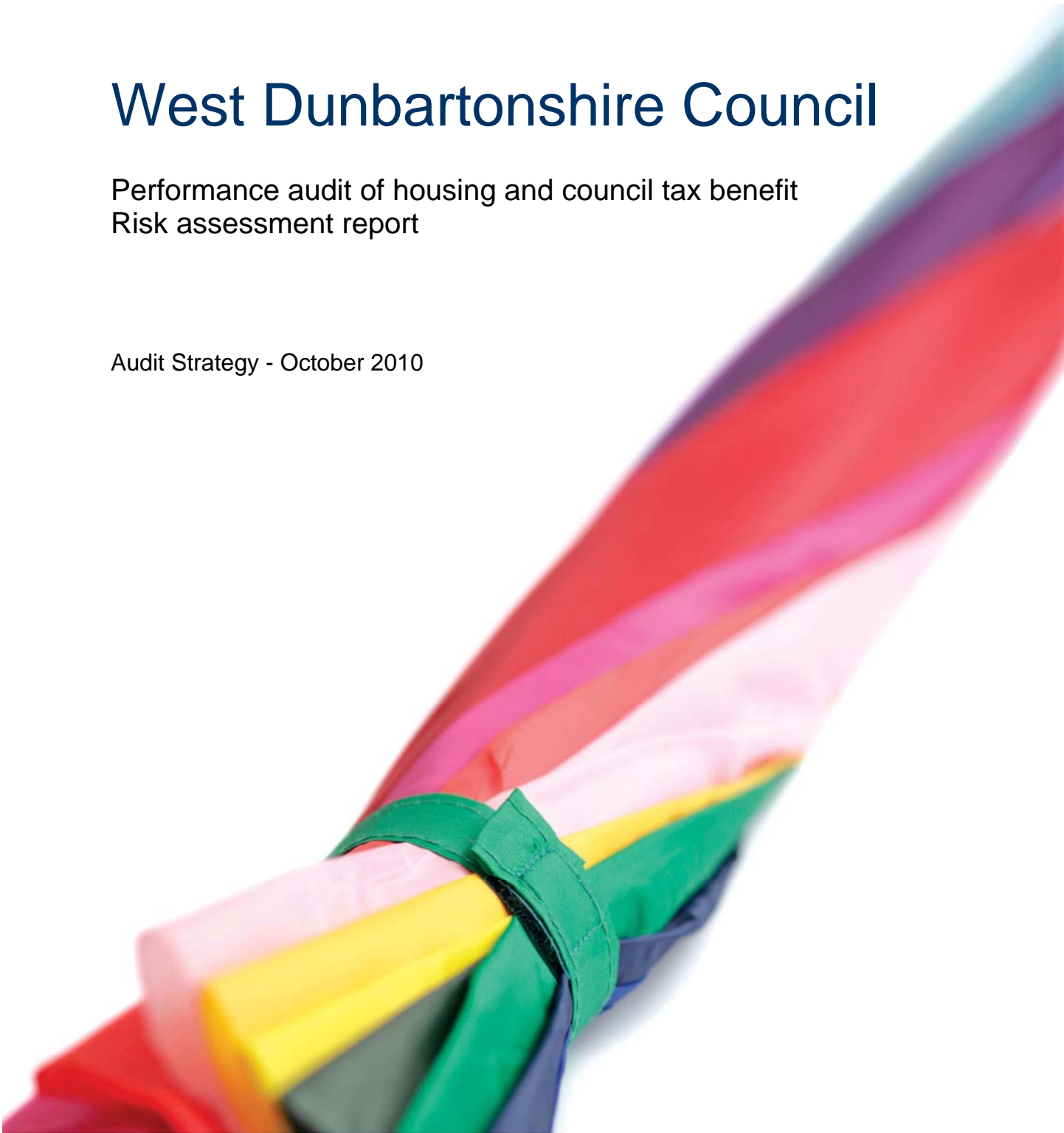


West Dunbartonshire Council

Performance audit of housing and council tax benefit
Risk assessment report

Audit Strategy - October 2010

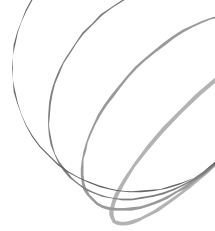


 AUDIT SCOTLAND



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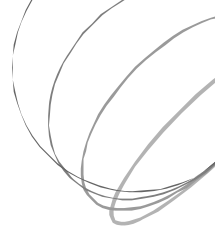


Introduction

1. This risk assessment has been undertaken as part of Audit Scotland's housing benefit/council tax benefit (benefits) performance audit risk assessment programme and does not represent a full performance audit of West Dunbartonshire 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
 - Department of Work and Pensions (DWP) indicators and other performance measures
 - 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 July 2010.

Executive summary

5. In December 2008, a risk assessment of West Dunbartonshire Council's benefits service was carried out by Audit Scotland and a report was produced for the Chief Executive which detailed risks to the continuous improvement of the service. The council responded positively to this report and in January 2009 an action plan was submitted to Audit Scotland with its proposals to address the risks identified.
6. In July 2010, the council submitted a current self-assessment along with supporting evidence, and an updated action plan. Of the 25 risks identified, the council has made significant progress:
 - 19 actions fully completed
 - 4 actions ongoing
 - 2 actions outstanding.
7. In addressing 19 risks, the council has made a positive contribution to the delivery of the benefits service in a number of key areas. For example by:



- improving the benefits pages on the council website to provide customers with increased access to benefits information. In addition, there is a facility to download a benefits application form for offline completion, and the council has purchased software and commenced a project to implement a benefits application form that can be fully completed online
 - developing a Revenues and Benefits service plan 2009/13 which details the services' objectives, key priorities and performance indicators
 - regularly reporting benefits performance to senior management and Members
 - improving performance against the DWP's 'Right Benefit' indicator from 39 changes per 1,000 caseload in 2008/09, to 50 changes per 1,000 caseload in 2009/10
 - fully addressing the three risks identified in the counter-fraud area by:
 - improving caseload management
 - raising the profile of the fraud team and publicising successful prosecutions in the local press and on the council website
 - setting targets and reporting counter-fraud performance to senior management and Members
 - delivering an improved sanctions performance in 2009/10 by exceeding the team target by 95%
 - reducing its cost per claim by approximately 20% from £45.81 in 2008/09 to £36.81 in 2009/10.
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. These include:
- collating and centrally recording the outcomes from all of its management checking activities
 - setting a target to improve pre-payment accuracy levels
 - developing a benefits take-up strategy, which is a key priority in the Revenues and Benefits service plan 2009/13
 - formally recording and analysing the results from the 10% new claim customer surveys to identify opportunities for learning, development and improvement of the benefits service
 - improving new claims processing performance and reducing the number of new claims that are outstanding for more than 50 days.

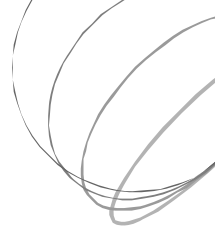


Business planning

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 and benefits service. Following our previous risk assessment, the council developed a comprehensive Revenues and Benefits service plan for 2009/13 which contains:
 - the services' aims, objectives and key priorities
 - clear links to the council's key strategic documents
 - details of key performance indicators and targets
 - a commitment to staff training and development.
11. The Corporate Debt Policy was approved in December 2008 and a draft benefits overpayment policy has been developed which, at the time of our on-site visit, was out for consultation and due for submission to the Corporate and Efficient Governance committee for final approval.

Performance reporting

12. 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.
13. There is a clear and structured approach to performance management within the revenues and benefits service. Regular meetings are held between the Section Head (Revenues and Benefits), the Section Leader (Council Tax and Benefits) and the Section Leader (Investigations) to discuss performance.
14. In addition, the Section Head (Revenues and Benefits) has fortnightly meetings with the Head of Service and Manager of Exchequer Services. The Head of Service and Manager of Exchequer Services also attend the monthly Corporate Services Performance meeting with the Executive Director of Corporate Services where performance of the benefits service is discussed.



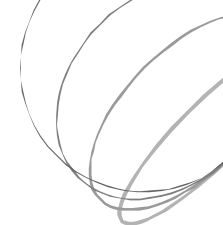
15. The council uses the Covalent performance management system which uses the 'traffic light' indicator to show how the revenues and benefits service is performing against its key performance targets. This system is updated quarterly by the Section Head (Revenues and Benefits), and is accessible by senior management and Members. The general public also have access to benefits service performance information which is published on the council website.
16. In 2009/10, the council introduced a target to reduce its cost per claim and had delivered an improved performance during the year by reducing its cost per claim from £45.81 in 2008/09 to £36.81 in 2009/10, which is a reduction of approximately 20%.

Risk to continuous improvement

- Although the benefits service has a range of management checks in place, these are not being collated and recorded centrally to provide a holistic view of performance. In addition, the outcomes arising from the pre-payment management checking activities are not being routinely reported to senior management.

Meeting the needs of the user and the community

17. 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.
18. Since our previous risk assessment, the council has improved the volume of benefits information available to the public on its website. It also now provides a facility for customers to download a benefits application form for offline completion and has purchased software and commenced a project to implement a benefits application form that can be fully completed online.
19. In addition, an online benefits calculator allows customers to obtain an estimate of the amount of benefit they may be entitled to, and a dedicated webpage has been developed for private landlords which contains information on local housing allowance rates and a feedback facility to provide the council with comments or suggestions about the service.
20. In October 2010, the revenues and benefits service will participate in the Citizen's Panel Survey where up to 1200 members of the general public who live in the West Dunbartonshire area will be asked for their views on the service.



Risks to continuous improvement

- The council has not developed a benefits take-up strategy which is a key priority in the Revenues and Benefits service plan 2009/13.
- Performance against customer service standards is not being formally reported to senior management and Members.
- The council issues a customer survey every two months to approximately 10% of new claimants. Although the returned surveys are checked for any improvements that can be made to the service, these have not been formally recorded and analysed.
- The survey of registered social landlords has commenced, but has not been completed.

Delivering outcomes

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

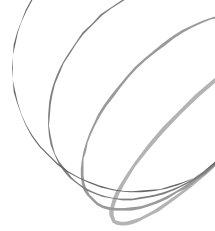
Speed of processing

22. During our previous risk assessment, the council had anticipated a decline in its processing performance in 2009/10 as a result of the loss of three experienced benefits processors.

23. Although the time taken to process change events increased slightly in 2009/10, the time taken to process new claims increased considerably from an average of 24 days in 2008/09 to an average of 34 days in 2009/10. This represents a 40% increase in new claims processing time. In addition, the number of new claims which are outstanding for more than 50 days has increased from 24% in 2009/10, to 49% at 30 June 2010.

West Dunbartonshire Council – Speed of processing performance

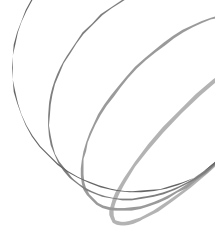
	2008/09	2009/10	2010/11 (Q1 2010)
New claims	24 days	34 days	33 days
Changes of circumstances	5 days	6 days	4 days
Right Time	8 days	9 days	6 days



24. The council has recognised the need to address its new claims processing performance and has developed an action plan which, when fully implemented, should assist the benefits service to improve the time taken to process new claims. These actions include:
- developing a new sign up procedure for new council house tenants – now complete
 - purchasing a training needs analysis tool to strengthen staff knowledge and improve effectiveness of training delivered – now complete
 - setting up a system to check new claims on the day they are received to identify those that can be processed immediately
 - appointing a training/coaching officer and implementing the training needs analysis tool
 - monthly monitoring and reporting of new claims processing performance
 - monitoring claims that have taken over 28 days to process and providing a monthly report to the Section Head (Revenues and Benefits) identifying the reasons for delay.

Right Time

25. 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.
26. Although the loss of experienced processing staff has resulted in an increase in the time taken to process new claims, the council has maintained a good level of performance against the 'Right Time' indicator.
27. The latest performance figures published by DWP for 2009/10 showed that the council's 'Right Time' performance had increased slightly from an average of eight days to an average of nine days during the year. However, this level of performance remained better than the Great Britain average of 11 days.
28. It is also acknowledged that the council has taken steps to address the decline in its new claims performance and by the end of June 2010, the time taken to process new claims and change events had improved. This has contributed to a further improvement in the council's 'Right Time' performance from an average of nine days to an average of six days.



Risks to continuous improvement

- The time taken to process new claims has increased from an average of 24 days in 2008/09 to an average of 34 days in 2009/10.
- The number of new claims outstanding for more than 50 days (49%) will have a detrimental effect on new claims processing times.

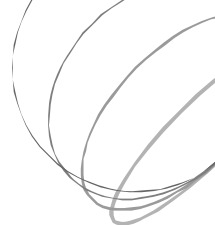
Accuracy

29. 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.
30. 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 of the accuracy of payments that are being issued to customers.

West Dunbartonshire Council – Stats 128 performance

Year	Target	Performance
2008/09	99%	99%
2009/10	99%	99%
2010/11 (Q1)	99%	98.4%

31. Although the council can take assurance from its post payment accuracy performance, a more accurate reflection of the current level of accuracy of the work of processing staff can be obtained from the results of its pre-payment management checks.
32. The council has a comprehensive management checking process in place and each member of staff is subject to a daily 10% check of their work across all benefit decisions. This includes new claims, change events, and overpayment calculations. In addition, all new staff are subject to a 100% check of their work which is reduced incrementally until they reach a satisfactory level of competence.
33. During the period March to May 2010, the council carried out 922 pre-payment management checks. The table below details the outcomes of these checks.



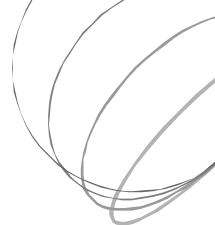
West Dunbartonshire Council – Pre-payment check outcomes			
Number of cases checked	Financial errors	Non-financial Errors	Total errors
922	60 (6.5%)	166 (18%)	226 (24.5%)

34. Although the benefits service is carrying out a significant number of management checks, and reporting the outcomes to the Section Head (Revenues and Benefits), there are no targets to reduce the percentage of cases with errors.

Risk to continuous improvement
<ul style="list-style-type: none">▪ There are no targets to improve the level of financial and non-financial pre-payment accuracy rates.

Interventions

35. 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.
36. 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.
37. Since our previous risk assessment, the council has extended its interventions programme to include visits, and is considering extending this further to include interventions by telephone.
38. In addition, a new quality checking process has been introduced. In 10% of visits carried out, the Section Leader (Investigations) subsequently contacts the customer to establish the quality of the visit. The outcomes from these management checks are recorded on a monthly audit report which provides a detailed breakdown. This includes details of the:
- number of visits carried out
 - number of visits audited
 - customer satisfaction rate
 - number of claims with system errors.



39. The council has also improved its performance against the DWP's 'Right Benefit' indicator during 2009/10 by identifying approximately 25% more changes than in 2008/09 as detailed in the table below.

West Dunbartonshire Council – Performance against the DWP 'Right Benefit' indicator	
Year	Number of changes per 1,000 cases
2008/09	39.13
2009/10	49.59

40. This level of performance placed the council 5th in a peer group of 28 councils in Great Britain with similar caseload characteristics.

Risk to continuous improvement

- Although the council carries out some analysis of its interventions outcomes, it is not to the level required to clearly identify trends and patterns which will assist in identifying opportunities for learning, development and improvement of the service.

Overpayments

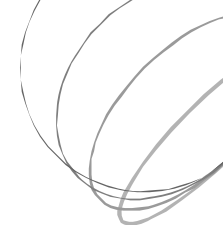
41. To protect public funds, councils should take appropriate steps to ensure that overpayments are correctly classified, official error overpayments are minimised, and all benefits overpayments are recovered wherever possible.

42. The council has increased the recovery of all benefits debt each year from 8.7% in 2005/06 to 24% in 2009/10. However, performance in the recovery of in-year benefits debt declined from 75% in 2008/09 to 66% in 2009/10. The council told us that, as a result of the downturn in the economic climate, recovery and repayment amounts were lowered to ease customer hardship in cases where a request was received and supporting evidence provided. This was in line with its Corporate Debt Policy.

43. It is acknowledged that an improving target has been set for 2010/11 and that, by the end of June 2010, the recovery of in-year benefits debt had increased to 67%.

Risk to continuous improvement

- The recovery of fraud overpayments and administrative penalties may not be prioritised when benefits service debts are transferred to the corporate debt recovery system.



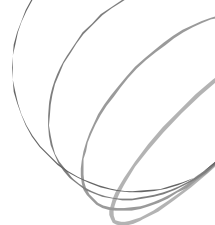
Appeals and Reconsiderations

- 44. 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.
- 45. Since our previous risk assessment, the council has set local performance targets for appeals and reconsiderations which are documented in the Revenues and Benefits service plan 2009/13.
- 46. All requests for reconsideration and appeals are recorded electronically on a spreadsheet and the information analysed to help identify areas for learning and improvement of the service. In addition, the Assistant Team Leader (Benefits) monitors all entries on the spreadsheet to ensure accurate recording of the information, and that the appropriate action is being taken within the required timescales.
- 47. Although the service improved its performance in 2009/10 when submitting appeals to the Tribunals Service, dealing with requests for reconsideration saw a decline during the same period. The council told us that this was due to the work of new staff in quarter four of 2009/10, and that this had now been rectified.

West Dunbartonshire Council – Appeals and Reconsiderations performance			
	% of applications for reconsideration actioned and notified within four weeks (Target 65%)	% of appeals submitted to the Tribunals Service in four weeks (Target 65%)	% of appeals submitted to the Tribunals Service in three months (Target 90%)
2007/08	75%	100%	100%
2008/09	82%	86%	96%
2009/10	72%	100%	100%
2010/11 (Q1)	100%	N/A	N/A

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. Since our previous risk assessment, the council has addressed all three of the risks to continuous improvement identified in the report. At the time of the last visit in December 2008, the council had purchased a dedicated fraud IT system which is being used to provide a full audit trail of all investigation activities. The Section Leader (Investigations) also introduced a caseload management system to ensure that investigators have a manageable workload, which is regularly monitored.
50. In 2008/09, the council administered 10 sanctions and set an improving target for 2009/10 to achieve 19 sanctions. Although a challenging target, the Fraud Team delivered an improved performance by administering 37 sanctions, which is an increase of 95% over target. In addition, the council has taken positive steps to raise the profile of the Fraud Team. These include:
- providing more information on the work of the team on the council website, including details of the teams' sanctions and fraud overpayment recovery performance
 - routinely publicising the outcomes from successful prosecutions in the local press
 - advertising the fraud hotline number on bookmarks which are provided to customers during visits by the council's visiting officers.