

## **Report to the Cabinet**

**Report reference:** C-056-2010/11  
**Date of meeting:** 31 January 2011



**Portfolio:** Finance & Economic Development

**Subject:** Structure of the Benefits Division and update on performance of Benefit claim processing

**Responsible Officer:** Janet Twinn (01992 564215).

**Democratic Services Officer:** Gary Woodhall (01992 564470).

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### **Recommendations/Decisions Required:**

(1) That the current position with regard to the establishment and the performance of the Benefits Division be noted.

### **Executive Summary:**

At the Cabinet meeting of 13 July 2009, Members approved changes to the establishment of the Benefits Division and requested that the workload and establishment be subject to a further review in 18 months. This report gives an update on the workload and structure of the Benefits Division and sets out the current performance levels for the processing of new benefit claims and change events for existing benefit claims.

### **Reasons for Proposed Decision:**

The report is being made to comply with a request from the Cabinet.

### **Other Options for Action:**

None

### **Report:**

1. The establishment approved by Members in July 2009 has been successful and has led to improved performance for the processing of benefit claims and a reduction in the backlog of outstanding work. The current performance is expected to achieve the targets agreed by Members for Performance Indicators and it is not considered that the establishment needs any further change at the present time.

2. The Audit Commission inspected the Benefits Service in January 2010 and reported that the service was poor. However, the Revenues and Benefits IT system had been changed in January 2009 and, following a lengthy period when no processing work could be carried out together with a period of time when Benefit staff were learning the complexities of the new IT system, it was inevitable that average processing times would be longer than in previous years. At the time of the inspection, processing times had improved significantly but the Inspectors considered that the rate of improvement should have been faster.

3. Following the inspection, an Action Plan for improvement was devised and processes were reviewed to shorten processing times. The performance in 2009/10 and 2010/11 for average times for processing new claims and change events are shown below. The table clearly shows a significant and ongoing improvement in processing times. A recent letter from the Department for Work and Pensions confirms that they are satisfied with this improvement.

<b>Quarterly Processing Times</b>	<b>New Claims (days)</b>	<b>Change Events (days)</b>	<b>Cumulative – New Claims (days)</b>	<b>Cumulative – Change Events (days)</b>
Quarter 1 09/10	33.71	11.39	33.71	11.39
Quarter 2 09/10	37.46	6.69	35.61	8.30
Quarter 3 09/10	33.31	8.90	34.81	8.49
Quarter 4 09/10	28.47	2.25	33.41	4.85
Quarter 1 10/11	29.45	10.67	29.45	10.67
Quarter 2 10/11	19.94	8.17	24.95	9.39
Quarter 3 10/11	19.60	7.83	23.45	8.92

4. The Benefits Service is a statutory function of the Authority for which an annual Administration Grant is paid by Central Government. When the establishment of the Benefits Division is fully resourced with experienced staff, this level of performance can be maintained at the current workload levels. However, difficulties have arisen in the past during periods when the establishment is not fully resourced either due to vacancies, maternity leave, long term sickness or periods of annual leave. Performance has been improved this year by the employment of contractors and temporary staff to cover any shortfalls in the establishment.

5. There are currently four vacancies in the Benefits Division, including the key post of Senior Investigation and Interventions Manager. Although the Senior Investigation and Prosecution Officer is currently acting up in this role, this does mean that there is currently a lack of resource to prepare cases for prosecution when benefit fraud is proven. In addition to the vacancies, two experienced Assessment Officers are on maternity leave. Attempts are being made to fill vacancies through internal adverts and contracts for the existing agency and temporary staff have been extended to 31 March 2011. Concern exists that if an external recruitment freeze is put in place and contracts for agency and temporary staff are terminated on 31 March 2011, the Benefits Division may not be able to maintain the level of performance that has been achieved this year.

6. The coalition Government has announced the introduction of the Universal Credit from 2013 but, until further details are announced, the full impact on the Authority's Benefit Service will not be known. The current proposals indicate that Housing Benefit for working age people will be included in the Universal Credit and will be administered by a Central Government Department, not by Local Authorities. However, the proposed Universal Credit does not appear to include either Council Tax Benefit or Housing Benefit for people of pensionable age. There is already uncertainty about the future amongst the Benefit staff and there is a genuine possibility that the current staff will begin to look for alternative employment. This may impact on performance if staff turnover increases and there are vacancies on the establishment for any length of time.

7. There are no identified problems with the existing establishment and, in view of the current level of performance, it is considered that there are no changes required at the present time to the establishment. However, when the full impact of the introduction of the Universal Credit is known or if problems are experienced with vacancies a further review of the establishment and recruitment to it will be required.

### **Resource Implications:**

There are no proposed changes to the existing establishment and therefore there are no specific resource implications at this time.

### **Legal and Governance Implications:**

There are no specific implications at present but the external recruitment freeze and termination of contracts for agency staff and temporary staff may lead to increased processing times for benefit claims. The Department for Work and Pensions is still monitoring the performance of the Benefits Service and it is expected that they will still request the follow up inspection detailed in the Audit Commission report.

### **Safer, Cleaner and Greener Implications:**

No specific implications.

### **Consultation Undertaken:**

None.

### **Background Papers:**

Report to Cabinet 13 July 2009 on the Restructure of the Benefits Division.

### **Impact Assessments:**

#### Risk Management

If the establishment is not fully resourced, due to unfilled vacancies, there may be an increase in processing times for benefit claims.

#### Equality and Diversity:

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* N/A

*What equality implications were identified through the Equality Impact Assessment process?*  
N/A.

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?*  
N/A.