

## CORE OFFER BUDGET FOR HOUSING BENEFITS ADMIN

### WHY DOES THE COUNCIL HAVE TO PROVIDE THIS SERVICE AND WHAT DOES IT NEED TO COVER?

This represents the net cost of providing housing related benefits in respect of rents and Council Tax. It is a statutory service which the Council provides on behalf of the Department for Works and Pensions.

### HOW DOES THE CORE OFFER BUDGET MEET THE COUNCIL'S OBLIGATIONS?

The budget is used to provide £40m of housing benefit and £7m of Council Tax Support per annum to 12,000 claimants on a means tested basis. We are projecting to process 80,000 new claims and changes in circumstance during 2015/16. This involves a significant amount of telephone discussions and face to face interviews as well as dealing with large volumes of post.

### DOES THIS DIFFER FROM THE CURRENT SERVICE?

No, set out below is some comparative data on the current service.

Benchmarking data for 2014 -15 shows our costs are well below national averages and it is considered further budget cuts in this area would result in delays in processing claims which then introduces waste into the system as claimants chase up progress with their claims. Costs would then increase as more staff are needed to deal with increased call volumes.

Gross cost of administering Housing Benefit in Darlington was £39.13 per claim, compared to the national average of £56.49.

### WHAT IS THE CORE BUDGET MADE UP OF?

#### Breakdown of costs – Benefits

Type of cost	2019/20 Budget £
Staff salaries	710,000
Other Employee Related Costs	19,000
IT costs	53,000
Supplies & Services	55,407
Other central recharges	22,000
Income	
- Housing Benefit Admin subsidy Grant	(685,000)
- HB and Income Tax Overpayments Grant	(137,000)
Overheads	122,152
<b>Total net costs</b>	<b>159,559</b>