

Report to Cabinet

Report Reference: C/016/2005-06.

Date of Meeting: 11 July 2005.



Portfolio: Finance and Performance Management.

Subject: Restructure of the Benefits Division.

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Recommendations:

- (1) That, as detailed in the report, the restructure of the Benefits Division be approved;**
- (2) That, a new grade 8 post of Senior Investigation/Prosecution Officer (FBE/32) be created:**
 - (a) recruitment to the post be ring fenced to the existing Investigation Officers; and**
 - (b) the subsequent vacancy be deleted from the establishment;**
- (3) That, a new grade 7 post of Senior Appeals and Overpayments Officer (FBE/33) be created;**
- (4) That the grade 2 Customer Service Assistant posts (FBE/19 and FBE/26) be changed to grade 3 Benefits Assistant posts;**
- (5) That, as detailed below, the other necessary changes to job descriptions and titles be approved; and**
- (6) That, in order to finance the above, a CSB supplementary estimate of £22,020 for 2005/06 be recommended to the Council for approval. It is hoped that this supplementary estimate will not be needed in full as every attempt will be made to generate additional income and savings.**

Background:

1. The existing structure of the Benefits Division (Appendix 1) has been in place for several years without any major changes. The Benefit legislation continues to change and it has been necessary to be flexible with the work allocations to cope with the changes. However, there are now several problems with the structure that need addressing.

Performance Standards:

2. The Department for Work and Pensions (DWP) have recently rewritten the Housing Benefit (HB)/Council Tax Benefit (CTB) Performance Standards. This is a series of

modules to measure performance in Benefit Services. The overall assessment against the Standards is then a major factor in the Council's Comprehensive Performance Assessment (CPA) score. The previous assessment in 2004 rated this Council as one of the best performing Benefit Services in the country. Now that the Standards have been rewritten the Service needs to change certain ways of working in order to reflect the requirements of the new Standards.

DWP Statistical returns and BVPI's:

3. In addition to the HB/CTB Performance Standards, extensive performance data is provided to the DWP on a quarterly basis. The data is compared to other local authorities and the results published. This data has become more significant as funding has been made available to Councils through the Performance Standards Fund for projects to improve performance. In order to receive an award from the fund, Councils must show that their project will improve their current performance data. Best Value Performance Indicators (BVPI's) are also a key indicator of performance and currently there are 10 Benefit BVPI's for 2005/06 (compared to 8 in 2004/05). As greater emphasis is being put on these performance statistics and, other Councils have changed their ways of working to achieve better performance, the need has arisen in Epping Forest to also look at methods of improving our own performance statistics. There has been a significant improvement in our BVPI data in the last 6 months but the claim processing indicators in particular still require greater improvement in order to achieve top quartile performance.

Document Management System:

4. As part of the contract to replace the Revenues and Benefits IT system, a Document Management System (DMS) is also due to be implemented. The IT system was replaced in January 2004 and it is now planned to implement the DMS during 2005/06 in the Benefits Service. DDF funding has already been approved and a further report on implementation is to come forward. However, the introduction of the DMS will necessitate changes to working practices.

Interventions:

5. The abolition of benefit periods for all benefit claimants in April 2005 was followed by the introduction of 'interventions'. This is a series of in-claim checks which can be carried out using a combination of visits and either postal checks or telephone checks. The Government sets intervention targets each year that if not met, results in the Council losing Verification Framework (VF) funding. The current structure does not encourage the staff involved in visiting duties and assessment duties to work closely together to achieve the intervention targets, as the visiting officers are managed by the Investigation and Overpayments Manager, and the assessment staff are managed by the Benefit Manager. When these reporting lines were first introduced, there was no such close link and therefore the structure worked well at that time. However, as the legislation has changed, the two aspects of the work now need to be brought together.

Appeals:

6. HB/CTB appeals were formerly heard by Review Boards, consisting of Councillors, but in July 2001, these appeals were brought into line with the rest of the social security benefits and are now heard by The Appeals Service. This involves very detailed reports being submitted and attendance at hearings either in Edmonton, Harlow, Basildon or central London. The number of appeals has gradually increased

and each appeal takes about a week in total to deal with, although some complex cases take longer. It is not uncommon for hearings to be adjourned without the Council being advised, or adjourned at the outset of the hearing due to some request/objection by the appellant. This can be very time consuming taking into account the time taken to prepare for the hearing and travel to the hearing.

7. Initially, the reports were written by either the Assistant Head of Finance or the Benefit Manager depending on who had the time, but a backlog of appeal reports to be written did accumulate. This was addressed by the employment of a contractor for several months to write the reports. Following their departure, it was not possible for the work to be absorbed into the duties of any other officer and a backlog slowly began to accumulate again. The original contractor has since been re-employed to write the outstanding reports.
8. The Benefits Manager usually attends the hearings to present the Council's case, which it can be argued is not the most effective use of their time, but there is no one else to do this. The new Performance Standards have performance measures and enablers which, with the current 'hit and miss' approach, we could not guarantee to achieve. Having tried unsuccessfully to absorb this function within the existing structure for nearly 4 years, it has become apparent that additional resources are necessary.

Performance Statistics and Customer Service:

9. Currently there are three teams dealing with assessment issues. These deal with new claims, changes in circumstances and interventions. The teams rotate every 3 months so that each member of staff can have interchangeable skills and knowledge and can function effectively in any area of the work should it be necessary to allocate additional resources to a particular area. Although the concept of interchangeable skills and knowledge is sound, there are problems each time the rotation takes place and it takes a few days for the whole team to get up to speed with an area of work that they have not done for 6 months.
10. The DWP statistics, BVPI's and Performance Standards are now targeting performance in each of these areas but currently there is a lack of accountability for performance either good or bad. Both telephone enquiries and enquiries at the Finance reception desk are currently dealt with by the assessment teams and customer service team, each taking turns to staff the phones and counter. It is considered that Customer Service can be improved and that processing times for claims can also be improved by dealing with the public in a slightly different way. Future plans for the Revenues and Benefits Divisions, once the DMS is installed, include a generic front office and separate back offices. The Council is also considering a Corporate Contact Centre. It is therefore worth considering moving in this direction for benefits at this time.

Investigations & Overpayments team:

11. The Investigations and Overpayments team has expanded over the years with Government initiatives playing a large part in how the team structure has eventually ended up. However, as new posts have been created, the structure now provides a lack of line management with all officers reporting directly to the Investigations and Overpayment Manager and not through a Senior Officer as with the assessment staff. A better structure is required in this area to relieve the Investigations and Overpayments Manager of the day-to-day responsibility of staff supervision.

Investigations:

12. As the Government incentives are encouraging more prosecutions, the Investigation Officers are channelling their efforts into prosecution work and it is considered that one Investigation Officer specialising in the preparation of cases for court and attendance for court will enable the authority to apply a consistent approach to prosecutions and enable the other two investigation officers to concentrate on the initial stages of the investigations without the time consuming preparations for court.

Overpayments:

13. Since 1995 there have been 2 Overpayment Officer posts. However, due to both an extension to the range of recovery methods over the years and restrictions as to amounts that can be recovered, together with pressure from both the Housing Service and Revenues to create more sundry debtors instead of posting overpayments to the respective rent and council tax accounts, the amount of work has increased since the creation of the two posts. Most of the additional work has been absorbed within existing resources but it is reaching saturation point. Again the DWP stats, BVPI's and Performance Standards are now targeting performance in this area.

Visiting:

14. The three Visiting Officer posts were created in April 1999 with the introduction of the Verification Framework. Since April 2004, the emphasis has moved away from the initial Verification Framework visiting programme where there were no set targets that had to be met. Now the intervention targets must be met and the Visiting Officers are key to meeting the targets. They do however need to work more closely with the interventions team and the current structure does not allow this to happen effectively. The duties of the Verification Framework Assistant post have changed beyond recognition since 1999 and this has already been addressed by a rewritten job description when recruitment was carried out last year. However, the duties now are a mixture of investigation and intervention work and the post needs to be moved within the establishment.

The New Structure:

15. The proposed structure (Appendix 2) addresses most of the problems with the existing structure using the current resources, but it has been necessary to create two new posts and delete one existing post.

Management:

16. The structure addresses the problems with the management of the Investigations and Interventions team (formerly the Investigation and Overpayment team). There will be two Senior Officers who are in charge of teams, reporting to the Investigation & Intervention Manager (formerly the Investigation and Overpayment Manager). This will give a far clearer reporting structure and remove the day-to-day staff management from the Manager.

Appeals & Overpayments:

17. A new post is created specifically dealing with appeals. This has been combined with overpayment work to create a supervisor post for the Overpayment Officers. Although the creation of an Appeal Officer post is very much needed, the current

work is not full time and probably amounts to three days per week. The option of a part time post was considered but the postholder would need to be extremely flexible as to working hours as the appeals can be submitted at any time and Appeal Hearings can be scheduled at any time. A part time post was also discounted on the basis that it would be very difficult to recruit a suitable person to such a post.

18. This has therefore given the opportunity to address some of the overpayment work issues by bringing in more direct supervision and adding resources to an area that has become overstretched. Savings should be achieved as currently a contractor is having to be employed to do the appeal work at a higher rate of pay than a permanent employee would be paid. The Overpayment work has also been changed from the management of the renamed Investigations and Interventions Manager to the Benefits Manager.

Interventions:

19. The new structure addresses the problems highlighted by bringing together the visiting and assessment side of the work into one team supervised by a Senior Benefit Officer. The team will be able to work together to achieve the intervention target and it should be easier to monitor and manage the overall work more efficiently. The visiting Officers will have a direct line manager instead of reporting directly to the Investigation and Overpayment Manager.

Performance Statistics and Customer Service:

20. The Senior Benefit Officers will remain static in their area of work, which will provide continuity and accountability, but it is proposed that the Benefit Officers will still rotate in order to give them a wider range of skills. The Senior Control and Customer Service Officer will take over responsibility for dealing with customer enquiries. The Benefit Assistants currently allocated to the assessment teams will move to form a larger customer service team. The customer service team will deal with enquiries at the reception desk and initially answer the telephone calls to a basic level. Once the query becomes more detailed, the enquiry will be passed to the relevant team. The Benefit Assistants will also deal with the assessment of some of the reported changes such as rent increases, pension increases, stopping benefit when appropriate etc. If changes can be dealt with straight away, the processing statistics should improve significantly.
21. Using current resources, the team will consist of one grade 4 post (who also has IT support and visiting duties) and three and a half grade 3 posts. This will require one and a half posts being re-graded from grade 2 to grade 3 but there is no justification for those posts remaining at a different grade whilst the same duties are carried out.

Investigations:

22. The day-to-day supervision of the team is addressed by the creation of the new post that will be created from one of the existing Investigation Officers, and their post will then be deleted. The post will also provide consistency with the preparation of prosecution work and allow the other Investigation Officers more time to investigate rather than spend significant amounts of time on paperwork.

Issues arising from the restructure:

23. Working practices have already been changed to reflect much of this report as the new structure can largely be implemented within the existing resources. However,

there are certain issues, as detailed in the recommendations, which require Cabinet approval.

Statement in support of recommended action:

24. The structure needs to be revised in order to improve the performance statistics for the DWP and the BVPI's. A high score also needs to be achieved when an assessment is carried out of the HB/CTB Performance Standards as this contributes to the overall CPA score. Without amendments to the structure, the performance will not improve and, as other Councils improve their performance, our own performance will slide down the league tables. The proposed restructure has been carried out within existing resources apart from a few necessary changes.

Other Options considered and rejected:

25. Keeping the existing structure without any changes. A more radical restructure could be considered but would likely result in a greater increase in resources.

Consultation undertaken:

26. Unison have been consulted and have no objections to this report.

Resource Implications:

Budget Provision/Personnel: The new posts have been evaluated by the Job Evaluation Panel resulting in the costs detailed below:

- A new grade 7 post at an annual cost of £30,860;
- A grade 6 post being changed to a grade 8 at an annual cost of £8,800; and
- One full time and one part time grade 2 post being changed to grade 3 at an annual cost of £3,740.

Due to the timing and the need to recruit to these posts, only £22,020 will be required in 2005/06. However, there will be additional income from overpayment recovery (estimated to be about £25,000) and additional income from the DWP through an increase in SAFE rewards for fraud investigation (estimated to be about £10,000). As mentioned earlier, if the new post of Senior Appeals and Overpayment Officer is not created, there will be the ongoing cost for the use of contractors. Although this has currently been paid from vacancies in the salary budget, a total of £47,000 has been paid for appeal work between October 2003 and June 2005.

Land: N/A.

Community Plan/BVPP reference: CP3 (a) and CP3 (c).

Relevant statutory powers: N/A.

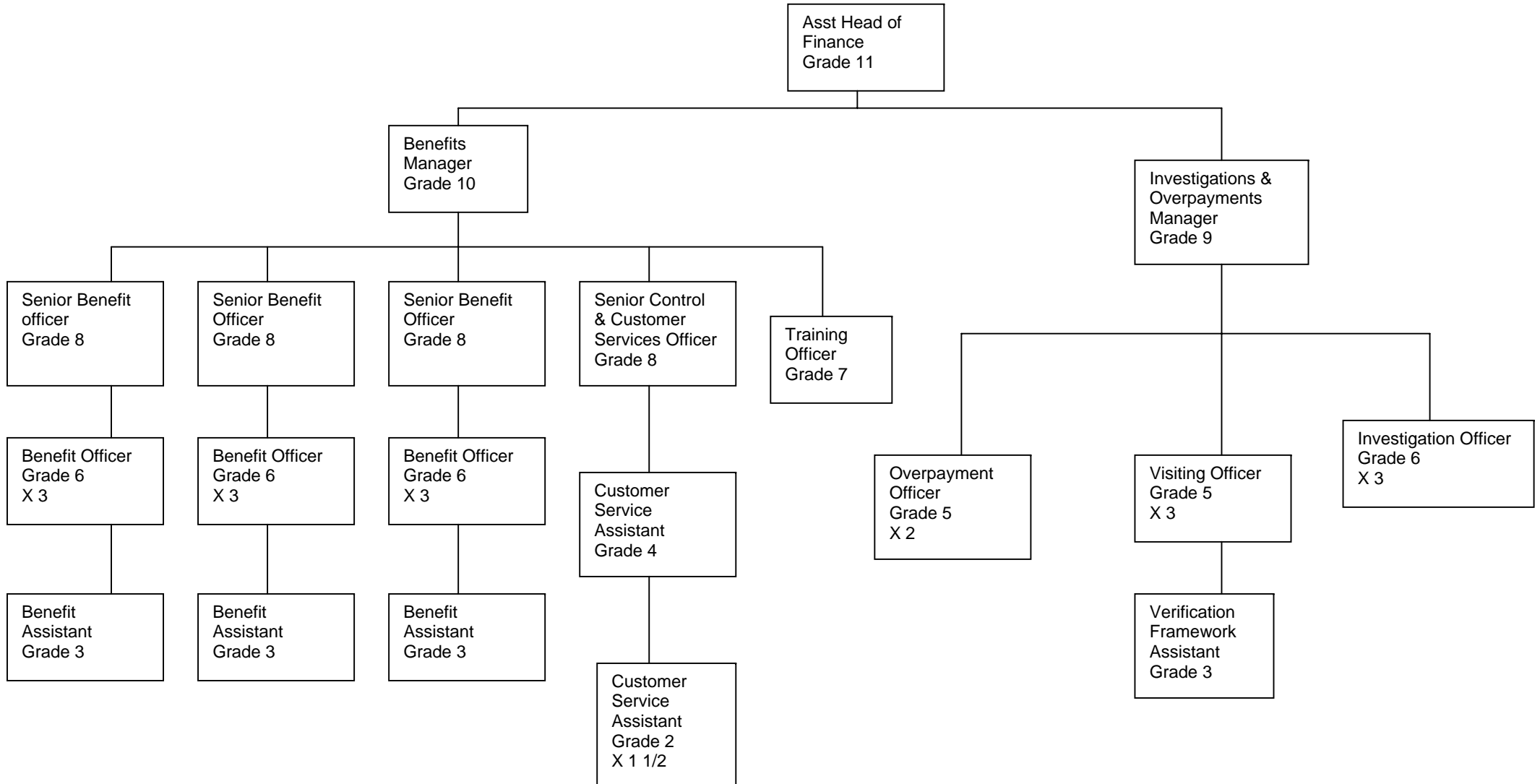
Background papers: None.

Environmental/Human Rights Act/Crime and Disorder Act Implications: None.

Key Decision Reference (if required): N/A.

Existing Benefit Division Establishment

Appendix 1



Proposed Benefit Division Establishment

Appendix 2

