

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	29 September 2011
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Annual Housing and Council Tax Benefit Report
REPORT NUMBER:	CG/11/107

1. PURPOSE OF REPORT

This report updates Members on the performance of Housing and Council Tax Benefit during 2010/11 and sets out key priorities for 2011/12. This is an Audit Scotland recommendation.

2. RECOMMENDATION(S)

It is recommended that Committee note the content and note that a report will be presented in one year to advise of the Housing and Council Tax Benefit Service performance for 2011/12.

3. FINANCIAL IMPLICATIONS

Given the key role the Benefit Service plays in delivering aspects of the welfare state and recognising the significant sums involved it is important that the service is properly reviewed in order to minimise any potential subsidy loss and to provide an effective service.

4. OTHER IMPLICATIONS

None

5. BACKGROUND/MAIN ISSUES

See attached document.

6. IMPACT

The service has a key role in:

- helping to ensure that people get the opportunity of a decent home,
- reducing barriers to work,
- helping tackle social exclusion,
- supporting dignity and security in retirement.

7. BACKGROUND PAPERS

Performance Review and Key Objectives review undertaken by management team.

8. REPORT AUTHOR DETAILS

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Revenues and Benefits

Housing & Council Tax Benefit Annual Report

2010/11



ABERDEEN
CITY COUNCIL

1.0 Introduction

Revenues and Benefits is located within the Finance Service which is part of the Corporate Governance Directorate. Revenues and Benefits is responsible for Council Tax Administration, Business Rates Administration, Housing and Council Tax Benefit Administration, Council Tax recovery, Fraud Investigation, Rent Collection, Service Income, Car Parking Appeals and Social Work Financial Assessments.

The purpose of this report is to review the Housing and Council Tax Benefit Performance for 2010/11 and set Housing and Council Tax Benefit objectives for 2011/12.

The report has been produced in conjunction with Wayne Connell – Revenues and Benefits Manager, Helen Moir – Senior Processing Officer, Brian Muldoon – Fraud Manager and Ian Sutherland – Benefit Subsidy.

Benefits Administration is a statutory function placed on Local Authorities which covers much more than just the speedy processing of Benefits. The Benefits Service plays a key, strategic role in meeting the Councils aims which include:-

- To help offer the opportunity of a decent home.
- To deliver a modern, efficient, secure customer focused public service.
- To reduce barriers to work.
- To extend choice and personal responsibility.
- Help tackle social exclusion.
- To support dignity and security in retirement.
- To protect against fraud and error.
- To help reduce Council Tax and rent arrears.
- To work with major local partners such as Registered Social Landlords, Landlords Voluntary Sector, Job Centre Plus.

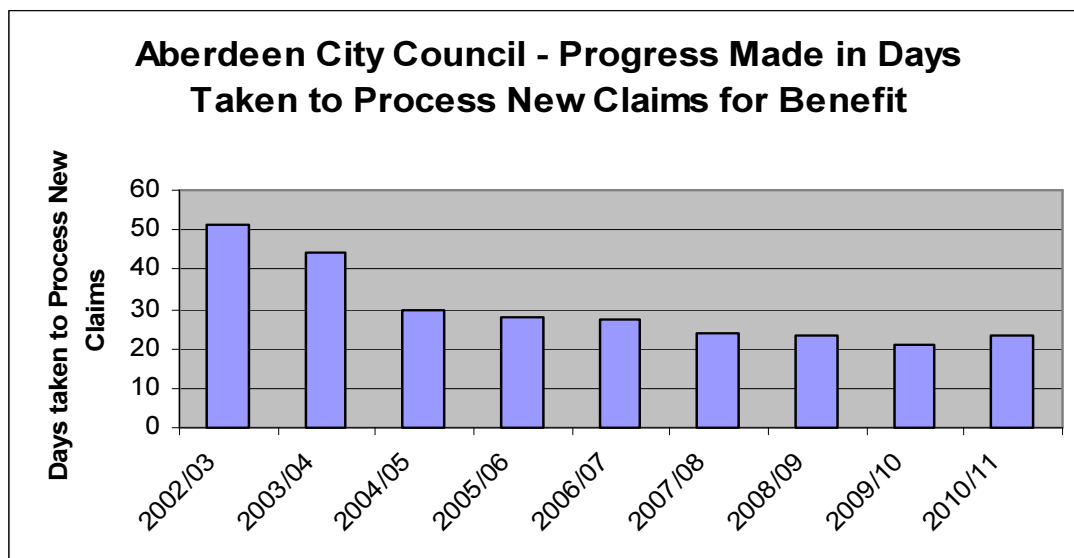
2.0 Performance Review of 2010/11

2.1 Benefits Administration

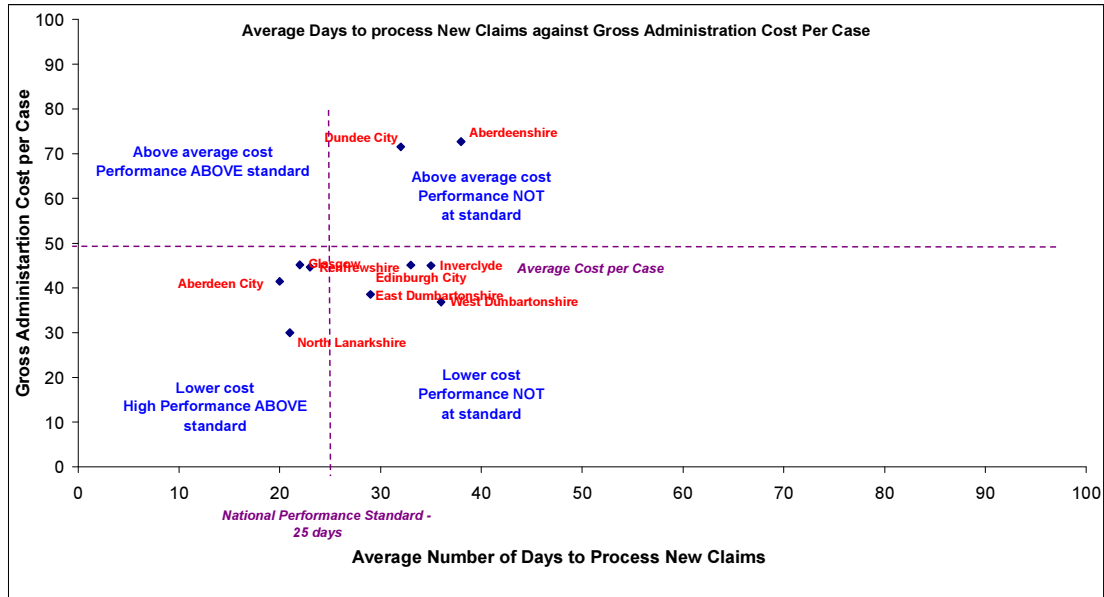
A summary of the performance targets set and achieved is shown in Appendix 1, along with targets for 2011/12.

2.1.1 Processing of New Claims

A target was set to process new claims for benefit on average in under 21 days (the national standard is set at 23 days and the average for all Scottish Local Authorities was 23 days in 2010/11 according to DWP). In 2010/11 the Service achieved an average of 23.46 days. This is the first time performance has dipped in the past 10 years and the service has failed to show improvement in terms of processing new claims as shown below. This can be attributed to a number of factors but in the main due to high staff turnover and significant vacancies during 2010/11. However, performance compares favourably with other urban Scottish authorities –Dundee 33 days, East Dunbartonshire 30 days, Edinburgh 29 days, Inverclyde 27 days, Renfrewshire 27 days, West Dunbartonshire 35 days and Aberdeenshire 35 days. From the urban authorities only Glasgow and North Lanarkshire had a better performance of 19 days and 20 days respectively.



Benchmarking with the other Scottish Urban Local Authorities and Aberdeenshire was undertaken on the DWP 2009/10 figures (2010/11 figures will not be available till the end of 2011). The graph below demonstrates that Aberdeen had above average performance but below average costs for dealing with new claims of benefit.



2.1.2 Processing of Change of Circumstances

A target was set to process change of circumstances for benefit on average in under 11 days. In 2010/11 the service achieved an average of 12.97 days. In 2009/10 the service averaged 9.61 days. The DWP estimate the national average for 2010/11 to be 11 days. Again staff resources had an impact and the main reason why the target was not met.

Benchmarking with the other urban Scottish Local Authorities was undertaken on the 2009/10 DWP figures. The graph below demonstrates that Aberdeen had average performance but below average costs for dealing with Change of Circumstances.

2.2 Housing Benefit Overpayments

The target for the amount of Housing Benefit Overpayments collected in 2010/11 was £0.950m. The Service exceeded this target by collecting £1,220,943 in 2010/11. The increased number of overpayments has meant that the recovery rate increased in 2010/11 to 71.45% from 62.99% in 2009/10. It is believed that the recovery rate will continue to improve and the collection rate target of £1.3m will be achieved in 2011/12.

The Benefit Overpayment Team is part of the Revenues and Benefit Recovery Team for Council Tax. This enables the sharing of best practise and to utilise the existing expertise in debt recovery to aid performance improvement. Performance and cases will continue to be monitored to ensure the recovery escalation is adhered to.

2.3 Fraud

A target of 32 sanctions was set for 2010/11. The team achieved 32 sanctions. This included 14 cases referred to the Procurator Fiscal. This was accomplished by undertaking 6 proactive exercises targeting specific areas where fraud had been identified. This helped contribute to the team identifying overpayments in excess of £315,000 during the year.

The team resources were reduced by a third due to vacancies therefore a lower target of 20 sanctions has been set for 2011/12 to allow for the employment and training of a new investigator.

As well as continuing to work with DWP fraud colleagues and staff in the UK Border Agency a formal data sharing agreement with the Council's Trading Standards team has been set up.

Positive feedback has been received from the Office for Surveillance Commissioner on a recent audit of applications and authorisations for surveillance.

The Fraud team continue to work with other agencies within the criminal justice system to ensure that the Council meets its obligations to protect the public purse from fraud.

2.4 Appeals

Although not meeting two of their Performance Indicators the Appeals Team was close to target for the “Percentage of applications for reconsideration or revision actioned and notified within 4 weeks” target. The “Percentage of Appeals submitted to the Appeals Service within 4 weeks” figure was an improvement from 42.86% in 2009/10 to 60.71% in 2010/11. The “Percentage of Appeals submitted to the Appeals Service within 3 months” exceeded the target set of 95% to achieve 96.43%.

3.0 Review of the Key Service Objectives set for 2010/11

3.1 Closely monitor and improve all performance to show continuous improvement.

Although not meeting targets in some areas our performance does compare favourably with other Scottish Urban Authorities.

In order to improve performance in these areas a number of measures are to be undertaken. The following actions are to be taken to aid improved performance:

- Consider short term additional external resource.
- Review structure with more emphasis on Benefits processing.
- Continue to manage vacancies.

3.2 Continue to benchmark on both cost and performance

External scrutiny can provide assurance that a service is well managed, safe and fit for purpose and that public money is being properly used. Benchmarking on both cost and performance has been included within this report to provide these assurances.

3.3 Continue to take part in the National Fraud Initiative.

The National Fraud Initiative (NFI) is a data matching exercise that runs every 2 years. The NFI is designed to help participating bodies identify possible cases of fraud and detect and correct any consequential under or overpayments from the public purse.

The Service is working on the 2010/11 initiative which started in January 2011. To date 330 cases have been investigated which have identified £21,221.87 overpayments and one admission of fraud under caution.

The Service expects to complete this initiative during 2011/12.

3.4 Continue to improve the Appeals process and consider different delivery models

Although only meeting one appeal target in 2010/11 performance in two out of three targets improved during 2010/11. Additional external resource was investigated however; the external provider was unable to supply the required support.

3.5 Await DWP decision regarding the VRA Pilot and make decisions on the future of VRA

In November 2008 funding was received to run a pilot on Voice Risk Analysis (VRA) with a specific focus on the processing of New Claims, Changes in Circumstances and Reviews within the Revenues and Benefits Service via telephone. It was undertaken to provide improved performance by increasing efficiency of the administration of benefits and ensuring that the DWP objectives of Right Time was adhered to. Staff received in depth training in techniques and technology enabling them to carry out their role in the pilot effectively. Whilst awaiting the evaluation of the pilot permission was granted by DWP to continue using VRA and the evidence gathering easements. The service believed that the pilot improved performance, reduced fraudulent claims and improved customer satisfaction therefore extended arrangements for a further 12 months. Unfortunately the DWP decided not to include VRA in

their ongoing fraud strategy, therefore, despite being highly successful the pilot ended in October 2010.

3.6 Audit Scotland Action Plan

A risk assessment audit was undertaken by Audit Scotland in October 2009. The Service was requested to submit an action plan to address the small number of improvement opportunities and minimise the identified risks. The issues identified in the risk assessment audit have been addressed as detailed below:

* Undertake monthly analysis of Benefit Complaints – Benefit complaints are reported and remedial action discussed at monthly Benefit Operational Meetings.

* Review and introduce a new checking regime to include accuracy checks - In order to reduce errors, provide consistency, and identify trends, training needs and accuracy levels the Quality Checking regime was reviewed and a new process implemented in April 2010. An in-house database was also developed to automate and collate the results, trends etc. In addition to this a Support Team was established who perform extra Quality Checking. An analysis of performance, trends and training needs are discussed at the Monthly Operational Meetings.

* Review current Intervention identification policy to ensure risk criteria is effective – An Intervention Strategy for Council Tax Benefit and Housing Benefit was produced. This strategy enables staff to identify the most appropriate method of intervention in relation to the risk associated with a claim. A small working group has been set up to co-ordinate a plan of action to evaluate and prioritise progress, taking account of urgency, needs, costs and timescales and will be further developed in 2011/12.

Undertake analysis of errors and feedback into staff training - The newly established Support Team implemented extra checking to correct classification of overpayments and periods. An Analysis of the errors is reported at the monthly Benefit Operational Meetings with remedial action and training requirements discussed and agreed.

* Monitoring of Fraud Overpayments and Admin Penalties Collection - The monitoring of Fraud Overpayments and Admin Penalties has been introduced. Collection is reported and discussed both at the Benefits Operational Meetings and the Revenue and Benefit Management Meetings.

* Introduce Senior Management review into Fraud Sanction Policy – Senior Management Review of the sanction process has been introduced and all sanctions are reviewed by a Senior Manager prior to issue.

3.7 Customer Survey feedback

Customers indicated they would like extended opening hours for face to face contact. The review of the opening hours of the public offices was included with the opening of the Customer Service Centre at Marischal College.

Customers also indicated they would like extended opening hours for telephone contact. The move for the Benefits phone call centre to the Corporate Contact Centre has resulted in extended opening hours from 8 am to 6 pm.

3.8 Registered Social Landlord feedback

Feedback from Registered Social Landlords indicated that they would like further on-line services developed. Social Landlords were shown the various options currently available. All Social Landlords agreed that due to costs further development was not feasible for them however, all Landlords signed up for Landlord Self Service which is a free service available to all landlords who are receiving Housing Benefit direct.

Six monthly meetings take place with our Registered Social landlords where issues are discussed and resolved. During 2010/11, 5 Landlords signed a Service Level Agreement with the Benefit Service which will ensure that an effective working relationship continues between all parties and that the services delivered to their current and future tenants (who access Housing Benefit) are enhanced.

3.9 Subsidy training

Subsidy Training for senior staff was received from a subsidy specialist in September 2010. This training was then cascaded to all processing staff by the in-house training team. Refresher training hours have since been given to consolidate the extensive training given.

3.10 Benefits Improvement Groups

During 2010/11 staff were involved in the review of the benefit processes within the Imaging and Workflow System. Process maps and Mail room function were re-designed to ensure they continued to be fit for purpose and provide the most efficient service within the existing staffing restraints.

3.11 Benefit Take Up Plan

The Benefit Take Up Strategy document was re-visited and an Action Plan established. In conjunction with Capita Services an automated Benefit Take Up Campaign commenced in November 2010 aimed at citizens from the deprived areas in Aberdeen who were not currently in receipt of benefit.

The cases selected were initially contacted via a recorded message which directed them to speak to a trained Capita advisor (at no cost to the citizen). The trained advisor calculated whether there was entitlement to benefit and advised the Benefit Service.

Benefit staff then conducted house visits to obtain the completion of a benefit claim along with the supporting evidence and assessed the claim on return to the office. For the period of the campaign of the 179 cases identified there have been 79 new Housing Benefit awards and 66 Council Tax Benefit awards amounting to £98,665.01.

4.0 Key Operational Tasks to be undertaken during 2011/13

- 4.1 Closely monitor performance.
- 4.2 Continue to benchmark on both cost and performance.
- 4.3 Continue to take part in the National Fraud Initiative.

- 4.4 Continue working on the Audit Scotland Action Plan
- 4.5 Continue with the staff led Benefits Improvement groups to improve performance and customer service.
- 4.6 Review of Benefit Take Up plan for 2011/12.
- 4.7 Undertake Customer Survey
- 4.8 Investigate possibility of an on-line claim form
- 4.9 Restructure of Revenues and Benefits with the creation of a Benefits Team.
- 4.10 Work closely with colleagues in Housing to improve benefit and rent performance by Rent Assistants gathering evidence in support of claims from tenants.
- 4.11 Address issues arising from the changes to Housing Benefit Services contained in the Welfare Reform.

APPENDIX I

KEY SERVICE PERFORMANCE OBJECTIVES - 2011/12

The following are seen as key objectives for the Service to be undertaken during the current financial year.

		Target for 2010/11	Achieved	Target 2011/12
1	Processing of New Claims	Less than 21days	23.46 days	25 days
2	Processing of Change of Circumstances	Less than 9 days	12.97 days	14 days
3	Right Time	12 days	15.33 days	16 days
4	Cost per Case	£38.00	£41.47	£41.25
5	Percentage of Cases Processed within 14 Days	90%	80.48%	90%
6	Value of Housing Benefits Recovered	£0.95m	£1,220,943	£1.3m
7	Total Sanctions	32	32	20
8	Percentage of applications for reconsideration or revision actioned and notified within 4 weeks	65%	64.44%	65%
9	Percentage of Appeals submitted to the Appeals Service within 4 weeks	65%	60.71%	65%
10	Percentage of Appeals submitted to the Appeals Service within 3 months	95%	96.43%	95%

PRINCIPLES TO BE ADOPTED

IN THE ADMINISTRATION OF

HOUSING AND COUNCIL TAX BENEFITS

2011/12

Benefit Uptake

- a) The Council recognises that it has a statutory duty to promote both Council Tax and Housing Benefit.
- b) It will promote Council Tax and Housing Benefit and other reliefs when dealing with customers.
- c) It will produce leaflets/publish articles/posters when appropriate on Benefit Issues.
- d) Promote Council Tax Benefit and Housing Benefit with the issue of Council Tax bills.
- e) Provide resources when practical to attend Benefit uptake promotions/workshops.

General Benefits Administration

- a) Administer the Benefits Scheme in accordance with the statutory provisions.
- b) Ensure that claimants are aware of their statutory appeal rights.
- c) Appeals will be dealt with by a separate team supporting the principle of an independent review.
- d) The Service will work closely with the Job Centre Plus and Pension Service.
- e) Wherever possible to keep documentation clear and simple to "Plain English Standard".
- f) Provide a visiting service for the elderly or infirm in relation to Benefit Issues within 72 hours or on request.
- g) Ensure that staff undertake and receive regular training.

Managing Overpayments

- a) Administer overpayments in accordance with the statutory provisions.
- b) The Council is committed to the recovery of overpaid Benefit and will use all available measures available to it:-
 - By deduction from ongoing Benefit
 - From arrears of Benefit
 - By deduction from Benefit paid direct to the landlord.
 - By deduction from Benefit paid direct to a landlord for other tenants.
 - By recovery of the overpaid sum as a Sundry Debt.
 - By legal action, if appropriate.
- c) Wherever possible the statutory maximum deduction should be made.
- d) The most appropriate method and rate of deduction to be selected dependent on the circumstances of each particular case.
- e) Write off of unrecoverable overpaid Benefit will be in accordance with the procedures applicable to sundry income and in accordance with the Financial Regulations.

Prevention and Detection of Fraud

- a) The Council will use all the statutory provisions available to it in its attempts to prevent and detect Fraud.
- b) The Council will where appropriate seek the prosecution of offenders by referring cases where fraud has occurred to Grampian Police and the Procurator Fiscals Office.

Cases would only be referred for prosecution after all individual circumstances, including family, age, mental health of the person have been considered.

- c) The Council will also use the powers available to it to “caution” offenders and to improve 30% Administrative Penalties in relevant circumstances instead of prosecution.
- d) Provide investigation staff with regular training. The investigation staff will work under a Code of Conduct.
- e) The Investigation Team will liaise closely with other agencies and other Local Authorities in combating Fraud across all areas of the Welfare State.
- f) Council will seek to promote and develop an audit fraud culture amongst staff and the public to deter fraud.
- g) The Council will publicise any successful prosecutions in order to promote the anti fraud message.

Working with Others

- a) The Council is committed to working with others and in particular with the state agencies including the Pension Service and Job Centre Plus.
- b) The Council will support the signing and monitoring of National Service Level Agreements with such bodies.
- c) The Service will work closely with the Voluntary Sector including CAB by meeting with them formally or on an ad hoc basis as required.
- d) The Service will work with the Housing Service in terms of liaising and presenting Benefit Issues at the Community Services Landlord Forum.
- e) The Service already has strong links within the Registered Social Landlords and will seek to strengthen these by the signing of formal service level agreements.