

Executive Committee

No Specific Ward Relevance

22nd September 2009

BENEFITS IMPROVEMENT PLAN – QUARTERLY MONITORING APRIL – JUNE 2009

(Report of the Head of Financial, Revenues and Benefits Services)

1. Summary of Proposals

To advise members on progress during the first quarter against the Benefits Service Improvement Plan and to identify any further action required to enable the successful delivery of the Plan.

2. Recommendations

The Committee is asked to RESOLVE that

1) subject to any comments, the report be noted, and

To RECOMMEND that

2) £15,000 is allocated from General Fund balances in 2009/10 to provide additional resources within the Benefits Service, as recommended by the Performance Development Team (PDT), to improve the recovery of overallowed Housing Benefit, and

3) the cost of an additional post for this purpose be included in the base budget from 1 April 2010.

3. Financial, Legal, Policy, Risk and Sustainability Implications

Financial

3.1 Any monies collected in respect of over allowed Housing Benefit are retained by the Council. Therefore the additional investment in the service to improve the collection of over allowed Housing Benefit will potentially be offset by improved collection rates.

Legal

3.2 There are no specific legal implications.

Policy

3.3 There are no specific policy implications

Risk

- 3.4 Without adequate performance monitoring arrangements there is a risk that the planned/required improvements in the Benefits Service will not be achieved. In addition without an effective recovery procedures for overallowed Housing Benefit the Council will forego the ability to pursue debt recovery procedures with a consequential loss of income to the Council.

Sustainability / Environmental

There are no specific sustainability / environmental / climate change implications.

3.5 **Report**

4. **Background**

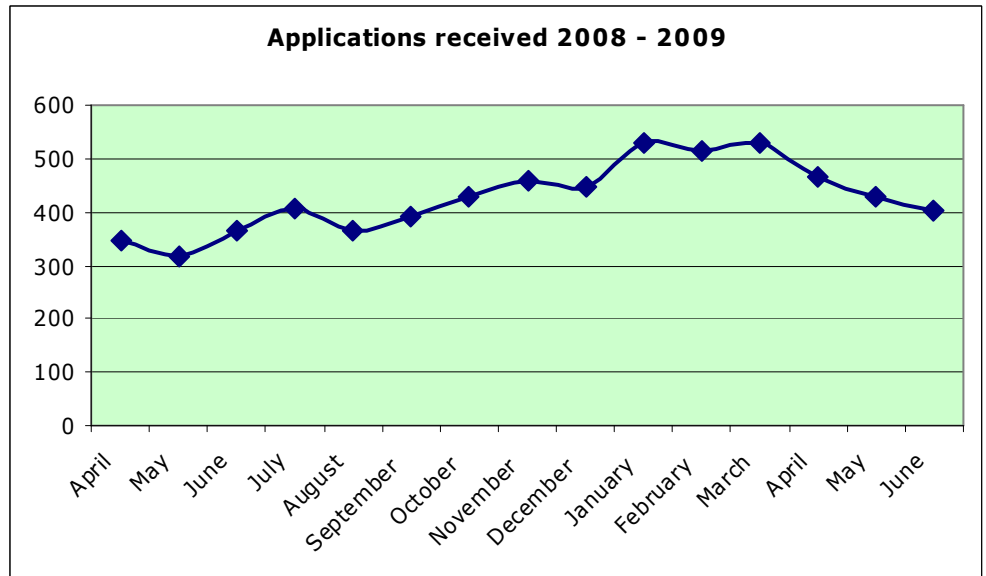
- 4.1 The Benefits Service Improvement Plan was developed in response to the Audit Commission Inspection in 2008/09.
- 4.2. Work is progressing towards the aims of the improvement plan. The Performance Development Team (PDT) from the Department for Work and Pensions has been working with the Benefits Service to help implement the recommendations from the Audit Commission inspection. In particular they are looking at helping us improve overpayment recovery, devising a Take Up Strategy, improving access to the service and performance management. Three additional Benefits Officers have been recruited and training is ongoing.

5. **Key Issues**

Claims Performance

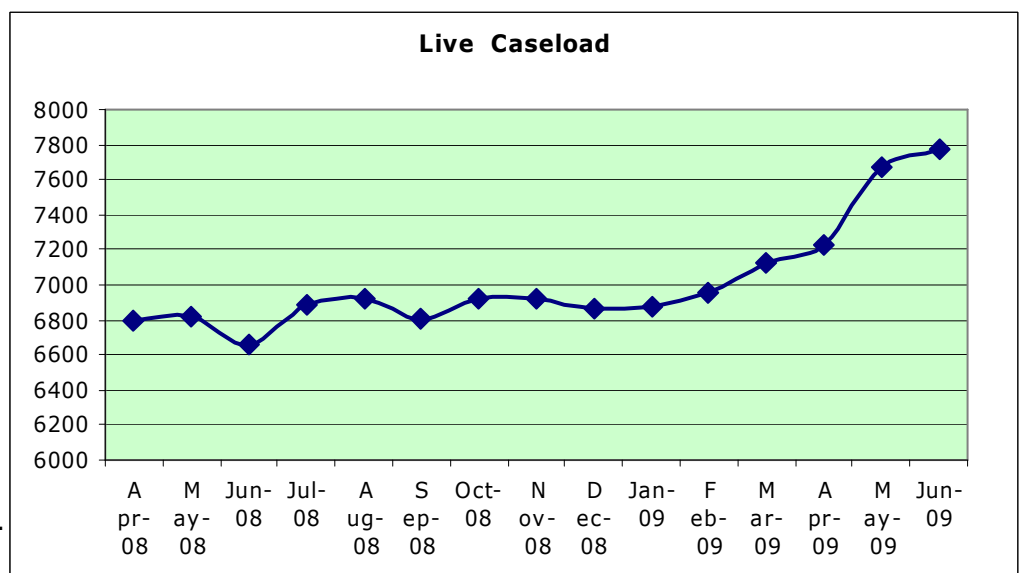
- 5.1. The number of claims received during the first quarter reduced from the previous periods but remained high. It has also been noted that many of the claims were from people who had not claimed before or were from the more complex claim types such as the self-employed and people with more than one home.

The graph below shows the pattern of applications for Housing Benefits received during between April 2008 and June 2009.



5.2. The Service went live with new In and Out of Work service from Department of Work and Pensions in June 2009 – this process sees the local Jobcentre gathering information in support of HB/CTB claim and passing it on to Benefits Service. Additionally when someone finds work an electronic form is received through a secure e-mail system to advise of the new circumstances. For this process to work a series of software security protocols had to be confirmed and a connection to the Governments secure network installed – this will enable secure exchange of sensitive data.

5.3. Despite the falling number of claims being made the actual number of claims in payment went up during this quarter as the peak of claims received in the first three months of the year were finally cleared, finishing at 7771 claims compared to 6664 in June 2008. An increase of 16.6%, see graph below.



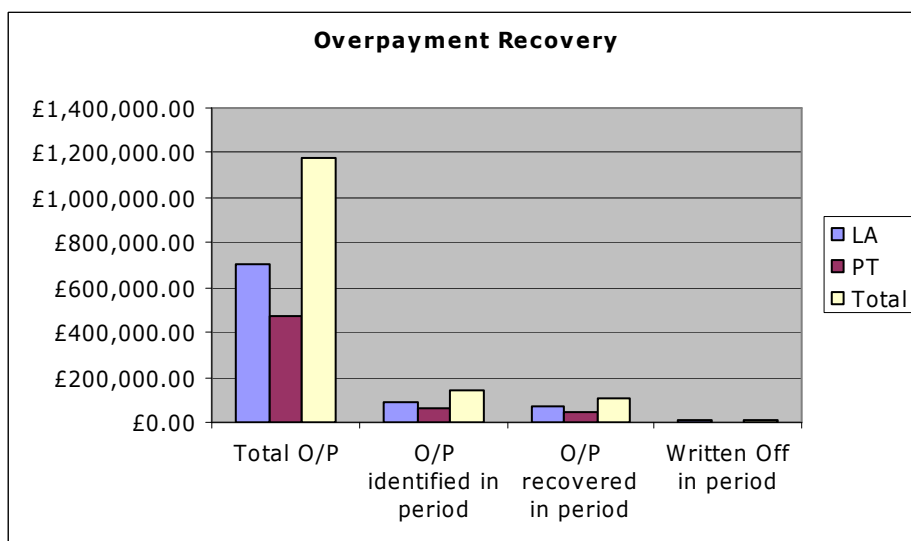
5.4.

quarter of 2008/09 was 21 days. With the additional funds made available temporary workers were drafted in to help cover the telephones and to process claims. With this additional help the average time to process claims had reduced to 16 days for the first quarter in 2009/10. Three additional Benefit Officers also started in May and have received legislative training and are currently undergoing system training.

- 5.5. Between April 2009 and the end of June 2009 1916 claims were processed, of these 1160 were processed within 14 days and only 64 claims took longer than 50 days to process. The day count starts when the claim is requested or the change reported so for some of the days reported we are waiting for information to come back from the claimant.

Overpayment Recovery

- 5.6. Overpayment recovery remained disappointing with an overall increase in the debt outstanding and below target recovery rates. Work undertaken by the PDT during this quarter concluded that the processes in place to recovery over allowed benefit are satisfactory but that additional resources are required if the rate of recovery is to improve. The current resource within the Income Team is equivalent to 0.4 of a full-time employee. Officers have reviewed the work of the PDT and concluded that best way forward is to provide a dedicated resource within the Benefits Service. The Income Team will retain responsibility for the caseload transferred to IBS system in 2006. The other cases and any new overpayments will become the responsibility of a dedicated resource within the Benefits Service. This proposal will be subject to member approval of an additional resource within the Benefits Service.



Key – LA = Local Authority PT = Private Tenant O/P = Overpayment

- 5.7. Local Authority Error overpayments continue to remain below the financial threshold and remain on target to receive 100% subsidy

again. Only £14,778 has been treated as Local Authority error in the three months from April out of expenditure of £11,604,834, see table below. Local Authorities receive a grant to cover all overpayments attributed to Local Authority delay or error as long as the total does not exceed 0.48% of qualifying expenditure (qualifying expenditure in this case being expenditure which qualifies for 100% subsidy).

	EXPENDITURE £	100% Subsidy £	LA ERROR £	LA Error %
HRA	3,009,573	2,953,817	7,127	0.24%
NON- HRA	22,193	21,376	0	0.00%
PT	1,997,309	1,939,867	4,360	0.22%
CTB	6,575,759	6,050,216	3,291	0.05%
Totals	£11,604,834	£10,965,276	£14,778	0.13%

Benefits investigations

- 5.8 In this first quarter 297 cases where fraud was suspected were referred to the Investigations team, 13 Cautions and 1 Administration penalty were issued. 1 case was successfully prosecuted and a further 3 cases were identified as being suitable for prosecution. Additionally the Investigations Team identified overpaid Benefit as detailed in the table below.

Overpayments from Investigations 01/04/09 - 30/06/09

Housing Benefit Total Overpayments identified	£26,440.36
Council Tax Benefit Overpayments identified	£11,001.44
DWP Benefits overpayments identified by RBC	£3,045.02
Total Housing Benefit Saved per week	£1,352.78
Total Council Tax Benefit Saved per week	£386.01

Appeals

- 5.9. There has been an increase in the number of appeals received. In order to improve the turnaround time for Appeals and to cope with the increased volume an additional officer has been undertaking appeals work. This has allowed new appeals to be looked at earlier and enabled the Appeals Officer to concentrate on submissions to the tribunal. The One Stop Shop have also been given additional guidance on the process to help to correctly identify formal appeals rather than including all requests that we look again at claim decisions as appeals – this has helped reduce the number of appeals.

Take-Up Strategy

- 5.10 Work has started on creating a comprehensive Take-Up strategy to help local people maximise their income. Local partners such as Job Centre Plus, Age Concern and Citizens Advice Bureau are working with the Benefits Service on this strategy as are the DWP Performance Development Team.

Improvement Plan

- 5.11. The position on the Benefits Improvement Plan has been included at Appendix 1.

6. Other Implications

Asset Management - None

Community Safety - None

Human Resources - None

Social Exclusion - None

7. Lessons Learnt

- 7.1 The Performance Development Team are as useful source of learning for the Benefits Service.

8. Background Papers

Audit Commission inspection report.
Reports of work undertaken by the PDT.
Performance statistics maintained by the Income Team and the Benefits Service.

9. Consultation

This report has been prepared in consultation with relevant Borough Council Officers

10. Author of Report

The author of this report is Teresa Kristunas (Head of Financial, Revenues and Benefits Services), who can be contacted on extension 3295 (e-mail: teresa.kristunas@redditchbc.gov.uk) for more information.

11. Appendices

Appendix 1 – Position Statement – Benefits Service Improvement Plan April – June 2009