Report

Report to:	**Risk and Audit Scrutiny Committee**
Date of Meeting:	**27 June 2023**
Report by:	**Executive Director (Finance and Corporate Resources)**

Subject:	**Audit Scotland Report: Resourcing the benefit service – A Thematic Study**

1. Purpose of Report

1.1. The purpose of the report is to:-

♦ provide the Risk and Audit Scrutiny Committee (RASC) with a summary of the Audit Scotland Report 'Resourcing the benefit service' – A Thematic Study released in February 2023

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

(1) that the key messages and recommendations be noted.

3. Background

3.1. The Housing Benefit scheme helps customers pay their rent if they are unemployed, on a low income, or claiming benefits. It is administered by councils on behalf of the Department for Work and Pensions (DWP).

3.2. Since the DWP introduced Universal Credit in 2013, there have been many changes to councils' benefit services. As more claims for housing costs were processed by the DWP, to protect jobs and retain knowledge and expertise, most councils expanded the remit of the benefit service to carry out other financial assessments such as Free School Meals, School Clothing Grants, Education Maintenance Awards, and applications to the Scottish Welfare Fund.

3.3. With a focus on resourcing and the work of the benefit service in addition to Housing Benefit claims processing, this study aims to highlight and provide wider context on the impact on service delivery and performance levels.

3.4. Audit Scotland invited all 32 Scottish councils to participate in the study by completing an online questionnaire. South Lanarkshire Council (SLC) was one of 28 councils to participate in the study. The data and analysis in the Audit Scotland report is based on questionnaire responses and has not been independently validated, except for claims processing performance and caseload information, which have been obtained from DWP published data.

4. Report Content and Key Messages

4.1. Since 2011, the performance of a council's Housing Benefit service has primarily been assessed by Audit Scotland using the DWPs Speed of Processing performance indicator. This is the average number of days that councils take to process new claims

and change events. The impact on claims processing performance of additional workloads, resource levels and other activities carried out by benefit service staff have not previously been considered.

4.2.　It is vital that councils have sufficient resources within the benefit service to manage increased workloads and staff absences, as customers are often in urgent need of financial support and avoidable delays in claims processing can seriously impact their ability to support their household and sustain their tenancy. The report analyses the resourcing of council benefit services under 5 main headings:-

- ♦　Workloads
- ♦　Resources
- ♦　Caseloads
- ♦　Call handling and personal callers
- ♦　Speed of Processing

Workloads

4.3.　This section looks at the breadth of processing activities undertaken by the benefits service in Scottish councils in 2022/2023 illustrating the difficulty in directly comparing Housing Benefit claims processing performance based solely on the DWP's Speed of Processing indicator, highlighting that:-

- ♦　almost all Scottish councils (27 of the 28 who responded) carry out other assessment and processing activities in addition to benefit claims processing, ranging from one additional processing activity to 10
- ♦　3 councils carried out 10 additional processing activities within their benefits service with SLC carrying out 9. The majority of councils carried out 5 or less. The additional processing activities carried out by the benefits service in SLC are Free School Meals, Scottish Child Payment (Bridging Payment), School Clothing Grants, Scottish Welfare Fund, Discretionary Housing Payments, Education Maintenance Allowance, Blue Badge Scheme, Cost of Living Award and COVID-19 Self Isolation Support Payments. Since the report the benefits service has also administered the national energy support schemes to provide financial support to households who did not receive financial support directly from their energy provider and households who used alternative fuels.

4.4.　Resources
This section looks at benefit service staffing levels, sickness absence and flexible location working arrangements and their impact on benefit processing times highlighting that:-

- ♦　Across Scotland, benefit staffing levels have reduced by 10% since 2019/2020 against a 26% reduction in the housing benefit caseload suggesting that benefit service diversification into other financial assessments has helped retain staff. In SLC the reduction has been 7% and this has been managed through the non-filling of vacancies.
- ♦　The majority of councils (15 of the 25 that provided the required data) were found to be retaining suitably experienced staff. This is an important factor in maintaining strong performance as a new benefit officer would require approximately 18 months of training and support to have sufficient knowledge and experience to work independently. SLC was one of the 15 councils.
- ♦　The most significant factor that can affect a council's Speed of Processing performance is the availability of staff during the year. Audit Scotland analysis of 2021/2022 found that sickness absence, including leave attributed to COVID-19, accounted for most staff absences during the year. The sickness absence rate

across the 25 respondent councils ranged between 1% and 22%. In 14 of the 25 councils (56 per cent) the sickness absence rate was more than double the UK average of 2.2%. SLC was one of the 14 councils, with sickness absence during 2021/2022 recorded at 6%. COVID-19 was a factor in this rate with SLC having robust sickness recording procedures in place for absences relating to this. The report notes that SLC was still able to maintain new claims processing times in 2021/2022.

♦ The report recognises that flexible location working is now prevalent for benefit staff since the COVID-19 pandemic. Prior to the pandemic, in 2019/2020, 16 (59%) of the 27 respondent councils' benefits services were 100% office based, including SLC. In 2022/2023 none of the 27 councils were 100% office based, with the vast majority of councils operating a predominantly hybrid working model, as is the case in SLC. An identified trend from this change in work location is a reduction in short-term sick leave, with 10 councils, including SLC, seeing a year-on-year reduction since remote working was introduced.

♦ To determine the effectiveness of flexible location working on claims processing times, Audit Scotland compared Speed of Processing performance in 2019/2020 and in 2022/2023 (at 30 June). This highlighted that 21 of the 27 councils (78 per cent) experienced a decline in new claims processing performance, 24 of the 27 councils (89 per cent) experienced a decline in change events processing performance, and 19 of the 27 councils (70 per cent) experienced a decline in both new claims and change events processing performance, when compared to 2019/2020. From an already strong processing performance position, SLC new claims performance improved by 1 day over the period to 13 days with change events processing times declining by 1 day to 4 days. The range in processing times across all 27 respondent councils in 2022/2023 (at 30 June) was between 12 days and 64 days for new claims and 4 days and 13 days for change events.

Audit Scotland Recommendations:-

♦ Where the benefit service is operating below complement, councils should investigate the reasons for this and seek to address the shortfall, with a view to improving service delivery and claims processing performance.

♦ Councils should investigate the reasons for sickness absence levels that are above the national average and have sufficient contingency arrangements in place to manage unexpected staff shortages.

♦ To ensure that benefit services are delivering an optimum level of performance, management should regularly review flexible location working arrangements to determine the impact on claims processing performance and service delivery.

4.5. Caseloads
This section analyses the impact of caseloads on claims processing, highlighting that:-

♦ Claims processing is only part of the work carried out by benefit services that can affect Speed of Processing performance. Other key factors to consider include claim complexity and the caseloads attributed to other processing work.

♦ Claim complexity is dependent on the claim type and the level of additional information required to assess an application and, therefore, the makeup of a council's caseload can impact on average processing times. As an example, customers living in social rented sector accommodation are not required to provide the same level of information as a private sector tenant in support of a claim, as this information can be available from other IT systems. Consequently, claims from this customer type can take less time to process than claims from customers in the private rented sector. This is also the case for claimants who are in receipt of passported DWP benefits e.g. Income Support and Job Seekers

Allowance (Income based), whose claims are normally quicker to process as they have an automatic entitlement to Housing Benefit and their income has already been verified by the DWP. Of 28 councils, Audit Scotland rank SLC's benefits caseload 5th least complex.

♦ Many councils have adapted their benefit service to carry out other financial assessments as Housing Benefit caseloads have reduced year-on-year. Despite accounting for a proportion of the service's resource, and potentially having an impact on the Speed of Processing indicator, this other work is not considered when assessing claims processing performance. As highlighted at section 4.3, SLC's benefits service carried out 9 additional processing activities including COVID-19 support payments. The average time taken to process each application type was not within the scope of this study.

4.6.   Call handling and personal callers
This section looks at the effect that dealing with customers directly has on available processing resources. The report highlights that:-

♦ In 13 of the 28 councils (46 per cent), benefit officers were responsible for dealing with telephone enquiries. In SLC, the benefits service has a dedicated call handling service and, therefore, benefit processors are not required to take calls.

Recommendation:-

♦ When benefit services are primarily responsible for call handling and/or dealing with personal callers, complete and accurate data should be recorded to allow management to assess the impact on resources and the time taken to process Housing Benefit claims.

4.7.   Speed of Processing
The average time taken to process new claims and change events, the Speed of Processing indicator, has been used by the DWP since 2011 as the key indicator of a council's claims processing performance, and is published quarterly on its website. In this section the report recognises that the work of the benefits service needs to be considered more holistically to get a better understanding of performance highlighting that:-

♦ Between 2020/2021 and 2022/2023 (as at 30 June), 17 out of 28 councils (61%) experienced a decline in benefits processing performance for new claims and 24 out of 28 (86%) for change events. This included SLC where performance declined by 1 day to 13 days for new claims and by 2 days to 4 days for change events. This is unsurprising given the additional assessment and processing activities undertaken by council benefits services in addition to benefits processing as highlighted at section 4.3. SLC processing times still compare favourably with all other councils ranking 2nd for new claims and 1st for change events.

♦ Councils are being innovative, leading to improvements in service delivery and customer experience. Achieving increased automation of processes is a focus in many councils to maintain benefit processing performance levels whilst carrying out additional assessment and processing activities. This is the case in SLC where automation has been introduced and is now embedded within council tax for applications for discounts, notification of address changes and setting up Direct Debits and in relation to clothing grants and free school meals where more than 80% of awards are made without the need for an application. SLC has also introduced 'SMS quick chat' within the benefits and revenues call centre which allows the call handler to send the customer an SMS containing a direct link to

the appropriate online form during the call. This has promoted self-service and reduced the number of requests for assistance to claim benefits.

4.8. The Audit Scotland report contains several **recommendations** which are listed below, together with an assessment of the position in South Lanarkshire Council:-

Audit Scotland: - Recommendations	SLC position
• Where the benefit service is operating below complement, councils should investigate the reasons for this and seek to address the shortfall, with a view to improving service delivery and claims processing performance.	The Council continually assesses benefits resource requirements and priorities ensuring adequate staffing levels as demonstrated by continued excellent benefit processing performance whilst also taking on additional assessment and processing activities.
• Councils should investigate the reasons for sickness absence levels that are above the national average and have sufficient contingency arrangements in place to manage unexpected staff shortages.	The Council has robust absence management procedures, ensuring absences are effectively managed and employees receive the support they need. The councils continued excellent processing performance demonstrates the effectiveness of the Council's contingency arrangements and the continued focus on achieving efficiencies.
• To ensure that benefit services are delivering an optimum level of performance, management should regularly review flexible location working arrangements to determine the impact on claims processing performance and service delivery.	The benefits service has a hybrid working model in operation with dedicated days for each team to work at home and in the office. Performance monitoring has highlighted continued strong benefits processing performance under this model both in terms of throughput and accuracy.
• When benefit services are primarily responsible for call handling and/or dealing with personal callers, complete and accurate data should be recorded to allow management to assess the impact on resources and the time taken to process Housing Benefit claims.	In SLC, the benefits service has a dedicated call handling service and, therefore, benefit processors are not required to take calls. There is, therefore, no impact on the resources dedicated to processing benefit claims.

5. Employee Implications
5.1. There are no direct employee implications.

6. Financial Implications
6.1. There are no direct financial implications.

7. Climate Change, Sustainability and Environmental Implications
7.1 There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

8.   Other Implications
8.1.   There are no other implications.

9.   Equality Impact Assessment and Consultation Arrangements
9.1.   This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

9.2.   There is no requirement for consultation on the content of the report.

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1 June 2023

Link(s) to Council Values/Priorities/Outcomes
♦ Accountable, effective, efficient and transparent
♦ Ambitious, self-aware and improving
♦ We will work to recover, progress and improve

Previous References
♦ None

List of Background Papers
♦ Audit Scotland Report – Resourcing the benefits service – A Thematic Study

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