

METROPOLITAN BOROUGH OF WIRRAL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

26 SEPTEMBER 2006

REPORT OF THE DIRECTOR OF FINANCE

BENEFITS UNIT COSTS

1. EXECUTIVE SUMMARY

- 1.1. Members have previously requested an analysis of the unit costs of providing the Benefits service compared to other local authorities. The analysis indicates that the unit cost of service provision in Wirral is very low.

2. VALUE FOR MONEY COMPARISONS

- 2.1. The Audit Commission issues value for money profiles of services which in the case of Benefits use the total population and the expenditure on Housing Benefit administration to determine the per capita cost of service delivery in comparison to other authorities.
- 2.2. The relatively high ratio of households in receipt of Housing/Council Tax Benefit on Wirral in comparison to its overall population is a key contributing factor to the Audit Commission study conclusion of a relatively high per capita cost.

3. DWP WEIGHTING

- 3.1. In funding Housing and Council Tax Benefit administration the Department for Work and Pensions (DWP) apply weighting to caseload make-up based upon claim type:-
 - Private Tenant (non Registered Social Landlord) claims - 2.6
 - Registered Social Landlord claim (RSL) – 1.9
 - Council Tax Benefit claims (owner occupier) – 1.1
- 3.2. This is in recognition of the greater degree of complexity associated with claims in respect of such rented accommodation and the comparatively high level of resource required to process and administer them.
- 3.3. Therefore an Authority with a high ratio of Private Tenant /RSL claims will be awarded an appropriately high level of administration grant in recognition of the additional costs incurred.

- 3.4. Essentially, the DWP weights the live case load by applying a weighted cost per claim. As a result of the caseload composition in Wirral the costs per weighted claim are £42, less than amounts ranging from £44 to £92 for national benchmarking authorities. These unit costs take account of caseload in the Authority and not just population.
- 3.5. The unit costs of benefits administration in the DWP benchmarked authorities are:-

	Cost per Claim - £
Barnsley	92
Halton	78
Sefton	48
St. Helens	55
Tameside	44
Wakefield	51
Wirral	42

4. FINANCIAL IMPLICATIONS

- 4.1 There are no specific implications arising directly from this report.

5. STAFFING IMPLICATIONS

- 5.1 There are no specific implications arising directly from this report.

6. EQUAL OPPORTUNITIES IMPLICATIONS

- 6.1 There are no specific implications arising directly from this report.

7. HUMAN RIGHTS IMPLICATIONS

- 7.1 There are no specific implications arising directly from this report.

8. LOCAL AGENDA 21 IMPLICATIONS

- 8.1 There are no specific implications arising directly from this report.

9. COMMUNITY SAFETY IMPLICATIONS

- 9.1 There are no specific implications arising directly from this report.

10. PLANNING IMPLICATIONS

10.1 There are no specific implications arising directly from this report.

11. BACKGROUND PAPERS

11.1 Audit Commission Housing Benefit Comparison Data.

11.2. DWP Live Weighted Caseload Data

12. RECOMMENDATION.

12.1 That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

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