured that the processing of claims was brought up to date during 2021.

13. Speed of processing times have been impacted with ERC now ranking 25th in Scotland for new Housing Benefit/Council Tax Reduction claims (13th last year, 22nd previous year) and 16th for change of circumstance for Housing Benefit/Council Tax Reduction (11th last year and 13th previous year). The reduction in performance resulted in a review undertaken by the DWP during autumn 2021, with the outcome of that review expected shortly. We will continue to focus on performance and implement improvements, with a new compliance resource resuming focus in this area.

14. Housing Benefit Overpayment recovery was impacted, with in-year recovery 96.4% (previous year 105%) and total recovery 6.6% (previous year 14%). As with other councils, debt recovery was suspended from March to July 2020 due to the Covid 19 pandemic, to ensure that vulnerable residents within the community were supported. This resulted in reduced collection levels in 2020/21, impacting the good progress made with our performance in the previous year. This impact is expected to continue at least into 2021/22, with the position

beyond that uncertain due to the long term impact of Covid on the economy – other councils will be similarly affected. Various actions are underway to recover the historic HB Overpayment debt, with East Renfrewshire making use of the DWP’s Housing Benefit Debt Service.

15. Historic HB Overpayment data and processes have been reviewed as part of the implementation of the new Council Tax and Benefits system in 2020/21, with all new HB Overpayments subject to recovery via ongoing deductions, being recovered through the new system. Further work will continue for the remainder of 2021/22 and into 2022/23 to ensure all HB Overpayment debt is recovered using the new system. The Debt Recovery Policy will also be reviewed to ensure it is fit for purpose.

16. Recovery of the backlog; system stability; staff training, wellbeing and confidence; and improved performance have been and continue to be the key focus of management and leadership in the service and we are starting to see some stabilisation in performance, with scope for further improvement into 2022/23.

CONCLUSIONS

17. Benefits is a complex and frequently-changing area, with a nationally driven landscape and a range of different agencies involved. National delays in UC implementation have meant maintenance of HB caseloads for far longer than predicted. Against a background of reducing DWP funding, wider pressures on council budgets and with the challenges brought by Covid-19 this continues to be a challenging time for service delivery. Audit Scotland’s report on the impact of Covid-19 on councils’ benefit services highlights that this is the picture across the country, with East Renfrewshire’s situation exacerbated by the implementation of the new ICT system.

18. The current Covid-19 pandemic and the implementation of the new Council Tax & Benefit System has had substantial impact on the performance results during 2020/21, and this has continued into 2021/22. Service management have taken these issues very seriously and have made significant and sustained efforts to recover backlogs; implement recovery to bring in income; and to improve performance. We are beginning to see a stabilisation in performance but there is some way to go – this will be a key focus as we move towards the financial year-end and into 2022/23. We are working closely with DWP and will seek to implement recommendations arising from their review. The new ICT system, once embedded, will provide a platform which will drive modernisation, automation, process improvement and change, which will allow East Renfrewshire Benefits teams to continue to deliver improved performance and customer/residents expectations.

19. This has been a challenging period. We did not plan or choose to go live with a new ICT system, in a remote environment, during a global pandemic and had to carefully weigh up the costs and benefits. The implementation was successful, but has had a more sustained impact on performance and the wellbeing of our workforce than we would have anticipated, this is largely due to remote training and support and increased demand due to Covid. The teams are to be commended for their resilience and commitment. Recovery and improvement will continue to be a key focus of service management.

BACKGROUND REPORTS

- [The impact of Covid-19 on Scottish councils' benefit services: A thematic study \(audit-scotland.gov.uk\)](#)
- [COVID-19 Recovery – Update, Council 8 September 2021](#)
- [Corporate & Community Services End Year Performance Report 2020/21, Cabinet 26 August 2021](#)
- Audit and Scrutiny Committee Report – Housing Benefits, March 2021