

ANGUS COUNCIL

RESOURCES AND CENTRAL SERVICES COMMITTEE – 29 JANUARY 2004

HOUSING AND COUNCIL TAX BENEFITS ADMINISTRATION UP-DATE

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report advises the Committee of the progress made and the current position in respect of benefits processing. The report also highlights the actions taken to improve the processing position..

1. RECOMMENDATION(S)

It is recommended that the Committee:-

- i) Note the impact of implementing a number of significant initiatives and legislative requirements.
- ii) Note the current position in respect of complete claims awaiting processing.
- iii) Note the current position in respect of the speed of claims processing.
- iv) Note the actions taken to improve the situation.
- v) Note the expected improvement in processing times.
- vi) Note that the Councils information gathering processes have been reviewed by the BFI.
- vii) Note that regular progress reports will be brought forward.
- viii) Note that the Government has intimated that further significant changes will be on-going for the foreseeable future.

2. BACKGROUND

Following publication of the report on the inspection of benefits administration in Angus Council by the Benefit Fraud Inspectorate (BFI) in May 2000 the Council wrote to the Secretary of State for Social Security highlighting the number of changes in benefits administration was adding to the complexities in administration.

The letter noted that in the previous year Councils had to implement over eighty circulars and twenty regulations. This level of change has continued.

Report No 507/03 dated 15 April 2003 advised the Committee that in it's report on the second inspection of Angus Council the BFI noted the positive response to the recommendations made in the first report published in May 2000.

The report also noted that the extent of the change required from May 2000 represented a significant challenge and commended the Council for the improvements made.

In addition to the changes intimated above the Council has had to implement a number of significant initiatives and legislative requirements. These are listed below:-

1. Benefits Verification Framework implemented 1 July 2002.
2. Second BFI inspection report published January 2003 with resultant improvements plan having to be implemented.
3. New Tax Credits implemented April 2003.
4. New Pension Credits implemented October 2003.
5. New I World computer software installed in November 2003.

In implementing the Benefits Verification Framework Angus Council like other Councils who had implemented the Framework experienced a significant number of difficulties which adversely affected the processing times of benefit claims. The difficulties and actions taken to improve the situation were highlighted to Committee in the following reports:-

- | | |
|------------------------|-----------------|
| (a.) Report No 785/02 | 18 June 2002 |
| (b.) Report No 1255/02 | 22 October 2002 |
| (c.) Report No 136/03 | 28 January 2003 |

Improvements in processing times have been achieved but have been adversely affected by having to implement items (2) – (5) noted above.

3. CLAIMS AWAITING PROCESSING

The figures noted below are in respect of the number of completed claims (new, repeat and changes of circumstances) awaiting processing at the month end from the time of implementing Verification Framework.

| | | | |
|----------------|------|----------------|------|
| June 2002 | 963 | June 2003 | 1299 |
| July 2002 | 1820 | July 2003 | 1108 |
| August 2002 | 1486 | August 2003 | 1037 |
| September 2002 | 2140 | September 2003 | 901 |
| October 2002 | 2684 | October 2003 | 1100 |
| November 2002 | 2095 | November 2003 | 1686 |
| December 2002 | 2768 | December 2003 | 1611 |
| January 2003 | 2145 | | |
| February 2003 | 2543 | | |
| March 2003 | 2476 | | |
| April 2003 | 2103 | | |
| May 2003 | 2633 | | |

The outstanding claims (new, repeat and changes of circumstances) totals 1226 as at 9 January 2004.

The above figures highlight the impact of implementing the Verification Framework. The figures also highlight the overall progress made together with the adverse impact of other implementation requirements:-

- | | |
|---------------------|-------------------------|
| February/March 2003 | - Start of year billing |
| May 2003 | - Tax Credits |
| October 2003 | - Pension Credits |
| November 2003 | - New I World Software |

4. SPEED OF PROCESSING

Processing times are calculated from the issue of the application form to the issue of the determination notice after processing. As such the length of time taken by the claimant to produce the Verification documentation in support of their application has a significant bearing on the figures. **It should be noted that approximately 80% of claims are incomplete when first returned.**

Average Days to Process New Claims

| | |
|----------------------------|------------|
| DWP Performance – Standard | 36 Days |
| Third Quartile | 42-56 Days |

| <u>2002/03</u> | | <u>2003/04</u> | |
|-------------------|-----|----------------|----|
| Quarter 1 | 55 | Quarter 1 | 97 |
| Quarter 2 | 69 | Quarter 2 | 80 |
| Quarter 3 | 91 | Quarter 3 | 76 |
| Quarter 4 | 101 | | |
| Annualised Figure | 79 | | |

The above figures show the adverse impact of implementing Verification Framework in Quarters 2, 3 & 4 in 2002/03. The figures also show an improvement during 2003/04. These figures have been adversely affected by the implementation of Tax Credits, Pension Credits and the I World computer software.

Average Days to Process Changes of Circumstances

DWP Performance – Standard 9 Days
 Third Quartile 11-18 Days

| <u>2002/03</u> | | <u>2003/04</u> | |
|-------------------|----|----------------|----|
| Quarter 1 | 16 | Quarter 1 | 20 |
| Quarter 2 | 16 | Quarter 2 | 18 |
| Quarter 3 | 21 | Quarter 3 | 18 |
| Quarter 4 | 23 | Quarter 4 | |
| Annualised Figure | 18 | | |

Percentage of Renewals Processed on Time

DWP Performance – Standard 83%
 Third Quartile 66-53%

| <u>2002/03</u> | | <u>2003/04</u> | |
|-------------------|----|----------------|----|
| Quarter 1 | 66 | Quarter 1 | 51 |
| Quarter 2 | 60 | Quarter 2 | 50 |
| Quarter 3 | 38 | Quarter 3 | 62 |
| Quarter 4 | 29 | Quarter 4 | |
| Annualised Figure | 49 | | |

The Council is currently in the bottom quartile in terms of processing times for new claims and changes of circumstances. It is envisaged that we will move to the third quartile for the three measures by the end of the first quarter of 2004/05 (July 04). It is further envisaged that the improvements will continue and the Council should meet the Department of Work and Pensions Performance Standards by the end of the first quarter of 2005/06 (July 05).

5. 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 Invertag as possible to process claims.
- (iii.) certain staff at Invertag 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 recruited from April 2003 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.) successful application 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 also opened in Arbroath.
- (xii.) under delegated authority employing CAPITA LTD on a temporary basis to assist in dealing with back-logs.
- (xiii.) new procedures recently put in place in respect of claims awaiting further information. These procedures are designed to speed the return of the required documentation.
- (xiv.) review of information gathering processes has been carried out by the BFI's Performance Improvement Action Team.

6. SUMMARY

Implementing the Governments Verification Framework has been problematic with Angus Council experiencing similar difficulties to other Councils who have previously implemented the Framework.

Progress has been made during the current year. However progress has been adversely affected by the number of initiatives and regulations the Council has been required to implement. Further progress requires to be made in order to meet the performance standards laid down by the Department of Work and Pensions.

The Government has intimated that significant change in Benefits Administration will continue in the foreseeable future. The level of change will have a major bearing on the progress the Council is able to make.

7. FINANCIAL IMPLICATIONS

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

8. CONSULTATION

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

8. 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.

DAVID SAWERS
DIRECTOR OF FINANCE

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