

ANGUS COUNCIL

FINANCE AND INFORMATION TECHNOLOGY COMMITTEE

COUNCIL TAX AND BENEFITS CUSTOMER SERVICE UP-DATE – 28 JANUARY 2003

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report outlines the continuing difficulties associated with implementing the Governments Verification Framework. The report also outlines the actions taken to improve the situation and recommends that the temporary closure of offices for one day per week be extended to the end of March 2003.

1. RECOMMENDATION(S)

It is recommended that the Committee:-

- (i.) Note the continuing difficulties associated with implementing the Governments Verification Framework
- (ii.) Note that all authorities previously implementing the Verification Framework have experienced similar difficulties
- (iii.) Note that indications are that the Benefit Fraud Inspectorate are generally happy with the Councils standards of verification and evidencing
- (iv.) Note the particular problem areas of incomplete applications and processing of claims from private tenants
- (v.) Note the number of actions taken to improve the situation
- (vi.) Note that productivity has increased as the staff have become more conversant with the requirements of the Verification Framework
- (vii.) Note that back-logs have been reducing
- (viii.) Note that outsourcing part of the back-log to CAPITA Ltd has been integral to the reduction of back-logs
- (ix.) Note the significant increases in workload which are about to be undertaken
- (x.) Note that it is increasingly difficult to recruit experienced staff
- (xi.) Agree to extend the temporary one day per week office closures to the end of March 2003.

2. BACKGROUND

The Committee will recall Report No 1255/02 dated 22 October 2002.

The report amongst other things recommended that the Committee:-

- (i.) note the need to implement the Governments Verification Framework had added to the difficulties in benefits processing
- (ii.) note that a significant number of incomplete applications continue to be made with a lack of accompanying documentary evidence
- (iii.) note the additional work for benefits staff arising from new Government legislation
- (iv.) agree that the temporary office closures should continue until the end of December 2002.

3. UP-DATE

- (i.) Operating the Governments Verification Framework is adding and will continue to add to the difficulties in benefits processing.

The standard of evidence required in support of an application is extremely high as is the recording of such evidence. This has added dramatically to the length of time taken with customers at the counter. As such additional staff resource has had to be assigned to the public counter. This in turn has reduced the amount of resource available for processing the completed claims.

It should be noted that the workloads associated with proof of identity should diminish into the second year of operating the Framework.

It should be noted that all these authorities who have implemented the Verification Framework have encountered the same difficulties and that it can be into the second year of operation before the problems in administration settle down.

The Committee will recall report no 784/02 dated 18 June 2002 which advised that the Council was to be re-inspected by the Benefit Fraud Inspectorate (BFI).

The inspection has now taken place and the final report is awaited. Early indications are however that the BFI are generally happy the Councils standards of verification and evidencing.

- (ii.) The volume of incomplete claims continues to cause concern. The number of incomplete claims rose from 932 at the end of July (first month of operating the Verification Framework) to 1500 at the end of October. The numbers have slowly reduced and stood at 1220 at the end of December.

A significant proportion of the incomplete claims continues to relate to repeat applications. Despite issuing these repeat applications at the earliest opportunity a high proportion have remained incomplete to the point at which the legislation dictates that entitlement has to be cancelled. This in turn prompts many claimants to then supply the required information and the claim is re-instated. Again this has added significantly to the difficulties and workloads. Staff effort directed at keeping existing claims in payment has reduced the ability to process new claims.

- (iii.) Another area of concern relates to applications from private tenants. These applications are the most complex of all the claim types. Only the most experienced staff are able to deal with these claims.

Allocating sufficient resource has proved problematic due to the high proportion of relatively new staff, maternity leaves and long term sick together with the need to maintain adequate resource for the public counter across all the Burgh offices.

Although the situation is improving as new staff become more proficient progress will need to be maintained over the next 2 – 3 months before the processing times become acceptable.

- (iv.) A significant temporary increase in workload is about to be experienced as a result of the Governments Supporting People legislation.

Preparatory work is now underway in respect of implementing the Governments new Tax Credits from 7 April 2003.

In addition preparations are underway for the Council Tax and Council Tax Benefits 2003/04 start of year billing on 13 February 2003.

The above will all require resources to be temporarily diverted from benefits processing.

- (v.) The temporary office closures have greatly assisted in maximising processing resources in the high priority areas. To date the public have in general accepted the need for the one day per week closures. It would be recognised that back-logs and temporary closures impact on Access and Housing office provision but have been accommodated during this period.
- (vi.) Productivity has greatly increased as staff have become more conversant with the requirements of the Verification Framework as illustrated below:-

	<u>No of items processed</u>
July	1968
August	2390
September	2800
October	3273
November	3075
December	1366 (affected by staff leave & public holidays)

Productivity has however been adversely affected by staff turnover, maternity leaves and long term sickness.

- (vii.) Prior to the Christmas break the back-log had reduced from its peak of some 2800 to some 2000 items.

When looking at the reduction in the back-log it should be remembered that the period to Christmas covered the period of the highest level of incoming claim items.

The number of repeat claims is greatly reduced for the period to the end of March and as such the higher levels of productivity outlined in (vi) above will have a greater impact on back-logs.

- (vii.) It has become increasingly difficult to recruit experienced staff.
- (viii.) Back-logs currently stand at between 3 and 4 weeks in volume terms. There are variations across the claim types (see (iii) above).

4. ACTIONS TAKEN TO IMPROVE THE SITUATION

- (i.) overtime targeted to benefits processing. Success is dependant on staff being willing to work overtime over prolonged periods.
- (ii.) retaining as many staff at Invertay as possible to process claims.
- (iii.) certain staff at Invertay have been temporarily ring-fenced for processing in that they are not required to answer the telephone or deal with enquiries at the counter.
- (iv.) staggering the issue to renewal claims to even out workloads.
- (v.) adjusting the balance of work priority from Council Tax to benefits processing.
- (vi.) at every opportunity stressing to claimants the need to complete forms as far as possible before calling at their local office and the need to bring adequate documentary evidence in support of their claim.
- (vii.) claimants are supplied with proformas detailing the documentation required before incomplete claims can be processed for payment.
- (viii.) additional staff being recruited as per Report No 1436/02 dated 3 December 2002. It should be noted that it will be some time before these staff are fully effective due to lengthy training requirements.
- (ix.) application has been made to the DWP for one-off additional funding from the Performance Standards Fund. It should be noted then our bid to the Help Fund for one-off funding has been refused.
- (x.) help enlisted from the Councils Housing Division, Housing Associations and landlords in promoting the message outlined at (vi) above.
- (xi.) accommodation improvements have been undertaken at Brechin and new premises have been opened in Forfar. New office to be opened shortly in Arbroath.
- (xii.) under delegated authority employing CAPITA LTD on a temporary basis to assist in dealing with back-logs. (see below).

5. CAPITA LTD

In the area of Benefits Administration CAPITA Ltd provide a wide range of training and claims processing services.

As such their staff are highly trained both in terms of the legislation and across a range of computer software including SX3 (the Councils supplier).

CAPITA Ltd have been successfully employed by a number of Scottish authorities especially over short term periods to cover peak workloads.

A computer link has been installed between the offices of CAPITA Ltd and Inverclyde. Their resources are ring-fenced for processing and they have no telephone calls or counter calls. Productivity is therefore high due to the lack of interruption.

On average three people have for some six weeks been employed for processing purposes. During this period some 1250 items have been processed mainly relating to claims from our own tenants and previously expired cases (see 3(ii) above).

CAPITA Ltd bear all the costs associated with training, public holidays, annual leave, maternity leave, sickness leave etc. The Council only pays for the days worked.

The computer link can be activated on an on-going basis at such times as workloads demand. This will stand the Council in good stead in terms of the additional workloads detailed in 3(iv) above.

6. CONCLUSION

Implementing the Governments Benefits Verification Framework from 1 July 2002 has proved problematic.

It has impacted greatly on our customers in terms of the higher standards required regarding proof of identity and higher standards of verification. In turn this has led more resources dedicated to the counter with the consequential reduction in fully trained staff being available to process the completed claims. Processing times have deteriorated and back-logs have accrued.

Other authorities have had similar problems implementing the Verification Framework and indications are that it is into the second year of operation before the problems in administration settle down.

Staff training is on-going both for new and existing staff and the position is now improving.

Employing CAPITA Ltd has been integral to the improvements in productivity in claims processing.

A number of actions have been taken to address the problem areas and are having a positive effect.

Additional legislative workloads will increase the difficulties over the coming months.

Closing the offices for one day per week has greatly assisted in achieving improved performance and it is recommended that these closures should continue until the end of March 2003.

The Government through DWP and BFI are to continue to expect Local Authorities to improve the standards of benefits administration.

These improvements together with the increasing legislative demands will continue to prove challenging in terms of implementation whilst trying to minimise disruption for our customers and maintaining acceptable processing timescales.

7. FINANCIAL IMPLICATIONS

There are no financial implications arising as a result of this report.

8. CONSULTATION

The Chief Executive, the Director of Law and Administration and the Director of Housing have been consulted in the preparation of this report.

9. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications arising as a result of this report.

NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above Report.

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