

EAST RENFREWSHIRE COUNCIL

AUDIT AND SCRUTINY COMMITTEE

25 September 2014

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT

2012/13 AND 2013/14 BENEFITS PERFORMANCE AUDIT ANNUAL UPDATES

PURPOSE OF REPORT

1. To provide a further update on progress on implementation of the local action plan developed in relation to the *2012/13 Benefits Performance Audit Annual Update*; and to provide information on the report published by Audit Scotland on behalf of the Accounts Commission on the *2013/14 Benefits Performance Audit Annual Update*.

RECOMMENDATION

2. It is recommended that the Committee considers the report.

BENEFITS PERFORMANCE AUDIT ANNUAL UPDATES 2012/13 AND 2013/14

3. A copy of the Audit Scotland report prepared for the Accounts Commission on the *2013/14 Benefits Performance Audit Annual Update* was published in June 2014 and has been circulated to all Audit and Scrutiny Committee Members, as the 2012/13 Update was last year. The Members who are leading the review of this particular report, as for the 2012/13 Update, are Councillor Wallace and Councillor O'Kane.

4. When the Audit and Scrutiny Committee considered a report on the 2012/13 Benefits Performance Audit Annual Update in January 2014, it was explained that the Council's benefits service had been inspected in November 2012 and that some information from that inspection had been included in the 2013 national Update. Having referred to areas of concern identified by Audit Scotland being experienced across the country and issues identified locally, the report explained that Audit Scotland had produced a risk assessment report identifying 13 risks concerning the Council's service on which an action plan had been prepared and accepted by Audit Scotland. Implementation progress had been monitored regularly through the Council's corporate performance management system. The report also reflected that, by January 2014, many actions had already been completed which the Committee considered reassuring. It was noted that good progress was being made on most of the remaining actions and agreed that the Head of Revenues should provide a further update in 6 months on the elements of the action plan which, at that time, remained to be completed. A copy of that update is attached to the report (see Appendix 1). The elements of the plan that remained to be completed as of January this year are the first 3 listed on page 1 of the Appendix (Codes 10.1, 11.1 and 12.1; and also the first 3 listed on page 2 (Codes 2.1, 3.1 and 4.1). The update reflects that 4 of the 6 have been fully progressed.

5. In accordance with the arrangements established by the Committee for dealing with such national reports, the Head of Revenues has also provided comments on the 2013/14 Update which are attached to this report (see Appendix 2).

RECOMMENDATION

6. It is recommended that the Committee considers the report.

Local Government Access to Information Act 1985

Report Author: Linda Hutchison, Clerk to the Committee (Tel. No. 0141 577 8388)
e-mail: linda.hutchison@eastrenfrewshire.gov.uk

Background Papers:- Audit Scotland report prepared for the Accounts Commission on the *2012/13 and 2013/14 Benefits Performance Audit Annual Updates* and the report relating to the *2012/13 Update* considered by the Committee in January 2014.









EX AUD - Bens (Audit of Housing and Council Tax Benefits - Risk Assessment)


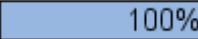






Report Author: Lesley Anne Neill

Generated on: 22 August 2014



Status Icon	Action Code & Title	Description	Progress Bar	Start Date	Due Date	Assigned To	Response
	EX AUD-Bens 10.1 Overpayment Data and Aged Debt Analysis	There is limited analysis of overpayments data and the aged debt analysis that was recommended following a recent internal audit has not been carried out at the time of the one site visit in November 2012, despite an agreed completion date of 31 October 2012.		23-Dec-2013	30-Sep-2013	John Orr	We have been reviewing reports available from the corporate arrears system (CARS) and working with the system supplier, Merchant Software to develop aged debt reports. These reports are now available as at August 2014. The Head of Revenues will regularly review contents of reports for areas of concern.
	EX AUD-Bens 11.1 Reconsideration Requests	The Council has not met its target to deal with request for reconsideration within four weeks since 2009/10.		22-Oct-2013	30-Sep-2014	John Orr	Due to the the substantial increase of reconsiderations for benefits that the team received due to welfare reform issues such as spare room subsidy and discretionary housing payments we allocated a member of staff to work on these from September 2013 to June 2014. This helped us increase performance to reach our target. However this temporary contract has now finished. The Head of Revenues and Benefits Manager have reviewed the staffing resources in the section and will have a staff member available from 8 September 2014 to work on requests for reconsiderations.
	EX AUD-Bens 12.1 Sanctions	The Council has not met its annual target of administering 20 sanctions since 2009/10		22-Oct-2013	01-Mar-2013	John Orr	The current year performance is 4 admin penalties, and 2 prosecutions. The target is being reviewed in light of current year results.
	EX AUD-Bens 13.1 PINS Training	Due to loss of staff, the Counter Fraud Team has not been fully resourced since 2011, and at our on-site visit in November 2012, only one officer was a fully PINS trained investigator.		22-Oct-2013	30-Mar-2013	John Orr	All investigators are now PINS (professionalism in security) trained.

	EX AUD-Bens 2.1 Quarterly Performance Reporting (Risk Assessment Feb 2013)	It is recognised that the Council's performance reporting regime is comprehensive; however, certain aspects of key benefit performance are not being routinely reported. For example, accuracy is only reported annually, and in year debt is not being reported.		22-Oct-2013	30-Jun-2013	John Orr	We have been developing our service plan and performance information continuously over the past few years. A variety of indicators are recorded in Covalent and reported regularly to the Head of Service including monthly accuracy figures and in year debt from overpayments
	EX AUD-Bens 3.1 Landlord Survey - Audit Scotland Risk Assess	The Council has not carried out any benefits specific landlord survey.		20-Aug-2014	31-Dec-2013	John Orr	A landlord survey has been running from June 2014. Results so far show a 34% return with 100% of the returns showing a high level of satisfaction. One landlord expressed that he was unhappy that the clamant received the payment, however this is in line with current legislation and nothing the service can control. Additional landlords have been selected and further surveys have been sent out in August 2014. We will use results and comments to improve our service.
	EX AUD-Bens 4.1 Customer Service Performance Data	Although the Council has detailed customer service performance data, there is not a cohesive and formal approach to target setting, and monitoring and reporting this information, and therefore the Council has limited assurance that the service it delivers to its customers is efficient, effective and economic.		22-Oct-2013	30-Sep-2013	John Orr	Customers services have reviewed the performance information they collect including ensuring any performance indicators have challenging targets to ensure continuous customer improvement.
	EX AUD-Bens 5.1 Claims Processing Times/Performance	Although the Council has made notable progress in 2012/13 to address the decline in speed of processing performance, the loss of experienced officers to help manage the implementation of the changes arising from the Welfare Reform Agenda could have a detrimental effect on the Council's claims processing times.		22-Oct-2013	31-Mar-2013	John Orr	Long term sickness of a benefit processor from January 2014 has resulted in the team being down one experienced processor. However from August 2014 the team has now been fully staffed. The new post funded by the WR contingency fund has now been withdrawn after 34 weeks. To date new claims processing is 31.9 days with change events at 16 days. The backlog is now significantly reduced to current day working on public, council tax reduction only and Housing Associations with one-two week working on private claims. A reduction in processing days is expected in September 2014.

	EX AUD-Bens 6.1 Accuracy Target	The accuracy target for 2012/13 of 92% is not challenging when compared to performance in 2011/12 of 97%.		22-Oct-2013	31-Mar-2013	John Orr	The accuracy target was revised as a result of the audit report and is 95% for 2014/15. Our accuracy performance is now at 97% for 2014 based on 216 checks being carried out by 22 August 2014. 83% of these checks were pre notification. Target will be reviewed at year end and set more challenging for 2015/16.
	EX AUD-Bens 8.1 Management Checks - System Transactions	There are insufficient management checks for the number of system transactions being carried out. In addition, as the Council predominately carries out post payments checks, any errors found would be classed as local authority error, which could have a detrimental effect on the amount of subsidy received from the DWP.		22-Oct-2013	31-Mar-2013	John Orr	A target of 500 accuracy checks has been set for 2014. The accuracy target has been revised to 95% for 2014/15. Our accuracy performance is now at 97% for 2014 based on 204 checks being carried out by August 2014. 83% of these checks were pre notification.
	EX AUD-Bens 9.1 Value Payment Checks	Although the Council carries out management checks on high value payments, the amount at which a check is carried out at £3,000 is equivalent to approximately five months rent. In view of the improvements in processing times, it is unlikely that many claims will fall into this category.		22-Oct-2013	28-Feb-2013	John Orr	The high value payment level check has been reviewed and reset to £1,500. 10 payments greater than £1,500 have been issued and checked for the period April 2014 to August 2014.
	EX AUD-Bens7.1 Management Check Methodology	The Council's current methodology for selecting cases for a management check is not sufficiently robust to ensure that the work of all staff s subject to a management check. This would help reduce the opportunity for internal fraud, and importantly, ensure that the officer responsible for the management checking process is safeguarded.		23-Dec-2013	31-Mar-2013	John Orr	Management checks are now selected using two reports that can monitor processing on a daily basis. A target of 500 accuracy checks has been set for 2014. The accuracy target has been set at 95% for 2014/15. Accuracy is currently at 97% for 2014 based on 204 checks being carried out by August 2014. 83% of these checks were pre notification.

AUDIT SCOTLAND**2013/14 BENEFITS PERFORMANCE AUDIT ANNUAL UPDATE****INTRODUCTION**

1. Audit Scotland undertakes benefits performance audits of all Scottish Councils on a phased programme over 3 years and provides annual reports outlining their main findings and risks identified over that year. During the period covered by the most recent report on 2013/14, East Renfrewshire Council's Benefits Service was not included in those services which were risk assessed. However, the findings in the report are of great interest since East Renfrewshire is due to be included in the programme for autumn 2014.

REPORT

2. The key messages which Audit Scotland's report highlights from its 2013/14 programme are:-

- Audit Scotland has found that well managed benefit services can deliver high quality services for claimants in a time of increasing workloads, reduced funding and uncertainty.
- However, having sufficient, experienced staff continues to be a significant issue for a number of councils.
- During 2013/14 10 councils were visited and 64 risks to continuous improvement were identified.
- Although the majority of Housing Benefit (HB) claims are due to migrate to Universal Credit during 2016 and 2017, there remains uncertainty about the specific timing of the migration of HB to UC, specifically for claimants who have reached the qualifying age for Pension Credit, and the on-going role councils will play in the delivery of UC.

3. The main objective of the benefit performance audit is to help councils improve their benefit services, but it also holds councils to account for any failing services. The current round of risk assessments commenced in June 2013 and the programme ensured that the councils considered to be the highest risk were assessed first.

4. In line with Audit Scotland's objective of identifying and sharing good practices, two thematic studies were also undertaken in this period. The studies looked at arrangements for claiming benefit online and recovery of benefits subsidy in 2012/13.

5. The first study found that only 17 councils, including ERC, provided customers with direct access to HB information from the website homepage. Five councils did not provide customers with a facility to download an HB application form. ERC provides such a facility. All but four councils provide customers with access to a benefit calculator, but only eight councils had a fully automated online HB claims process. ERC does not have an automated process but does provide a benefit calculator.

6. The other study found that the percentage of HB expenditure recovered varied between 72.4% and 99.1% for council tenants and 96.4% to 99.2% for private landlords and housing associations. ERC's figures are 98% for council tenants and 97.1% for private landlords and housing associations. Our local audit team has suggested that ERC's recovery rate is in the top 5% nationally.

7. A number of areas of good practice are highlighted in the report. Some of these (e.g. at Perth and Kinross a working group of processing staff developed and recommended the implementation of individual productivity and accuracy targets) have been adopted in ERC. Fife Council has increased the number of application forms it receives fully completed by using an appointment system. Discussions with Customer First regarding implementation in ERC are at an advanced stage.

CONCLUSION

8. Audit Scotland has produced its annual report on benefits performance during 2013/14. Although East Renfrewshire Council's Benefits service was not inspected in this period, it has learned from the report and adopted some recommended best practices. In preparing for a performance audit in autumn 2014 it has updated its progress report in response to issues identified in its 2012 audit. The updated report is provided in Appendix 1. This shows that 10 of the 12 agreed actions are complete and the other two are partially complete with remedial action ongoing.

David Miller
Head of Revenue Services
29th August 2014.