

REPORT TO: The Policy & Review (Performance) Panel  
14 December 2004

REPORT BY: Strategic Director for Corporate Resources &  
Services

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**SUBJECT: Housing Benefits CPA / Inspection 2004**

## 1. PURPOSE OF THE REPORT

- 1.1 To provide the panel with an overview of the 2004 re-assessment of PCC's Housing & Council Tax Benefit Service carried out by the Benefit Fraud Inspectorate (BFI) and its use to determine this year's CPA result.
- 1.2 To provide the panel with a summary of the outlook and improvement priorities for the service during 2004/5.

## 2. RECOMMENDATIONS

- 2.1 That the Panel notes the achievement of PCC's Housing Benefit Service in improving its CPA rating from 2 to 3 in 2004.
- 2.2 That the Panel notes the progress made in maintaining low levels of HB processing backlogs since May 2004.
- 2.3 That further reports are provided to the panel on a regular basis for awareness of any changes to the BFI's approach to assessment and to provide updates on the progress made towards further improvement of PCC's CPA score.

## 3. BACKGROUND

- 3.1 With the introduction of the Comprehensive Performance Assessment (CPA) of Local Authorities in 2002, the Department of Work & Pensions (DWP) introduced the BFI Performance Standards to provide a basis against which to assess the performance of Housing & Council Tax Benefit Services.
- 3.2 Local Authorities are required to self-assess their performance annually against these standards and the BFI reserve the right to carry out an inspection to confirm the results before reporting.
- 3.3 The percentage compliance to standards is used by the BFI to derive the score used for CPA purposes.

The following table illustrates how the BFI's assessment informs the Audit Commission CPA score for the service:

BFI Assessment	Audit Commission CPA scores
Excellent	} 4
Good	
Fair towards good (80% +)	
Fair (Higher 60-79%)	
Fair (Lower 40-59%)	3
Poor (0-39%)	2
	1

3.4 PCC results for previous years:

2001/2 - Poor (38%)	CPA 1
2002/3 - Lower Fair (53%)	CPA 2

3.5 2003/4 was a difficult year for the Housing Benefit Service following the introduction of the SX3 IT System that led to the growth of significant backlogs of work. Existing and additional resources were directed to tackle the problem as previously reported to the Panel on the 7<sup>th</sup> April 2004. Backlogs were subsequently eliminated in May 2004 and work in progress has since been maintained at a controlled level. See Appendix 1 to this report.

3.6 As part of the "Moving Towards Excellence (MTE) Review", the Benefits Service was merged with Revenues activities to form a combined service within the Directorate for Corporate Resources and Services. The final stages of establishing the new organisation are due for completion in December 2004.

#### 4. PERFORMANCE ASSESSMENT FOR 2004

- 4.1 The Housing Benefit Service carried out a self-assessment against the BFI standards in June 2004 and determined that compliance to standard had improved from 53% to 63%.
- 4.2 Evidence was provided to support this self-assessment and to illustrate progress in recovering from the effects of the SX3 implementation and improving the management and prevention of Fraud. PCC were advised in August that no on-site inspection would be required by the BFI during 2004.
- 4.3 The BFI confirmed in September 2004 that PCC's 63% self-assessment was accepted. The BFI highlighted reservations regarding the decline in performance due to the effects of the SX3 introduction and PCC's decision to temporarily divert Counter Fraud officers away from normal work to help tackle backlogs.

- 4.4 The BFI have confirmed that in achieving 63% compliance to BFI standards, the Audit Commission CPA score for PCC's Housing and Council Tax Benefit Service will improve from 2 to 3 for 2004.

## 5. OUTLOOK FOR THE 2005 PERFORMANCE ASSESSMENT

- 5.1 Revenues & Benefits is a priority for PCC and as key element of the MTE Review, further performance improvement and the implementation of a range of changes will continue to be closely monitored.

- 5.2 Under the terms of the MTE review, the change agenda for the Benefits Service includes a number of major improvement initiatives, including:

- Increased focus on the encouragement of Benefit take-up
- Increased customer contact and centralised processing
- The improvement of processing quality and reduction of subsidy loss

At the same time, it remains a priority for the service to maintain low levels of work in progress to avoid any backlogs during implementation of these changes.

- 5.3 The BFI confirmed the following areas for further improvement highlighted in PCC's own Self-Assessment:

- Achieving cycle-time standards for processing new claims and changes of circumstances
- Involving and reporting the work of the Benefits Service to Members on a regular basis
- Providing full written procedural guidance to staff and managers
- Monitoring and target setting for customer contact
- Checking at least 10% of claims prior to notification
- Improving management information
- Improving the management of debt and overpayment recovery

- 5.4 In addition, the BFI identified the following specific improvement recommendations:

- Routinely offering home visits to customers in need
- Producing a strategy to identify and address under-claiming groups
- Making Payments on Account
- Introducing a Fraud Management system
- Monitoring Service level agreements

- 5.5 The BFI is proposing to introduce a modified CPA assessment process from April 2005 that will be more sensitive to actual service delivery performance. Consultation is at an early stage but it's likely that additional "weighting" will be added to BVPI results in deciding the CPA score.

Appendix 1 – Policy & Review (Performance) Panel Report – 14<sup>th</sup> December 2004

**HB WORK IN PROGRESS ANALYSIS**

