

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE - 13 JUNE 2002

BENEFITS SERVICE PERFORMANCE

Report by Director of Finance

1. PURPOSE OF REPORT

- 1.1 This report provides Members with an update on the performance of the Benefits Service.

2 BACKGROUND

- 2.1 The administration of Housing and Council Tax Benefit has previously been an area of concern to Members and this report seeks to provide assurance that action continues to be taken to improve the service to customers. Members will recall that a Member/Officer Working Group was established to carry out a complete review of the service in 1999/00. A number of changes were made as a result and further initiatives have been taken since then with the longer term aim of bringing performance levels above the national average.

3 INITIATIVES OVER THE LAST YEAR

3.1 Housing Benefit Help Team

The Department for Work and Pensions introduced a pilot Benefits Help Team project which aimed to help authorities across the UK to improve administration of benefits. This recognised that many authorities have significant difficulty in managing the service and sought to identify causal factors, spread best practice, introduce modern management techniques and put in place improvement action plans. The Council volunteered to be part of the pilot study which involved four volunteer councils each with different challenges and different levels of performance, namely Lambeth, Hull, Bristol and East Ayrshire. The pilot was deemed successful and further councils were invited to take part in 2001/02. The initiative has been extended in 2002/03 to include more Councils.

The Help Team visited East Ayrshire in October 2001. Their conclusion was that the Council had shown a clear record of improvement over the previous two years particularly on management of incoming mail and processing times and they expressed surprise that this had been achieved with what they considered to be a very poor inherited IT system. The main outcomes from the process were: -

- (a) Training for selected staff on process improvement techniques and project planning. This has led to a number of changes being made within the Section which have improved efficiency in various areas.
- (b) Production of a project charter to ensure that a new IT system could be implemented as quickly as possible whilst limiting the impact on service delivery.
- (c) Change of focus of the section from short-term problems to long term improvement. There has been a noticeable improvement in morale within the Section as a result.

3.2 New IT System

The existing inherited system was considered by the Help Team to be a barrier to further significant improvement in performance and the Sanderson benefits module has now been procured. This will integrate with the existing Sanderson Council Tax system to provide a modern IT system capable of processing claims more efficiently and providing appropriate information to manage the work more effectively. A project team has been established and the projected go-live date is December 2002.

3.3 New Application Form

The new model form produced by the Benefits Fraud Inspectorate was customised and tested on a variety of interested groups before being introduced from the end of March 2002. The new form is much larger than the old one but all of those consulted agreed that it was easier to complete. A survey of customers has indicated that 100% of respondents understood all the questions and 83% indicated that the form was easy to complete and that the checklist on the back of the form was useful.

3.4 Outposted Benefits Staff

The Housing Committee in November 2001 endorsed a proposal to investigate the option of appointing out-posted benefits staff to Area Offices to improve joint working with Area Housing Teams. It was established that the likely beneficial impact on the level of arrears would mean that such an initiative would be more than self financing and the Council agreed that the Housing Revenue Account budget for 2002/03 should include provision to fund this. The recruitment process will shortly be completed. Thereafter the three new staff will undergo an extensive eight-week training programme before being placed with area teams.

3.5 Training

EAGER reviews have been carried out and training has been delivered including the following areas: -

- (a) Comprehensive training for new staff
- (b) New benefits legislation training for all staff;
- (c) Management Development Programme underway for managers and team leaders;
- (d) Project management and process mapping training for selected staff.

4. PERFORMANCE INDICATORS

Comparative Indicators				
	1998/99	1999/00	2000/01	(pre-audit) 2001/02
Claims process in less than 14 days	23%	46%	50%	57%
Number of days to process new claims	not required	not required	107	73
Repeats Claims processed on time	not required	not required	58%	94%
Number of days to process changes of circumstances	not required	not required	76	51.1

- 4.1** Performance Indicators continue to show year on year improvement. Further improvements are expected to all indicators and in particular those relating to the number of days to process claims. The new claim form introduced in March 2002 should result in improved and more complete information from claimants and a reduction in the delays caused by seeking further information.
- 4.2** Work in hand at the end of March 2002 was 2,300 items and this is considered manageable given that weekly mail amounts to around 2,000 items.

5. FUTURE CHANGES

5.1 New Benefit Fraud Arrangements

From April 2002 the Weekly Benefit Savings arrangements have been discontinued. These arrangements were haphazard and relied on a "balance of probability test" and some Fraud Officer intervention. They were aimed at detection whereas the new arrangements aim to prevent, as well as detect fraud as early as possible. The new scheme financially rewards the early identification and recovery of Fraud and Error overpayments and prosecutions.

The new arrangements are more prescriptive and focus in on the need to pursue those who commit Fraud against the Benefit system. This means a change in emphasis in how Fraud cases are handled and further training has been delivered to processing and Fraud staff. Council policy is to actively prosecute those who deliberately commit Benefit Fraud, in support of the government's agenda to tackle seriously those who cheat the benefit system.

5.2 Performance Standards

The government, through the Department for Work and Pensions has recently launched an initiative aimed at improving performance in the ever changing and highly demanding environment of Housing Benefit.

The standards are intended to: -

- (a) give a comprehensive picture of what makes up secure and effective benefits administration – divided into seven key functional areas;
- (b) be a clear strategic and operational framework for assessing the performance of our authority;
- (c) be an aid to identifying local priorities for action and planning for continuous improvement;
- (d) improve accountability for public funds.

Further details of the timetable and arrangements for this are awaited and a report on the implications for the Council will be presented to a future meeting of this committee.

6. VERIFICATION FRAMEWORK

It is considered prudent to continue to defer implementation of the Verification Framework arrangements at present. Reasons for this include: -

- (a) The implementation of the new IT system remains the number one priority, and a period of stability will be required before embarking on the Verification Framework;
- (b) Work is ongoing in the Department for Work and Pensions to amalgamate the Verification Framework with the equivalent Benefits Agency Evidence Requirement. It is expected this will not happen until after April 2003;
- (c) Major changes are planned for October 2003 to implement Pensions Credits. This will significantly impact on Housing Benefit with pensioners being treated differently and subject to different rules to those of working age.

7. SUMMARY

7.1 The performance of the Benefits Section has improved considerably over the last three years and the foundations for continued improvement have been laid. This is evidenced by improved Statutory Performance Indicators, improved customer liaison arrangements and feedback from those, manageable levels of work in hand and improved staff morale. A number of challenges remain and work is continuing to ensure that these are met.

8 RECOMMENDATIONS

8.1 It is recommended that Members note the content of this report.

AMcP/JB
23 May 2002

**LIST OF BACKGROUND PAPERS
NIL**

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

AGENDA