

EXECUTIVE COMMITTEE

21st June 2011

BENEFITS IMPROVEMENT PLAN – QUARTERLY MONITORING JANUARY – MARCH 2011

Relevant Portfolio Holder	Councillor Michael Braley, Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Wards Affected	All Wards

1. SUMMARY OF PROPOSALS

To advise Members on the performance of the Benefits Service during the final quarter and to provide an update on the Benefits Service Improvement Plan.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that

subject to any comments, the report be noted.

3. KEY ISSUES

Background

- 3.1 The Benefits Service developed an Improvement Plan following the Audit Commission inspection in February 2009 and to prepare for a re-inspection in January 2011. Regular reporting of Benefits performance to members and Senior Officers was recommended.

Claims Performance

- 3.2 There is currently one National Indicator for the Benefits Service, NI181, which measures the average time taken to process new claims and change events for Housing Benefit and/or Council Tax Benefit claims. The service target is for claims, on average, to be decided within 12 calendar days, the average time taken in the fourth quarter was 9 days. During this quarter 1277 new claims were processed in an average of 18 days and 8899 change events in an average of 8 days. The table below provides further information on the performance during the year.

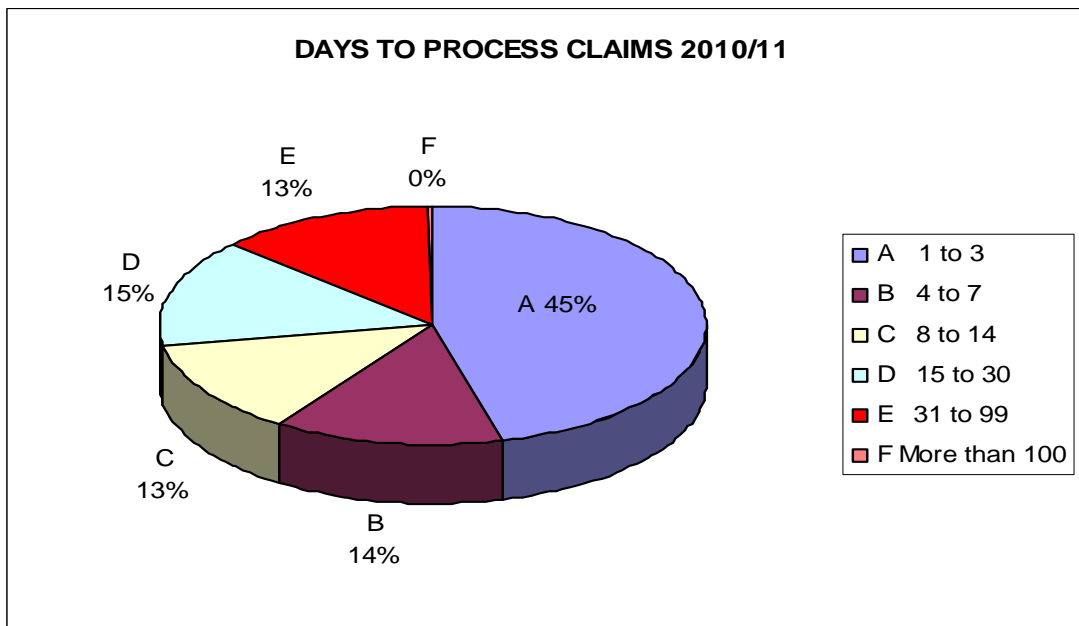
REDDITCH BOROUGH COUNCIL

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Month	New		Changes		COMBINED		14 Days	Target
	Claims	Average	Claims	Average	Target	Actual	%	
Apr	529	22	2086	10	12	13	92	90
May	452	23	1953	9	12	12	96	90
Jun	482	19	2243	12	12	13	92	90
Jul	471	16	1972	12	12	12	90	90
Aug	481	18	2276	10	12	12	90	90
Sept	447	18	2016	10	12	11	95	90
Oct	475	20	2220	12	12	13	93	90
Nov	497	19	2159	12	12	13	92	90
Dec	346	20	2073	9	12	11	93	90
Jan	458	19	2933	9	12	10	95	90
Feb	392	17	2780	8	12	9	94	90
Mar	427	18	3186	7	12	8	95	90
	5457	19.17	27897	9.78	12	11.31	93	90

3.3 An alternative way to view the time taken to process claims is to see how many claims are decided within a set number of days. As can be seen below during 2010/11 45% of claims (new and change events) were decided in three days or less.



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3.4 National data for the fourth quarter is not yet available but the table below shows selected local data from the third quarter of 2010.

Q3 2010/11	All claims	New Claims	Change of circumstances
GREAT BRITAIN	13	22	11
Bromsgrove	13	20	11
Malvern Hills	14	24	11
Redditch	12	19	11
Worcester	12	22	10
Wychavon	13	24	11
Wyre Forest	11	24	9
Cannock Chase	16	28	12
East Staffordshire	16	28	13
Lichfield	16	26	14
South Staffordshire	10	20	9
Stafford	18	26	16
Staffordshire Moorlands	23	32	20
Tamworth	14	22	12
North Warwickshire	10	19	8
Nuneaton and Bedworth	14	13	14
Rugby	12	19	10
Stratford-on-Avon	11	19	9
Warwick	12	18	11
Cheltenham	5	18	3
Cotswold	8	15	7
Forest of Dean	9	14	8
Gloucester	11	20	9
Stroud	15	19	14
Tewkesbury	18	33	15

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Caseload

- 3.5 The live caseload increased slightly during the quarter to end at 8157. The figure for the same period last year was 7940. However there is still an element of volatility in the caseload with significant numbers of customers reporting changes. For example, during January 2011 the service monitored data relating to customers finding work and no longer being receiving Job Seekers Allowance. Of 46 cases reported as finding work by the Department of Work and Pensions 63% wished to continue claiming Housing Benefit and/or Council Tax Benefit. The average earnings of the 46 cases was around £13,000 and 14 of the cases were working for less than 30 hours each week. Anyone working more than 16 hours per week is classed as in being in full-time employment. The monthly Economic Summary for March 2011, compiled by Worcestershire County Council, shows that there was 2229 people unemployed in Redditch, 4.3% of the working age population. There were 669 vacancies in Redditch at the same point meaning there are 3.33 potential applicants for every vacancy. Across Worcestershire the number unemployed was 9465 and there were 3054 reported vacancies.

Income Maximisation

- 3.6 The Income Maximisation Officers have continued their good work meeting with partner and voluntary organisations to jointly promote welfare benefits and reduce fuel poverty. During the year they have assisted 127 local people claim additional Benefits with the following positive outcomes.

31	Disability Living Allowance Care awards
31	Pension Credit Awards
26	Disability Living Allowance Mobility awards
13	Council Tax Benefit claims
8	Attendance Allowance awards
5	Housing Benefit claims

These new awards came to £4,500 per week and if they remain in payment for twelve months will total £233,000 in additional income for the recipients. The Income Maximisation Officers have also helped with preparations for the reductions in Housing Benefit being introduced from April 2011 onwards.

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Overpayment recovery

3.7 The amount of outstanding overpaid Housing Benefit at the beginning of the quarter was £1,222,996. A further £276,963 in overpaid Housing Benefit was identified in the quarter and £168,655 was recovered. A target of recovering 80% of identified overpayments was not met as only 67.15% was recovered. Nearly 28% of the total debt was recovered during the year.

During the last quarter the Benefits software supplier amended some routines and the amount of identified overpayments increased. There have also been some very large fraud related overpayments which are being recovered by weekly instalments. More than £600,000 of the outstanding overpayment is being recovered by weekly deduction from Housing Benefit entitlement and there are practical as well as legal limits as to how much can be recovered each week. The maximum deduction is £9.90 per week unless the overpayment is fraud related when £13.20 per week can be deducted.

About £541,000 is being recovered via sundry debt procedures and the table below shows an aged debt analysis of this debt. Again much of this debt is being recovered by weekly or monthly instalment and the performance target perhaps did not take into account the impact of large fraud cases or the continued challenging economic conditions. National benchmarking of these figures will soon be available.

Type	Months					Total
	0-12	13-24	25-36	37-48	49 +	
Converted Rent Allowance					£62,122.47	£62,122.47
Converted Rent Rebate					£55,209.12	£55,209.12
Council Tax	£264.41		£459.75	£2,956.22		£3,680.38
Council Tax Fraud	£389.76	£776.20	£1,434.61			£2,600.57
Council Tenant	£89,819.48	£23,475.57	£12,428.95	£10,208.96	£5,618.39	£141,551.35
Council Tenant Admin Penalty	£26.91					£26.91
Council Tenant fraud	£7,902.16	£24,704.08	£10,540.40	£8,761.26	£2,507.40	£54,415.30
DHP	£213.20	£285.39	£84.57			£583.16
DHP Fraud			£99.90			£99.90
Private Tenant	£99,709.76	£26,624.93	£4,973.55	£4,467.57	£5,323.31	£141,099.12
Private Tenant Fraud	£26,868.50	£10,279.02	£28,522.98	£10,338.22	£3,922.20	£79,930.92
TOTALS	£225,194.18	£86,145.19	£58,544.71	£36,732.23	£134,702.89	£541,319.20

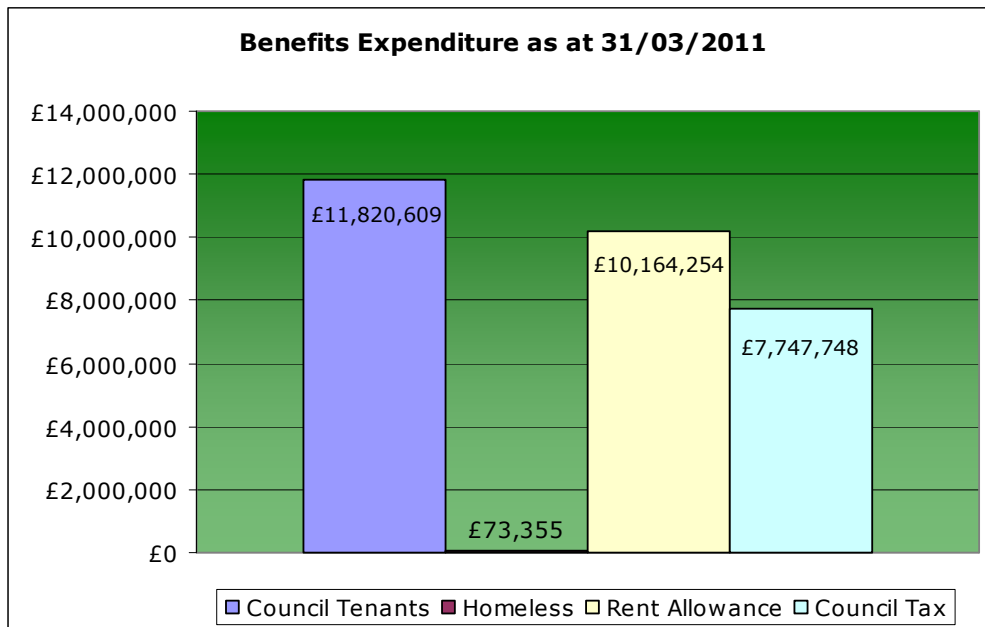
3.8 The service also monitors that the level of overpayments caused by Local Authority error or delay remains below the threshold to allow a 100% subsidy grant from the Department of Work and Pensions. Only £56,510 or 0.20% of qualifying expenditure has been attributed to

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Local Authority error or delay. This should enable 100% subsidy to be paid subject to an external audit.

- 3.9 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 attracts 100% subsidy).
- 3.10 Total expenditure on Benefit payments increased to £29,806,000. Expenditure in 2009/10 was £28,753,000. Almost all this increase can be accounted for by the increase in private sector Housing Benefit expenditure which increased by £955,000.



There are approximately 78,700 people living in 34,000 households in Redditch and during the quarter there were 6280 Housing Benefit claims and 7790 Council Tax Benefit claims, with 5730 claiming both. This means that 18.47% of households receive Housing Benefit and 22.91% receive Council Tax Benefit. Housing Benefit is claimed by 7.97% of the local population and 9.89% claim Council Tax Benefit. The cost per household for Housing Benefit and Council Tax Benefit payments is £882.35 or £381.19 per person. The cost of Council Tax Benefit equates to £227.94 per household or £98.47 per person. The cost per Private tenant claim is £298.97 per household or £129.16 per person and for Council Tenants £350 per household or £151.20 per person.

3.11 Appeals

During the quarter 16 decisions were challenged through the appeals process, 12 of these decisions were revised and 5 cases could not be

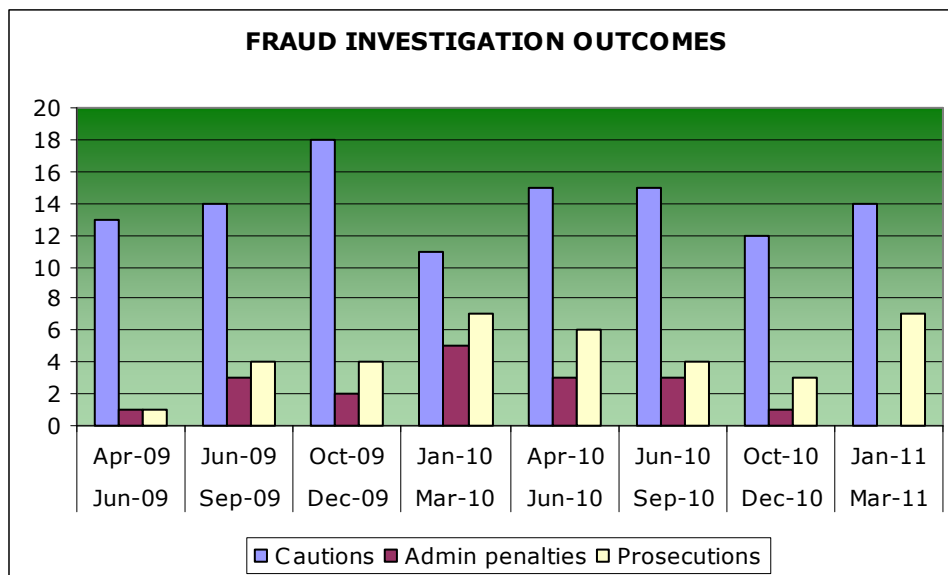
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revised so were forwarded to the tribunal service. During 2010/11 56 challenges to decisions were received and 98% of these were dealt with within 20 days. The tribunal accepted 7 cases from Redditch, 4 decisions were upheld 1 was revised and two are still waiting for a decision.

3.12 Counter Fraud work

In the quarter, 333 cases were reported where fraud was suspected, this figure included data matching results. Following further investigation 15 Cautions were issued and 7 cases were successfully prosecuted. The table below shows the results of the Investigation teams work.



During 2010/11 more than £172,000 in overpaid Housing Benefit and just under £40,000 in overpaid Council Tax Benefit was identified following fraud related activity. The two areas with the highest impact investigated were failure to declare work and living together as husband and wife cases. The latter in particular can generate very large individual overpayments, £13,000 - £14,000 just in Housing Benefit.

During the quarter 376 home visits were undertaken to establish that the correct level of Benefit was being paid. The visits resulted in 75% of the claims staying the same, 8% increasing and 17% decreasing. Over the year these visits identified £24,000 in overpaid Benefit.

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3.13 Improvement Plan

In February 2009 the Audit Commission inspected the Benefits Service and an improvement plan was drafted in preparation for a re-inspection. This re-inspection took place in October 2010 and the report was published in January 2011. The Benefits Service was rated as providing a “Good Service” with “promising prospects for improvement”.

3.14 The Audit Commission made four recommendations to improve the service further.

3.15 **Ensure that the design of the Service meets users needs by:**
using demographic data more extensively to inform service access options and benefit take-up initiatives; and

using partners and the Third Sector to improve engagement with customers and obtain customers views.

3.16 **Improve customer access by:**
reducing waiting times for customers at One-Stop-Shops through better analysis of the service received and by improving control over the flow of customers;

improving the speed in which changes reported by customers are dealt with; and

reducing the time taken to deal with appeals.

3.17 **Improve the service delivered to customers by:**
being clear about what service standards customers can expect;

involving customers and partners in setting the standards; and

consistently and effectively reporting performance against those standards to customers and partners.

3.18 **Ensure that the plans for transformation have a focus on the ‘soft side of change’ and the Business Case for Shared Services is clear by:**

ensuring that sufficient focus and pre-planning is put into managing the impact and reactions of staff who are not directly involved in the review process;

a) identifying and taking appropriate actions to prevent the diminution of customer service during the review;

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- b) increasing the frequency of performance reporting during the review;
- c) clarifying how the Council will balance changes required to customer services through individual service reviews versus taking a corporate approach to the whole service; and
- d) ensuring that any agreement for shared service is clear on apportionment of costs, how it will deal with potential different political priorities and performance requirements.

3.19 An action plan to address these recommendations is being considered.

Financial Implications

3.20 There are no specific financial implications.

Legal Implications

3.21 There are no specific legal implications.

Policy implications

3.22 There are no specific policy implications.

Council Objectives

3.23 Enterprising Community
Safe
Well Managed Organisation

Service/Operational Implications

3.24 There are no Human Resources implications

Customer / Equalities and Diversity Implications

3.25 None specific

4. RISK MANAGEMENT

4.1 Without adequate performance monitoring arrangements there is a risk that improvements in the Benefits Service will not be achieved and that additional costs are incurred. In addition, without 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.

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5. APPENDICES

None

6. BACKGROUND PAPERS

Audit Commission re-inspection report.

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