

Report to the Cabinet

Report reference: C-013-2009/10

Date of meeting: 13 July 2009



**Epping Forest
District Council**

Portfolio: Finance & Economic Development.

Subject: Restructure of the Benefits Division.

Responsible Officer: Janet Twinn (01992 564215).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That Members note the award of additional grant funding for Benefits Administration of £109,895 and allocate this funding to meet additional staffing costs;**
- (2) That the vacant post FBE/20 be deleted from the establishment;**
- (3) That new Benefit Officer and Benefit Assistant posts be created as three-year fixed term posts, funded firstly from additional grant and secondly, subject to an update report in 18 months, the District Development Fund;**
- (4) That a new permanent post of System Administration Officer be created, funded from additional grant funding in 2009/10 and that a bid for CSB growth of £4,160 be made for 2010/11;**
- (5) That the establishment of the Benefits Division be accepted as outlined in this report and existing job titles be amended accordingly; and**
- (6) That the workload and establishment of the Benefits Division be subject to a further review in 18 months.**

Executive Summary:

The temporary "Hit Squad" funding for the Benefits Division has led to substantial improvements in performance. However, that funding has now been used up and, given the ongoing higher workload in the Division, it is necessary to consider staffing resources.

The additional workload has been recognised by the Government through the provision of additional grant and it is proposed to use this grant to minimise the requirement for additional resources from the General Fund.

Reasons for Proposed Decision:

To better match workload and staffing resource so that a good service can continue to be provided to claimants.

Other Options for Action:

The two fixed-term posts could be made permanent, although this would increase the additional CSB funding required, or the fixed terms could be shortened.

Report:

1. The current staffing structure of the Benefits Division has evolved over the years and has largely been dictated by the Department for Work and Pensions, depending upon data requirements and financial incentives. The staffing structure is now being looked at again, with priority being given to the efficient and timely processing of claims. There are various reasons why a change is required but primarily there has been a significant increase in the Housing Benefit and Council Tax Benefit caseload due to the current economic recession and the Audit Commission have been monitoring performance which, as previously reported to Members, has declined over the past two years. Other reasons for the change include the recent conversion of the Revenues and Benefits IT system leading to changes in working practices, the DWP data requirements have become less restrictive and, there are currently no financial incentives available from the DWP.

2. Prior to the conversion of the IT system, shortfalls in performance had been identified but there was little that could be done at that time until the new IT system was in place and there was a greater understanding of how working practices needed to be changed in order to obtain the best from the system. Monthly meetings have been taking place since January 2009 with the Audit Commission and the performance for the processing of new claims and change events has improved significantly over the last six months. It is considered that now that the situation with the IT system and the claim processing performance are both stabilised, it is the appropriate time to change the staffing structure.

3. The current structure has several teams dealing with different areas of benefit claim processing but, the main areas identified for change are with the assessment teams and the customer service team. Of the two assessment teams, one deals with new claims and the other deals with change events but Officers on both teams only take the more difficult telephone calls or reception enquiries. This leaves them undisturbed to concentrate on claim processing. The customer service team deal with the majority of the telephone calls and reception enquiries. Although this split of the workload worked very well initially and gave accountability when reporting requirements meant that new claims and change events had to be reported separately, the main shortfall was in the development of the Benefit Assistants on the Customer Service team. In the past, people coming into Benefits would start as Benefit Assistants and, as their knowledge increased, would become Benefit Officers when a vacancy arose. However, being separated from the assessment teams has held back the development of the Benefit Assistants and, in recent times, it has been difficult to retain staff in the Customer Service team. Another issue that needs to be addressed is that there can be double handling of claims as different Officers dealt with different aspects of a claim. It is therefore proposed in the new structure that there will be two teams instead of three teams and that both teams will deal with new claims and change events as well as dealing with telephone enquiries and reception enquiries. Within the current structure, FBE/20 is a grade 5 post on the Customer Service team where the post holder has the responsibility of the day to day supervision of the Benefits Assistants. This post is currently vacant and will not be required in the new structure. It is therefore proposed to delete this post.

4. It has been decided that the Visiting team should be left in its current form. There is no requirement to routinely review a claim once it is in payment unless a claimant reports a change in circumstances. The Visiting team carries out the proactive work of reviewing claims which are considered high risk and are likely to have had a change in circumstance without reporting the change. The team also deal with the various data scans that we receive from

the DWP where they have identified data mismatches, high risk claims and also benefit take up work. The Visiting Officers will continue to visit new claimants to obtain information and evidence and assess the claims upon their return to the office, a service which is popular with claimants. This team are also involved in joint working with The Pension Service where the Visiting Officers have been trained in accepting and verifying Pension Credit claims. As this team currently work very well and contribute positively to new claim processing, it is therefore proposed not to alter the work or the structure of the team. The Investigation team and the Overpayment team will also remain in their current form.

5. It has previously been reported to the Finance & Performance Management Committee that there has been a significant increase in the Housing Benefit and Council Tax Benefit caseload in recent months. The caseload was steady at approximately 7,400 for several years but by December 2008, there were 8,252 claims and this increased to 8,913 by May 2009. These figures are the number of claims in payment at one time but do not take account of the number of claims that are submitted that either do not qualify for any benefit entitlement, or the number of claims that are deemed defective because supporting information/evidence is not subsequently supplied. Additionally, several new claims that have been received in recent months have been from people that are self employed which can be very time consuming to assess.

6. The amount of work that is being received by the Benefits Division is being monitored and has shown that an average of between 1500 and 2000 documents are being received on a weekly basis in the Benefits Division. This compares to between 1000 and 1250 documents for the same period last year. With the economic recession expected to continue for the foreseeable future, this level of increase in the workload cannot be incorporated into the existing structure. It is therefore proposed to create two new posts, these being one grade 6 Benefit Officer and one grade 3 Benefit Assistant. The DWP have also acknowledged the national increase in the benefit caseload and announced earlier in the year that additional benefit administration grant would be allocated to local authorities in 2009/10. In February 2009, this authority was notified of an additional £65,937 benefit administration grant and a further £43,958 was then allocated in June 2009. This means that we are receiving an additional benefit administration grant for 2009/10 totalling £109,895, a sum that was not included when the budgets were originally set for 2009/10. No guarantees have been made of additional funding for subsequent years, although whilst unemployment continues to rise the Government will be under pressure to make similar payments.

7. Another area of benefit work where a shortfall in resources has been identified is that of the administration of the IT system. In November 2008, a new grade 7 post was created of System Administration Officer to deal with the complex administration work required by the new Academy IT system. Following the conversion of the IT system in January 2009, there were many problems with the various required interfaces and, although this situation has now improved as we have learnt how to identify and correct the various problems that occur, it has become obvious that the amount of system administration work that is required is still far greater than anticipated. Even with two Officers working full time on benefits IT, there are still several reports and IT tasks which are not being dealt with on a regular and timely basis. These reports include the claim integrity report, the subsidy integrity report, CT band changes, uncashed cheque reports etc, which, if not dealt with, will cause problems with payments and subsidy in the future. Another task that has taken a lower priority due to concentrating on clearing the backlog, is that of quality assurance testing of benefit claims. It is therefore proposed in the new structure to create a further post of System Administration Officer to deal with these tasks. The post holder will also deal with the various data downloads, technical tasks and test checks involved with interfacing with the DWP and Rent Service systems. Due to the level of expertise of claim processing that will be required for this post, it is anticipated that the new post of System Administration Officer will be a grade 6, the same as the Benefit Officers.

8. A chart of the existing structure of the Benefits Division is shown in Appendix A to this report and the proposed new structure is shown in Appendix B to this report. Accommodation has been an issue when determining the structure but the proposed structure can be accommodated in the existing office space. There will however be no space for further expansion (permanent or temporary) without requiring additional office accommodation.

Resource Implications:

The restructure proposes that three new posts are created in the Benefits Division. The proposed new posts of Benefit Officer and Benefit Assistant will not require assessment through the job evaluation process as these are additional posts to existing benchmark posts. Benefit Officers have been assessed as grade 6 posts and Benefit Assistants have been assessed as grade 3 posts. However, the grading of the proposed new post of System Administration Officer will require an assessment through the job evaluation process and it is therefore not possible to give an accurate financial implication at this stage. However, it is anticipated that the post will probably be a grade 6 and costings have therefore been assessed on the basis of two grade 6 posts and one Grade 3 post.

The midpoint cost of a grade 6 post is £28,590, and the midpoint cost of a grade 3 post is £18,780. Since June 2009, there has been a grade 5 Customer Service Assistant vacancy in Benefits and it is proposed to delete this post and use the saving to partially offset the cost of the new posts. It is not anticipated that appointments would be made until at least September 2009.

<u>Costs for 2009/10 (7 months)</u>	£
2 Grade 6 posts	33,355
1 Grade 3 post	10,955
Less 1 Grade 5 post	<u>(14,251)</u>
Funded from additional grant	30,059

Additional grant carried forward £79,836 (£109,895 - £30,059)

<u>Costs for 2010/11</u>	
CSB Funding	
1 Grade 6 post	28,590
Less 1 Grade 5 post	<u>(24,430)</u>
	4,160

Grant Funding	
1 Grade 6 post	28,590
1 Grade 3 post	<u>18,780</u>
Funded from additional grant	47,370

Additional grant carried forward £32,466 (£79,836 - £47,370)

Costs for 2011/12

Grant Funding

As for 2010/11, although a shortfall of £14,904 (£47,370 - £32,466) will have to be funded from the DDF if no more additional benefit administration grant is paid.

Costs for 2012/13 (5 months)

Grant Funding

As for 2011/12, although a shortfall of £19,738 (£47,370 x 5/12) will have to be funded from the DDF if no more additional benefit administration grant is paid.

Legal and Governance Implications:

Housing Benefit and Council Tax Benefit are administered in accordance with the Social Security Administration Act 1992, the Housing Benefit Regulations 2006 and the Council Tax Benefit Regulations 2006.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

None so far but Unions will need to be consulted as changes are proposed to the establishment.

Background Papers:

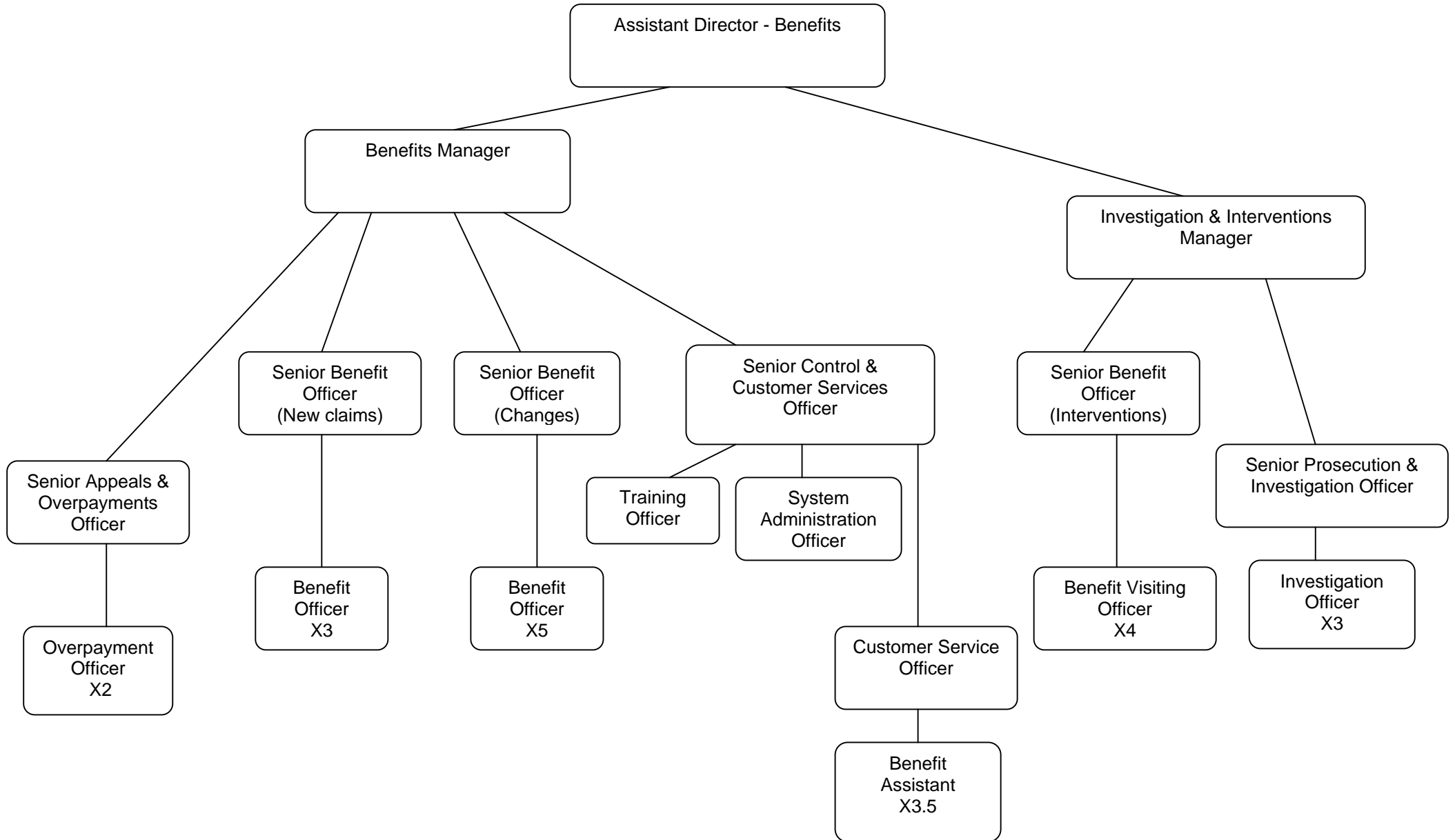
Finance & Performance Management Cabinet Committee report on Benefit claim processing (June 2009).

Impact Assessments:

There are no equalities impacts.

The risk associated with not implementing the recommendations is that the Benefits service to the public (reflected in our key performance indicators) will suffer.

Existing structure of Benefits Division (32.5 posts)



Proposed structure of Benefits Division (34.5 posts)

