

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 5 OCTOBER 2000

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 implementation of new structure in April 2000.

2. PROCESSING PERFORMANCE

- 2.1 The accepted working balance is two weeks correspondence and progress is being made towards this. At 17 September 2000, 6,587 items of correspondence remain to be processed. The level of incoming mail/correspondence has settled at an average level of some 2,200 items per week and the balance outstanding is therefore equivalent to 3 weeks work. The level of mail reflects the increased verification introduced to ensure compliance with regulations.

- 2.2 The current balance has been achieved despite significant additional work due to the transfer of some 750 benefit cases from Scottish Homes as a result of the transfer of tenancies to the East Ayrshire Housing Partnership. The service has also been affected by strike action and days lost through staff illness, public holidays and annual leave over the summer period and the actions to reduce the outstanding levels of correspondence have been less successful as a result.

- 2.3 The latest information on processing claims within 14 days show that the following is currently being achieved.

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|---------------------|-----|
| Housing Benefit | 61% |
| Council tax Benefit | 65% |
| Rent Allowances | 76% |

The continuing improvement in performance should be reflected in future information.

- 2.4 The improvement in complying with verification requirements and processing of claims has identified the need for improvement in the quality of the letters produced by the Benefits System. Improvements have been made where possible within the limitations of the current systems and an Action Plan is in place to replace the current letters. This exercise should be completed within the next six weeks.

3. FRAUD AND OVERPAYMENTS

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

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|---|-------|
| No. of cases referred for investigation | 589 |
| Cases closed where fraud established | 90 |
| Cases closed – no fraud established | 308 |
| Cases currently being investigated | 281 |
| No. of visits undertaken in the course of investigation | 1,077 |

The Council currently has four cases being considered for prosecution by the Central Support Unit Scotland (CSUS) of the Benefit Agency. These cases have resulted from recently concluded joint working arrangements between CSUS and the Council.

| | |
|---|----------|
| Weekly Benefits Savings (WBS) Annual Target | £219,737 |
| WBS achieved to 1 September 2000 | £122,523 |

WBS is being phased out from 1 April 2001 as it is becoming ineffective as an incentive with the financial benefits more difficult to achieve due to improvements in verification when benefits are applied for and reviewed. Details of the alternative arrangements will be provided once these have been received and the financial effects for the Council will be evaluated.

Monitoring information for overpayments is still being developed and will be presented when available. Detailed guidance on overpayment recovery has been issued to all Benefits staff to ensure that where an overpayment is made all possible action is taken to ensure recovery.

4 FINANCIAL IMPLICATIONS

- 4.1 Better verification leads to reduced fraud in the system which will mean less detection and lower levels of subsidy arising from this. This is likely to be offset by reduced levels of benefit being paid and improvements in recovery of overpayments.

5 RECOMMENDATIONS

- 5.1 Members are asked to note performance statistics for benefits and that performance information is continuing to be developed.

Alex McPhee
Director of Finance

IM/JB
19 September 2000

**BACKGROUND PAPERS
NIL**

AGENDA