
Cabinet Member (Strategic Finance and Resources)
Scrutiny Co-ordination Committee

5th December
12th December

Name of Cabinet Member:

Cabinet Member (Strategic Finance and Resources) – Councillor Duggins

Director Approving Submission of the report:

Director of Finance and Legal Services

Ward(s) affected:

All

Title:

Performance of the Benefits Service for the period April 2012 – September 2012

Is this a key decision?

No

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 period April to September 2012. The benefits service in Coventry administers more than £150 million of housing and council tax benefit (HB and CTB) to more than 41,000 households. During the period April 2012 to September 2012 the service processed the average new claim for benefit in 26.3 days and processed the average notification of a change in circumstance in 23.4 days.

Recommendations:

The Cabinet Member is requested to:

- 1) Note the performance of the benefits service for the period 1st April 2012 to 30th September 2012;
- 2) Agree to receive a further report at the first meeting of the new municipal calendar 2013/14 to provide an update for the period April 2012 to March 2013.

The Council's Scrutiny Co-ordination Committee is requested to:

- 1) Consider whether there are any comments/recommendations that they wish to make to the Cabinet Member

List of Appendices included:

None

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

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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 of the Benefits Service for the period April 2012 – September 2012.

1. Context (or background)

Coventry benefits service administers more than £150 million in housing benefit (HB) and council tax benefit (CTB) payments each year. The number of people claiming benefit has stayed almost exactly the same as at the same time last year – around 40,500.

2. Performance (new claims)

2.1 During the period 1st April 2012 to 30th September 2012 the benefits service has processed new HB/CTB claims in an average of 26.3 calendar days. This is 3.6 days faster than the same period in 2011/12. The final total achieved in 2011/12 was 26.05 days. The Service remains confident of similar improvement in the second half of the year, which will mean meeting the operational target of 23 days.

2.2 This performance has been achieved through maintaining focus on new claims and staff taking 'ownership' of the outcomes for customers (e.g 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 in the first six months over 440 people have chosen to claim in this way. The take-up has increased to an average of around 50 per week – around 18 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. The initiative has resulted in around 54 per cent categorised as low risk – saving over 7,500 processing days up until 30th September 2012. A further enhancement to the software is being introduced in November 2012, which will further improve performance.

3. Performance (changes of circumstances)

3.1 During the period April to September 2012 the average time to deal with a notification of a change in circumstance was 23.4 days. This is above the operational target of 12.5 days and higher than the 19.4 days achieved for the same period in 2011/12. It is important to put this performance into context of the general improvement in our work. This has been significantly impacted by the on-going implementation of the Department of Work and Pensions (DWP) initiative (Automated Transfer of data to Local Authority Systems - ATLAS) to automate information on changes directly to councils.

- Outstanding work has reduced considerably in both numbers and date over the past 15 months. In June 2011 there were around 13,300 items of work outstanding. The oldest unallocated (no action taken) new claim was 102 days old with the oldest new claim outstanding 133 days. The oldest other work unallocated, (changes of circumstances) was 88 days old.
- At the end of September 2012, the total unallocated work was 3,200 items (excluding ATLAS work). The oldest unallocated new claim and change of circumstance was 21 days. The current total of ATLAS work outstanding is around 6,000 items.

3.2 ATLAS was introduced by the DWP in July 2011. The transfer of data from HMRC/DWP systems has had a major impact on all councils. A second phase in February 2012 saw an increase in the data sets (which include Tax Credits, Pension Credits, Attendance Allowance, Carers Allowance, Disability Living Allowance and a number of other benefits) advising councils of changes. In Coventry, since March 2012, we have received over 67,000 notifications through ATLAS. About 25 per cent of these would have previously been received through the DWP's electronic data transfer (ETDs) – so it is not all new work. However, there are a number of factors which have made the impact greater here:

- The Benefits IT system unlike some of the other major IT systems does not yet provide any automation of ATLAS notifications. This prevents the fast tracking (and 1 day performance) of a number of the changes. An enhancement due in December 2012 will help to improve this – and speed up the speed of processing some of these changes.
- We have had to put manual processes in place to deal with nearly 25,000 (in addition to the 67,000) notifications (of minor changes, such as name, address or phone numbers – these are often already held by us anyway). This is a clerical task.
- In July 2012, an attempt to automate the above process failed. It resulted in many duplicate records – and some missing files which had to be retrieved. It took nearly three months to investigate and resolve this problem. The outcome of this has been some older work needing to be worked on – adding to delays in processing changes. Considerable management time was spent undertaking routine tasks while the problem existed – and the missing files were identified in late September.

4. Customer service

4.1 The number of people making enquiries about their benefit has increased. Phone calls relating to HB and CTB rose from 37,952 in 2011/12 (first half year) to 42,015 in 2012/13 – an increase of over 10 per cent. People visiting our office in Spire House also increased from 23,541 to 24,579. The general view from staff is that enquiries are increasingly more complicated to deal with – and consequently take more time.

5. Local authority error overpayments

5.1 Whilst the service is above the operational target for processing change in circumstances, work is being prioritised to minimise Local authority (LA) error overpayments. LA error overpayments totalled £473,000 in the first half of the year. As the older work has progressed over recent weeks, the level of overpayments is starting to slow. The service expects the year-end total to remain below the lower threshold for the fifth consecutive year. The Council receives 100 per cent subsidy for LA error overpayments providing the overpaid amount does not exceed 0.48 per cent of normal benefit payments – projected to be approximately £740,000 in 2012/13.

6. Other initiatives to improve the Service

6.1 The service continues to face new challenges. Further significant reductions in the amount of benefit people receive commenced in January 2012. Although existing customers were protected for nine months, the cuts in benefit will mean over £5 million less paid per annum by the time all the protection runs out in December 2012. The service has and continues to communicate these changes to customers.

- 6.2 Discretionary Housing Payments (DHP) are used to help people in difficult circumstances with their housing costs. Our DHP policy has been reviewed, and we are awaiting final guidance and spending allocation from DWP for 2013/14. The revised policy will then be submitted for Members approval. The DHP team has been increased by one post (a cost absorbed by the service) to deal with the increase in applications for support. Applications in the first six months this year have risen to 319, compared to 253 for the same period last year – a 26 per cent increase.
- 6.3 The online claiming initiative is proving increasingly popular with the numbers rising each week. Currently, the assessment staff have to inform customers of what supporting information they have to provide for their claims. The enhancement to Risk Based Verification (due to be implemented in November 2012) will mean that people applying 'on-line' will know exactly which evidence they have to supply to support their claim. This will further speed up processing, save postage, and free-up staff time.
- 6.4 Landlords have an improved service. They can now access information about accounts where they are being paid 'direct'. We have trained all the RSL's 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.
- 6.5 Three recruitment campaigns have resulted in 22 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 six 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.
- 6.6 The service has worked hard to ensure customers receive a quicker service in our reception. We have recruited two apprentices to support our customer service improvements. 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.
- 6.7 Performance management has been introduced to help improve productivity since June 2012. There is a much greater focus on outputs and outcomes. In particular, recruitment of new employees includes a rigorous training period that runs concurrently with the probationary period of employment. This ensures that employees are only confirmed in post after achieving a satisfactory level of performance. This has meant that turnover of new employees has been slightly higher than previously experienced. This approach will contribute to the objective of achieving a highly skilled high performing workforce.

3. Results of consultation undertaken

3.1 No consultation has been undertaken.

4. Timetable for implementing this decision

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 5.8, will continue to be monitored closely in 2012/13.

5.2 Administrative subsidy for the benefit service reduced by £173k in 2011/12 and by a further £165k in 2012/13.

5.3 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 are managed in accordance with the corporate risk register.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

The duty under section 149 of the Equality Act 2010 is not affected by the matters set out in this report as the recommendations do not constitute a change in policy or service.

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 and private landlords, and the benefits service works closely with those organisations.

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