

COMMITTEE	Finance and Resources
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DIRECTOR	Stewart Carruth
TITLE OF REPORT	Annual Housing and Council Tax Benefit Report
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#### 1. PURPOSE OF REPORT

This report updates Members on the performance of Housing and Council Tax Benefit during 2012/13. 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 2013/14.

#### 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

2012/13



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, Social Work Financial Assessments and Scottish Welfare Fund.

The purpose of this report is to review the Housing and Council Tax Benefit Performance for 2012/13 and set Housing and Council Tax Reduction objectives for 2013/14.

The report has been produced in conjunction with Wayne Connell – Revenues and Benefits Manager, Helen Moir – Benefit Processing Manager and Brian Muldoon – Fraud Manager

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 2012/13**

### **2.1 Benefits Administration**

A summary of the performance targets set and achieved is shown in Appendix 1, along with targets for 2013/14. Benchmarking with other urban Scottish Authorities will be circulated once the data has been published.

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

A target was set to process new claims for benefit on average in under 28 days. In 2012/13 the Service achieved an average of 27.07 days. This is an improvement in performance; at the same period in 2011/12 performance was 33 days.

In 2012/13 there were 13,336 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 2012/13 the Service achieved an average of 15.28 days. The reason for not meeting the target can be attributed to a number of factors but in the main was due to the introduction of the Department of Works and Pensions (DWP) Automated Transfers to Local Authority System (ATLAS) notifications. This new way of receiving information from DWP had a major impact on performance as significant resources were required to test and implement. The Service has found, along with most councils that instead of the automated loading of information which ATLAS initially promised manual intervention is required in the majority of cases to ensure accuracy.

In 2012/13 there were 52,094 changes of circumstances for Council Tax Benefit and Housing Benefit actioned, 8,406 more than in 2011/12.

### **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 18 days was set. In 2012/13 the service achieved 17.69 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 was set for 2012/13. Although the figures for 2012/13 are not yet available it is anticipated the cost per benefit case of £39.00 will be achieved.

## **2.2 Housing Benefit Overpayments**

The target for the amount of Housing Benefit Overpayments collected in 2012/13 was £1.3m. The Service collected £1,361,758 in 2012/13. Although the recovery rate decreased in 2012/13 to 62.86% from 71.96% in 2011/12 the team have delivered a steady performance in a difficult economic environment.

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.

The processes and procedures for recovering all revenues and benefit debts are currently being reviewed by the Recovery Manager to ensure they are fit for purpose in these difficult times.

It is felt a monetary target is not appropriate as collection depends on the value of the overpayments raised. A more consistent approach is to monitor the percentage collected against overpayments raised; therefore for 2013/14 a target of 65% has been set.

### **2.3 Fraud**

A target of 28 sanctions was set for 2012/13. The team achieved 29 sanctions. This included 15 cases referred to the Procurator Fiscal during the year and a total of £250,000 overpayments identified. This is an improvement in performance at the same period in 2011/12 the team achieved 20 sanctions

When resources allow, the Fraud Team work with DWP fraud colleagues, HMRC and staff in the UK Border Agency.

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 88.81%. A target of 65% was set for the “Percentage of Appeals submitted to the Appeals Service within 4 weeks”. The team achieved 52.63%; this is an improvement from 44% in 2011/12. A target of 95% was set for the “Percentage of Appeals submitted to the Appeals Service within 3 months”. The team achieved 100%.

The team’s performance has shown improvement in all 3 areas in 2012/13.

### **2.5 Accuracy**

The aim of the Benefit Service is to pay the right amount to the right person at the right time. The Quality checking regime is critical to this process and ensures that accuracy performance is measure correctly. The Accuracy target has been set at 95% to be achieved within the next 2 years. The Service achieved 84.39% accuracy in 2012/13 an improvement from 77% in 2011/12.

## **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.

In 2012/13 1899 Interventions were carried out with 686 resulting in a decreased award, 241 in an increased award, 839 had no change to the current award and 133 awards are still being investigated.

The Service aimed to issue 2,400 Interventions in 2012/13; however, resources were required to help in other areas with Benefit Processing which impacted in the amount of Interventions issued. A target of 2,400 has been set for 2013/14.

## **3.0 Review of the Key Service Objectives set for 2012/13.**

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

Although not meeting targets in some areas there is a significant improvement in performance in 2012/13 compared with 2011/12. This is despite the challenges facing the Service with the changes to Housing Benefit Services contained in the Welfare Reform Act.

The Service undertook a number of measures to aid improved performance:

- Use of specialist contractors to help with the workload.
- The recruitment of staff to fill the significant vacancies
- Managing the workflow on a daily basis to agree priorities, validating performance and checking individual cases where required.

### **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 will be circulated once the data has been published for 2012/13 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 2012/13 initiative has recently commenced. This exercise will take over one year to investigate the 2654 cases.

### **3.4 Review Quality Checking Regime**

The quality checking regime was reviewed during 2012/13 with extra random and targeting checking taking place. In addition to the support and guidance provided to individual members of staff refresher training hours were introduced to consolidate the training programme. Quizzes were incorporated into the training hours and themes were changed on a monthly basis.

### **3.5 Monitor accuracy and financial impact on subsidy**

The accurate and secure administration of Housing Benefit and Council Tax Benefit is a key priority to the Benefits Service. The Quality Checking regime is critical to the process to ensure performance is measured correctly. However, the correct balance between accuracy, speed of response and cost has to be struck.

The audit of Housing Benefit and Council Tax Benefit Subsidy 2011/12 did not identify any major issues. The areas which were identified for improvement were incorporated into the review of the Quality Checking regime during 2012/13.

DWP are looking to reclaim £401,165 from an expenditure of £37,830,175 (0.62% of total spend) for 2011/12 although the final figure has not been confirmed. This is within the provision made within Council accounts to

properly account for the fact that there is a liability that will arise from the audit of the benefit subsidy claim.

### **3.6 Review intervention strategy and effectiveness of intervention activity**

During 2012/13 a new strategy was developed. This will be implemented during 2013/14.

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

During 2012/13 staff were involved along with Customer Service and the Web Team in redesigning the benefit pages in the Aberdeen City Council Website to improve the information available to customers.

### **3.8 Review of Benefit Take Up Plan for 2012**

In 2012/13 the Annual Campaign promoting Housing Benefit and Council Tax Benefit took place at main billing.

The Service provided training to Housing Associations and our Housing colleagues so that vulnerable customers were given assistance when claiming benefit.

Staff also took part in Tenant Open Days to promote the general take up of Housing Benefit and Council Tax Benefit.

### **3.9 Undertake Customer Survey**

A Customer Survey is planned for 2013/14.

### **3.10 Implementation of on-line claim form in line with Corporate Governance Improvement Plan**

Although the Service has purchased an on-line claim form it recognises that the implementation of an on-line claim form will provide some efficiency through more automation and standardisation but 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 is subject to the prioritising of all options and overall approach.

**3.11 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 20012/13 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. A member of staff from the Benefits Service is present at all Rent Arrears Court proceedings

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

The changes to the Welfare System for people of working age is the biggest change to the welfare system for over 60 years and has a significant impact on the services provided by the Benefit Service.

During 2012/13 significant resources were required to prepare for the impact of these changes on the services business. The programme of work that the Service undertook during 2012/13 included:

Planning and implementing the Council Tax Reduction Scheme. This scheme replaced Council Tax Benefit from 1 April 2013.

The Service worked with the Housing Service and Registered Social Landlords to identify tenants affected by the under occupation regulations which came into force on 1 April 2013.

The Service set up a team to deliver a new welfare provision from 1 April 2013 - The Scottish Welfare Fund. This scheme is administered on behalf of the

Scottish Government and provides two types of grants: Crisis Grants and Community Care Grants.

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

The Service gave talks to various groups including landlord forums.

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

The Service will continue in 2013/13 to address the further changes to Housing Benefits Services contained in the Welfare Reform such as the Benefit Cap and Universal Credit.

#### **4.0 Areas for Improvement 2013/14**

A Risk Assessment Audit was undertaken by Audit Scotland in September 2012. From this audit a number of recommendations for improvement were identified. An action plan was agreed with Audit Scotland. This action plan will be the basis for improvement activity during 2013/14. These areas are:

- 4.1 Improve speed of Processing
- 4.2 Review Quality Checking Regime and establish a Quality Assurance Team.
- 4.3 Improve accuracy performance and financial impact on subsidy.
- 4.4 Review intervention strategy and effectiveness of intervention activity

#### **5.0 Key Operational Tasks to be undertaken during 2013/14**

- 5.1 Closely monitor performance.
- 5.2 Continue to benchmark on both cost and performance.
- 5.3 Continue to take part in the National Fraud Initiative.

- 5.4 Complete agreed Audit Scotland Action Plan.
- 5.5 Continue with the staff led Benefits Improvement groups to improve performance and customer service.
- 5.6 Review of Benefit Take Up plan for 2013/14.
- 5.7 Undertake Customer Survey
- 5.8 Implementation of on-line claim form in line with Corporate Governance Improvement Plan.
- 5.9 Continue to work closely with colleagues in Housing to improve benefit and rent performance.
- 5.10 Continue to address issues arising from the changes to Housing Benefit Services contained in the Welfare Reform.



## APPENDIX I

### KEY SERVICE PERFORMANCE OBJECTIVES - 2013/14

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

		Target for 2012/13	Achieved	Target 2013/14
1	Processing of New Claims	Less than 28days	27.07 days	26 days
2	Processing of Change of Circumstances	Less than 14 days	15.28 days	14 days
3	Right Time	18 days	17.69 days	17 days
4	Cost per Case	£39.00	To be confirmed	£38.50
5	Percentage of Cases Processed within 14 Days	90%	76.34%	90%
6	Accuracy of Processing	95%	84.39%	95%
7	Interventions	2400	1899	2,400
8	Value of Housing Benefits Recovered	£1.3m	£1,361,758	65%
9	Total Sanctions	28	29	30
10	Percentage of applications for reconsideration or revision actioned and notified within 4 weeks	65%	88.81%	65%
11	Percentage of Appeals submitted to the Appeals Service within 4 weeks	65%	52.63%	65%
12	Percentage of Appeals submitted to the Appeals Service within 3 months	95%	100%	95%

**PRINCIPLES TO BE ADOPTED**

**IN THE ADMINISTRATION OF**

**HOUSING AND COUNCIL TAX BENEFITS**

**2013/14**



## **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, and mental health of the person has 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.