

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

8 JULY 2010

REPORT OF THE DIRECTOR OF FINANCE

HOUSING BENEFIT/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. INTRODUCTION

- 2.1. Traditionally the Benefits Service has administered around 36,500 to 37,000 live claims for Housing Benefits and Council Tax Benefits (HB/CTB). However during the past two years a significant shift in claimant activity has been evident leading to an increased (and increasing) caseload. The rate of increase escalated from January 2009 when the caseload exceeded 40,000. This trend continues and at 31 May 2010 the total live claims was 40,647.
- 2.2. The cost of the service in terms of the payment of benefits and administration has increased. Corresponding with the increasing caseload, the annual benefit bill also continues to rise. Last year I reported payments made totalled £130m compared to £122m for the previous year. For 2009/2010 the benefit bill increased substantially to a final total of £151,636,296. This had increased substantially from the initial estimate of £137,608,027. The initial estimate for 2010/2011 is £154,979, 207 but this is now expected to increase. The increase in Local Housing Allowance (LHA) claims within the caseload contributes to the increased overall spend as LHA rates are significantly more generous than Housing Benefit (HB) rent levels. This is a general trend seen nationally, and the DWP acknowledges the increased cost of LHA.
- 2.3. The year on year reduction in the Department for Work and Pensions (DWP) grant was negated to some extent by the additional grant released during 2009/2010 in recognition of the additional workload driven by the recession. For 2009/2010 the service received £3,970,957 by way of administration grant from the DWP.

- 2.4. With a current live caseload of 40,647 claims, compared to 37,026 two years ago the volumes in terms of claims, changes of circumstances and other work/post received are proportionally higher. The workload and administration is also impacted upon by the volumes of 'intentions to claim' and defective claims received, which are not reflected in the increasing live caseload but nevertheless draw on resources. This is reflective of the current economic climate.

2009/10 New claims received and total determined – 20,656

2009/10 Change of Circumstances received and actioned increased to 114,668 equivalent to 460 per day

2009/10 Post received totalled 288,632, compared to 202,615 in 2008/09 equivalent to 1,150 per day

- 2.5. The administrative operation requires close liaison with other Departments, particularly Adult Social Services, Regeneration (Housing Options Team) and Legal Services together with a range of third sector partner organisations and Government agencies, including the DWP and Pension Service, and the Police alongside landlords from both the social and private sector. It is supported by the customer service staff through the network of One Stop Shops and the Call Centre. Additionally, Benefits 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 whilst e-access channels are continually under development to ensure that all access channels are available and optimised through a rolling programme of development.

3. **PERFORMANCE**

- 3.1. Key activity areas for the service comprise claims processing and administering the many changes that occur during the life of a claim. This equates to optimising benefit take-up and maximisation for those already claiming whilst actively securing the gateway to minimise the risk of loss through fraud and error. It is disappointing that this key work is not supported by robust national performance standards. In terms of defining national standards, despite the previously reported reduction to just two key national indicators for HB/CTB from April 2009, the DWP has made further changes. With effect from April 2010 National Indicator 181 ('Right Benefit') has been removed. I now report on National Indicator 180 only, i.e. Right Time'. This it does not detrimentally impact on performance management due to the continued adoption of the former key BVPI for local management and administration monitoring purposes together with the monitoring work and associated evaluation undertaken by service managers and the Quality Assurance team.
- 3.2. Response times for new claims and change in circumstances for 2009/2010

- New claims - 22 days
- Change in circumstances - 14 days

In considering performance outcomes it is important to acknowledge the need for high levels of accuracy. Robust performance monitoring procedures focus closely on accuracy processes and quality of processes. A current average of between 94 and 95% is in keeping with historical national standards.

- 3.3 It is crucial that Wirral continues to dedicate sufficient skilled resource to the prevention and detection of fraud. The Benefits Investigation team is now well established and works closely with local partner agencies such as the DWP and Police. In doing so many positive outcomes have been secured, with several high profile and high value fraudulent claims being exposed and appropriate sanctions successfully administered. Such is the interest in this area of the service that it is likely that a Wirral case will feature on national television later this year. During 2009/2010 the Fraud and Enquiry Team:
- considered 2,178 referrals (2087 during 08/09)
 - investigated 789 cases (603 during 08/09)
 - administered 158 sanctions including 19 successful prosecutions (158 sanctions & 23 prosecutions in 08/09)
- 3.4. During 2009/2010 the team focused to a greater extent than in previous years on more investigations with a higher overpayment value, in many cases the fraud being more complex, as such whilst the prosecution rate was lower, the cases concerned in several instances were of a higher value in terms of benefit fraudulently claimed and significantly more time consuming to investigate. The DWP and Police became increasingly involved and one case in particular, which has taken in excess of two years to investigate, involves overpaid Benefit by the DWP as well as HB/CTB and amounts to £118,300.36.
- 3.5 Other key service arrears which support the overall claims administration processes include the dedicated Appeals and Debt Recovery Team, Revenues and Benefits Training, Development and PR Team, the Quality Assurance Team and Income (Subsidy/Grant) Maximisation Team. The excellent work and good practice of the Appeals team is recognised externally with their involvement in current joint working pilot initiatives.
- 3.6. Take-up and benefit maximisation work continues and is being supplemented by careful administration of the Discretionary Housing Payment fund. In turn this work supports the wider Financial Inclusion programme of work by the Authority and additionally complements the work of other agencies, such as Job Centre Plus (JC+) on initiatives such as 'Let's Get Merseyside Working'.
- 3.7. Data Sharing increasingly plays a daily role across the service; traditionally this was in the processing and fraud units but is now also seen in other areas. Earlier this year the service joined Merseyside Fire and Rescue Service (MFRS) in active support (by use of data) of their 'Operation Goldmine' which seeks to identify those at most risk of harm through fire. Similarly work with the Pension Service served to ensure that those who are not claiming are made aware of the opportunity.

4. SERVICE DEVELOPMENT, CHANGE AND FUTURE CHALLENGE

4.1. HB/CTB delivery is subject to ongoing review at national level. The wider and longer term review covers the way in which help with housing costs will be administered in future years. For example, there is potential for it to be replaced by a 'national Housing Allowance' although this would bring with it many significant issues due to local variations which a locally run scheme can address. In the shorter term the review focuses on two key areas:-

- Local Housing Allowance (LHA) – the second year of the two year review is underway. Stakeholders including private landlords together with local authorities have responded to consultation, and further guidance is anticipated. In the meantime local authorities continue to run the HB and LHA schemes concurrently. There are currently some 8,217 LHA claims within the caseload, with approximately 4% of these (329) being paid directly to the claimant by cheque as they do not have, or have not admitted to having, a bank account, or the payment is the excess amount which cannot be paid directly to the landlord. Some 15% (1,233) of LHA claims are paid directly to the landlord, either due to rent arrears or perhaps because the tenant (claimant) falls to be treated as 'vulnerable' under the LHA Safeguard Policy. The issue of vulnerability and the application of Safeguarding policy are complex in themselves and subject to challenge by landlords and other agencies.
- Supported Accommodation – The DWP continues to review this sector and whilst guidance was issued in 2008, this remains a particularly complex area of service delivery. The administration of these claims is complicated by the numerous Commissioner decisions that officers are required to consider. Decisions reached can and do impact on operational decisions by colleagues in Department of Adult Social Services and other areas of the care sector. There are cost implications to the Authority in administering these claims in terms of limited subsidy receivable from the DWP.

4.2 In general both LHA and Supported Accommodation schemes present significant challenges in terms of legislation and of delivering the service to the satisfaction of claimants, landlords and other stakeholders. Officers are currently involved in appeals to the Upper Tribunal of the Courts where the LHA legislation clearly conflicts with other orders, for example, those of the Rent Service and as such are disadvantaging certain claimant groups. Claims in respect of supported accommodation schemes continue to present both challenge and concern, primarily around high levels of rent and potential financial impact to the Authority through consequential loss of grant. Officers strive, through liaison with colleagues in Adult Social Services, Legal Services and Regeneration to bring each case to an acceptable conclusion.

- 4.3. I continue to evaluate the merits of working with the Post Office to facilitate payment to LHA tenants who do not have a bank account through the new 'Post Office Payout' scheme. Much time has been spent refining this scheme to ensure suitability to local authority needs which should see bar coded letters sent to claimants to replace cheques, with these letters to be presented at the Post Office, which will hold listings of who to expect and how much they are to receive. The Post Office verifies identification and makes the payment to the claimant or their chosen representative. I am due to report to the Cabinet when I am ready to progress this alternative.
- 4.4. It is likely that the 'Payout' solution could be adopted by other service areas, within the Revenues, Benefits and Customers Services Division such as Council Tax Refunds, and elsewhere within the Authority. This will be reviewed once Benefits is successfully live.
- 4.5. Partnership work continues as Wirral acts for the Merseyside consortium in the production of information literature and other publicity material. The service is part of a forum for working together on many aspects of service strategy and delivery.

5. **SUPPORTED ACCOMMODATION**

- 5.1. The Benefits service continues to deal with the matters originally brought to the attention of Cabinet in December 2007 in regard issues with a Supported Accommodation provider. Whilst the disposal of the cases concerned has rightly been referred back to the statutory process, counter appeals and application to the Upper Tribunal complicate matters. As such I continue to work closely with the Head of Legal Services and, as appropriate, Counsel.

6. **IMPROVING EFFICIENCY**

- 6.1. Managers monitor service delivery, ensuring that staff are equipped to offer the best standard of service delivery through a rolling programme of quality assurance checks and individual staff development strategies. The Wirral Benefit Service does this well but given the pressure from the Government and the increased service demands I have taken steps to ensure that this key management area is robust and fully explored in terms of improvement opportunities.
- 6.2. In 2009/2010 Wirral partnered the DWP 'Performance Development Team' (PDT) in a comprehensive review of the in-house training programmes. This review concluded with positive results, confirming in essence that training is efficiently delivered with a high level of effectiveness. Notwithstanding this the good work of the section will be supplemented over coming months by the adoption of a training needs analysis programme.

6.3 During 2010 the service is scheduled to work again with the PDT, this time to facilitate a forensic review of service delivery. Processes, practices and procedures will be tested, as will interactions with customer services staff with a view to reduction of any service duplication and ensure, where at all possible, that practices are optimised. The review is scheduled to start late summer although the DWP will be on site briefing staff in advance of establishing a Wirral officer project team that will lead the review through to implementation of agreed changes and improvements. This forms an element of the agreed Strategic Change Programme.

7. CHALLENGES FOR 2010/11

7.1. Local Housing Allowance (LHA)

7.1.1. This remains key on the reform agenda and it is likely that the current national review will result in further changes to the scheme and potentially a full caseload roll-out.

7.2. Job Centre Plus Reform

7.2.1. Close working with Job Centre Plus is intrinsic to successful service delivery. Regrettably, as previously reported, the national restructure of Job Centre Plus caused certain problems both regionally and locally. Effectively a 're-launch' of the Regional Operational Boards has shown limited substantive improvement although the recently agreed national Service Level Agreement should provide an improved platform from which to work together over the coming months. However, locally on Wirral there is excellent joint working with the DWP with Authority presence at four DWP sites and DWP work at a number of One Stop Shops.

8. CONCLUSION

8.1. Despite dips in performance at key holiday times where impact on processing times was minimal, the Benefits service has maintained good service standards through a further period of increasing demand, 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.

9. FINANCIAL IMPLICATIONS

9.1. There are none arising out of this report.

10 STAFFING IMPLICATIONS

10.1. There are none arising out of this report.

11. EQUAL OPPORTUNITIES IMPLICATIONS

11.1. There are none arising from this report.

12. HUMAN RIGHTS IMPLICATIONS

12.1. There are none arising from this report.

13. LOCAL AGENDA 21 IMPLICATIONS

13.1. There are none arising from this report.

14. COMMUNITY SAFETY IMPLICATIONS

14.1. There are none arising from this report.

15. PLANNING IMPLICATIONS

15.1. There are none arising from this report.

16. LOCAL MEMBER SUPPORT IMPLICATIONS

16.1. There are none arising from this report.

17. BACKGROUND PAPERS

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

18. RECOMMENDATION

18.1. That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

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