

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

17 SEPTEMBER 2007

REPORT OF THE DIRECTOR OF FINANCE

HOUSING & COUNCIL TAX BENEFITS – 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. INTRODUCTION

- 2.1 The Benefits Service administers approximately 37,000 claims for Housing and/or Council Tax Benefit on an annual basis. As an indication of the capacity of the service this involves actioning some 19,000 new claims and 37,000 changes of circumstances. This involves staff dealing with approximately 255,000 items of 'post' through the Civica Document Management system.
- 2.2. The operation requires close liaison with partner organisations and agencies, including landlords from both the Social and Private Sector and is closely supported by customer service staff throughout the network of One Stop Shops and the Call Centre.

3. PERFORMANCE

- 3.1 On 14 November 2006 the legacy Benefits processing system Northgate i-World was closed down for conversion to the new integrated Revenues and Benefits processing system, Capita Academy. Whilst 'down time' was minimised and the conversion went well and according to plan, the net effect on service delivery was a relatively short period during which no claims administration work or processing could be undertaken. As this was a known pitfall of software conversion, plans were invoked several months earlier, continuing through to system closedown, to reduce work outstanding and clearance times to an absolute minimum, thereby minimising disruption and inconvenience to claimants and landlords during the period when live case work could not be done.

3.2 It is pleasing to report the success of this exercise which can be measured in terms of customer response. No related complaints were made and only two requests for manual payments were received which essentially demonstrates that the enormity of the change did not negatively impact on service users.

3.3 On 6 December 2006 the new system went 'live' meaning significant change for all Revenues Benefits and Customer Services staff. Whilst comprehensive training had been ongoing for the period leading up to the change, moving to a significantly different software package was without doubt daunting. Work outstanding had accumulated during the period of 'downtime' and had to be cleared promptly to ensure a return to normal service delivery. The primary objective of the processing teams was to retrieve pre conversion new claims and change in circumstances processing times by the end of the first quarter of the new year, 2007/08

3.4 This objective has been met and is reflected in the Department for Work and Pensions (DWP) annual statistical return for 2006/07 which shows that the service offered continues to be excellent with both new claims and change in circumstances processing times well within the national standards and, in the case of new claims, achieving 'top quartile' status:-

Number of days to process new claims	26
Number of days to process change in circumstances	10

3.5 Fraud Investigation work was faced with challenge during 2006/07 and this continues as a direct result of changes to DWP funded anti – fraud activity and with the introduction of 'sanction' targets in 2006/07 for the first time in this area of work. Following a revision of working practices and procedures which aimed to improve the quality of cases selected for investigation targets were met with a record number of Prosecutions, Formal Cautions and Administrative Penalties secured:-

Number of cases investigated	768
Total Sanctions secured	111

3.6 In general terms the excellent standard of service delivery experienced by our customers and partners has remained constant throughout 2006/07 despite conversion of the core benefits processing system and the associated level of work and complexity that a project of that capacity requires. The efforts of all staff involved who have helped to achieve this return to the expected standards have been exemplary.

4 CHALLENGES AND CHANGE FOR 2007/08

4.1 As the DWP continue to roll-out the Welfare Reform Programme and further develop the Performance Standards for Benefits alongside succeeding in their pledge to reduce the level of fraud and error within the benefits system the challenge to ongoing service delivery remains consistently high.

4.2 Changes to Performance Targets – In April 2007 new targets for the reduction of existing benefit levels through reported change of circumstances were introduced, replacing intervention targets which Wirral had previously comfortably achieved.

- For Wirral this means identifying approximately 25,000 instances during the course of the year where Benefit is reduced or withdrawn following a reported change in the circumstances of the claimant or their household.
- Benchmarking on both a local and national level has so far highlighted that Authorities nationwide are already struggling to meet the new requirement and whilst Wirral has met the standard for the first quarter, it is likely that this will become more difficult as the year progresses.
- Although managers continue to develop intuitive new ways to encourage claimants to report changes which may affect their claims it is anticipated that ultimately representation will be made to the DWP, both by individual Local Authorities and the Local Government Association seeking a review of this exceptionally demanding new measure.

4.3 Housing Benefit Sanctions - In 2006/07 the DWP announced their intention to pilot the application of Housing Benefit sanctions to the claims of those people who were guilty of an act of anti-social behaviour and were refusing to engage in support programmes designed to remove/reduce the likelihood of future occurrence.

- These sanctions would be in the form of penalties administered against the Housing Benefit claim. Wirral has been selected as one of eight pilot sites for the initiative which is expected to commence from November 2007.
- Whilst this is the first time that 'penalties' have ever been imposed on HB it is not expected that volumes of cases affected will be significant.
- Regrettably, however, it is difficult to comment further as the DWP has yet to issue final instructions to those involved.
- I continue to work closely with the Director of Regeneration on the introduction of this.

4.4 HB Administration Grant – As part of the Comprehensive Spending Review the DWP announced in June 2007 a reduction in Housing Benefit administration grant for the three year period commencing 2008/09. In real terms this could equate to a maximum of 5% per annum although the distribution formula will be based on individual Local Authority workload.

- Although final figures have yet to be announced the DWP has advised that in its view there is significant scope for saving in the administration of the scheme and that such savings can generally be achieved through service re-engineering, partnership working, shared services and relocation.
- The Local Government Association is in discussion with the Performance Division of the DWP over this matter. Further announcements are anticipated over the coming months.
- I continue to review the work for ongoing efficiency to ensure Wirral is best able to address this most challenging target and I will keep Members updated.

4.5 Local Housing Allowance - In 2006/07 the DWP announced the intention to roll-out the Local Housing Allowance scheme to all authorities, effectively from April 2008. Whilst the roll-out will be 'phased' impacting initially on new claims and changes of address in respect of Private Tenant claims only, the impact is significant, requiring new legislation and comprehensive amendments to already complex software and administrative functions.

- Planning and preparation has now started and will continue over the months leading to April 2008 'go live'.
- The scheme has operated on a pilot basis in some 18 Local Authority areas since November 2003.
- Significant features of the scheme are payment direct to the tenant of a set allowance based on their circumstances as opposed to the Rent Officer valuation of their accommodation. Furthermore, where the allowance exceeds the rent, the claimant may retain the excess, although this excess will be cash limited.
- Payment may only be made direct to the landlord in cases where the tenant is considered to be vulnerable and may otherwise not pay their rent thereby putting their tenancy at risk.
- Nationally the scheme has been challenged by landlords although they would now seem to be more accepting of the change as the removal of payment direct to the landlord does not appear to have significantly impacted on the availability of rented sector properties to benefit recipients.
- As more information on the introduction is given I will report further to Members.

5 THE DWP MODERNISATION PROGRAMME

- 5.1. The revision of national systems and processes does continue to impact on service delivery, particularly with regard to claims processing times and the DWP Customer Management System. Whilst the Benefit Service achieves top quartile status in this area of work and I would anticipate continuing to do so a further reduction of any significance in time, from receipt of claim to determination, is unlikely due to delays at DWP offices and incompleteness of information obtained by the DWP.
- 5.2. Ultimately, these problems pose a threat to service delivery standards given their capacity to directly affect key Best Value Performance Indicators and of course, customer confidence.
- 5.3. At a local level there is little that can be done given that Service Standards for the DWP are set and managed nationally. The Local Government Association continues to make the necessary representation.

6 APPEAL TO THE SOCIAL SECURITY COMMISSIONER

- 6.1. Following the finding of the Independent Appeals Tribunal Service Chair in October 2006 the Authority was given leave to appeal to the Social Security Commissioner in the matter of Benefit claims in respect of a Supported Accommodation Scheme. The appeal, which will be held in London in September (with third party representation from the Department for Work and Pensions), concerns a specific point in law surrounding tenancy contrivance.
- 6.2. I will report on the outcome of this in due course.

7 FUTURE CHANGES

7.1 Review of the Social Sector

Whilst the DWP has announced that Local Housing Allowance will not be extended to the Social Housing sector it was confirmed an intention to consider removal of payment direct to landlord for this group. No further details are known at this stage although the proposal which will form part of the Welfare to Work Reform Programme is unlikely to be met with support from Registered Social Landlords.

7.2 Review of Council Tax Benefit

Council Tax Benefit continues to be the subject of debate, specifically with regard to accessibility and take-up. It is anticipated that formal consideration will ultimately be given to the reintroduction of an automated 'rebate'. I will report on these changes as further details become available and their impact on Wirral can be assessed.

8 CONCLUSION

- 8.1 The Benefits Service has maintained excellent service standards throughout a period of significant change and continues to make further progress in improvement and enhancement of service delivery. Partnership work continues across the service and strategies are continually reviewed to ensure ability to respond to the changes brought about by DWP Reform and customer expectation.

9 FINANCIAL IMPLICATIONS

- 9.1 There are no specific implications arising directly out of this report.

10 STAFFING IMPLICATIONS

- 10.1 Whilst there are no specific implications arising directly from this report Members may wish to note that changes associated with Local Housing Allowance, particularly as the caseload 'converts' to the new system may eventually necessitate a review of resources required.

11 EQUAL OPPORTUNITIES IMPLICATIONS

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

12 HUMAN RIGHTS IMPLICATIONS

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

13 LOCAL AGENDA 21 IMPLICATIONS

- 13.1 There are none arising directly from this report.

14 COMMUNITY SAFETY IMPLICATIONS

- 14.1 There are none arising directly from this report

15 PLANNING APPLICATIONS

- 15.1 There are none arising directly from this report

16 BACKGROUND PAPERS

- 16.1 None were used in the preparation of this report.

17 RECOMMENDATION

- 17.1 That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE