

Report

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Report to:	Risk and Audit Scrutiny Forum
Date of Meeting:	18 June 2013
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Audit Scotland - Audit of Housing and Council Tax Benefits Service
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Outline the results of the recent Audit Scotland risk assessment audit of the Council's Housing and Council Tax Benefits Service

2. Recommendation(s)

2.1. The Risk and Audit Scrutiny Forum is asked to approve the following recommendation(s):-

- (1) that the outcome of the audit is noted
- (2) that the content of the continuous improvement action plan is noted

3. Background

3.1. The Housing and Council Tax Benefits Service is situated within Support Services in Housing and Technical Resources. This function was previously decentralised to eight area offices throughout South Lanarkshire but has been centralised in Blantyre since the conclusion of a best value review in 2011. This review focussed on modernising and streamlining the Service to deliver improvements in customer service and greater efficiencies to mitigate the impact of increased demand and significant reductions in benefits administration grant.

3.2. Audit Scotland conducted a risk assessment audit of the Council's Housing and Council Tax Benefits Service in January 2013. This was a follow up to a previous audit carried out in April 2009 and was part of a programme of audits carried out by Audit Scotland across all Scottish councils.

3.3. The audit consisted firstly of an evaluation in December 2012, by Audit Scotland of a self assessment submission from the Council, including performance information across the Service. This was followed up by a site visit in January 2013 to further explore potential risks to continuous improvement that they had identified.

3.4. The focus of the audit was on four key areas of the Service:

- business planning
- performance reporting
- meeting the needs of the user and the community

- delivering outcomes

3.5. A final report was produced by Audit Scotland in March 2013 highlighting risks that they had identified to the achievement of continuous improvement.

4. Results

4.1. Audit Scotland recognised that the Benefits Service has experienced a significant programme of change since their previous risk assessment audit in 2009. This included the centralisation of the Service and also modernisation of the Service through the implementation of an electronic workflow management system.

4.2. During its previous audit in 2009, Audit Scotland identified 9 risks to continuous improvement. These risks were further reviewed during this audit and while Audit Scotland considered that all risks had been addressed, more work was needed in 2 areas to improve both identification and prevention of benefit overpayments.

4.3. Audit Scotland has identified 10 risks to continuous improvement during this audit and these are categorised under three of the four key areas highlighted in 3.4.

Business Planning

- Benefit processing times should be measured and reported separately for new claims and change of circumstances rather than combined

Performance Reporting

- The Service does not report its performance in a national context for comparison purposes
- Reporting and evaluating intervention activity would be improved through analysis of results to ensure effectiveness in identifying any unreported changes in circumstances
- Reconsideration performance is not measured or reported which reduces assurance that all requests for reconsiderations are dealt with promptly and within the legislative framework

Delivering Outcomes

Speed of processing

- Processing times for new claims and changes in circumstances in 2012/2013 was amongst the poorest in Scotland

Interventions

- The Council does not have fully effective processes in place to analyse the information it collates to ensure its intervention activity is effectively targeted

Overpayments

- There is no specific and ongoing analysis of claimant error overpayments to help minimise overpayments occurring
- The Council's housing benefit overpayment recovery performance has not improved and appears to be weaker than other Councils

Counter fraud

- The Service's sanction performance has declined when compared to the previous year's performance
- The current sanction target is not challenging and is not focussed on delivering continuous improvement

4.4. To address all of the issues highlighted in 4.3, an improvement action plan has been developed and is attached in Appendix 1. This action plan includes the identified

risks and the actions the Service will take to address them, including the specific tasks.

- 4.5. The main area of concern to Audit Scotland was the Council's speed of processing benefits. Processing times had increased significantly during 2012/2013 when compared to previous years. This was due to the "bedding in" of the changes highlighted in 4.1 and also a significant increase in workload.
- 4.6. During 2012/2013, the Benefits Service processed 188,000 new claims for benefits and changes in circumstances compared to 174,000 the previous year, an increase of 8%. This resulted in a dip in performance, particularly during the period April 2012 to December 2012. During this period, average processing times peaked at 39 days and 19 days respectively for new claims and changes in circumstances. Our average processing times for the previous year was 25 days and 10 days respectively.
- 4.7. Whilst Audit Scotland highlighted that this was a major area of concern and a risk to continuous improvement, they recognised that significant improvements had been achieved by the end of March 2013 with average processing times during March being 18 days and 5 days respectively. They have, however, requested a further update in July 2013 of our processing times for the first quarter of 2013/2014 to ensure that this progress has been maintained.
- 4.8. The other main areas of concern related to the effectiveness of benefits intervention activity and the collection rate for housing benefit overpayments.
- 4.9. Whilst Audit Scotland recognised that intervention activity was being carried out, they believed that this could have been more targeted. This has been addressed in the improvement action plan and an intervention activity timetable has been developed to target the highest risk categories identified within our caseload during 2013/2014.
- 4.10. Housing Benefit overpayment recovery was an area where we disagreed with Audit Scotland's assertion that this was a risk to continuous improvement. Although the Council was able to demonstrate improvement in this area, Audit Scotland believes our collection is weaker than other Councils, although their comparison is based on unaudited figures. We will, however, continue to focus on achieving continuous improvement in this area including benchmarking with other Councils to ensure comparability in performance analysis and the sharing of best practice.

5. Conclusion

- 5.1. Audit Scotland highlighted many positive areas during the audit including our continued focus on quality and reducing fraud and error and the work we have carried out in relation to Welfare Reform.
- 5.2. Whilst 10 risks to continuous improvement have been identified and are being addressed through our action plan, our main focus will be in maintaining the improved performance in processing times that we achieved at the end of last year and achieving greater effectiveness in the intervention activity that we carry out.
- 5.3. Audit Scotland have accepted that implementing the improvement action plan will make a positive contribution to the continuous improvement of the Council's Housing and Council Tax Benefits Service.

6. Employee Implications

6.1. None.

7. Financial Implications

7.1. None.

8. Other Implications

8.1. The risk associated with this report relates to the consequences of not successfully implementing the improvement plan resulting in a reduction in the services provided to benefit claimants.

8.2 There are no implications for sustainability in terms of the information contained in this report.

9. Equality Impact Assessment and Consultation Arrangements

9.1. There is no requirement to undertake an equality impact assessment.

9.2. Consultation was not necessary for this report.

Ann Gee

Executive Director (Housing and Technical Resources)

4 June 2013

Link(s) to Council Objectives/Values

♦ Accountable, effective and efficient

Previous References

None

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Risk Number	Description of Risk	Action to be Taken	Responsibility	List of tasks to be carried out to remove risks	By When	Review Date	Progress/Update
	Business Planning						
1.	The service continues to use the Right Time Indicator (RTI) as its performance measure for speed of processing and articulates the annual target in the Support Services Service Plan.	Ensure that the targets set in the Support Services Service Plan for processing times focus on new claims and changes in circumstances separately.	F Morrison	1. Processing times targets for new claims and changes in circumstances to be set and reported on in the 2013/2014 Service Plan.	March 2013		Complete Targets for 2013/2014 for new claims and changes in circumstances set at 21 days and 10 days respectively.
	Performance Reporting						
2.	Speed of processing: The service does not report its performance in a national context to illustrate how it compares to the GB and Scottish	SLC to monitor and report on speed of processing performance for new claims and change of circumstances against the performance being achieved by other	F Morrison	1. Benchmarking performance on processing times to be included in performance monitoring reports and service plan updates.	April 2013		

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	averages	comparable councils and national averages.					
3.	Interventions: Intervention performance is measured solely by the number of interventions completed. Reporting and evaluating would be improved by looking at the results these interventions achieve and their effectiveness in identifying any unreported changes in circumstances.	Results of previous/ current intervention activity to be analysed and form the basis for planned and targeted intervention activity based on risk.	J McGowan	1. Analyse current and previous intervention activity. 2. Draw up intervention activity timetable. 3. Target high risk categories via HBMS, postal checks and birthday lists.	March 2013 April 2013 April 2013	Monthly review Sept 2013	
4.	Reconsiderations: Reconsideration performance is not measured or reported which reduces the assurance the service has that all requests for	Amend the current Appeals performance management reports to include reconsiderations.	J McGowan M Graham	1. Monitor and report on reconsideration performance on a monthly basis.	April 2013	Monthly review	

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	reconsiderations are dealt with promptly and within the legislative framework.						
	Delivering Outcomes						
5.	The latest performance information published by DWP for quarter two of 2012/13 shows the service's performance of 36 days for new claims and 17 days for changes was amongst the poorest in Scotland. Clearing the backlog should improve performance as long as the processing centre can promptly clear all the current and incoming work that	Ensure resources are effectively targeted to prevent a backlog in processing and ensure targets are met, continuing the work of the Benefits Improvement Group.	F Morrison	1. Recruit a new 'pool' of benefit staff. 2. Benefits and Council Tax training for new recruits	April 2013 June 2013		

Risk Number	Description of Risk	Action to be Taken	Responsibility	List of tasks to be carried out to remove risks	By When	Review Date	Progress/Update
	is not ring fenced. DWP has been in contact with the council because of concerns over its speed of processing performance.						
	Interventions						
6.	The council does not have fully effective processes in place to analyse the information it collates to ensure its intervention activity is effectively targeted.	<p>Analyse claimant error overpayments created as a result of HBMS and postal checks is now analysed on a monthly basis with ongoing intervention activity targeted based on outcome of analysis.</p> <p>Results from the intervention activity will be monitored and reported on each month.</p> <p>Adjustments to planned activity as</p>	J McGowan	<p>1. Analyse claimant error overpayments created as a result of HBMS and postal checks list on a monthly basis.</p> <p>2. Target intervention activity based on above analysis.</p> <p>3. Monitor and report on analysis on a monthly basis.</p>	April 2013	Monthly review	

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		detailed within the intervention activity timetable will be made where necessary.					
	Overpayments						
7.	There is no specific and on-going analysis of claimant error overpayments to help minimise overpayments occurring, to better target the council's intervention activity and to inform any education programme that reminds customers of their responsibility to promptly notify change events.	<p>Analyse overpayments created as a result of HBMS and postal checks on a monthly basis.</p> <p>Targeted intervention activity during 2013/2014 on earners and those with undeclared works pensions.</p> <p>Target predicted changes to assist in the prevention of overpayments.</p> <p>Publicity drive to promote notification of change of circumstances to be implemented during</p>	J McGowan	<p>1. Analyse claimant error overpayments created as a result of HBMS and postal checks on a monthly basis.</p> <p>2. Monitor and report on analysis on a monthly basis.</p> <p>3. Include targeted predicted changes within activity timetable.</p> <p>4. Implement publicity drive via letters to earners and pensioners, reporting change of circumstances awareness via press articles.</p>	<p>April 2013</p> <p>April 2013</p> <p>April 2013</p>	<p>Monthly review</p> <p>Monthly review</p> <p>Nov 2013</p> <p>October</p>	

Risk Number	Description of Risk	Action to be Taken	Responsibility	List of tasks to be carried out to remove risks	By When	Review Date	Progress/Update
		2013/2014 (see attached activity timetable).			June 2013 – Sept 2013	2013	
8.	The council's recovery performance has not improved and appears to be weaker than other councils. It needs to ensure that it is achieving optimum recovery using all available methods.	Detailed monthly analysis of recovery levels from all income streams to aid continuous improvement. Benchmarking with other similar councils to ensure comparability and share best practise.	F Morrison	1. Monthly performance monitoring of all income streams. 2. Benchmarking with other similar councils	April 2013 Sept 2013	Monthly review	
	Counter-fraud						
9.	The service's sanction performance has declined when compared to the previous year's performance.	Processes will be put in place during 2013/2014 to increase fraud awareness. Internal briefing sessions will be	J McGowan	1. Develop content for internal briefing sessions. 2. Deliver briefing sessions. 3. Develop content	April 2013 June 2013	Monthly review of sanctions performance will be carried out to determine	

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		<p>carried out to other internal departments within the council, and articles will be submitted for inclusion within internal publications.</p> <p>The Meritec Fraud Awareness e-learning course will be amended to improve effectiveness.</p> <p>External publicity will be carried out via the submission of fraud awareness articles for inclusion within local press.</p>		<p>for internal publications.</p> <p>4. Amend content of Meritec course.</p> <p>5. Develop content for external publications.</p>	<p>May 2013</p> <p>Sept 2013</p> <p>May 2013</p>	successfulness of actions.	
10.	The current sanction target is not challenging and is not focused on delivering continuous improvement.	Sanction target to be set for 2013/2014 as a single sanction figure.	J McGowan	1. Amend sanctions target.	April 2013	Monthly review	Sanctions target has been amended to 100 sanctions to be achieved during 2013/2014.

