

PERSONNEL COMMITTEE

26 September 2005

FINANCE DEPARTMENT – ADDITIONAL REVENUES STAFF

REPORT OF DIRECTOR OF FINANCE

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

The purpose of this report is to bring forward proposals for changes in the staffing structure for the Revenues Section within the Finance Department and to seek an increase in the approved establishment.

As the number of staff in the Local Taxes and Benefits Teams is small the ability to respond to unexpected absences is limited. There is no spare resource to respond to unusual situations. Agency staff have been used regularly to support the teams during difficult periods. Currently two agency staff are being employed. Expenditure to date is £23,000 and the projection to the end of the current financial year is £78,000.

It is proposed that two additional Scale 4 posts are added to the structure, one Taxation Officer and one Benefits Officer. These posts will support the Services in day to day service delivery, improve performance generally for customers, ease pressure on staff and reduce expenditure on agency staff.

The funding for the additional posts will be met from the existing budget for agency staff. It is considered to be more cost effective, and therefore to provide better value for money, to increase the establishment and fund additional posts rather than continuing to employ agency staff at a significantly higher cost.

RECOMMENDATIONS:

That the Finance Department establishment be increased by 2 FTEs as indicated in this report.

PERSONNEL COMMITTEE26 September 2005FINANCE DEPARTMENT – ADDITIONAL REVENUES STAFFReport of Director of FinanceDETAIL:1 Introduction

- 1.1 The purpose of this report is to bring forward proposals for changes in the staffing structure for the Revenues Section within the Finance Department and to seek an increase in the approved establishment.
- 1.2 Processing benefit claims has become increasingly complex over recent years. The introduction of Tax Credits and Pension Credits had a significant impact on Housing and Council Tax Benefit administration. The abolition of benefit periods and associated annual renewal of claims has resulted in a complicated and protracted method of amending and cancelling claims.
- 1.3 The Local Taxes Team operates in a backlog situation for most of the year. Each year, prior to annual billing, priority is given to clearing outstanding items of work. Leave is restricted during this crucial period and the Team works hard to clear all outstanding work. After annual billing resources must be dedicated to other tasks and the level of work outstanding increases. The pressure is constant. Currently the Taxes Team has a four week backlog of work.
- 1.4 Small Business Rate Relief was introduced from April 2005. This is a new form of relief and ratepayers must make a new application each year. 22% of ratepayers within the District are entitled to receive this relief. One member of staff spent four months processing the application forms.
- 1.5 As the number of staff in the Local Taxes and Benefits Teams is small the ability to respond to unexpected absences is limited. There is no spare resource to respond to unusual situations. A situation arose recently when three members of staff in the Benefits Team were on maternity leave, two on sick leave, one on reduced hours and three under training. Plans were in place to cover the maternity leave but there was already pressure on the Team and in such circumstances backlogs are created quickly. Currently the Benefits Team has a three week backlog of work.
- 1.6 During 2004/05 131 periods of sick leave were taken amounting to 700 days. 297 of these days were due to periods of long term sick leave. Some of the other absences could be related to the pressure of work experienced by staff.
- 1.7 Despite the difficulties and limitations described above performance within the Revenues Section has improved steadily over recent years. Staff turnover has reduced following job evaluation and the higher grade awarded to the Taxation Officer and Benefits Officer posts. However, the improved performance has been achieved with the support of agency staff.

Agency Staff

- 2.1 Agency staff have been used regularly to support the teams during difficult periods. Because agency staff are employed to cover periods of absence or high workloads, there is often no continuity of employment. Consequently, time is spent at the beginning of each individual contract on training in the Council's procedures and, on occasions, on the Council's computer systems.
- 2.2 Expenditure in this area has been high as can be seen in the table below:

Year	£
2001/02	179,500
2002/03	77,500
2003/04	110,100
2004/05	106,606

- 2.3 This level of expenditure could fund an additional 4 FTE posts approximately.
- 2.4 Currently two agency staff are being employed. Expenditure to date is £23,000 and the projection to the end of the current financial year is £78,000.

3 Current Structure

- 3.1 The current structure is shown in Appendix A and the proposed structure in Appendix B. In summary they are as follows:

	Current FTEs	Proposed FTEs
Head of Revenues	1	1
Benefits	22.94	23.94
Taxation	15.59	16.59
Administration	5.61	5.61
Exchequer	7.97	7.97
Total	53.11	55.11

- 3.2 Cabinet approved the current structure in October 2001 when a full review of the Finance Department was carried out. Further changes have been made over recent years to respond to changes in legislation and work demands.
- 3.3 It is proposed that two additional posts are added to the structure, one Taxation Officer and one Benefits Officer. These posts will support the Services in day to day service delivery, improve performance generally for customers, ease pressure on staff and reduce expenditure on agency staff.
- 3.4 The Taxes and Benefits Services will be included in phase two of the Customer Service Centre (CSC) implementation. Phase two will include several services which will be implemented on a rolling basis. The detail of this phase of the project has not

been agreed: therefore the implications for the Taxes and Benefits Services are not yet known. However, it is considered to be reasonable and appropriate to proceed with the changes to the Revenues structure now and to address any staffing implications associated with phase two if and when they arise.

OTHER CONSIDERATIONS:

4 CORPORATE STRATEGY (RELEVANCE TO):

- 4.1 The proposals accord with the key priorities of the Council's Corporate Strategy, in particular *to ensure that everyone can play a full part in the life of their community.*

5 RESOURCE IMPLICATIONS:

- 5.1 The proposed increase in establishment for an additional Taxation Officer and an additional Benefits Officer will increase the salary budget as follows:

On-going costs	1 January 06 to 31 March 06 SCP26	Full year 2 points from top of scale
	£	£
Two Scale 4 posts	12,400	53,000

One-off costs	£
Recruitment	3,000
Equipment	2,000
Total	5,000

- 5.2 Experienced officers will be sought for this post and, consequently, it is likely that the appointment will be made some way up the scale. This is reflected in the costs shown above.
- 5.3 The funding for the additional posts will be met from the existing budget for agency staff. It is considered to be more cost effective, and therefore to provide better value for money, to increase the establishment and fund additional posts rather than continuing to employ agency staff at a significantly higher cost.

6 Changes in Benefit Subsidy Rules

- 6.1 Last year the government made substantial changes to the benefit subsidy rules. One of the changes made to the rules concerns benefit overpayments created due to local authority error. Overpayments are classed as local authority error if a member of staff makes a mistake with a claim or if there is any delay in processing a claim. Previously the Council did not receive any subsidy for this type of overpayment. There is now a financial incentive to keep these overpayments below specific threshold levels. The thresholds are calculated as a percentage of total benefit expenditure. 100% subsidy is paid for overpayments up to the lower threshold and 40% subsidy is paid for overpayments between the lower and higher threshold level. If overpayments exceed the higher threshold level no subsidy is paid.

- 6.2 Last year £75,000 additional income was received by the Council under the new rules. The reduced level of local authority error overpayments last year is directly related to the general improvement in performance in dealing with changes in circumstances. Having an additional member of staff in the Benefits Section will help to ensure that this income is received in the future. If the level of these overpayments reduces to zero no additional income would be received however this would be offset by the lower level of expenditure on overpayments.

BACKGROUND DOCUMENTS:

Working papers held in the Finance Department

APPENDICES:

Appendix A: Existing Revenues Structure

Appendix B: Proposed Revenues Structure

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