

# **WIRRAL COUNCIL**

## **FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE**

**4 JUNE 2008**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **HOUSING BENEFIT AND COUNCIL TAX BENEFIT ANNUAL REPORT**

##### **1. EXECUTIVE SUMMARY**

- 1.1. This is the Annual Report on the Benefits Service for 2007-08 which also outlines the challenges to be faced in the coming months.

##### **2. INTRODUCTION**

- 2.1. The Benefits Service administers 37,000 claims for Housing Benefit and Council Tax Benefit. From April 2008 this will include administration of Local Housing Allowance. As an indication of the capacity of the service 17,500 new claims and 44,000 changes of circumstances are processed annually. This translates to a total annual Benefit sum paid in excess of £122m and involves staff dealing with approximately 255,000 items of 'post' through the Civica Document Management system.
- 2.2. The operation requires close liaison with a number of partner organisations and agencies, including landlords from both the social and private sector and is closely supported by front of house customer service staff through the network of One Stop Shops and the Call Centre. Additionally, 'in-house' visiting staff equipped with mobile technology support service delivery, ensuring accessibility to those who are unable to visit the offices or otherwise avail themselves of the service.

##### **3. PERFORMANCE**

- 3.1. Following implementation in December 2006, the integrated Revenues and Benefits core processing system continues to be developed and enhanced offering ongoing improvements to service standards. A 'self service' option for both claimants and landlords has recently been introduced, together with a quality assurance module.
- 3.2. During 2008/09 development to functionality is likely to include system access to third parties such as Citizens Advice Bureau and the Homeless Families Unit, with the operational potential to engage in piloting Registered Social Landlord access. From June 2008 customers will be able to report changes in circumstances over the telephone in many cases without the need for follow up written clarification or signature.

- 3.3. Key activity areas for the service comprise claims processing and administering the many changes that occur during the life of a claim. Success in service delivery can be measured in terms of performance against key Performance Indicators (processing times) and the annual Comprehensive Performance Assessment (CPA) review. Processing times remain well within national standards, achieving 'top quartile' status:-

New claims	22 days
Change in Circumstance	9 days

The Authority achieved a top CPA score of 4 (Excellent) in 2007.

- 3.4. Sanctions secured as a result of fraud prevention and detection work established that the Authority has achieved the best results across Merseyside (based on the ratio of staff to caseload) and a record number of prosecutions, formal cautions and administration penalties were claimed. Work to refine the investigative process has proved successful with fewer investigations undertaken than in previous years but with an increase in positive outcomes:-

Total sanctions	160	(111 - 2006/07)
Formal investigations	414	(768 - 2006/07)

These results are particularly pleasing as outcomes were ultimately heavily reliant upon local risk analysis/knowledge from the point at which the Department for Work and Pensions (DWP) withdrew data matching following the much publicised problems with Her Majesty's Revenue and Customs (Child Benefit data records). This demonstrates that the service is making optimum use of resources.

- 3.5. Equally, reductions in entitlement which the Authority was tasked to identify by the DWP as a part of the HB reform programme surpassed expectation, again significantly so given the problems nationally with data exchange. In general terms the service is able to demonstrate full compliance with the DWP drive and challenging financial targets to reduce fraud and error.
- 3.6. It is well documented that the HB and CTB service (rarely stands still as delivery is subject to ongoing review at national level. As such, service standards must be maintained whilst preparation is made for key changes. In 2006/07 the DWP confirmed their intention to roll-out Local Housing Allowance (LHA) across all Local Authorities. This change is the most significant of the reforms in terms of changes to legislation, working practices, IT systems and customer understanding. Planning and preparation such as IT systems, staff training, and development of policies and procedures during 2007/08 was significant with a significant impact on the resources available to maintain service delivery standards, whilst at the same time ensuring the service was fully enabled and prepared to take-on the new scheme as scheduled on 7 April 2008.

3.7. Such is the profile of LHA that the Landlord Forum attracted record attendance and the dedicated implementation team in the service remains in tact as ongoing involvement is anticipated and evidenced by the actions of the DWP since implementation. A comprehensive project evaluation report will be made available in due course. In the meantime volumes are as follows for the first full month of operation;-

- LHA claims 95
- With excess 32 (averaging £8.95 weekly, those with an excess LHA of up to £15 above their rent may retain the balance)
- Paid to landlord 8 (reasons:- rent arrears, no bank account, vulnerable)

3.8. Joint working partnerships were further cemented during the year with Wirral leading a consortium of Merseyside local authorities in the production of information literature and other publicity material. The service is also part of a senior management forum working together on many aspects of service strategy and delivery. The remit of this group will further extend during 2008/09 to consider the significant challenges of the Audit Commission Key Lines of Enquiry which replaces the Benefits Fraud Inspectorate methodology of assessing the overall performance of the service.

#### 4. **APPEAL TO THE COMMISSIONERS OFFICE ON SUPPORTED ACCOMMODATION**

4.1. On 12 December 2007 Cabinet was advised of the outcome of the appeal to the Social Security Commissioner in the matter of claims in respect of a specific supported accommodation scheme. This matter remains ongoing as the Authority, supported by the legal representative work together in the hope of bringing these cases to a satisfactory conclusion.

4.2. Claims in respect of supported accommodation schemes are presenting some concern, primarily around significantly high levels of rent with the potential financial impact to the Authority through loss of subsidy. I am attempting in liaison with the Director of Adult Social Services, Director of Corporate Services and Director of Regeneration to bring these matters to an acceptable conclusion.

4.3. Such is the complexity of matters surrounding supported accommodation schemes and the interest and experience in this matter that officers have met recently with the DWP Policy Division who have announced their intention to undertake a full review of the relevant regulations.

## **5. CHALLENGES FOR 2008/09**

### **5.1. Key Lines of Enquiry (KLOE)**

2007/08 was the final year of the Benefit Fraud Inspectorate assessment for CPA and in 2008/09 the Audit Commission will take over responsibility for inspection of HB/CTB. The new standard by which the service will be measured (KLOE) is already reputed to be a significantly different and more difficult standard to meet. This is due to it being outcome as opposed to output based. The Audit Commission is still developing the procedures for inspection and have embarked on preparation to scope the service against the new criteria. This is a significant project and will run for many months. Many authorities will drop in the scoring as the Audit Commission seeks to make the attainment and retention of high standards suitably challenging.

### **5.2. Recruitment**

On 12 December 2007, following many months of not being able to recruit adequately to the service, Cabinet approval was gained to embark on a recruitment partnership with external consultants, Synergy known as 'Kickstart'. This is an exciting opportunity and a first for Wirral, offering opportunity equally to both external candidates and potentially any suitable redeployees. Benefits to the service include a much more extensive selection process followed by a much lengthier training and development period. The initial 'open day' is expected to be hosted this month.

### **5.3. Prosecution of National Benefits**

Clarification of the law relating to the prosecution of national benefits will afford the service the opportunity to tackle and lead prosecution against DWP benefit fraud as well as Housing and Council Tax Benefits.

### **5.4. Technology**

Technological advancement plays a key part in the development of HB/CTB service delivery, particularly in the fight against fraud. Voice Risk Analysis software is being piloted by four local authorities nationally and is the subject of significant debate. I am keeping abreast of developments as use becomes more widespread and the benefit to service delivery, or otherwise, becomes more apparent.

### **5.5. Job Centre Plus Reform**

Close working with Job Centre Plus colleagues is intrinsic to successful service delivery. Regrettably, as previously reported the national restructure of Job Centre Plus continues to cause problems both regionally and locally. Effectively a 're-launch' of the Regional Operational Boards has thus far shown no substantive improvements. I am making the necessary representations and hope to be able to report improved liaison in the coming months.

## **6. CONCLUSION**

- 6.1. The Benefits service has maintained excellent service standards through a further period of challenge and change. Improvement and enhancement programmes continue with strategies routinely reviewed to ensure the ability to respond to customer expectation and ongoing DWP Reforms.

## **7. FINANCIAL IMPLICATIONS**

- 7.1. There are none arising directly out of this report.

## **8. STAFFING IMPLICATIONS**

- 8.1. Whilst there are no specific implications arising directly out of this report Members may wish to note that the ongoing caseload 'conversion' to LHA may eventually necessitate a review of the resources required.

## **9. EQUAL OPPORTUNITIES IMPLICATIONS**

- 9.1. There are none arising from this report.

## **10. HUMAN RIGHTS IMPLICATIONS**

- 10.1. There are none arising from this report.

## **11. LOCAL AGENDA 21 IMPLICATIONS**

- 11.1. There are none arising from this report.

## **12. COMMUNITY SAFETY IMPLICATIONS**

- 12.1. There are none arising from this report.

## **13. PLANNING IMPLICATIONS**

- 13.1. There are none arising from this report.

## **14. LOCAL MEMBER SUPPORT IMPLICATIONS**

- 14.1. There are none arising from this report.

## **15. BACKGROUND PAPERS**

- 15.1. There were no background papers used in the preparation of this report.

## **16. RECOMMENDATION**

- 16.1. That the report be noted.

IAN COLEMAN  
DIRECTOR OF FINANCE