
Cabinet Member (Strategic Finance and Resources)

17 June 2013

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Gannon

Director Approving Submission of the report:

Director of Finance and Legal Services

Ward(s) affected:

All

Title:

Performance within the Benefits Service for the period April 2012 – March 2013

Is this a key decision?

No. Although the matter within the Report can affect all wards in the City, it is not anticipated that the impact will be significant and it is therefore not deemed to be a key decision.

Executive Summary:

The purpose of this report is to update the Cabinet Member (Strategic Finance and Resources) on performance and developments within the benefits service during the financial year 2012/13. The benefits service in Coventry administers more than £160 million to more than 40,000 households. The service processed the average new claim for benefit in 24.6 days and processed the average notification of a change in circumstances in 17 days.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the benefits service for the period 1 April 2012 to 31 March 2013.
- 2) Agree to receive a further report at the meeting of 21 October 2013 to provide an update for the period April 2013 to September 2013.

List of Appendices included:

None

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Performance within the Benefits Service for the period April 2012 – March 2013.

1 Context (or background)

1.1 Coventry benefits service administers more than £131 million in housing benefit (HB) and £30 million for council tax benefit (CTB) payments each year to more than 40,500 Coventry households.

Summary of Performance

1.2 During the period 1 April 2012 to 31 March 2013 the benefits service has processed new HB/CTB claims in an average of 24.6 calendar days which is below the operational target of 23 days – but an improvement of 1.5 days when compared to the previous year (see figure 1 below). Performance showed a steady improvement and during the second half of the year, performance averaged 23.9 days and 22.4 days for the final quarter.

1.3 This report will also describe the operational context for this performance and the improvements the Service has made to deal with the challenges of a constantly changing welfare reform agenda.

1.4 The operational target for processing new claims in 2013/14 is 23 days.

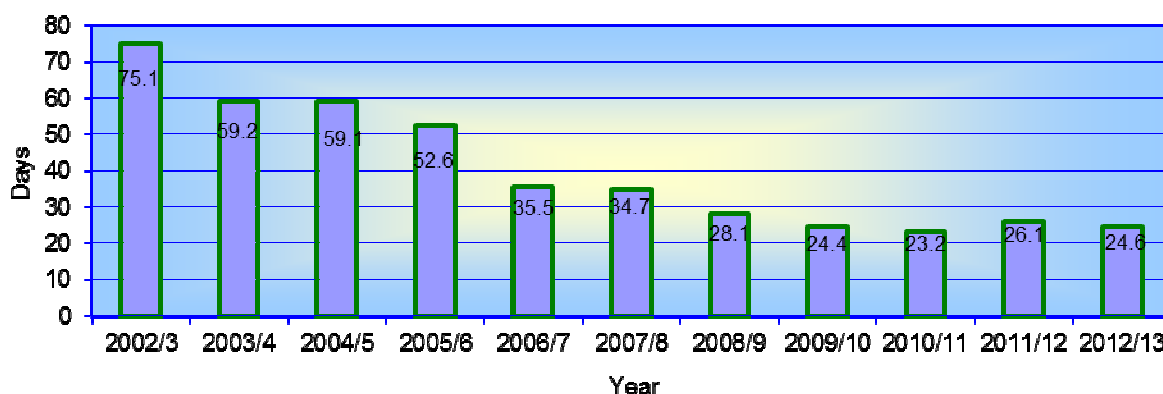


Fig 1 – Average number of days to process new HB/CTB claims

1.5 The Department for Work and Pensions (DWP) has published comparative data on benefit processing performance as National Statistics for the first two quarters of 2012/13. This shows the national average for new claims to be 25 days. The Service will update the Cabinet Member with benchmarking information in the report due at the meeting in December 2013.

1.6 This performance has been achieved through maintaining focus on new claims and staff taking 'ownership' of the outcomes for customers (eg by encouraging interviews and following up with phone calls). The service has also introduced new Information Technology to further improve the service. On-line claims were introduced in April and over 1,460 people have chosen to claim in this way. The take-up has increased to an average of around 50 per week – around 20 per cent of our new claims. Risk-based verification of claims has also helped to speed up the process. This IT enhancement (from June 2012) enables the service to fast-track new claims which are identified as 'low-risk', and

concentrate resources on higher risk cases to help reduce fraud and error. A further enhancement to the software was introduced in December 2012, which further improved performance.

- 1.7 The average time to process a change in circumstance was 17 days. Whilst this is above the operational target for the year of 12.5 days (as illustrated in figure 2 below) it is a reduction in the 17.7 days recorded in 2012/13. The Service has dealt with considerably more items of work due to ATLAS – see below. The national average for the first two quarters of 2011/12 was 12 days.

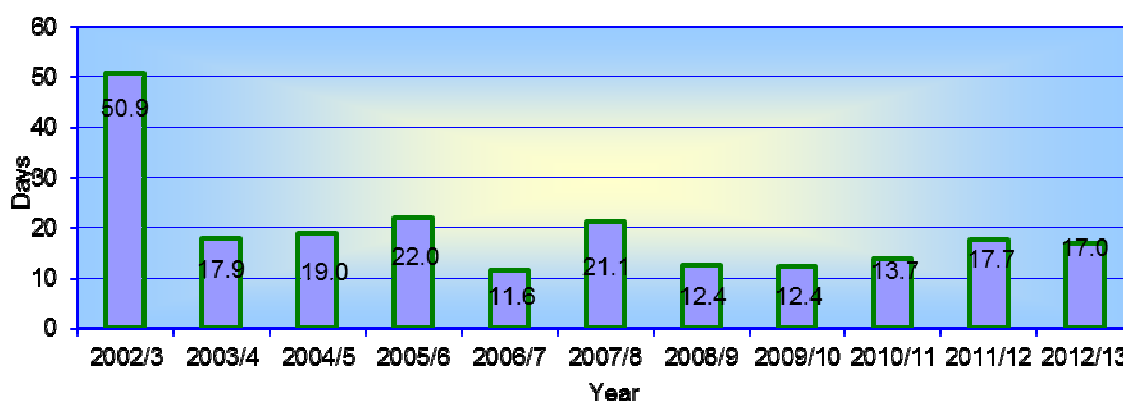


Fig 2 – Average days to process change in circumstances

- 1.8 Processing performance for change in circumstances improved in the final six months of 2012/13 from the 23.2 days being reported at the 30 September 2012 – the second half of the year was 16 days and the final quarter, 13 days.
- 1.9 Outstanding work has reduced considerably over the past 12 months. At the end of March 2012 there were around 10,380 items of work outstanding and 7,000 unallocated (backlog). At the same point this year, the total work outstanding totalled 7,700 items, of which 4,400 items were unallocated. ATLAS work is around 2,600 items compared to last year's 4,600.
- 1.10 The performance over the last three months of the year is encouraging – and puts the Service in a good position at the start of the new financial year.

2 Options Considered and Recommended Proposal

Factors Influencing Performance

2.1 Automatic Transfer of data to Local Authority Systems (ATLAS)

- 2.1.1 DWP initiated the ATLAS system in July 2011. The system provides councils with information on changes to Tax Credits as HMRC become aware of changes in circumstances. DWP sent further data to councils through ATLAS from February 2012. Whilst around 25 per cent of this work would have come to the Council through the previous system, ATLAS has resulted in 108,000 items of work to deal with during the year. Many of the changes impact on Housing Benefit entitlement – resulting in additional requests for information from customers. The additional work was compounded by IT problems in the summer and resulted in a backlog of changes of circumstances. The

Service undertook a number of measures to bring this under control – and this is evidenced by the improved performance in the second half of the year.

2.2 Customer service

2.2.1 The number of people making enquiries about their benefit has increased. This is despite a slight drop in the caseload, from 40,200 to 39,960 over the last 12 months. People visiting our office in Spire House increased from 43,172 in 2011/12 to 47,445 in 2012/13 – an increase of over 9 per cent. Phone enquiries also increased from 80,848 to 86,112 (over 6 per cent). The general view from staff is that enquiries are increasingly more complicated to deal with – and consequently take more time. The changes to the welfare system have also contributed to the increased volume of enquiries.

LA error overpayments

2.3 Work has been effectively prioritised to minimise Local Authority (LA) error overpayments. LA error overpayments totalled £671,000 for the year. This is below the threshold of around £740,000. The Council receives 100 per cent subsidy for LA error overpayments providing the overpaid amount does not exceed 0.48 per cent (£740 in 2012/13) of normal benefit payments.

Discretionary Housing Payments

2.4 Discretionary Housing Payments (DHP) are used to help people in difficult circumstances with their housing costs. The new DHP policy was approved by councillors in March 2013. The welfare reforms introduced from April 2013 mean that there will be considerable demands on this area of our work. The DHP team has been increased by a further post (a cost absorbed by the service) to deal with the increase in applications for support.

2.5 The number of awards in 2012/13 increased from 465 to 727 (a 56% increase) compared to 2011/12. The full DHP allocation of over £377,000 was awarded, compared to £130,00 in 2011/12.

Other initiatives to improve the Service

2.6 The service continues to face new challenges driven by the welfare reform agenda. Further significant reductions in the amount of benefit people receive commenced in January 2012 and transitional protection ran out for the last customers at the end of December. The cuts in benefit will mean over £5 million less paid per annum. The 2013/14 cuts will bring the total annual loss nearer to £10 million per annum. The service has and continues to communicate these changes to customers.

2.7 The online claiming initiative is proving increasingly popular with the numbers rising each week. Over 1460 claims were made in this way during the year. IT enhancements have assisted customers to provide the right information when claiming on-line. This has contributed to quicker processing times, savings in postage, and a more productive use of staff time.

2.8 Landlords have an improved service. They can now access information about accounts where they are being paid 'direct'. We have trained all the RSLs on this software, and it is

proving increasingly popular. We have also started to roll it out to private landlords. This will save their time and help to free-up our phone lines.

- 2.9 Four recruitment campaigns have resulted in 26 new benefit officers (over 25% of the assessment staff) being taken on. This has had a drain on resources to recruit, train and mentor the new staff. Welfare reform has meant a 'chain' of 'acting-up' positions. Currently eight benefit officers are doing higher graded work. Agency staff have helped to cover this work – but with the added impact of bringing new staff in, it has not completely compensated for the loss of assessing expertise. Performance management has been strengthened to help improve productivity since June 2012. There is a much greater focus on outputs and outcomes. Robust arrangements for supporting new staff have meant some turnover within new posts.
- 2.10 The Service has worked hard to ensure customers receive a quicker service in our reception. The administrative team duties have been reviewed – and new job descriptions issued. This has resulted in all these staff providing a 'meet and greet' service at Spire House. This has helped to reduce waiting times and provide a 'fast-track' service for people wanting to hand-in documents, for example. Typically, over 50 per cent of customers are now seen within 15 minutes – a big improvement from around 30 per cent before the initiative was introduced. Benefit apprentices have supported this work very effectively. Two apprentices are already in full time posts, with further young people filling the subsequent vacancies.

Community Support Grants

- 2.11 The Service has successfully introduced a new Community Support Grant scheme – which has replaced the discretionary elements of the Social Fund (Community Care Grants and Crisis Loans) previously administered by DWP. The grants are designed to help vulnerable people living in Coventry who find themselves in a crisis situation or where, for example, they require support to remain in the community.
- 2.12 Details on this welfare reform came through in the summer of 2012. The Service has had to make all the preparations including recruitment, procuring IT, and designing the policies and procedures. Councillors approved the new Policy in January 2013. The Council is now responsible for administering the £1.2 million annual grant for these awards.

3 Results of consultation undertaken

- 3.1 No consultation has been undertaken.

4 Timetable for implementing this decision

- 4.1 Not applicable.

5 Comments from Director of Finance and Legal Services

- 5.1 The Administration of HB/CTB is being delivered within the current budgetary provision. The achievement of 100% subsidy on LA error overpayments, referred to in paragraph 3.3.2 will continue to be monitored closely in 2013/14.
- 5.2 There are no legal implications arising from this report.

6 Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The effective administration of HB/CTB impacts on a range of agendas and supports the Council's vision and objectives for jobs and growth, supporting young people and protecting vulnerable residents.

6.2 How is risk being managed?

Risks relating to fraud/corruption and the HB subsidy threshold's impact on the general fund revenue account are managed through the corporate risk register. The challenges of the significant welfare reforms are also included on the register.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

None

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

The effective administration of HB/CTB is in the interests of a number of partner organisations, including local social landlords, and the benefits service works closely with those organisations.

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