

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 5 APRIL 2001

BENEFITS SERVICE PERFORMANCE

Report by Director of Finance

1. PURPOSE OF REPORT

- 1.1** To update Members on the performance of the Benefits Service following the approval of the Service Review in March 2001 and Medium Term Action Plan.

2 BACKGROUND

- 2.1** Following concerns over backlogs and performance raised in a report to this committee by the Director of Finance, the Policy and Resources Committee at its meeting of 9 June 1999 agreed to set up a Member/Officer working group to review the administration of Housing and Council Tax Benefit.
- 2.2** The Working Group identified a number of issues which were affecting performance and proposed changes to organisational and procedural arrangements designed to deliver Benefits services which would conform to legislation and meet the needs of customers.
- 2.3** The Working Group reported back to this Committee on 28 March 2000. An action plan was approved and Members requested that the Director of Finance should prepare a follow-up report to the April 2001 meeting of this committee;

2. ACTION PLAN PROGRESS

- 2.1** Good progress has been made on the medium term action plan as shown below.

Actions	Progress
Complete recruitment of posts in new structure	Completed
Update Service Description	The Service Description has been updated and will be subject to continuous review.
Complete EFQM Assessment	Completed
Establish inter-departmental liaison meetings	Regular meetings established with Housing, IT, Council Tax, Local Offices and Social Work.
Complete the review of Benefits forms	The National Benefits Fraud Inspectorate advised that they would produce a recommended format for all councils. This was received in mid-March 2001 and the East Ayrshire Council form will now be designed around this Model.
Review standard letter templates	Content of standard letters revised and new letters introduced. Consultation with Customers is ongoing.
Sign up to and Comply with the DSS Verification Framework	Aspects of verification requirements being introduced with a view to ensuring gradual progress towards VF. Final decision on sign-up will be reviewed as necessary (paragraph 3 refers)
Continue development of Fraud Strategy	New fraud investigation procedures in place and a detailed improvement Action Plan is being pursued. Fraud Strategy including policy and procedures approved by Policy and Resources Committee of 22 February 2001.
Clarify Benefit overpayments procedures and practices to ensure recovery is maximised.	Included in the fraud procedures improvement action plan.
Complete rationalisation of IT systems	Rationalisation completed.
Prepare IT system spec and compare with current system	Completed.
Set challenging Local Performance Indicators and monitor performance through regular reporting to Members	Local performance indicators are included in this report. Further development will be possible in tandem with the implementation of the new IT system.
Increase involvement in Social Inclusion Programme, ensure maximisation of Benefit Take up.	Involvement increased through liaison with Social Work. Benefit Take-up measures have been implemented in conjunction with Housing Officers. A take-up campaign is being planned and will be targeted to ensure effectiveness.
Undertake Customer Survey and be more proactive in improving relationships with customers.	Customer survey is being progressed within the context of the Best Value review of Exchequer Services. Customer views are presently solicited through meetings with the Citizens Advice Bureau, Housing Associations and Community Groups.
Review control environment	Initial review completed and maintenance of the control environment is an essential ongoing aspect of control and compliance.
Develop training programme	Initial training put in place to react to skills and knowledge gaps among current and new staff. Regular technical update sessions are held. Individual training plans are being developed within the context of the EAGER process.
Review documents archiving	Improved filing in place.

3. VERIFICATION FRAMEWORK

- 3.1** One of the most significant of the actions is the desire to sign up to the DSS Verification Framework (VF). At present participation in VF is voluntary although it is encouraged by the DSS. The experience of other councils indicates that the resources required to comply with VF may be in excess of those which are provided by the DSS. As a result many of those councils who have signed up have found that deterioration in service results and significant backlogs develop due to the additional effort required to process individual claims. The National Benefits Expert Help Team initiative with which the Council is involved, may recommend changes to VF to make it less onerous to administer and it is proposed that at this stage, the Council should keep a watching brief, continue with quality improvements in line with existing VF requirements and sign up only when we are in a position to comply without compromising service levels.
- 3.2** The Council is complying with additional verification regulations, introduced in September 1999, which require the provision of National Insurance Numbers and documentary evidence to validate the number provided. This new requirement has proved difficult for customers to comply with and has led to delays in processing where original verification documents have not been presented with claims.

4. CURRENT PERFORMANCE

- 4.1** On average, the Benefits Section receives 2,000 items of correspondence each week. At 18 March 2001, 3,718 items were awaiting processing. The Member Officer Working Group recognised that at any time there is likely to be the equivalent of up to two weeks mail in the system awaiting processing and this did not represent a backlog.
- 4.2** Although the new staffing structure was determined on the basis of 1,600 items of correspondence per week, the overall volume of outstanding work confirms that processing performance has improved over the past year despite difficulties encountered with higher levels of verification, the introduction of new, inexperienced staff requiring additional support and high staff turnover.
- 4.3** There remains room for improvement however and steps are being taken to reduce the length of time taken to process claims. Over the year from 1 April 2000 the average number of claims processed within 14 days is 50%. the figure for the month of February was 64.7%. Whilst this reflects the continued improvements over the year, better performance against this measure is needed.

Sustained improvement in the overall volumes of work processed should provide the basis for improvements in the coming year.

5. FRAUD AND OVERPAYMENTS

- 5.1 The following statistics indicate the Fraud Section activity from 1 April 2000 to 2 March 2001. During this period Fraud investigation practices have been reviewed and strengthened.

No. of cases referred for investigation	1,087
Cases closed where fraud established	253
Cases closed – no fraud established	592
Cases currently being investigated	242
No. of visits undertaken in the course of investigation	2,286

Weekly Benefits Savings Annual Target (set by DSS)	£219,737
Weekly Benefit Savings achieved to 2 March 2001	£278,330

6. BENEFITS EXPERT HELP TEAM

- 6.1 A key part of the Government's Strategy for Housing Benefit is built on working together with Councils to raise standards in administration by:-

- (a) Looking to simplify the scheme and identify improvements that would make it easier for Councils to administer and easier for claimants to understand
- (b) Supporting Councils who are working to improve their services
- (c) Taking this agenda forward in partnership with Councils and Local Authority Associates

Part of this initiative involved the setting up of an Expert Help Team to support Councils who are working to improve Housing Benefit Services. East Ayrshire Council is one of only four UK Councils who are involved in the initial work of this national initiative. The Help Team consists of DSS experts, private sector consultants and experienced local government benefits practitioners as well as our own staff. The expert knowledge of the team will be used to identify potential improvements in the Council's procedures. At the same time the Council's experiences will assist the DSS in identifying improvements which could be made to streamline the administration of the national scheme.

7. IT SYSTEM IMPROVEMENTS

7.1 The development of a draft systems specification and the evaluation of the consolidated current system has clarified the inadequacies of the current arrangements. The Head of Information Technology has concluded that a replacement system should be procured as a matter of urgency and the Council has made Capital Funding available during 2001/2002 to do this. While significant benefits will accrue to the service, its staff and customers, by introducing a more modern and capable System, its introduction will need to be carefully managed to minimise the effect of implementation and changeover on the level of service. It is intended that the new system will be operational from 1 April 2002.

8. FINANCIAL IMPLICATIONS

8.1 There are no additional financial implications arising from this report.

9. RECOMMENDATIONS

It is recommended that Members:

- 9.1** note the progress made against the Action Plan;
- 9.2** endorse the proposal keep a watching brief on the most appropriate time to sign up to the Verification Framework; and
- 9.3** otherwise note the contents of this report.

Alex McPhee
Director of Finance

AMcP/DMW
21 March 2001

LIST OF BACKGROUND PAPERS NIL

Members wishing further information should contact Iain MacMillan, Head of Exchequer Services, Tel: (01563) 576443.

AGENDA