

**REPORT TO:** SCRUTINY COMMITTEE - 8 DECEMBER 2010

**REPORT ON:** AUDIT SCOTLAND RISK ASSESSMENT REPORT ON THE REVENUES DIVISION'S HOUSING & COUNCIL TAX BENEFIT SERVICE

**REPORT BY:** DIRECTOR OF FINANCE

**REPORT NO:** 705-2010

## **1.0 PURPOSE OF REPORT**

This report is to inform the Elected Members of the recent risk assessment audit undertaken by Audit Scotland on the Revenues Division's Housing and Council Tax Benefit service.

A copy of this report is appended.

## **2.0 RECOMMENDATIONS**

It is recommended that the Committee approve the Action Plan prepared by officers to address the recommendations contained within the Audit Scotland report.

## **3.0 FINANCIAL IMPLICATIONS**

None

## **4.0 MAIN TEXT**

The Council's Housing Benefit and Council Tax Benefit service has been subject to inspection by Audit Scotland, following on from the initial inspection in 2008. In their report, Audit Scotland focused on the following three areas:-

- meeting the obligations to achieve continuous improvement
- meeting the needs of the community and its customers
- delivering outcomes

**4.1** In the Executive summary of the report it is noted that the Council has made significant progress towards addressing the risks identified in 2008, demonstrating an awareness of what contributes an effective, efficient and secure benefits service.

The Council has/is:-

- implemented a major development of the Council website
- ensured that customers have easier access to detailed benefit-specific information
- put in place clear links between the Council's key strategic documents
- introduced benefits pre-payment management checks
- analysing performance at individual, team and section level
- implemented a successful Continual Improvement Programme (CIP) to address performance issues which has been effective in raising the accuracy levels
- addressed all counter-fraud risks
- to its credit in difficult circumstances maintained performance in processing changes of circumstances
- exceeded its target in measuring performance against the DWP's Right Time indicator
- developed a comprehensive report on the activities of the liaison section
- embarked on a partnership pilot exercise to implement a survey regime allowing customers to comment on Council performance
- effective operational processes and IT systems
- skilled staff
- performed well in the recovery of benefit overpayments

**4.2** The concerns raised in the report are highlighted in the action plan together with the actions officers are to take, or have taken, to address these issues.

**5.0 POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty and Quality Impact Assessment.

There are no major issues.

The Equality Impact Assessment which has been carried out will be made available on the Council's website <http://www.dundee.gov.uk/equanddiv/equimpact/>

**6.0 CONSULTATIONS**

The Chief Executive, Assistant Chief Executive and Depute Chief Executive (Support Services)

**7.0 BACKGROUND PAPERS**

Equality Impact Assessment

<b>M M Stewart</b> <b>Director of Finance</b>	<b>Date:</b>	<b>08 DECEMBER 2010</b>
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**AUDIT SCOTLAND - INITIAL ACTION PLAN**

Version 09.11.2010

AS Report Paragraph Ref No	Recommendation	Lead Officer(s)	Scheduled Action by DCC	Target Date for Completion
1	<p>There are no clear links between the Revenues Division Service Plan 2007-2011, the Council Plan 2007-2011, and the Community Plan 2005-2010 to demonstrate how the benefits service will contribute towards corporate, national and wider community strategic objectives</p>	<p>Ian Gillanders</p>	<p>This has been achieved with regard to the Finance (includes Revenues) Department Service Plan 2007 - 2011 and the Council Plan 2007 - 2011.</p> <p>The Community Plan has now been replaced by the Single Outcome Agreement Delivery Plan 2010-2012. This Plan is linked to the Council Plan 2010-2012. The Council Plan demonstrates how the benefits service will contribute towards corporate, national and wider community strategic objectives. There are now clear links from the Council Plan, the Single Outcome Agreement Delivery Plan and the Finance Department Service Plan to achieve this recommendation.</p>	<p><b>COMPLETED</b></p> <p><b>COMPLETED</b></p>
2	<p>The draft Finance Service Plan 2010-2012 does not contain key performance indicators to measure the Council's performance in respect of overpayments recovery, accuracy of payments and appeals and reconsiderations.</p>	<p>Ian Gillanders</p>	<p>The Finance Department Service Plan 2010 - 2012 has just recently been approved by committee and is not due to be reviewed again until 2012.</p> <p>The Revenues Division is currently drafting up its own specific service plan and individual team plans which will incorporate these key performance measures.</p>	<p><b>COMPLETED</b></p> <p><b>31.12.2010</b> <b>ONGOING</b></p>

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3	<p>There is no separate benefits service business plan and it is not clear in the Revenues Division Service Plan 2007 – 2011 what the benefits service's aims and objectives are or how it will meet its statutory requirement to deliver continuous improvement</p>	<p>Ian Gillanders Donald Olejnik Brenda Miller</p>	<p>The Finance Department Service Plan 2010 -2012 documents the Revenues Division's objectives and an additional set of Revenues Service Plan Key Performance Indicators has been implemented which is aimed at delivering continuous improvement.</p> <p>As Revenues operate generically, it has been decided that only one Revenues Service Plan will be produced, although specific benefit indicators will be identified in the plan.</p>	<p><b>COMPLETED</b></p>
4	<p>The Council does not have a formal reporting framework that provides benefits-specific performance information at individual, team and section level.</p>	<p>Ian Gillanders Donald Olejnik Audrey Fraser</p>	<p>The Revenues Division does have a formal management framework in place that identifies performance at individual level. Information is also reported on at a section level on a weekly basis. As stated in 3 above Revenues operate generically and it has been decided that only one Revenues Service Plan will be produced, although specific benefit indicators will be identified in the plan.</p> <p>Members are satisfied that this level of performance reporting is suitable for their needs. More specific management information is provided to Senior Managers on all aspects of the service and individual performance is monitored both at Team Leader level and Section Head level</p>	<p><b>N/A</b></p>

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AS Report Paragraph Ref No	Recommendation	Lead Officer(s)	Scheduled Action by DCC	Target Date for Completion
5	The Revenues Division Customer Charter has a number of standards which are not quantified. In particular, customers contacting the Revenues Division by phone, e-mail or post are not provided with a quantifiable timescale for receiving a response	Ian Gillanders Donald Olejnik Brenda Miller	The appropriate changes have been made and the document has been printed and distributed. Changes will be required when the Council relocates to Dundee House in May 2011	<b>COMPLETED</b>  <b>01.04.2011</b> <b>ONGOING</b>
6	Reporting performance to senior management and members across all aspects of the benefits service, including accuracy, pre-payment management checks on the accuracy of the caseload, overpayment recovery and appeals and reconsiderations	Ian Gillanders Donald Olejnik	This information will be included in the team plans, which will be reported to Senior Managers.  The Service Plan 2010-2012, which is reported to members, has already been agreed and will not be reviewed until a new service plan is required	<b>31.12.2010</b> <b>ONGOING</b>  <b>COMPLETED</b>
7	There is no target to improve the level of pre-payment accuracy (78%)	Ian Gillanders Donald Olejnik	Targets to be included in the team plans	<b>31.12.2010</b> <b>ONGOING</b>
8	Improving performance in claims processing, which has reduced from an average of 29 days in 2008-2009 to an average of 37 days in 2009 - 2010 for new claims	Ian Gillanders Donald Olejnik	A change in procedures has been introduced in order to improve processing times.  Performance will be reviewed on a monthly basis to ensure improved performance.	<b>COMPLETED</b>

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AS Report Paragraph Ref No	Recommendation	Lead Officer(s)	Scheduled Action by DCC	Target Date for Completion
9	The percentage of new claims processed within 14 days of all information being received has reduced from 93% in 2008-2009 to 85% in 2009-2010	Ian Gillanders Donald Olejnik	A change in procedures has been introduced in order to improve processing times. Performance will be reviewed on a monthly basis to ensure improved performance.	<b>COMPLETED</b>
10	Although the Council told us that it would be reviewing the way it processes claims, current working practices do not allow it to identify new claims that could be fast-tracked to help improve speed of processing times	Ian Gillanders Donald Olejnik	A change in procedures has been introduced in order to improve processing times. Performance will be reviewed on a monthly basis to ensure improved performance.	<b>COMPLETED</b>
11	Post-payment accuracy performance has reduced from 98% in 2009-2010 to 95% at April 2010	Ian Gillanders Donald Olejnik	Now that the Council is reporting accuracy of payments, there is no longer a requirement to report post-payment accuracy checks (stats 128).	<b>N/A</b>
12	The Council has not set any targets for appeals and reconsiderations and therefore performance is not being reported	Ian Gillanders Donald Olejnik	The IRRV Appeals & Reconsiderations Group is discussing this issue currently and it is hoped to progress this in the near future.  Limited monitoring of performance Reporting is now in place for appeals only, which will allow officers to set the appropriate targets.  The monitoring of reconsiderations is to start in the near future. This will allow targets to be set. Appeals and reconsideration performance reporting will follow on from the above actions.	<b>31.12.2010 ONGOING</b>

**AUDIT SCOTLAND - INITIAL ACTION PLAN**

Version 09.11.2010

AS Report Paragraph Ref No	Recommendation	Lead Officer(s)	Scheduled Action by DCC	Target Date for Completion
13	There has been no analysis of appeals and requests for reconsideration data to identify trends, patterns and opportunities for learning	Ian Gillanders Donald Olejnik	Monitoring of the appeals and reconsiderations, as detailed above, will allow an analysis to be undertaken.	30.06.2011 ONGOING
14	In 2009-2010 the Revenues Division has experienced a decline in its customer service telephone performance. <ul style="list-style-type: none"> <li>• average call waiting times have increased from 35 seconds to 54 seconds</li> </ul>	Ian Gillanders Donald Olejnik	The performance highlighted was as a result of reduced staffing levels. Staff levels are now back to substantive and will be maintained whenever possible. This should improve performance.	COMPLETED
15	<ul style="list-style-type: none"> <li>• the percentage of calls abandoned increased from 18% to 23%</li> </ul>	Ian Gillanders Donald Olejnik	The performance highlighted was as a result of reduced staffing levels. Staff numbers are now back to substantive and will be maintained whenever possible. This should improve performance.	COMPLETED
16	<ul style="list-style-type: none"> <li>• the percentage of calls answered within five minutes decreased from 98% to 95%</li> </ul>	Ian Gillanders Donald Olejnik	The performance highlighted was as a result of reduced staffing levels. Staff levels are now back to substantive and will be maintained whenever possible. This should improve performance.	COMPLETED
17	Recommencing the interventions programme which has been suspended since February 2010 and including visiting and telephoning customers as part of its interventions activity	Ian Gillanders Donald Olejnik Brenda Miller	The interventions programme is to recommence and is to include telephone and visiting interventions.	28.02.2011 ONGOING

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AS Report Paragraph Ref No	Recommendation	Lead Officer(s)	Scheduled Action by DCC	Target Date for Completion
18	There is no analysis of interventions outcomes to determine reasons for changes not being notified and to identify opportunities for improvement	Ian Gillanders Donald Olejnik Jacqui Kopel Pam Darcy Claire O'Neill	Analysis will be undertaken after the interventions recommence	31.03.2011 ONGOING
19	A recent internal audit report identified the need for an on-line benefit application form.	Ian Gillanders Donald Olejnik Pam Darcy Claire O'Neill	The on-line benefit application is due to be ready for testing by Revenues at the end of 2010 and then implemented asap thereafter	31.03.2011 ONGOING
20	The Council does not carry out targeted consultation with its HB/CTB customers or the wider community to determine the type and level of service they require	Ian Gillanders Donald Olejnik	The Council will contact other local authorities to establish best practice for this recommendation	31.03.2011 ONGOING
21	There has been no detailed analysis of the outcomes of past benefit take-up campaigns	Ian Gillanders Donald Olejnik Jacqui Kopel Brenda Miller	The Council is working towards a targeted take-up campaign and outcomes will be analysed on completion.	31.03.2011 ONGOING



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Version 09.11.2010

AS Report Paragraph Ref No	Recommendation	Lead Officer(s)	Scheduled Action by DCC	Target Date for Completion
22	<p>The Service Level Agreement with DWP's Debt Management Unit has still not been signed.</p> <p>Discussions are ongoing about the content of the new SLA as the Councils being serviced have different requirements and the resolution and the timescale for the resolution is outside the Council's control.</p>	<p>Ian Gillanders Audrey Fraser</p>	<p>The DWP Debt Management Service are looking to introduce a model service level agreement that is a cover all for all Councils but this is not thought to be possible given that different Councils have different requirements from the DWP. It is hoped that the DWP will eventually resolve this matter with their partner Councils but until that time this is outside our control.</p> <p>The Recovery Manager is continuing to pursue this matter as well as progressing the Council's concerns over the level of service provided by the DWP regarding debt recovery.</p>	<p><b>31.03.2011 ONGOING</b></p>
23	<p>The transfer of benefit overpayments to the Debt Recovery System could have a detrimental effect on benefit overpayment recovery performance</p>	<p>Ian Gillanders Audrey Fraser</p>	<p>A small number of benefit overpayment cases have been transferred to the debt recovery system. No previous payments had been received in respect of these cases, so the transfer to the debt recovery system will allow staff to better manage the debt. The benefit overpayment cases where there is a payment arrangement are not being transferred at present but it is possible that these cases will be transferred at a later date. The Council is committed to collecting all debts in as short a time as possible.</p>	<p><b>N/A</b></p>

**AUDIT SCOTLAND - INITIAL ACTION PLAN**

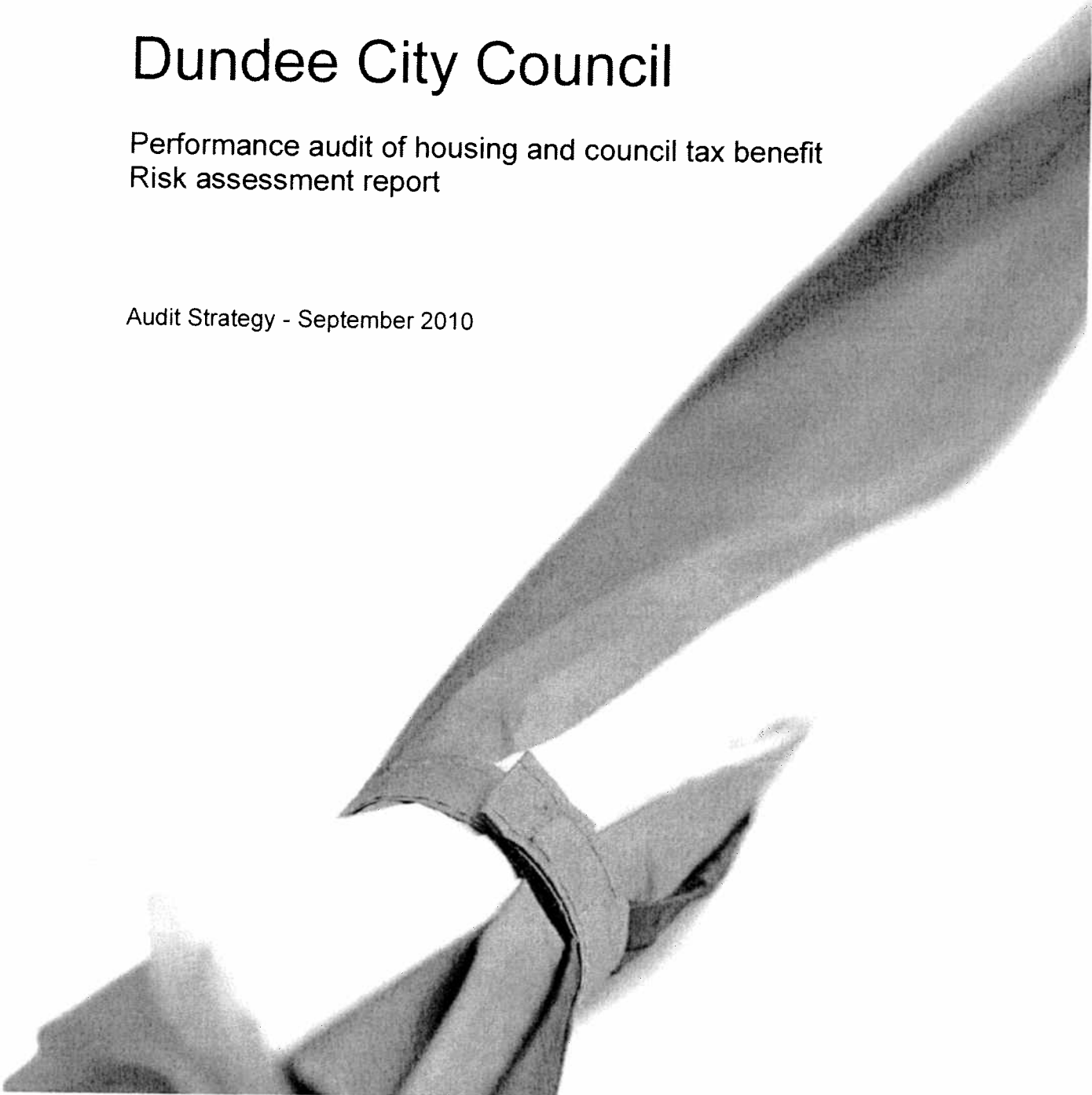
Version 09.11.2010


AS Report Paragraph Ref No	Recommendation	Lead Officer(s)	Scheduled Action by DCC	Target Date for Completion
24	If fraud overpayments are not prioritised for recovery this will have an impact on the deterrent effect arising from the work of the counter-fraud team.	Ian Gillanders Audrey Fraser	Fraud overpayments are prioritised, in that once a fraud is determined and a person is still on benefit, the higher rate of deductions are automatically applied. Where the person is no longer entitled to benefit the overpayments team are brought in at the end of the fraud sanction interview in an effort to agree an immediate suitable payment arrangement. If this cannot be achieved the appropriate recovery process will be followed, which may result in further diligence being undertaken to recover the debt	<b>COMPLETED</b>
25	The Council should review its recruitment and training programme to ensure that when staff leave, they can be replaced and trained in the most efficient and effective way that minimises the level of disruption to the delivery of the benefits service whilst maintaining a high level of service performance	Ian Gillanders Tracey Russell Donald Olejnik Pam Darcy Jacqui Kopel Claire O'Neill	While the timing of filling post vacancies is to a large extent determined by the Chief Executive, the Head of Accounts and Benefits has implemented a systems review of training provision in order to address this issue and how we utilise our training resources divisionally	<b>31.12.2010</b> <b>ONGOING</b>

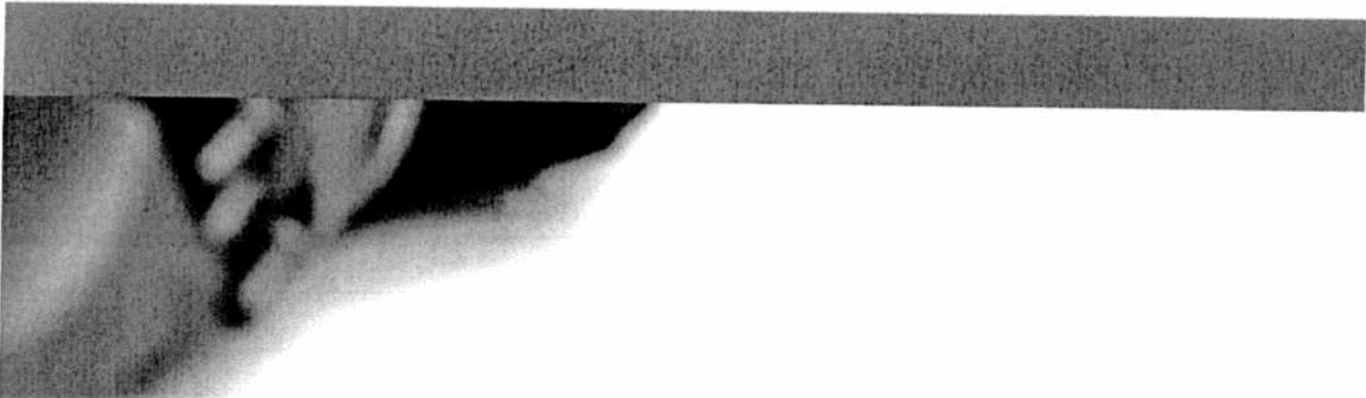
# Dundee City Council

Performance audit of housing and council tax benefit  
Risk assessment report

Audit Strategy - September 2010

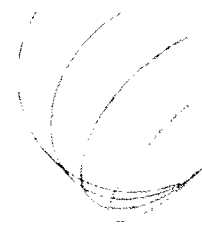


 AUDIT SCOTLAND



# Contents

Introduction	2	Speed of processing	7
Executive summary	2	Right Time	8
Business planning	4	Accuracy	9
Performance reporting	5	Interventions	10
Meeting the needs of the user and the community	6	Overpayments	11
Delivering outcomes	7	Counter-fraud	12
		Appeals and Reconsiderations	12

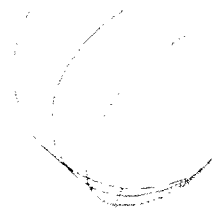


# Introduction

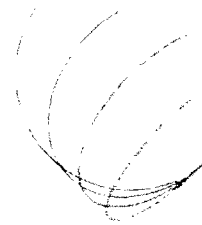
1. This risk assessment has been undertaken as part of the benefits performance audit which contributes to Audit Scotland's annual housing benefit/council tax benefit (HB/CTB) audit. It does not represent a full audit of Dundee City Council's benefits service.
2. The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. The key objective of the risk assessment is to determine the extent to which the benefits service is meeting its obligations to achieve continuous improvement in all its activities.
3. Specifically it considers the effectiveness of the benefits service in meeting the needs of the community and its customers and delivering outcomes.
4. Information for this risk assessment was gathered from a range of sources including:
  - the self-assessment, supporting evidence, and updated action plan provided by the council
  - performance measures and statutory performance indicators
  - scrutiny of internal and external audit reports
  - discussions with the appointed external auditor
  - discussions with senior officers in the council during our site visit in June 2010.

## Executive summary

5. In October 2008, a risk assessment of Dundee City Council's benefits service was carried out and a report produced for the Chief Executive which detailed risks to the continuous improvement of the service. The council responded positively to this report and, in December 2008, submitted an action plan to Audit Scotland with its proposals to address the risks identified.
6. In May 2010, the council submitted a new self-assessment along with supporting evidence, and an updated action plan. Of the 27 risks identified, the council has made significant progress but has not completed all of the actions as detailed below:
  - 13 actions fully completed
  - 1 action on schedule
  - 1 action ongoing
  - 1 action which the council is unable to progress



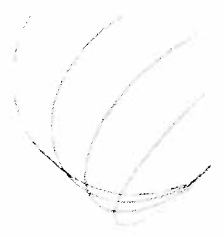
- 11 actions outstanding.
7. Of the 13 risks that the council has addressed, it has made a positive contribution to the delivery of the benefits service in a number of key areas. For example:
- a major redevelopment of the council website has been carried out and customers have easier access to detailed benefits-specific information. In addition, an online benefit application form is scheduled for completion by the end of 2010 and the council is working on a year long pilot which will allow customers to comment on the performance of the benefits service using an interactive surveying tool for face to face, telephone and internet transactions
  - the draft Finance Service Plan 2010/12 contains key performance indicators for claims processing, counter-fraud, and customer service, and there are clear links between the draft Finance Service Plan 2010/12 and other key strategic documents
  - the Quality and Assurance spreadsheet has been modified to include information on benefits pre-payment management checks and is being used as a management tool to analyse performance at individual, team and section level
  - a Continual Improvement Programme has been developed and has been effective in raising the accuracy levels of staff who have experienced high levels of error in their work
  - performance against the DWP's Right Benefit indicator had significantly improved from 27 changes per 1,000 caseload in 2008/09 to 53 changes per 1,000 caseload in 2009/10
  - the three risks identified in the counter-fraud area have been addressed. This included the introduction of a management check of sanctions cases to ensure that the council's sanctions policy is being applied in a fair and consistent manner, and the development of a two year programme of fraud awareness training for internal and external stakeholders.
8. The council continues to demonstrate an awareness of what constitutes an effective, efficient and secure benefits service but in order to continue to deliver continuous improvement across all aspects of the service it needs to focus on completing the outstanding actions from the previous risk assessment, and address the new risks identified from this risk assessment. These include:
- reporting performance to senior management and Members across all aspects of the benefits service, including accuracy, overpayment recovery, and appeals and reconsiderations
  - consulting with its benefits customers and the wider community to determine the type and level of service they require
  - improving performance in claims processing, which has declined from an average of 29 days in 2008/09 to an average of 37 days in 2009/10 for new claims, and from 93% in 2008/09 to 85% in 2009/10 for the percentage of new claims processed within 14 days of all information being received



- setting targets and reporting performance against the results of pre-payment management checks on the accuracy of the caseload
- recommending the interventions programme which has been suspended since February 2010, and including visiting and telephoning customers as part of its interventions activity.

## Business planning

9. An effective business plan provides an opportunity for the council to set out the aims and objectives for each service and should contain key deliverables against which performance can be measured, monitored and reported.
10. The council has a range of plans covering the work of the benefits service which forms part of the Revenues Division. The Council Plan 2010/12 and the draft Finance Service Plan 2010/12 both contain clear links to the work of benefits service and there are clear links between the draft Finance Service Plan 2010/12 and the Single Outcome Agreement under outcomes 8 and 10:
  - Outcome 8 – Our people will experience fewer social inequalities
  - Outcome 10 – Our people will have high quality and accessible local services and facilities.
11. The council also told us that it was committed to raising the profile of the benefits service and would consider the inclusion of a reference in the Community Plan 2005/10, which was due for review in 2010.
12. The Anti-Fraud and Anti-Corruption policy has also been updated to reflect current working practices and details the council's aims to:
  - prevent fraud from entering the system
  - detect existing fraud, investigate and, where fraud is found proven, take appropriate action
  - deter fraudsters through fraud awareness training, publicity campaigns and complying with the council's benefits sanction policy.
13. The Revenues Division has gone through a difficult period since the first risk assessment with the loss of six experienced staff in 2009, an increase in the benefits caseload, and the introduction of a new version of the benefits IT system all contributing to a downturn in new claims processing performance.
14. However, it is to the service's credit that it has maintained its performance in processing changes of circumstances, and exceeded its target in measuring performance against the DWP's Right Time indicator during this time.



15. Although the council told us that the staffing of the benefits service is almost at full complement, the council's training programme can only cater for five staff at any one time. In addition, new entrant benefit training sessions are only carried out in March and October and therefore any member of staff leaving after these key dates cannot be replaced until the next available training session. This has the potential to leave the benefits service at risk of being under-resourced, and could have a detrimental effect on future performance.

#### **Risks to continuous improvement**

- The draft Finance Service plan 2010/12 does not contain key performance indicators to measure the council's performance in respect of:
  - overpayments recovery
  - accuracy of payments
  - appeals and reconsiderations.
- The council should review its recruitment and training programme to ensure that when staff leave, they can be replaced and trained in the most efficient and effective way that minimises the level of disruption to the delivery of the benefits service whilst maintaining a high level of service performance.

## Performance reporting

16. The regular reporting of performance is an essential component of service delivery and provides senior managers and Members an opportunity to:
- challenge an under-performing service
  - recognise and give credit to the service when performance meets or exceeds expectations
  - gain assurance that a service is operating effectively, efficiently and economically.
17. In addressing the risks previously identified, the Quality and Assurance spreadsheet has been modified to include information on benefits-specific pre-payment management checks, and this information is used as a management tool to analyse accuracy performance at individual, team and section level.
18. A comprehensive report on the activities of the liaison section, which is responsible for carrying out visits to customers on behalf of the Revenues Division, has also been developed and is provided to senior management quarterly. This report contains detailed information on:





- the number of liaison visit requests
- type of visit e.g. fraud, benefits, recovery
- average time taken to complete a visit.


19. However, the Revenues Division has failed to introduce a benefits-specific reporting framework which would provide senior officers and Members with comprehensive benefits performance information. Without this information, the council lacks assurance that some of its most disadvantaged citizens are receiving the standard of benefits service they require.

#### **Risks to continuous improvement**

- The council does not have a formal reporting framework that provides benefits-specific performance information at individual, team and section level, and is not reporting performance to Members in the following areas:
  - accuracy of payments
  - overpayments recovery
  - appeals and reconsiderations.

## Meeting the needs of the user and the community

20. Encouraging benefit take-up, providing customers with easy access to skilled and knowledgeable staff, taking account of the needs of the local community, and managing customers expectations when things go wrong are essential components of an effective and efficient benefits service.
21. Since our first risk assessment, a major redevelopment of the council website has been carried out and customers now have access to detailed benefits-specific information. In addition, an online benefit application form is being developed and is scheduled for completion by the end of 2010.
22. The council is also working on a year long pilot with an external partner to implement a survey regime which will allow customers to comment on the performance of the benefits service using an interactive surveying tool for face to face, telephone and internet transactions.
23. The service level agreement for 2010/12 with the Social Work department has been signed and includes an aim for the Revenues Division and Social Work department to work in collaboration to develop a benefits take-up policy. The council are also committed to carrying out two benefits take-up



campaigns in 2010/11 and have developed a Revenues Division customer charter to provide customers with information on the level of service to expect when contacting the division.

24. Audit Scotland identified risks to continuous improvement in this area during the previous risk assessment. These have been addressed by the Revenues Division, but it still needs to consult with benefits customers and the wider community before the council can plan for, and deliver, a benefits service which meets its community's needs and expectations.

#### **Risks to continuous improvement**

- The council aims to make its services more accessible to customers and now deals with a variety of work over the phone, subject to security measures, such as direct debits, changes of address, disregards and exemptions. Although this provides the customer with greater access to the council, in 2009/10 the Revenues Division has experienced a decline in its customer service telephone performance. For example:
  - average call waiting times have increased from 35 seconds to 54 seconds
  - the percentage of calls abandoned increased from 18% to 23%
  - the percentage of calls answered within five minutes decreased from 98% to 95%.
- The council has not consulted with its benefits customers and the wider community to determine the type and level of service they require.

## **Delivering outcomes**

25. Effective operational processes and IT systems, along with skilled staff, help benefit services deliver sound performance and continuous improvement.

### **Speed of processing**

26. Following our initial risk assessment, the council set local targets for 2008/09 to process new claims in an average of 27 days, and changes of circumstances in an average of 11 days. In 2008/09, the council met its target for processing changes of circumstances, and maintained this level of performance in 2009/10. However, performance in processing new claims has increased from an average of 29 days in 2008/09 to an average of 37 days in 2009/10.



<b>Dundee City Council – Speed of processing performance</b>			
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11 (April 2010)</b>
<b>New claims</b>	<b>29 days</b>	<b>37 days</b>	<b>34 days</b>
<b>Changes of circumstances</b>	<b>11 days</b>	<b>11 days</b>	<b>5 days</b>

## Right Time

27. In April 2008, the DWP introduced the Right Time performance indicator. The purpose of this national indicator is to establish the average time taken by an authority to process all new HB/CTB claims and change events from the date of receipt to the date of decision.
28. The Revenues Division has fully addressed the risk identified in this area during the previous risk assessment by setting a local target in 2008/09 of 18 days to measure its performance against the DWP's Right Time indicator and delivered an excellent performance by processing all new claims and change events in an average of 13 days.
29. Although the council's Right Time target of 17 days for 2009/10 did not demonstrate a commitment to continuous improvement against actual performance, we were told that the target had been set to take into account an increase in new claims, the loss of six experienced staff during 2009, and the loss of processing time following an upgrade to the benefits IT system.
30. The latest performance figures published by DWP for quarter three of 2009/10 showed that the council's Right Time performance had declined to an average of 20 days, and although information provided by the council for the full year showed a considerable improvement to an average of 15 days, this level of performance was still below the Great Britain average of 11 days.
31. The council has delivered significant improvement in April 2010 by processing new claims and change events in an average of 6 days.

### Risks to continuous improvement

- The average time taken to process new claims has declined from an average of 29 days in 2008/09, to an average of 37 days in 2009/10.
- The percentage of new claims processed within 14 days of all information being received has declined from 93% in 2008/09 to 85% in 2009/10.
- The Liaison Section is not used to visit customers who have failed to provide the

required information following a reported change of circumstances.

- Although the council told us that it would be reviewing the way it processes claims, current working practices do not allow it to identify new claims that could be fast-tracked to help improve speed of processing times.

## Accuracy

32. The accurate and secure administration of HB/CTB should be a key priority for every council, and to support this it should have a robust quality assurance framework in place.
33. Since our last visit in October 2008, the council has introduced a 4% pre-payment check across all aspects of benefits processing. In order to capture the results from these checks, it has modified its Quality and Assurance monitoring tool which is used to determine the level of financial and non-financial error in its caseload, and to assist managers to identify and help staff that are under-performing.
34. Although the DWP no longer requires local authorities to report the results of their post payment accuracy checks (Stats 128), the council has continued to carry out this check which involves scrutiny of 125 cases each quarter. This check provides an indication on the accuracy of payments that have been issued to customers.

<b>Dundee City Council – Stats 128 performance</b>		
<b>Year</b>	<b>Target</b>	<b>Performance</b>
<b>2008/09</b>	<b>98%</b>	<b>98%</b>
<b>2009/10</b>	<b>98%</b>	<b>98%</b>
<b>2010/11</b>	<b>98%</b>	<b>95% (April 2010)</b>

35. A good indication of the competency of processing staff can be obtained from the results of the pre-payment management checks carried out by the Quality and Assurance team as this provides current information on the level of non-financial and financial errors found.
36. The table below details the results of our analysis of this information and shows that the council's pre-payment accuracy performance has not improved since January 2009.



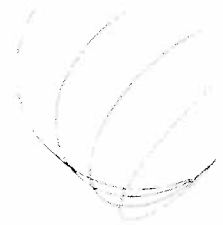
<b>Dundee City Council – Accuracy of pre-payment checks</b>		
<b>Month</b>	<b>No of checks</b>	<b>% where payment was correct</b>
<b>January 2009</b>	<b>75</b>	<b>85%</b>
<b>January 2010</b>	<b>85</b>	<b>80%</b>
<b>April 2010</b>	<b>119</b>	<b>79%</b>

- 37. In 2009, in order to address accuracy levels, and to help under-performing staff, the council developed a Continual Improvement Programme which is designed to provide support and guidance to staff who are experiencing a high level of error in their work.
  
- 38. Although the council told us that the programme is resource intensive, as it involves increased checks and remedial training if necessary, it has proved to be successful with one officer increasing their accuracy rate from 58% to 91% over a period of five months.

<b>Risks to continuous improvement</b>
<ul style="list-style-type: none"><li>▪ The council is not reporting accuracy performance derived from the results of its pre-payment management checks.</li><li>▪ The level of accuracy identified from the pre-payment management checks show that the council's overall accuracy rate is 78%.</li><li>▪ Post-payment accuracy performance has declined from 98% in 2009/10 to 95% at April 2010.</li><li>▪ There is no target to improve the levels of pre-payment accuracy.</li></ul>

## **Interventions**

- 39. To minimise error in the caseload, councils must encourage customers to report changes of circumstances on time and also have a robust intervention programme to identify changes and take appropriate corrective action.
  
- 40. The DWP's Right Benefit indicator measures the number of changes in benefit entitlement in each local authority's caseload, both increases and decreases, encouraging authorities to reduce the number of awards that are incorrect.



41. Since our initial visit, the council has made significant progress in the number of changes it has identified and told us that this was mainly due to the increased use of the diary date facility on the benefits IT system which was being used more effectively by recording known future changes.

<b>Dundee City Council – Performance against the DWP 'Right Benefit' indicator</b>	
<b>Year</b>	<b>Number of changes per 1,000 cases</b>
<b>2008/09</b>	<b>26.73</b>
<b>2009/10</b>	<b>52.88</b>

42. However, the council also told us that, due to a lack of resources, it has not carried out any intervention activity since February 2010. The council acknowledges that there is a need to carry out this work and is considering working with an external partner to risk assess its caseload to help identify suitable cases for future intervention activity.

<b>Risks to continuous improvement</b>
<ul style="list-style-type: none"><li>▪ The council has not extended its interventions programme to include visiting or telephoning customers, and has not carried out any interventions activity since February 2010.</li></ul>

## Overpayments

43. To protect public funds, councils should take appropriate steps to ensure that overpayments are correctly classified, official error overpayments are minimised, and all benefits overpayments are recovered wherever possible.
44. The council has performed well in the recovery of benefits overpayments. In 2008/09 it recovered 73% of its in-year debt and 11% of all debts outstanding and delivered continuous improvement in 2009/10 by recovering 79% and 12% respectively.
45. However, the council told us that it was in the process of transferring the recovery of benefits overpayments to its Debt Recovery System where it will be amalgamated with any other debt owed to the council to become a single debt for the customer.
46. While there are advantages to this approach in terms of administering the debt, the recovery of benefits overpayments will be considered a lower priority than the recovery of other outstanding debts, for example council tax.



47. The council has fully addressed the risk identified in the previous risk assessment and is awaiting contact from the DWP's Debt Management Unit to enable it to progress the service level agreement for 2010/11.

#### **Risks to continuous improvement**

- The transfer of benefits overpayments to the Debt Recovery System could have a detrimental effect on benefits overpayment recovery performance.
- If fraud overpayments are not prioritised for recovery, this will have an impact on the deterrent effect arising from the work of the counter-fraud team.

### **Counter-fraud**

48. The prevention, detection and investigation of fraudulent claims are important aspects of a secure and effective benefits service. Counter-fraud activities help to protect public funds by ensuring that fraudulent claims are identified and sanctions are applied where appropriate.
49. The council has fully addressed all of the three risks identified in the previous risk assessment. In addressing these risks, the Fraud Manager has implemented a new management checking procedure for sanctions cases, which is fully documented and audit trailed. A target for the number of cases accepted by the Procurator Fiscal is also in place, and performance against this target is now reported as part of the quarterly report to the Policy and Resources committee.
50. In addition, a two year programme of benefit fraud awareness training has been developed and training has already been delivered internally to internal audit, the insurance group, and the environmental health and trading standards section.

### **Appeals and Reconsiderations**

51. Customers who disagree with the council's decision on the manner in which their benefit application is processed have a right to request the claim to be reconsidered, and to appeal against the decision.
52. The council's website now contains information on the appeals process and provides customers with access to a guidance leaflet which can be downloaded. The council is also an active participant in the IRRV Appeals Practitioners Group, and is in discussion with this group to develop local targets for dealing with appeals and requests for reconsideration.

53. Although performance in dealing with appeals and reconsiderations has improved in 2010/11, the level of performance remains significantly below targets.

<b>Dundee City Council – Appeals and Reconsiderations performance</b>			
	<b>% of applications for reconsideration actioned and notified within four weeks (Target 65%)</b>	<b>% of appeals submitted to the Appeals Service in four weeks (Target 65%)</b>	<b>% of appeals submitted to the Appeals Service in three months (Target 90%)</b>
<b>2007/08</b>	<b>Not available</b>	<b>17%</b>	<b>39%</b>
<b>2008/09</b>	<b>Not available</b>	<b>10%</b>	<b>5%</b>
<b>2009/10</b>	<b>Not available</b>	<b>2%</b>	<b>18%</b>
<b>2010/11 (April 2010)</b>	<b>Not available</b>	<b>8%</b>	<b>25%</b>

54. The council has made some progress on the risks identified in the previous risk assessment, however, it acknowledges that this is an area of the benefits service which requires further attention.

#### **Risks to continuous improvement**

- There has been no analysis of appeals and requests for reconsideration data to identify trends, patterns and opportunities for learning.
- The council has not set any targets for managing appeals and requests for reconsideration for 2010/11, and therefore performance is not being reported.