

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	06 December 2012
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Annual Housing and Council Tax Benefit Report
REPORT NUMBER:	CG/12/115

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### 1. PURPOSE OF REPORT

This report updates Members on the performance of Housing and Council Tax Benefit during 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 annually to advise of the Housing and Council Tax Benefit Service performance for 2012/13.

### 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

2011/12



**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, Service Income and Social Work Financial Assessments.

The purpose of this report is to review the Housing and Council Tax Benefit Performance for 2011/12 and set Housing and Council Tax Benefit objectives for 2012/13.

The report has been produced in conjunction with Wayne Connell – Revenues and Benefits Manager, Helen Moir – Benefit Processing Manager, 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 2011/12**

### **2.1 Benefits Administration**

A summary of the performance targets set and achieved is shown in Appendix 1, along with targets for 2012/13.

#### **2.1.1 Processing of New Claims**

A target was set to process new claims for benefit on average in under 25 days. The DWP and Audit Scotland has recorded that nationally the speed of processing new claims declined in 2011/12. The national standard for 2011/12 according to DWP was 24 days and the average for all Scottish Local Authorities was 25 days in 2011/12. In 2011/12 the Service achieved an average of 33 days. The reason for not meeting the target can be attributed to a number of factors but in the main due to significant vacancies during 2011/12.

However, performance compares with other urban Scottish authorities:

North Lanarkshire	20 days
Dundee	20 days
Inverclyde	21 days
Glasgow	23 days
Aberdeen	33 days
East Dunbartonshire	33 days
Edinburgh	35 days
Renfrewshire	35 days
West Dunbartonshire	38 days

The average cost of the Urban Authorities was £43.12 with an average performance of 28.7 days

At the end of the second quarter of 2012/13 the performance had improved to 26 days better than average performance of the urban authorities for 2011/12 at a lower than average cost. At the same period in 2011/12 the performance was 36 days.

In 2011/12 there were 14,071 new claims for Council Tax Benefit and Housing Benefit actioned.

### **2.1.2 Processing of Change of Circumstances**

A target was set to process change of circumstances for benefit on average in under 14 days. In 2011/12 the service achieved an average of 14 days .Other urban Scottish authorities performance was;

Inverclyde	6 days
North Lanarkshire	6 days.
Dundee	7 days
West Dunbartonshire	9 days
East Dunbartonshire	11 days
Aberdeen	14 days
Glasgow	14 days
Edinburgh	15 days

The average cost of the Urban Authorities was £43.12 with an average performance of 9.1 days

At the end of the second quarter of 2012/13 the performance was 14 days. At the same period in 2011/12 the performance was 17 days.

In 2011/12 there were 43,688 changes of circumstances for Council Tax Benefit and Housing Benefit actioned.

### **2.1.3 Right Time**

The Right Time Indicator is a combination of average number of days to process a new claim and average number of days to process a change of circumstance. A target of 16 days was set. In 2011/12 the service achieved 19.66 days. There is no published data to make a comparison. Again staff resources had an impact and the main reason why the target was not met.

At the end of the second quarter of 2012/13 the performance was 18 days. At the same period in 2011/12 the performance was 22 days

### **2.1.4 Cost per Benefit Case**

Our costs have decreased from £41.41 in 2010/11 to £39.52 in 2011/12. This demonstrates continued lowering of cost of providing the service with an increased benefit caseload. A performance target of £39.00 has been set for 2012/13.

Benchmarking with the other urban Scottish Local Authorities was taken on the 2011/12 figures. The figures shown below shows the Gross Administration Cost per Benefit Case.

West Dunbartonshire Council	£29.73
North Lanarkshire Council	£31.31
Aberdeen City Council	£39.52
Glasgow City Council	£41.80
City of Edinburgh	£42.82
Inverclyde Council	£45.15
East Dunbartonshire Council	£45.47
Renfrewshire Council	£46.64
Dundee City Council	£65.65

The average cost of the Urban Authorities was £43.12 compared to £39.52 for Aberdeen.

## **2.2 Housing Benefit Overpayments**

The target for the amount of Housing Benefit Overpayments collected in 2011/12 was £1.3m. The Service collected £1,293,623 in 2011/12. Recovery rate increased in 2011/12 to 71.96% from 71.45% in 2010 /11. It is believed that the recovery rate will continue to improve and the collection rate target of £1.3m will be achieved in 2012/13.

The Benefit Overpayment Team is part of the Revenues and Benefit Recovery Team. The Recovery team provides a recovery service for Council Tax debt, Community Charge Debt, Service Income debt and Housing Benefit Overpayments. 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**

The Service has a dedicated team headed up by the Fraud Manager with two Fraud Investigators and an Administrative Support Assistant who are responsible for investigating allegations of fraud.

In 2010/11 the team lost two experienced Fraud Investigators therefore a lower target of 20 sanctions was set for 2011/12 to allow for the employment and training of the new investigators. The team achieved 18 sanctions which included 8 cases referred to the Procurator Fiscal and a total of £189,000 Fraud Overpayments identified.

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.

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**

A target of 65% was set for the “Percentage of applications for reconsideration or revision actioned and notified within 4 weeks”. The team achieved 63.33%. A target of 65% was set for the “Percentage of Appeals submitted to the Appeals Service within 4 weeks”. The team achieved 44%. A target of 95% was set for the “Percentage of Appeals submitted to the Appeals Service within 3 months”. The team achieved 84%.

Due to staff resources, staff within the Appeals Team were required to help in other areas within Benefit Processing, which impacted on their performance and is the main reason why targets were not met.

## **2.5 Accuracy**

The aim of the Benefit Service is to pay the right amount to the right person at the right time. Quality checking is recognised as a priority area and is mandatory across all areas of benefit processing. The Quality checking regime was reviewed and a new process implemented in 2010. The Service recognises that further work is required in this area as accuracy performance is being measured on material error, i.e. an error likely to cause an incorrect award rather than the correct payment to its customer. A further review is being undertaken during 2012/13 to ensure that the process continues to be fit for purpose.

The Accuracy target has been set at 95% but realise that this will take some time to achieve. The Service achieved 77% accuracy in 2011/12. While this performance appears poor, it does not reflect the financial accuracy of the decisions the Service make.

## **2.6 Interventions**

Claimants are encouraged to report changes in their circumstances on time. Where claimants fail to report changes interventions are a means of identifying them by proactively reviewing the claimants most likely to have had an unreported change. These claims are selected through a risk based assessment.

The Service has undertaken a review of its intervention procedures and processes and a new intervention strategy developed. Due to staff resources the new procedure has not yet gone live. It is anticipated that the review will be completed and implemented during 2012/13.

In 2011/12 1174 Interventions were carried out with 618 resulting in a decreased award, 192 in an increased award, 263 had no change to the current award and 101 awards were cancelled. A target of 2,400 has been set for 2011/12.

### **3.0 Review of the Key Service Objectives set for 2011/12**

#### **3.1 Closely monitor performance.**

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

The dip in performance experienced by the Benefit Service in 2011/12 was due to a combination of factors;

The Service moved to new Corporate Headquarters in June 2011. This caused major disruption as the Service had been based in their previous location for 23 years

The Service underwent a major staffing restructure which meant a higher than normal number of vacancies plus a high number of staff on Maternity Leave.

Much of 2011/12 was focused on supporting the Corporate Governance Alternative Delivery Model (ADM) project with senior staff involved in creating output documentation, meeting bidders, answering bidder's queries etc. The ADM project also caused significant uncertainty for staff until the decision by full Council not to proceed with this option was made in April 2012.

In order to mitigate the affects of the above a number of measures were undertaken to aid improved performance:

- Use of specialist contractors to help with the workload.

- Revenues and Benefits structure was reviewed to include a dedicated Benefit Team
- Use of external resource to review Benefit processes.

The new structure is now in place and as vacancies are now being filled performance is steadily improving. The Benefit Service is confident that the system which is now in place is fit for purpose.

### **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 has completed the 2010/11 initiative which started in January 2011. 2088 cases were investigated which identified £180,027 Housing Benefit overpayments which included 7 proven fraud cases.

The 2012/13 initiative will commence in January 2013.

### **3.4 Continue working on the Audit Scotland Action Plan**

Following a risk assessment audit by Audit Scotland in October 2009 the Service submitted an action plan to address the small number of improvement opportunities and minimise the identified risks. Since January 2010 the Service has taken action to address these risks and believe that all risks had been addressed with one outstanding item in relation to Interventions. The new process that had been developed has not yet gone live due to lack of resources. However, as vacancies are being filled it is anticipated that the Intervention Strategy will be fully implemented during 2012/13.

### **3.5 Continue with the staff led Benefits Improvement groups to improve performance and customer service**

During 2011/12 staff were involved in the review of the Intervention process. The categories of claims and the processes were agreed in preparation for implementation once the Service is fully resourced.

### **3.6 Review of Benefit Take Up Plan for 2011/12**

In conjunction with Capita Services a Benefit Take Campaign was carried out from October 2010 to October 2011 targeting the most deprived areas in Aberdeen. This involved telephoning people in these areas who were not currently in receipt of Council Tax Benefit or Housing Benefit. Customers were contacted using a recorded message which directed them to speak to a trained Capita Advisor (at no cost to the customer). 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. During the period of the campaign an extra 189 customers were identified as being entitled to benefit and a total of £69,567 was awarded.

### **3.7 Undertake Customer Survey**

Due to the move to Marischal College and staff shortages a Customer Survey was not carried out during 2011/12. However, in June 2012 a customer satisfaction survey was carried out in the Customer Service Centre to get feedback from our customers on their experience of using CSC over the past year. The survey had a number of questions and was split into sections – delivery, timescales, information, professionalism, staff manner and satisfaction with service and included the opportunity for any other comments. The survey was carried out with customers across all Services delivered from the CSC and involved Council Tax Benefit and Housing Benefit customers. The results demonstrated that 82% of people were fairly or very satisfied overall and 18% expressed dissatisfaction with one or more areas of the survey. In general, the feedback given from customers was very positive.

The Benefit Service is currently designing a Customer Survey for Benefits Administration.

### **3.8 Investigate possibility of an on-line claim**

An on-line claim form was purchased from Capita in March 2012.

The Service recognises that although the implementation of the on-line claim form will provide some efficiency through more automation and standardisation that this route is not suitable for all Housing Benefit and Council Tax Benefit customers.

Implementation will require active promotion and involvement of our Customer Service colleagues, IT colleagues and Registered Social Landlords. This work is part of the Corporate Governance Improvement Plan and will be subject to the prioritising of all the options and overall approach.

### **3.9 Restructure of Revenues and Benefits with the creation of a Benefits Team**

The Service has undertaken and completed a review of its structure to include a dedicated Benefit Team.

### **3.10 Work closely with colleagues in Housing to improve benefit and rent performance by Rent Assistants gathering evidence in support of claims from tenants.**

The Service holds regular meetings with our colleagues in Housing. During 20011/12 training was given to Housing staff in order that they could help their most vulnerable tenants sustain their tenancies and prevent rent arrears and reduce the risk of eviction.

A dedicated resource is available to deal with Rent Management queries in particular for Court and homeless cases.

### **3.11 Address issues arising from the changes to Housing Benefit Services contained in the Welfare Reform.**

During 2011/12 the Service has been preparing for the impact of Welfare Reform on their business in a number of ways;

Benefit staff are involved in the Corporate Welfare Reform Working Group and have attended meetings and courses with various bodies such as the Institute of Revenues Rating and Valuation, DWP and COSLA.

The Service has given talks to various groups including landlord forums, Disability Group and the Older Peoples Advisory Group.

The Benefit Processing Manager has also given awareness sessions to Revenues and Benefit staff, Customer Service staff and Registered Social Landlord representatives.

The identification of tenants affected by the various reforms and liaison with the Housing Service and Registered Social Landlords will continue in 2012/13

#### **4.0 Key Operational Tasks to be undertaken during 2012/13**

- 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 Review Quality Checking Regime.
- 4.5 Monitor accuracy and financial impact on subsidy.
- 4.6 Review intervention strategy and effectiveness of intervention activity.
- 4.7 Continue with the staff led Benefits Improvement groups to improve performance and customer service.
- 4.8 Review of Benefit Take Up plan for 2012/13.
- 4.9 Undertake Customer Survey
- 4.10 Implementation of on-line claim form in line with Corporate Governance Improvement Plan.

- 4.11 Continue to work closely with colleagues in Housing to improve benefit and rent performance.
- 4.12 Continue to address issues arising from the changes to Housing Benefit Services contained in the Welfare Reform.





## APPENDIX I

### KEY SERVICE PERFORMANCE OBJECTIVES - 2012/13

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

		<b>Target for 2011/12</b>	<b>Achieved</b>	<b>Target 2012/13</b>
1	Processing of New Claims	Less than 25days	33 days	28 days
2	Processing of Change of Circumstances	Less than 14 days	14 days	14 days
3	Right Time	16 days	19.66 days	16 days
4	Cost per Case	£41.25	£39.51	£39.00
5	Percentage of Cases Processed within 14 Days	90%	70.15%	90%
6	Accuracy of Processing	95%	77%	95%
7	Interventions	-	1174	2,400
8	Value of Housing Benefits Recovered	£1.3m	£1,293,623	£1.3m
9	Total Sanctions	20	19	28
10	Percentage of applications for reconsideration or revision actioned and notified within 4 weeks	65%	63.33%	65%
11	Percentage of Appeals submitted to the Appeals Service within 4 weeks	65%	44%	65%
12	Percentage of Appeals submitted to the Appeals Service within 3 months	95%	84%	95%

**PRINCIPLES TO BE ADOPTED**

**IN THE ADMINISTRATION OF**

**HOUSING AND COUNCIL TAX BENEFITS**

**2012/13**

## **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.