

GOVERNANCE COMMITTEE

31 MARCH 2014

REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

UPDATE ON BENEFIT PERFORMANCE

1.0 PURPOSE OF REPORT

- 1.1 To update the Committee on current benefit performance and measures that have been put in place to effectively manage performance in relation to benefit processing across the authority.

2.0 RECOMMENDATIONS

- 2.1 **That the Committee notes the current performance of benefit processing as detailed in Appendix 1.**
- 2.2 **The Committee notes the audit findings reported by PWC (external auditors) as set out in Appendix 2.**

3.0 KEY ISSUES

- 3.1 The Governance Committee asked for a review into Housing Benefit processing and performance management due to continued difficulties with external audits of subsidy claims over the past 6 years. An initial report was taken to the Committee on 22nd September 2014 and the Committee requested an update report for this committee in order to scrutinise how the service is improving or not.
- 3.2 Since the report to the Governance Committee on 22nd September 2014 the Council has since received the external auditor's final report in relation to performance and subsidy for 2013/14.
- 3.3 The Council has been qualified in relation to the audit however it shows a much improved position than 2012/13. There is a small projected repayment of £2000 that will need to be returned to DWP.
- 3.4 A detailed training plan and performance framework has now been developed for staff. Training is currently taking place using the expertise of an external benefit training company.
- 3.5 Additionally further improvements have been implemented between the performance management of the service between the front and back office teams which is seeing improvement since the initial report was taken to the Committee on 22nd September 2014
- The number of claims processed within 5 working days (once all the information has been received) has exceeded target in all but one period.
 - Improvements have been made regarding the time taken to process changes

to Housing Benefit claims.

- However despite making improvements in accuracy during October, November & December, recent performance has dipped below target and will be addressed as part of the training programme.
- Whilst new claims are being processed quicker than the majority of other Leicestershire districts we are behind our challenging target of 12 days. As part of the Councils continued transformation programme new claims can now be made online and this is expected to help drive improvements in claims being processed within target.
- Appendix 1, page 5 shows the total number of quality assurance checks that have taken place in the front and back office. This process gives management a picture of how likely the Council is to impact on subsidy levels and Local Authority error.

- 3.6 The Council is taking part in The Fraud and Error Reduction Incentive Scheme (FERIS) which offers financial rewards to local authorities who reduce fraud and error in their Housing Benefit cases. It is available during the financial years 2014/15 and 2015/16.

Overpayments relating to fraud attract a 40% subsidy. LAs on average collect 67% of overpayments. Therefore we need to ensure where fraud is detected we ensure we are proactive on collecting the overpayment.

- 3.7 Although some improvements have been made we need to be cautious in relation to the 2014/15 external audit that will take place in relation to benefits. The reason for this is due to the fact we are not yet achieving consistent enough accuracy performance from processing staff

4.0 **POLICY AND CORPORATE IMPLICATIONS**

- 4.1 The new performance framework, targets and performance management of staff will take management resources in time in relation to having to continue to closely monitor staff performance. Positively the new performance frameworks are showing improvements and should start to positively impact on future audits.

A training plan has now also been developed which is aimed at addressing weaknesses in staff performance. The training schedule is in operation and if individual performance is not improved alternative processes and actions will be implemented.

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 The attached report (Appendix 2) from our external auditors for 2013/14 has resulted in a qualification. However the position is much improved from the previous year with a financial implication negatively of £2000 having to be returned to DWP.

The position is much more positive financially than 2012/13 although more work is needed in relation to performance and reduction in Local Authority error. This is

being addressed through the training plans for staff.

5.2 A training budget of £10,000 over the next six months to train staff in relation to improve accuracy and decision making will be used from the Corporate Training budget.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 There are no legal implications to this report.

7.0 COMMUNITY SAFETY

7.1 There are no particular implications arising from this report.

8.0 EQUALITIES

8.1 There are no particular equalities issues arising as a result of this report.

9.0 RISKS

9.1 Probability

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Very High A				
High B				
Significant C		2		
Low D			1,3	
Very Low E				4
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

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Impact

Risk No.	Description
1	Staff accuracy performance does not show improvement
2	2014/15 External Audit will result in qualification.
3	New FERIS fraud work results in reduced subsidy
4	New staff training programme does not show improvements in overall Benefit & staff improvements

10.0 CLIMATE CHANGE

10.1 There are no particular implications arising from this report.

11.0 CONSULTATION

11.1 Consultation has taken place with staff and managers within the Communities & Neighbourhoods Department, Communications Department and Central Services Department.

12.0 **WARDS AFFECTED**

12.1 All

Contact Officer Ronan Browne/Mark Shields
Date: 25th March 2015

Appendices : Appendix 1 – Current Benefit Performance
 Appendix 2 – PWC Audit Testing Findings 2013/14