

BENEFIT INSPECTIONS BY THE BENEFIT FRAUD INSPECTORATE AND CHANGES TO BENEFIT INTERVENTIONS

Report By: Head of Benefit and Exchequer Services

Wards affected

County-wide

Purpose

To update members on the Benefit Fraud Inspectorate reports for Benefit Interventions and CPA, and to advise on the planned changes to interventions.

Financial Implications

The level of benefit subsidy received could be affected if we fail to meet Department for Work and Pensions targets.

Background

1. In July 2006 the Benefit Fraud Inspectorate (BFI) inspected the Council's Benefit service in relation to interventions work. Interventions are the review of housing and council tax benefit claims that are in payment. Herefordshire was selected for inspection because it was one of a number of councils that had not met the DWP target for the number of interventions started during 2005.
2. The main reason the Council failed to achieve this target was a backlog of work resulting from the implementation of new benefits computer software in March 2005. This software was necessary because the existing system was unable to meet statutory requirements and in recognition of this the DWP helped to fund the new software.
3. The Benefit Fraud Inspectorate is also responsible for the Benefit CPA and their report for the 2006 CPA was issued at the end of November. Their assessment was based on performance figures for 2005/6, which reflected the adverse impact on benefit processing times of the implementation of the new software.
4. The 2006 assessment used performance figures for the whole of the 2005/6 financial year. For the previous CPA assessment in 2005 the BFI accepted that the performance figures for the first quarter of 2005 were not representative of the Council's overall performance and decided to apply exceptional circumstances, which resulted in a 'Good' categorisation for benefits.

Benefit Interventions

5. In their report on interventions, whilst recognising a number of areas of good practice, the BFI made a total of sixteen recommendations. In response to these, the Benefit service produced an action plan and has already implemented fourteen of these recommendations.
6. The two remaining recommendations require significant resources and because of the plans recently announced by the DWP to replace interventions in April 2007 the Audit and Corporate Governance Committee agreed to sign off the action plan as completed.
7. The planned changes from April remove the requirement to complete a set number of interventions each year and instead set a target for the overall number of benefit changes processed that result in a reduction or termination of benefit.
8. The 2007/8 target for Herefordshire is 9,840 changes and we are currently analysing the number of changes effected in the current year that produced a reduction in benefit to see how this compares to the target.
9. An action plan to implement this new requirement is currently being prepared.

Benefit CPA

10. The BFI report for the 2006 CPA assessment acknowledges that the Benefit service has made significant performance improvements since the 2005 assessment and this is further evidenced by current performance figures, which show processing times for November of 25 days for new claims and 13 days for changes compared to average figures for 2005/6 of 52 days for claims and 42 days for changes.
11. In spite of the clear evidence that the Benefit service had improved processing times significantly since its 2005 assessment, the inspectors felt unable to acknowledge this in the scoring process for the 2006 CPA hence they have reduced the rating from 'Good' to 'Fair'.
12. Based on the current performance the Benefit service is well on target to return to the 'Good' categorisation in 2007 and to meet the aim of achieving the 'Excellent' rating by 2008.

Recommendation

That the 2006 CPA score, and the planned changes to the way benefit entitlement is reviewed from April 2007 be noted.

Background Papers

- Report from the Benefit Fraud Inspectorate – Inspection of Security – Interventions
- Report from the Benefit Fraud Inspectorate – CPA 2006
- Benefit Circular A/20 – Changes to Interventions