



COMMUNITY COMMISSION 14 January 2008

Report of the Assistant Director Customer Services

Housing and Council Tax Benefit Service Performance

RECOMMENDATIONS

- 1.1 That the Commission consider the performance of the Housing and Council Tax Benefit Service as at 16 December 2007.

SUPPORTING INFORMATION

- 2.1 This report provides an update about Housing and Council Tax Benefit performance requested by the Community Commission at the meetings of 23 July 2007 and 1 October 2007 and Performance Surgeries held on 15 November 2007. The report contains updates on the following areas of performance:
- BVPI 78a - time taken to process new claims
 - BVPI 78b - time taken to process changes
 - BVPI 79a - percentage of cases for which calculation of benefit was correct
 - BVPI 79b(iii) - Percentage of overpayments written off during the period

BVPI 78a & b - time taken to process new claims and changes

- 2.2 The Benefits Service latest improvement strategy was put in place on 21 May 2007, which enabled them to clear a claims backlog of over a 1,000 new claims and changes caused by the conversion of benefits processing computer system. This was a significant achievement for benefits service, which provided the platform for sustained improved performance.
- 2.3 Since the introduction of the improvement strategy the backlog of claims has been cleared. All claims are either processed or the customer is asked to provide information required to process the claim within 3 to 4 days of the claim being received

- 2.4 The data in appendix 2 shows the average times for processing new claims, the service is sustaining improvements through Quarters 1, 2 and 3 of 2007/08:
- The average days to process during 2006/07 = 58 days.
 - Q1 2007/08 average improved by 10 days to 48.69 days
 - Q2 2007/08 average improved to 44.16 days
 - Q3 2007/08 (some data still required) average improved to 38.76 days
 - Q3 2007/08 discrete performance is 30.1 days, a fraction away from our target of 30 days, which is the national standard.
- 2.5 The data in appendix 3 shows that we processed all changes in circumstances received on average within 18 days during financial year 2006/07. Performance at the end of quarter 3 2007/08 averages 19.04 days.

BVPI 79a - percentage of cases for which calculation of benefit was correct

- 2.6 The benefit scheme is very complex with a high scope for error. There are also interdependencies with Council Tax and discrepancies between the two systems also count as errors. Benefit legislation is regularly changed and there is often little time for training and consolidation.
- 2.7 The target for 2007/08 was set on the assumption that performance would improve as staff became familiar with the new processing software. The target of 97% was set to incorporate an element of 'stretch' and was considered achievable
- 2.8 This BVPI was selected for a Performance Surgery in November 2007 due to a dip in performance during Q1 2007/08. The Benefits Section believes that it is good at processing benefit claims accurately. Results for BVPI 79a show an improving trend following the benefits software conversion, with Q1 being an exception.

Q2 06/07	96.8
Q3 06/07	94.4
Q4 06/07	98.4
Q1 07/08	96
Q2 07/08	97.6

- 2.9 We are required to check 125 claims each quarter. During quarter 2 of 2007-08 we dealt with over 10,000 new claims and changes of circumstance so the sample is only a small percentage of the work processed. In Q1 we became aware of a change to the way this indicator is measured. Two of the errors in quarter 1 would not previously have been classed as incorrect.

BVPI 79b(iii) - Percentage of overpayments written off during the period

2.10 This is a relatively new BVPI target introduced in 2005/06. Performance was at target for 2005/06 and 2006/07 so a target of 7% for 2007/08 appeared realistic.

2.11 In Q1 2007/08 performance dipped significantly due to the amount of debt that became eligible for write-off under our policy framework.

	Actual	Cumulative
Q1 06/07	2.11	2.11
Q2 06/07	1.65	3.35
Q3 06/07	2.45	4.94
Q4 06/07	2.48	6.45
Q1 07/08	5.78	5.78
Q2 07/08	1.2	6.27

2.12 The write-off policy is quite generous and considers all cases of debt suitable for automatic write-off where:

- the debt is under £300 and the recovery cycle is exhausted and arrangement to pay has not been secured
- the debt is four years old and where the recovery method is something other than direct benefit deductions
- the debt is three years old and hasn't had a payment within the last six months

2.13 As stated debts under £300 are written off once the recovery cycle of 49 days has elapsed and an arrangement has not been secured. This aimed to reduce referrals to the Legal section to pursue customers through Courts. Around 26% of the total Housing Benefit debt - 1225 cases totalling £550k - are with the Legal section and they have some capacity issues in dealing with these cases. If a case is returned a decision is usually made to write-off the debt. This blanket policy approach can detrimentally affect BVPI performance.

2.14 The section deals with vulnerable customers - some have multiple debts and struggle to manage their finances. Their circumstances affect performance, for example overpayments caused by the death of customers where there is no estate, or who are admitted to nursing homes, or cannot be traced are written off.

2.15 One of the biggest challenges for the Overpayments team in managing the overpayment's BVPIs is that two of the measures effectively pull against each other. BVPI 79b (ii) monitors the amount recovered as a percentage of the total debt. The more old debt that is in the system, the higher recovery rates need to be to compensate. Performance in this BVPI is improved if old debt is written off.

IMPROVEMENT STRATEGIES

BVPI 78a & b - time taken to process new claims and changes

- 3.1 The current strategy for processing benefit claims continues to deliver sustainable performance improvements. The Customer Services Management Team has a performance management framework that proactively manages performance. This identifies quality and financial improvement targets, incorporates BVPI compliance and performance standards, CPA assessment scores and service specific local indicators.
- 3.2 It was reported to the Commission in July 2007 that a major factor affecting claim processing is that only a third of claims can be processed without having to write to customers to get information required to process their claim. Customers are then allowed a calendar month to supply the information. This continues to be a challenge for the service, especially, where the target for changes is 10 days.
- 3.3 The section has worked with Derby Direct, Housing Options, and Derby Homes to improve the number of claims that can be processed without the requirement to seek further information. This has included refresher training, updated handouts and team briefings. We offer a fast tracking service to customers at Derby Direct if they submit complete claims. The number of claims we can process first time has been incorporated into the performance framework, it has a target of 66% and is monitored by the Customer Services Management Team. Analysis of claims in the summer of 2007 showed only 33% could be processed first time. This has now improving as follows:
- September 07 - 44%
 - October 07 - 51.8%
 - November 07 - 44.76%
 - December 07 – 55.02%
- 3.4 Customer Services is undertaking a service improvement programme that has an underlying theme of 'getting it right first time' in revenues and benefits. One of the key elements of the benefits project within the programme will be improving the number of claims we can process first time. We will continue to engage stakeholders to help us meet the challenge of improving the claims verification process and meeting benefit performance targets and customer service levels.

BVPI 79a - percentage of cases for which calculation of benefit was correct

- 3.5 Accuracy of benefit claims will be incorporated into the 'getting it right first time' project in benefits. Another project under the heading

‘Developing Employees’ will look into how we can get the best from our staff and improve the quality of our work.

- 3.6 We need to continue to give support and training to our staff. The information gained from our quality checks is crucial to this. We are currently undertaking training needs assessments and from this will be developing individual training plans. Once the major changes being introduced to Housing Benefit next year have been implemented we will introduce 1 to 1 training sessions, which we have found to be effective

BVPI 79b(iii) - Percentage of overpayments written off during the period

- 3.7 A comprehensive review of benefit overpayments processes has been undertaken to improve performance across all overpayments BVPIs. This review has delivered a report which made several recommendations. The following significant recommendations have been accepted to facilitate performance improvement in BVPI79 b (iii):
- Reduce the ‘automatic’ write-off threshold from £300 to £50
 - Employ an external debt recovery agency for debt that we are unable to recover using our recovery options, procurement is underway for this service
 - Improved processes with Derby Homes on recovery from rent accounts that are in arrears are in place
 - Bring back old un-actioned debts from the Legal team and commence Court action through the Overpayments team. A review of processes with the legal team is underway.
- 3.8 The Customer Services Improvement Programme has a project which is reviewing cross-service debt recovery procedures to deliver performance efficiencies. Housing Benefit overpayment performance is included in the scope of this project.

IMPLICATIONS

Financial

None arising from this report

Legal

The Council has a statutory duty to provide a Housing Benefit and Council Tax Benefit Service under the provisions of the Social Security Act 1986.

Personnel

None arising from this report.

Equalities Impact

Our benefits take up strategy is aimed at encouraging all low income households to apply for housing and council tax benefits with specific targeting of pensioners, low earners and black and minority ethnic communities.

Corporate Priorities

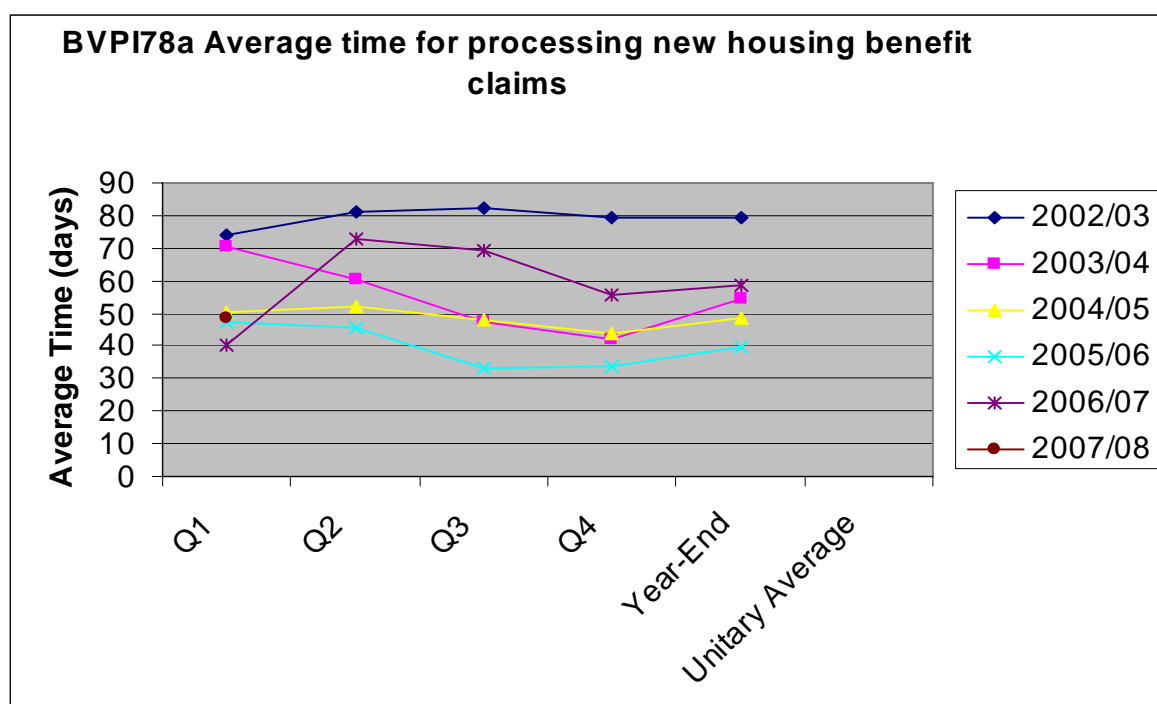
The Council's Corporate Plan 2007-2010 recognises the importance of a high performing and quality Benefits Service in helping meet its priorities of "giving you excellent services and value for money". This report identifies the actions we are taking in the Benefits Service to help achieve this priority.

For more information contact:	Mark Holmes 01332 255742 e-mail mark.holmes@derby.gov.uk
Background papers:	Appendix 1 – Implications
List of appendices:	Appendix 2 - BVPI 78a performance
	Appendix 3 – BVPI 78b performance

Appendix 2

BVPI 78a average time taken to process new claims

Comparative Data	Q1	Q2	Q3	Q4	Year-End
2002/03	74.28	81.08	82.08	79.12	79.25
2003/04	70.31	60.11	47.13	42.06	54.52
2004/05	50.16	51.9	47.72	43.7	48.56
2005/06	47.25	45.42	32.87	33.52	39.59
2006/07	40.33	72.69	69.03	55.94	58.35
2007/08	48.69	42.77	38.76		



Appendix 3

BVPI78b Average time to process changes of circumstances

Comparative Data	Q1	Q2	Q3	Q4	Year-End
2002/03	23.26	14.92	25.67	25.36	21.23
2003/04	21.9	12.36	15.37	9.32	14.12
2004/05	11.31	7.7	11.99	12.23	10.2
2005/06	17.96	16.34	13.58	11	14.6
2006/07	13.62	22.95	22.83	15.31	18.28
2007/08	18.42	19.39	19.04		

