

METROPOLITAN BOROUGH OF WIRRAL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

21 JUNE 2006

REPORT OF THE DIRECTOR OF FINANCE

HOUSING/COUNCIL TAX BENEFIT - ANNUAL REPORT

1. EXECUTIVE SUMMARY

- 1.1. This report updates Members on the progress of the Benefits Service over the last year and outlines the challenges to be faced in the coming months.

2. PERFORMANCE

- 2.1. Considerable effort has been put into establishing a regime of monitoring and checking performance on a daily / weekly basis to ensure that key Benefits Performance Indicator targets are maintained. This will shortly include Department for Work and Pensions (DWP) Performance Standard funded resource management and management information reporting tools.

- 2.2. The main claims processing indicators for 2005/2006 are:-

?	Average number of days for processing new claims	25 days
?	Average number of days for processing notified changes in circumstances	9 days
?	Percentage of recoverable overpayments recovered	64%

- 2.3. The average time taken to process new claims is well below the national standard of 36 days and there has been a significant improvement in collection of overpaid benefit, essentially achieved through a combination of robust 'in-house' recovery processes and the performance of the new overpayment contractors.

- 2.4. We have exceeded local targets for Fraud Investigation work (Number of Sanctions secured such as Prosecutions, Cautions and Administrative Penalties) but have struggled to meet some national standards in Fraud. This is due in the main to the level of dedicated resource in this area, although this will be addressed in the coming year as a result of changes to the DWP Performance Standards against which the service is measured for the CPA review.

- 2.5 We have performed well against the national Performance Measures which are in addition to Best Value Performance Indicators. This has been particularly so, in the area of 'Interventions', which replaced the need for claimants to annually renew their claim for benefit. There are stringent targets, set by the DWP, requiring selected claimants to undergo 'in-claim' reviews. The target for 2005 / 2006 was 19,010 reviews and this was exceeded with 23,010 interventions being undertaken and 9,233 claimants being visited in their own home. These achievements are linked to the successful deployment of 'wireless mobile technology'.
- 2.6. The Performance Measures also monitor times for payments to be made to new claimants. 93% of all claims were paid within 7 days of a decision being made.

3. CHALLENGES FOR 2006 /2007

3.1. Implementation of Integrated Revenues and Benefits System

- 3.1.1. The change from the current Northgate i –World system to the Academy system is scheduled for late November 2006. The new supplier has a large customer base of large local authorities with large benefit caseloads and the system is proven. Once established, the system should complement the award winning service delivery and will enable more seamless and effective administration of these services.
- 3.1.2. The Systems Implementation is underway with experienced staff at all levels involved in the project. All will continue to be closely supported by the supplier who has an excellent track record undertaking conversions in local authorities of a similar size to Wirral.
- 3.1.3. Disruption to the service is unavoidable .There are in excess of 300 staff to be trained to varying levels and front line services need to be trained in both Council Tax and Benefits disciplines . Staff taking time out for training will undoubtedly impact on the throughput of work and I will minimise the effect by working focused overtime to ensure the best possible position at that time of changeover. Additionally, in anticipation of the resource loss I have recruited a number of new staff who will complete their comprehensive training programme during July to assist in the run up to the changeover.
- 3.1.4 Performance monitoring will remain in place throughout the conversion period which will enable managers to quickly identify any downward trends in performance that cannot be addressed by overtime or the increased staffing resource.

3.1.5. There will be no live Benefits system for about two weeks in November 2006 while the data is loaded, although provision has been made for payments to continue until they can be made on the new system. Managers are looking at how to negate the impact of the time lost to processing. Staff will still have a view only service to help with enquiries and this will be particularly helpful for Call Centre and One Stop Shops queries in this period.

3.1.6. Since the commencement of the project I have kept landlords and other partners informed of this major change through regular partnership working. I have consulted with them and will continue to do so in order to ensure they are aware of what is happening and of any potential issues which may affect them. By managing expectations in this transitional period I hope to minimise service problems.

3.2. Performance Standards

3.2.1. Performance targets have been revised in keeping with national performance standards which are closely linked to CPA assessment. The monitoring period for the CPA review has been changed from the first quarter of the financial year to the whole of the previous financial year to ensure the CPA reflects a whole years performance not just a focused quarter of the year which may not be representative.

3.2.2. Changes made to the criteria for performance standards are effective from April 2006 and impact on the 2007 CPA review, in particular those relating to fraud prevention and detection. Targets for imposition of sanctions have tripled and will be difficult to achieve for many authorities, including Wirral. This could adversely affect the level of benefit subsidy receivable.

3.2.3. Funding arrangements for fraud prevention and detection have changed from April 2006 in that they now form part of the main HB subsidy rather than a specific reward system for identifying fraud. The DWP now recommends that at least one third of the grant is used to fund staffing resources required to meet the revised targets. As such a review of the ratio of staffing resource to this area of service delivery is required in Wirral and will be the subject of a future report to the Cabinet.

3.3. DWP Modernisation Programme

3.3.1. This programme entitled "Benefit Processing Replacement \ Working Age Transformation and Change Programme" should be a welcome revision of National systems and processes but so far it has had a detrimental effect on the ability to work efficiently and effectively.

- 3.3.2 The new DWP Customer Management System has impaired authorities' ability to process claims within prescribed timescales, both because of delays at DWP offices in passing information to local authorities and in the incompleteness of supporting information when it arrives. This affects both BVPI standards and services users' confidence. Regrettably further difficulties, at least in the short term, are anticipated with plans to replace the national Income Support computer system.
- 3.3.3. The "Empowering People to Work" programme plus the fraud referral and intervention management system are also likely to result in an increase in work volumes with increased rates of change to existing claims and fraud referrals now being generated.
- 3.3.4. National and local programmes to improve benefits take up has resulted in a noticeable increase in the number of new claims, with a remarkable 26% increase at the end of the third quarter of last year. This trend would appear to be continuing and whilst it is good that people are claiming what they are entitled to it clearly also increases workload.

3.4. Staffing Restructure

- 3.4.1. The restructure agreed in principle by the Cabinet on 25 April 2006 (minute 577), is scheduled to be implemented from 1 July 2006 pending approval on 29 June 2006 by the Employment and Appointments Committee, of the detailed structure. This will enable the move to generic benefit working with the introduction of new mobile processing officer posts. The resolution of I.T. issues will also bring the DWP Performance Standard funded "Wireless" project to its conclusion with full functionality being deployed, enabling officers to amend claims and determine new claims off site in the customers home.

3.5 Ombudsman Complaints/Appeals Service Tribunal

- 3.5.1 The Authority continues its efforts to resolve, to mutual satisfaction and ultimately minimising any hardship to vulnerable tenants, the ongoing matters concerning several claims (approximately 30) in respect of a local supported accommodation scheme.
- 3.5.2 The Departments of Corporate Services (Legal and Member Services), Adult Social Services and Regeneration (Supporting People & Housing Strategy) also have involvement in this complex matter which is now the subject of an Ombudsman enquiry and awaits the consideration of the Independent Appeals Tribunal.

4. SERVICE DEVELOPMENT PLANS

- 4.1. The Benefits Service will continue its efforts to further reduce processing times through effective liaison with the One Stop Shops and Call Centre to identify opportunities for immediate processing.
- 4.2. Following a successful pilot, I will look to enable all partner Registered Social Landlords to verify and evidence information supporting benefit claims on behalf of the Authority which again should help improve processing times.
- 4.3. Later this year there should be a conclusion to the “Wireless“ project and the associated deployment of generic workers. This will offer increased accessibility to the customer and the speedy gathering of information will in turn provide a further opportunity for reducing processing times and generally increasing levels of customer satisfaction.
- 4.4. I am looking to conclude the DWP funded “Performance Monitoring and Process Improvement” project in order for the resulting management and information tools to be applied within the section which will help managers and staff develop processing improvement strategies based on the information these systems tools can bring out of the system on such things as trends, peaks and work flows.

5. POTENTIAL FUTURE SERVICE DEVELOPMENTS

- 5.1. The functionality of the new integrated Revenues and Benefits system will facilitate generic working between Council Tax and Benefits staff resulting in “smarter” working.
- 5.2. Local Housing Allowance is likely to be extended to a national roll out in 2008 when Wirral would be included and work continues to prepare for this.
- 5.3. I will look to maximise benefits services which are web enabled to increase accessibility to the benefit of customers, landlords and partners.

6. CONCLUSION

- 6.1. The Benefits Service continues to make substantial progress in the delivery of its service. I recognise that this is an evolving service which needs to continuously improve with the introduction of more developments to improve response to service users. I continue to work with partners both internal and external to the Council in the delivery of the service.

7. FINANCIAL IMPLICATIONS

7.1 There are no specific implications arising directly from this report.

8. STAFFING IMPLICATIONS

8.1 There are no specific implications arising directly from this report.

9. EQUAL OPPORTUNITIES IMPLICATIONS

9.1 There are no specific implications arising directly from this report.

10. HUMAN RIGHTS IMPLICATIONS

10.1 There are no specific implications arising directly from this report.

11. LOCAL AGENDA 21 IMPLICATIONS

11.1 There are no specific implications arising directly from this report.

12. COMMUNITY SAFETY IMPLICATIONS

12.1 There are no specific implications arising directly from this report.

13. PLANNING IMPLICATIONS

13.1 There are no specific implications arising directly from this report.

14. BACKGROUND PAPERS

14.1 None were used in the preparation of this report.

15. RECOMMENDATION.

15.1 That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE