

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	17 June 2010
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Annual Housing and Council Tax Benefit Report
REPORT NUMBER:	CG/10/117

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### 1. PURPOSE OF REPORT

This report updates Members on the performance of Housing and Council Tax Benefit during 2009/10 and sets out key priorities for 2010/11. This is required following the Audit Scotland inspection of the Benefit Service.

### 2. RECOMMENDATION(S)

It is recommended that Committee agree to receive an annual report in June each year on the previous financial year's Housing and Council Tax Benefit Service.

### 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. SERVICE & COMMUNITY 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.

### 5. OTHER IMPLICATIONS

None

## 6. REPORT

See attached document.

## 7. REPORT AUTHOR DETAILS

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## 8. BACKGROUND PAPERS

Performance Review and Key Objectives review undertaken by management team.

# Revenues and Benefits

## Housing & Council Tax Benefit Annual Report

2009/10



**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 and Rent Recovery, Fraud Investigation, Cash Collection, Benefits Advice.

The purpose of this report is to review the Housing and Council Tax Benefit Performance for 2009/10 and set Housing and Council Tax Benefit objectives for 2010/11.

The report has been produced in conjunction with Jacek Nowak - Head of CRM, Wayne Connell – CRM Operations Support Manager, Helen Moir – Senior Processing Officer, Brian Muldoon – Fraud Manager and Ian Sutherland – Development Officer.

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.

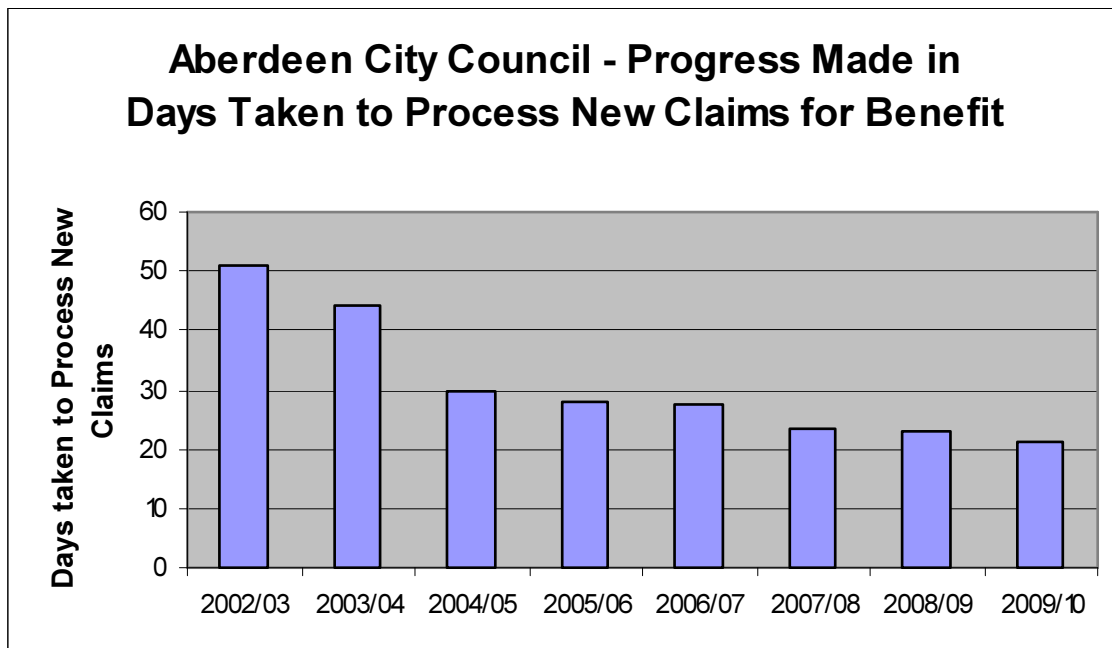
## 2.0 Performance Review of 2009/10

### 2.1 Benefits Administration

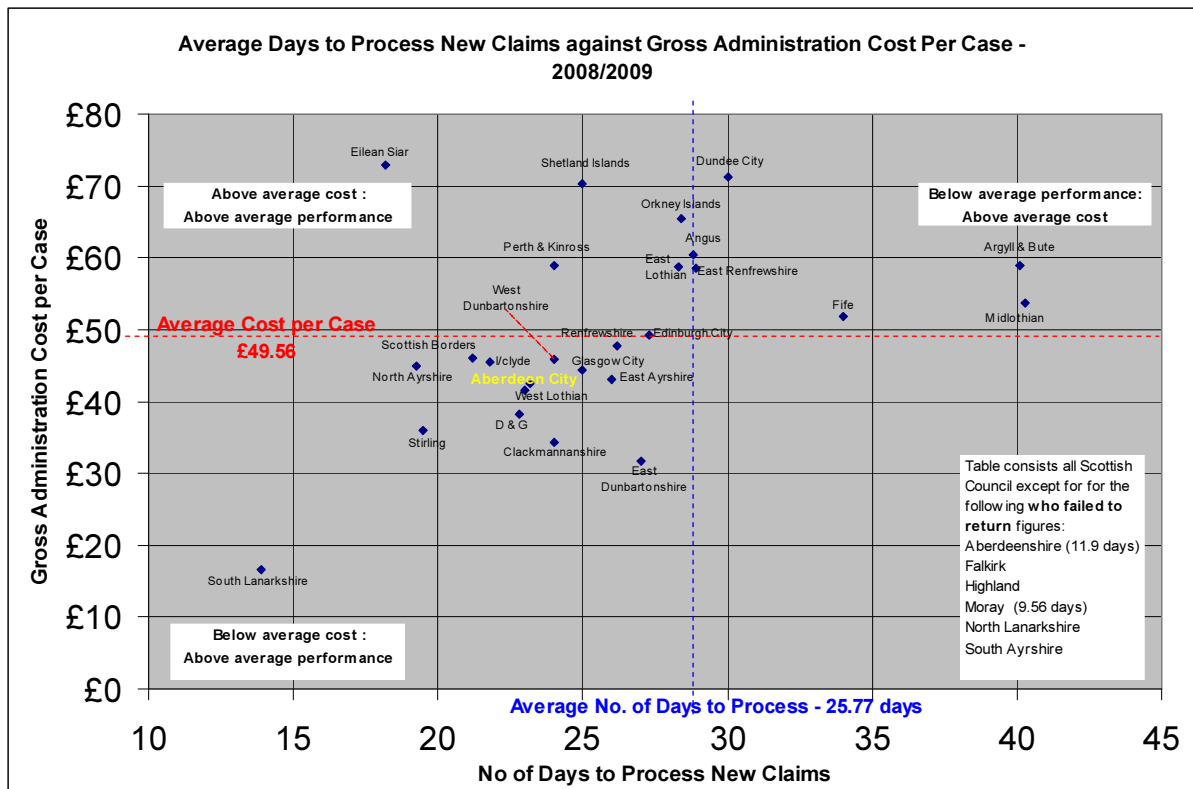
A summary of the performance targets set and achieved is shown in Appendix 1, along with targets for 2010/11.

#### 2.1.1 Processing of New Claims

A target was set to process new claims for benefit on average in under 23 days (the national standard is set at 36 days and the average for all Scottish Local authorities was 25.77 days in 2008/09). In 2009/10 the service met its target by averaging 21.26 days. The Service has continued to show improvement in terms of processing new claims as shown below.



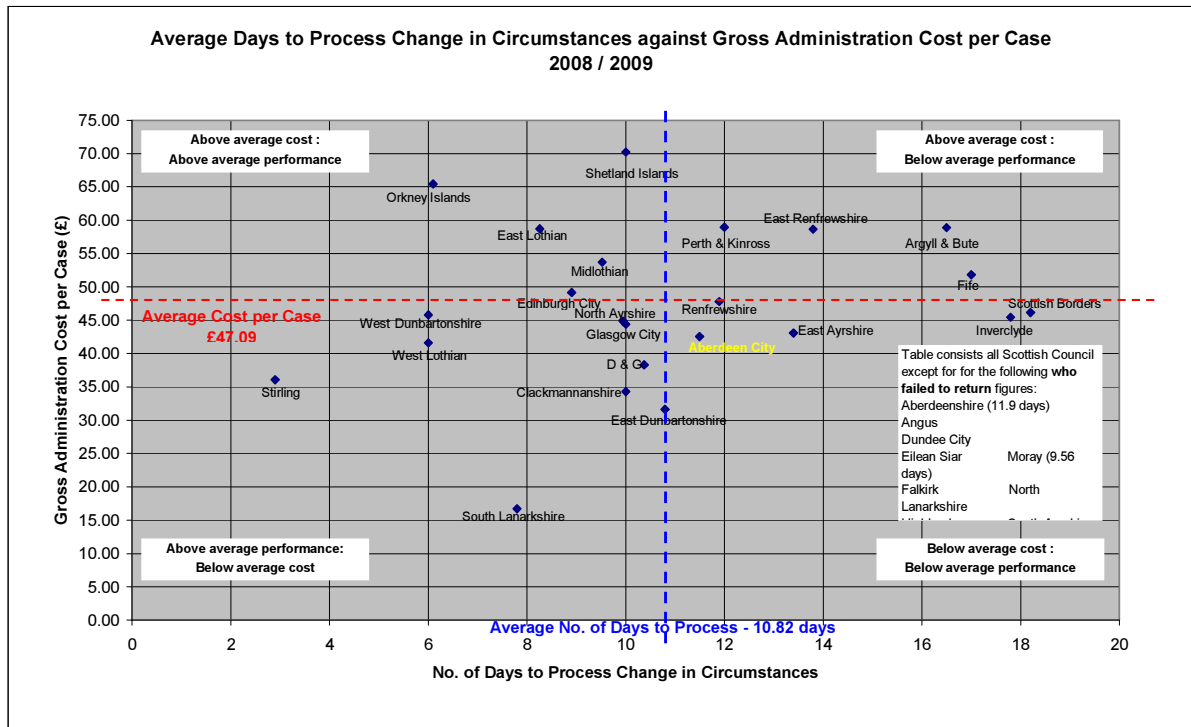
Benchmarking with the other Scottish Local Authorities was undertaken on the 2008/09 figures (2009/10 figures will not be available till the end on 2010). The graph below demonstrates that Aberdeen has above average performance but below average costs for dealing with new claims of benefit. It is believed that this has continued in 2009/10.



### 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 2009/10 the service met its target by averaging 9.61 days.

Benchmarking with the other Scottish Local Authorities was undertaken on the 2008/09 figures. The graph below demonstrates that Aberdeen has average performance but below average costs for dealing with Change of Circumstances. It is believed that 2009/10 performance will have moved to above average performance but below average costs.



### 2.1.3 Right Time

The Right Time indicator is one of the SPIs provided to Audit Scotland introduced in 2009/10. This 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 14 days was set. In 2009/10 the service met its target by achieving 12.84 days.

Although the actual figures for the whole of 2009/10 are not yet available, there are figures for the Quarter 1 and Quarter 2 of 2009/10 available from Department for Works and Pensions. These figures are indicating the Right Time Indicator average for Great Britain is 14 days. The Scottish figures would put the average at approximately 16 days. This provisionally ranks Aberdeen 6<sup>th</sup> for Scottish Local Authorities during the first half of 2009/10.

### 2.1.4 Right Benefit

A further new performance measure introduced was Right Benefit. It measures the number of changes to customers' HB/CTB entitlements that are processed by the LA in a year. In order to assist with local target setting, DWP provided minimum, average and maximum figures that can be multiplied

by the average number of customers the LA has at any one time in each of six risk groups. From this information a target was set of 16.03 changes per 1000 caseload. At the end of the year the service has achieved 24.63 changes per 1000 caseload. It should be noted that Department for Works is reviewing the background to the Right Benefit Indicator and is considering options for its replacement in 2011/12.

### **2.1.5 Cost per Benefit Case**

Our costs have decreased from £44.59 in 2007/08 to £42.56 in 2008/09. Our target for 2009/10 was £40.00. Although, the figures are not yet available, it is believed the costs per benefit case will have reduced due to the cost of providing the service having been lowered and there is an increased benefit caseload.

## **2.2 Housing Benefit Overpayments**

The amount of Housing Benefit Overpayments collected increased to £1,121,588 from £946,838 in 2008/09. This was mostly due to the National Fraud Initiative, creating a greater number of overpayments. The increased number of overpayments has meant that the recovery rate decreased in 2009/10 to 62.99% from 80.59% in 2008/09. It is believed that the recovery rate will improve and the collection rate target of £0.95m will be achieved in 2010/11 as it is anticipated that there will be less overpayments created within 2010/11.

The Benefit Overpayment Team has been restructured to become part of the Recovery Team for Council Tax and Rent Arrears. This is to enable 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 25 sanctions was set for 2009/10. The team achieved 30 sanctions. This was accomplished by restructuring the Fraud Team and also through the generation of increased Fraud referrals as part of the National



Fraud Initiative. This also helped contribute to the team identifying overpayments in excess of £250,000 during the year.

Where resources allow, the fraud team undertake joint investigations with the DWP's fraud investigation service. One such case has resulted in the Crown Office using the Proceeds of Crime Act to freeze the assets of a benefit recipient until the case is presented in court. The team have also undertaken investigations with the UK Border Agency.

## **2.4 Appeals**

Although there has been improvement in this area of benefits, there is still room for further improvement. The Appeals Team have not met two of their Performance Indicators, "Percentage of Appeals submitted to the Appeals Service within 4 weeks" and "Percentage of Appeals submitted to the Appeals Service within 3 months". Although targets have not been met there has been improvement from the previous year. The service will be monitoring the Appeals process and taking appropriate action to gain improvement.

## **3.0 Review of the Key Service Objectives set for 2009/10**

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

Performance has improved in most areas, most notably in Benefits Administration as detailed above.

The Appeals performance continues to be disappointing and a number of measures are to be undertaken to improve this. The following actions are to be taken to aid improved performance:

- additional external resource is to be used,
- a review of process and procedures is to be completed,
- meet and discuss the position with the Appeals team to gain an understanding of the issues causing delays,

- in addition to monthly performance meetings, a six month review is to be undertaken.

### **3.2 Continue to take part in North of Scotland Local Authorities feasibility study into Council Tax, Benefits and Business Rates shared services.**

Aberdeen continued to take part in the feasibility study and a report went to Finance and Resources committee updating the position. Aberdeen is currently holding a watching brief.

### **3.3 Continue to take part in the National Fraud Initiative.**

The service completed its National Fraud Initiative workload for 2009/10. Again the service will undertake this initiative in 2010/11 starting in October 2010.

### **3.4 Undertake Customer Survey.**

A customer survey and Registered Social Landlord survey was undertaken during 2009/10. The survey has identified a number of issues that the service can undertake to improve. These issues have been included in the key priorities for 2010/11. The overall customer satisfaction of the Benefit's Service has increased from 74% in 2007 to 89% of customers being either Very Satisfied or Satisfied with the service they were receiving from Aberdeen City Council in 2009.

### **3.5 Prepare for Housing Benefit Audit by Audit Scotland.**

This was a major piece of work during 2009/10. Aberdeen's benefit service was audited by Audit Scotland in October 2009 and received an encouraging report. An Action Plan has been established and agreed with Audit Scotland to address areas identified for improvement. The Action Plan points have been included in the key priorities for 2010/11.

### **3.6 Undergo mini restructure to ensure the service is fit for purpose in order to delivers its aims and objectives.**

Restructures were undertaken and completed.

### **3.7 Develop Benefits Take Up Strategy.**

A Benefit Take Up Strategy document was produced. Monthly meetings are held to discuss progress, allocated resources and identify any additional initiatives. Audit Scotland has commented that the strategy was very ambitious and these comments will be taken on board for 2010/11.

### **3.8 Continue with Voice Risk Analysis**

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. The 12 month pilot began in November 2008. It was undertaken to provide continuation of improved performance by increasing the efficiency of the administration of benefits and ensuring that the DWP objectives of Right Time/Right Benefit are adhered to. The VRA pilot utilised existing staff from both Customer Contact and Processing who received in depth training in techniques and technology enabling them to carry out their role in the pilot effectively. The pilot ended and results are awaited from DWP. In the meantime, permission was granted by DWP to continue using VRA and evidence gathering easements. The service believes that the pilot has improved performance, reduced fraudulent claims, improved customer satisfaction and has therefore extended arrangements for a further 12 months.

### **4.0 Key Operational Tasks to be undertaken during 2010/11**

- 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 to improve the Appeals process and consider different delivery models.
- 4.5 Await DWP decision regarding the VRA pilot and make necessary decisions on the future of VRA.
- 4.6 Audit Scotland Action Plan

- Undertake monthly analysis of Benefit Complaints.
- Undertake a review of the quality checking practice and include accuracy checks in the revised regime.
- Review current Intervention identification policy to ensure risk criteria is effective.
- Undertake analysis of errors and feed back into staff training and intervention programme.
- Introduce monitoring of fraud overpayments and Admin Penalties collection.
- Introduce Senior Management Review into Fraud Sanction policy.

#### 4.7 Customer Survey Feedback

- Customers indicated they would like extended opening hours for face to face contact. Review opening hours of the public offices to be undertaken in conjunction with the move to Marischal College.
- Customers indicated they would like extended opening hours for telephone contact. Review of phone hours to be undertaken in conjunction with the proposed move for Benefits phone call centre to the Corporate Contact Centre.

#### 4.8 Registered Social Landlord Feedback

- Seek to work with the Registered Social Landlords to further develop on line services for Landlords.

#### 4.9 Recognising issues have arisen with the Department for Works and Pensions regarding Benefit Subsidy. Proposals are underway to provide additional Subsidy training for managers and staff to raise awareness and knowledge of the subject.

- 4.10 Continue with the staff led Benefits Improvement groups to improve performance and customer service.
- 4.11 Undertake a review of Benefit Take Up plan for 2009/10 and consider a realistic approach for 2010//11 from Audit Scotland's comments.



## APPENDIX I

### KEY SERVICE PERFORMANCE OBJECTIVES - 2010/11

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

		<b>Target for 2009/10</b>	<b>Achieved</b>	<b>Target 2010/11</b>
1	Processing of New Claims	Less than 23 days	21.26 days	21 days
2	Processing of Change of Circumstances	Less than 11 days	9.61 days	9 days
3	Right Time	14 days	12.84 days	12 days
4	Right Benefit	16.03	24.63	25
5	Cost per Case	£40.00	-	£38.00
6	Percentage of Cases Processed within 14 Days	90%	86.34%	90%
7	Value of Housing Benefits Recovered	£0.9m	£1,121,588	£0.95m
8	Total Sanctions	25	30	32
9	Percentage of applications for reconsideration or revision actioned and notified within 4 weeks	65%	79.70%	65%
10	Percentage of Appeals submitted to the Appeals Service within 4 weeks	65%	42.86%	65%
11	Percentage of Appeals submitted to the Appeals Service within 3 months	95%	85.71%	95%

**PRINCIPLES TO BE ADOPTED**

**IN THE ADMINISTRATION OF**

**HOUSING AND COUNCIL TAX BENEFITS**

**2010/11**



## **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.