

DUNDEE CITY COUNCIL

REPORT TO: FINANCE COMMITTEE - 14 JUNE 2004
REPORT ON: BENEFIT FRAUD INSPECTORATE RECOMMENDATIONS PROGRESS REPORT
REPORT BY: DEPUTY CHIEF EXECUTIVES (FINANCE)
REPORT NO: 366-2004

1.0 PURPOSE OF REPORT

1.1 This report is to provide Elected Members with information on the Revenues Division's progress towards implementing the Benefit Fraud Inspectorate recommendations.

2.0 RECOMMENDATION

2.1 The Committee is asked to note the actions taken to date, in response to the Benefit Fraud Inspectorate report on February 2004.

3.0 FINANCIAL IMPLICATIONS

None

4.0 LOCAL AGENDA 21 IMPLICATIONS

None

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

None

6.0 BACKGROUND

6.1 In February 2004, the Benefit Fraud Inspectorate (BFI) carried out a follow-up inspection of the City Council. The BFI report had a wide range of recommendations and the purpose of the report is to demonstrate what action the Council has taken to date towards their BFI recommendations.

7.0 CONSULTATION

7.1 The Chief Executive and the Depute Chief Executive (Support Services) have been consulted on this report.

8.0 BACKGROUND PAPERS

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

D K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)

DATE

t:\reports\366-2004

BFI ACTION PLAN UPDATE

This report lists the individual recommendation points where there has been progress towards fulfilling our commitment to the Council's BFI Action Plan for each of the seven areas reported on by the BFI.

Strategic Management

- | | | | |
|----|---------------------|---|--|
| 7 | BFI Recommendation | - | Revise Corporate Plan to include reference to the role that an effective and secure HB and CTB service plays in tackling poverty and social exclusion. |
| | Action Taken | - | Proposed text for inclusion in the next Council Plan - See appendix A |
| 8 | BFI Recommendation | - | Introduce an overarching vision statement for its Revenues Division that is endorsed by elected members. |
| | Action Taken | - | Proposed Revenues Vision Statement for inclusion in the Revenues Service Plan - See appendix B |
| 9 | BFI Recommendation | - | Reviews and introduces benefit specific policies that support and direct the Benefit Service in the key areas of HB and CTB administration. |
| | Action Taken | - | Example sourced via IRRV representative (241 page document) and work has commenced reviewing this for Dundee City Council's procedures. |
| 10 | BFI Recommendation | - | Monitoring and reporting progress to associated internal and external stakeholder. |
| | Action Taken | - | Currently working to identify all available statistics that can be taken from I-World and looking into setting targets for stakeholder interaction. |
| 11 | BFI Recommendation | - | To introduce management information gathering systems |
| | Action Taken | - | Ongoing |
| 12 | BFI Recommendation | - | Takes urgent action to communicate its Race Equality Scheme to all staff within the Revenues Division and monitors progress |
| | Action Taken | - | Personnel is being consulted on what is already in place within the Council. |
| 13 | BFI Recommendation | - | Formalises the specific responsibilities of those elsewhere in the organisation involved with HB and CTB administration. |
| | Action Taken | - | Service Level Agreements have been drafted and are being forwarded to departments linked to benefit administration inviting comment on the interaction between the different departments and how best to move this recommendation forward. |
| 14 | BFI Recommendation | - | Introduces formal partnership agreement with The Inland Revenue |

	Action Taken	-	Proposed SLA forwarded to Inland Revenue for comment.
15	BFI Recommendation	-	Introduce formal partnership agreement with the Pension Service (DWP)
	Action Taken	-	SLA now in place.
16	BFI Recommendation	-	Introduces formal partnership agreement with The Rent Officer
	Action Taken	-	Discussions held and the proposed SLA is being drawn up for forwarding to Rent Officer for comment. Quarterly SLA meetings implemented. Post-tenancy targets and monitoring being implemented.
17	BFI Recommendation	-	Take steps to formally identify all external stakeholders connected to the administration of HB and CTB.
	Action Taken	-	Revenues to draw up external stakeholder list for appropriate implementation of new formal partnership agreements with monitoring procedures included.
18	BFI Recommendation	-	Introduces a formal evaluation strategy for all training courses, undertaken 8 weeks after the course has been completed to assess the value of the individual and the business.
	Action Taken	-	This has been put in place.
19	BFI Recommendation	-	Establishes formal induction procedures specific to HB and CTB that clearly links service delivery to wider corporate objectives and the effective and secure administration of benefits.
	Action Taken	-	Induction procedures covering the role of Local Government, the Finance Department and the Revenues Division and Counter Fraud implemented and the Corporate Induction Package is being looked at with a view to incorporating Fraud Awareness information.
Customer Services			
1	BFI Recommendation	-	Introduce monitoring and reporting arrangements that accurately measure Benefits service performance against telephone answering standards.
	Action Taken	-	The new queuing system at City Square maintains the required level of statistics on telephone caller response times. Procedures in relation to member of the public making appointments as opposed to waiting in the queue to be seen have been implemented and an explanatory note has been issued to staff. Further clarification on certain aspects of the recommendation are being sought from the BFI.
2	BFI Recommendation	-	Opens the main enquiry office for a minimum of 36 hours per week.

- Action Taken** - With effect from 2 February 2004 the Enquiry Office has now reverted to its usual opening hours of 6.5 days per week (40.5 hours) so is now in excess of the 36 hour recommendation.
- 3 BFI Recommendation - **Reports the results of customer surveys to senior managers and operational staff, so that under-performing service issues can be addressed.**
- Action Taken** - Initial Customer Survey implemented at City Square, results collated and distributed to Senior Staff.
- 4 BFI Recommendation - **Introduces a training and development programme for customer service training that is targeted at both new recruits and existing staff.**
- Action Taken** - A customer care / stress management course has been provided for 60 staff including both new recruits and existing staff and the outcome is being evaluated currently. The recommendations from this evaluation report will then be used to establish what would be the most beneficial training for Revenues Staff enabling the production of an effective Customer Care Program of training for Revenues Staff.
- 5 BFI Recommendation - **Introduces customer service activities and objectives into the job descriptions of staff who deal with HB and CTB matters that are specific, measurable, achievable, relevant and time-based.**
- Action Taken** - Comments of DCEF and DCEM to be obtained on the Council's view on whether incorporating service level targets into our Job Descriptions is appropriate.
6. BFI Recommendation - **Introduces an annual survey of its key ethnic minority groups that collects their views on the standard of service provided to them.**
- Action Taken** - Being discussed with IT Manager on whether I-World has facility for Ethnic recognition on system and Data Protection implications of holding such information.
- Equality Monitoring has been instigated, using Customer Surveys. The monitoring is already scheduled to be extended across all our benefit customers by incorporating Equality Monitoring as part of the Benefit Application Form.
- 7 BFI Recommendation - **Introduces publicity to inform its customers of the availability of its Translation and Interpreter Service.**
- Action Taken** - Discussions held with Public Relations and Translation Service and a poster is to be designed and displayed in the City Square Public Office - the only office where this service can be made available at present. The group are to be looking into producing this information in different formats.
- 8 BFI Recommendation - **Includes consultation with customer representative groups in its activities to assess the effectiveness of its Benefits service.**

Action Taken - Discussions are being held with Benefit Managers, staff who have provided previous information leaflets for Revenues and Rod McKay regarding surveys to take this forward as well as looking to increase advertising in the City Square Public Office.

9 BFI Recommendation - **Introduce a formal publicity strategy to maximise the take-up of benefit within all groups within the community.**

Action Taken - Discussions on a Benefit Take-up Publicity Strategy are to be raised at the Liaison Meeting on 26 May with DWP and pension Service.

Processing of Claims

1 BFI Recommendation - **Introduces effective monitoring procedures on benefit processing standards.**

Action Taken - Looking into how we can retrieve relevant statistical information from I-World to be produced on a monthly basis to identify trends or fluctuations in processing times. Comparing month to month, checking a sample of cases and investigating any irregularities.

2 BFI Recommendation - **Revises its landlord decision letters to provide examples of the types of changes in circumstances that need to be reported and the consequence of failure to do so.**

Action Taken - Procedures implemented to that landlords will automatically receive a 'Change of Circumstances' letter with a self-addressed card to report any such changes to Revenues. This is also to be raised at the next Landlord Forum.

Although this is seen as a best practice procedure, the system will be reviewed annually to establish if it is being effective.

3 BFI Recommendation - **Develops detailed exception reporting arrangements.**

Action Taken - N/A due to the new 'Abolition of Benefit Periods' legislation.

4 BFI Recommendation - **Introduces procedures that direct staff to tailor benefit periods to foreseeable changes in circumstances.**

Action Taken - N/A due to the new 'Abolition of Benefit Periods' legislation

5 BFI Recommendation - **Service Targets in working procedures involving the Rent Officer to be introduced.**

Action Taken - Monitoring on standards on the time it takes to action Rent Officer documentation and the time it takes the Rent Officer to get back to us is to be introduced. A procedural note drawn up and distributed to the staff.

6 BFI Recommendation - **A mechanism through which performance against the Rent Officer partnership agreement can be continuously and systematically monitored.**

- Action Taken** - Revenues are discussing items to be included in partnership agreement with Rent Officer.
- 7 BFI Recommendation - **Directs, through management checks, and takes steps to ensure that staff fully consider and record evidence collected to verify National Insurance Numbers and identity in all renewal claims.**
- Action Taken** - Procedures put in place for the implementation of Verification Framework in February 2004.
- 8 BFI Recommendation - **Through staff training, procedural guidance and management checking ensure that staff are aware of what constitutes a thorough scrutiny of the claim, the types of information and inconsistencies they should look for and in particular, the need to scrutinise evidence of income and capital to identify inconsistency or harmony with other aspects of the claim.**
- Action Taken** - Procedures put in place for the implementation of Verification Framework in February 2004.
- 9 BFI Recommendation - **Revises existing verification guidance to make clear that all evidence required to verify a claim is collected before entitlement to HB and CTB is decided.**
- Action Taken** - Procedures put in place for the implementation of Verification Framework in February 2004.

Working with Landlords

- 1 BFI Recommendation - **Introduces a communications strategy that includes a specific access route to its Benefits service for its smaller private landlords.**
- Action Taken** - The Landlord Forums have resumed
- 2 BFI Recommendation - **Includes a discrete opt-in section in the HB / CTB claim form that collects signed authorisation from claimants who agree to the Council sharing information with landlords in direct payment cases.**
- Action Taken** - The discrete opt-in to share information with landlords has been included in the new design application but the claimant consent part needs to be revised in the claim form and the officer in charge has been asked to take this forward.
- 3 BFI Recommendation - **Introduce policies and procedures to ensure landlord probity.**
- Action Taken** - Housing Benefit Regulations and Guidance Manuals are being reviewed re landlord probity with procedures to follow.

Internal Security

- 1 BFI Recommendation - **Urgently revises its post opening arrangements.**

	Action Taken	-	Secure arrangements actioned with floor to ceiling panels and lockable door being introduced. Supervision procedures further enhanced. Segregation of duties actioned. Receipt and control of valuables actioned.
2	BFI Recommendation	-	Ensures its Internal Audit function.
	Action Taken	-	Mini-strategic audit plan scheduled for roll out 2004/2005 and Revenues to keep IA updated with all reassessments of the Performance Standards scoring.
3	BFI Recommendation	-	Obtains ongoing assurance from Internal Audit on the security of the system for making and reconciling payments.
	Action Taken	-	Revenues is taking this forward by convening a meeting with the accountants to discuss implementing cheque reconciliation procedures which will involve consultation with Internal Audit.
4	BFI Recommendations	-	Introduce written guidance and take steps to ensure that cheques are controlled and stored securely at all stages of the cheque dispatch process.
	Action Taken	-	The Incomes Working Group have put procedures in place to secure cheque dispatch up to the stage when the cheques go to the main mail room in Tayside House. They are currently investigating the use of 'Security Bags' to save from two more counting stages when there could be up to 2000 cheques in the main HB Cheque Run. One of the groups is looking into this and will report back and at that time it is hoped to put the final procedural steps into place. Once the procedures are confirmed for the whole process, a procedural document will be put in place.
5	BFI Recommendation	-	Makes full use of its document Image Processing system's workflow facilities to increase its control over the prioritisation and clearance of benefit-related documents.
	Action Taken	-	Automatic 'dripfeed' of documents now in place allowing for prioritisation by document and / or date.
Counter Fraud			
1	BFI Recommendation	-	Revises its 2003/04 counter-fraud business plan to include resources allocated to the Counter Fraud Team, how these resources will be deployed and the team's contribution to its New Incentive Scheme threshold .
	Action Taken	-	Actioned.
2	BFI Recommendation	-	Introduces systematic monitoring and reporting of counter-fraud performance that informs on the number of sanctions and prosecutions achieved, the contribution of Counter Fraud activities to the New Incentive Scheme threshold, improved and more secure working practices that have been introduced to better protect the gateway to benefits and compliance with its Counter Fraud policy and to address any inconsistencies between policy and practices.

	Action Taken	-	Elected Members reporting now includes these items.
3	BFI Recommendation	-	Revises its fraud awareness programme to include all council staff.
	Action Taken	-	With the number of staff numbering in thousands, it would be impossible for the Counter Fraud Team to prevent the Fraud Awareness Presentations to all as large corporate events would delete the individual departments of their staff and make providing a smooth service during that time operationally very difficult. However, discussions have taken place with Personnel to look into implementing various procedures which will address this standard: <ul style="list-style-type: none"> • Including the Fraud Awareness information in the Council's employee induction pack • Adding the Fraud Awareness Presentations to the internet and intranet sites • Including an increased level of Fraud Awareness information in the Council's Employee Handbook • An annual all staff memo to inform our staff on how to get access to this information and on referring • Expanding the Fraud Awareness presentations to more departments <p>Personnel is to review and get back to Revenues</p>
4	BFI Recommendation	-	Revises its fraud awareness programme to include initial training for Revenues Division Staff.
	Action Taken	-	Actioned.
5	BFI Recommendation	-	Revises its fraud awareness programme to ensure that the Housing staff are advised of Counter Fraud performance via the Counter Fraud Quarterly Reports to the Elected Members.
	Action Taken	-	Actioned. Housing will be included in the distribution list.
6	BFI Recommendation	-	Introduce a publicity strategy to maintain the spotlight on its counter-fraud activities.
	Action Taken	-	Actioned. Twice-yearly campaign involving billboard posters in the City Centre, posters to approximately 200 public venues, leaflets being issued in Revenues mail and a 'kicker' on the front screen of the Councils internet site to steer readers to the fraud poster and on-line referral form. There is also quarterly Counter Fraud advertising in buses as raised in the Performance Standards.
7	BFI Recommendation	-	Issues a letter of acknowledgement to all named sources immediately following receipt of a fraud referral.
	Action Taken	-	Actioned. Only being issued to Council staff meantime due to Data Protection concerns of advising the public of action the council is taking on the people they have referred to us. Working Party within Fraud set up to look into Data Protection issues with the first meeting scheduled for 30 April 2004.

- 8 BFI Recommendation - **Improves its analysis of fraud referrals and revises its quarterly reports to include actions that the Counter-fraud Team proposes to take in order to increase referrals by source.**
- Action Taken** - Noted for inclusion in the next Fraud Section Performance Report.
- 9 BFI Recommendation - **Includes in the Fraud Section Performance Report learning issues for Benefits processors to allow them to revise work practices in order to more effectively secure the benefits gateway against fraud and error.**
- Action Taken** - Actioned and included in the current Fraud Section Performance Report.
- 10 BFI Recommendation - **Introduce management controls to ensure that all fraud referrals are sifted within 5 working days of receipt.**
- Action Taken** - Actioned. Fraud Case Management reporting in place to measure performance against this standard and referral officer advised of need to meet this standard. Performance included in the Fraud Section Quarterly Report.
- 11 BFI Recommendation - **Introduces management controls to ensure that all data match referrals are sifted within 14 days of receipt.**
- Action Taken** - Actioned. Fraud Case Management reporting in place to measure performance against this standard and referral officer advised of need to meet this standard. Performance included in the Fraud Section Quarterly Report.
- 12 BFI Recommendation - **Systematically gathers and reports intelligence on weaknesses in the processing of claims that contribute to fraud and error entering the benefits system.**
- Action Taken** - Actioned. Benefit Advice Folder introduced with Fraud reporting and following up any weaknesses in processing with the Benefit Managers.
- 13 BFI Recommendation - **Through its management checking arrangements, takes steps to ensure that information from data matching results is continuously used to achieve improvement.**
- Action Taken** - New procedures implemented on our cases will ensure that this takes place via the Benefit Advice folder.
- 14 BFI Recommendation - **Introduce controls to ensure that fraud investigators use authorised individual powers in all appropriate cases.**
- Action Taken** - Procedures implemented that ensure Authorised Officer legislation requests have to be referred to the Manager or Supervisor for authorisation before any action is taken. Records of the authorisations is maintained also.
- 15 BFI Recommendation - **Introduces management controls that ensure that investigations are started within 5 working days of the referral being accepted.**

	Action Taken	-	Actioned. Fraud Case Management reporting in place to measure performance against this standard and referral officer advised of need to meet this standard. Performance included in the Fraud Section Quarterly Report.
16	BFI Recommendation	-	All other stages of an investigation are completed in reasonable time.
	Action Taken	-	Case checking implemented to ensure that avoidable delay is eradicated from our cases.
17	BFI Recommendation	-	Introduces management controls that ensure all potential witnesses are identified at the outset and considered during the course of an investigation.
	Action Taken	-	Procedures that provide for a review of every case have been implemented that includes documenting all potential witnesses and identifies any lack of witnesses to make sure that this weakness is addressed before continuing with a case.
18	BFI Recommendation	-	Introduces management controls that ensure all the necessary evidence required for prosecution is gathered.
	Action Taken	-	Procedures that provide for a review of every case have been implemented that includes documenting all the evidence that is required and identifies any lack of evidence to make sure that this weakness is addressed before continuing with a case.
19	BFI Recommendation	-	Introduces management controls that ensure evidence gathered is corroborated in all cases where a sanction or prosecution is appropriate.
	Action Taken	-	Procedures that provide for a review of every case have been implemented that includes documenting all the evidence corroboration that is required and identifies any lack of corroborative evidence to make sure that this weakness is addressed before continuing with a case.
20	BFI Recommendation	-	Urgently introduces a system to monitor, measure and review the Counter-fraud Team's contribution and performance against its Security Against Fraud and Error threshold targets.
	Action Taken	-	Quarterly performance reporting is now included in the Elected Members reports.
21	BFI Recommendation	-	Urgently introduces document filing arrangements that safeguard the security of its fraud files and their contents.
	Action Taken	-	New lockable cabinets implemented and an IT procedure on security of PC's has been distributed to the staff. Random security checking of documents and PC's has also been introduced.

- 22 BFI Recommendation - **Introduce a system through which to annually appraise the performance of the Counter-fraud Team.**
- Action Taken** - Counter Fraud Team have already had their first appraisal in line with other council departments .
- 23 BFI Recommendation - **Introduce key work objectives to its Counter-fraud Team's work profiles that are specific, measurable, achievable, relevant and time-based.**
- Action Taken** - The Counter Fraud Officers have a signed SMART documents which specifically notes the standards they are expected to meet.
- 24 BFI Recommendation - **Introduces management controls that ensure an administrative caution is considered in all cases that comply with its sanctions policy.**
- Action Taken** - Procedures that provide for a review of every case have been implemented that includes reviewing the case for suitability for an administrative caution and identifies any weaknesses in the case to make sure that this weakness is addressed before continuing with a case.
- 25 BFI Recommendation - **Evidence is collected to Standard that would support prosecution.**
- Action Taken** - Procedures that provide for a review of every case have been implemented that includes reviewing the case, the standard of investigatory work and evidence available and checks for how that evidence was collected, identifying any weaknesses to make sure that this weakness is addressed before continuing with a case.
- 26 BFI Recommendation - **Formally monitors and reports administrative caution performance to elected Members and senior managers, accounting for any variance against its stated target.**
- Action Taken** - Reporting on this has been noted for inclusion in the next Elected Members Fraud Section Performance report.
- 27 BFI Recommendation - **An administrative penalty is considered in all cases that comply with its sanctions policy.**
- Action Taken** - Procedures that provide for a review of every case have been implemented that includes reviewing the case for suitability for an administrative penalty and identifies any weaknesses in the case to make sure that this weakness is addressed before continuing with a case.
- 28 BFI Recommendation - **Ensure that in all cases, prosecution is the first consideration.**
- Action Taken** - Procedures that provide for a review of every case have been implemented that review the case from a prosecution suitability standpoint, identifying any weaknesses in the case to make sure that this weakness is addressed before continuing with a case.

- 29 BFI Recommendation - **The submission to the Procurator Fiscal is of the standard used by the Department's Fraud Proceedings Unit.**
- Action Taken** - Actioned – first case has been accepted via the Fraud Proceedings Unit – direct reporting now being pursued.
- 30 BFI Recommendation - **Referral to the Procurator Fiscal is considered in all cases that comply with its prosecution policy.**
- Action Taken** - Procedures that provide for a review of every case have been implemented that review the case from a prosecution standpoint as defined by the policy.
- 31 BFI Recommendation - **A record is kept on file that notes decisions on prosecution and other sanctions and the reasons for them.**
- Action Taken** - All case checks are maintained on the Fraud Case Management System which include the outcome and the reasons for the outcome.

Overpayments

The majority of the Overpayment recommendations have later implementation dates

- 1 BFI Recommendation - **The council should set measurable targets to reduce overpayments.**
- Action Taken** - This is linked to the Abolition of benefit periods which has called for a review of how we are to tackle work from now on. The sections are to be divided into different groups, suspending benefit at an earlier stage in the process and therefore reducing the level of overpayments being created. Targets on this reduction have still to be addressed.
- 2 BFI Recommendation - **Achieve continuous improvement in overpayment recovery levels.**
- Action Taken** - The Working Party is looking into how it can best implement the setting and monitoring of measurable targets by printing the 'Overpayment Created Report' on a monthly basis and compare the levels over different time periods.
- 3 BFI Recommendation - **Provides benefits processors with revised written procedures and refresher training which complies with regulatory requirements, on the classification of overpayments.**
- Action Taken** - Refresher training on overpayments is scheduled for May and the package is nearing completion – delayed due to the implications of the Abolition of benefit periods in relation to our software and working procedures.

BENEFIT ADMINISTRATION

Dundee City Council has been implementing its robust Anti-poverty Strategy since December 1999. Given that material deprivation and economic position are factors in the poverty equation, the Council recognises that an effective and secure Housing Benefit and Council Tax Benefit service has its part to play in reducing poverty by providing assistance towards rental costs and reductions in Council Tax charges. However, the problem is far wider reaching and the Council has adopted a multi agency approach to the difficulties inherent in tackling poverty for its residents.

The full [Anti-Poverty Strategy document](#), is available as an Adobe Acrobat PDF (350kb).



THE REVENUES DIVISION'S VISION STATEMENT

The Revenues division embraces Dundee City Council's aims to show respect and consideration for everyone, treating everyone fairly, with dignity and equality. Delivering a service that meets needs by providing support and financial aid where appropriate. Working with the City to reduce material deprivation, improve health and increase social protection.

In the administration of benefits we aim to deliver the services that meet the recognised needs of our older people, single people, families, sick, disabled, unemployed and homeless.

The council will continue its efficient and effective billing and collection of Council Tax, Non-Domestic Rates and Community Charge to ensure that all income legitimately due to the Council for these local taxes is billed and thereafter collection maximised.

Working to bring equality into our service by eradicating discrimination. Giving our citizens the freedom to make their own choices by facilitating access to our services so that everyone can participate on equal terms.

We further aim to build strong ties with our citizens and stakeholders, supporting individuals to live in decent housing by providing a service that is customer-focused, modern, efficient, speedy and accurate and secure from fraud and error.