

To: Audit, Scrutiny & Petitions Board

On: 19 September 2016

Report by: Director of Finance and Resources

Heading: Audit Scotland Reports– Benefits Performance Audit Annual Update 2015/16 & Housing Benefit Good Practice Guide.

1. Summary

- 1.1 The Council's external auditor is Audit Scotland, as part of their remit they are required to carry out Housing Benefit Audit Risk Assessments across the 32 Local Authorities in Scotland. 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.
- 1.2 Risk assessment reports are provided to council Chief Executives who are invited to prepare an improvement plan detailing the actions with associated timescales that they will take to address identified risks. These reports are also copied to the Department for Work and Pensions (DWP) to provide assurances over how Scottish councils are performing.
- 1.3 In June 2015 Audit Scotland published their report "*Benefits Performance Audit Annual Update 2015/16*" (copy attached as Appendix 1) This report provides a summary of the performance audit work carried out by Audit Scotland on the housing benefit services during 2015/16 including Renfrewshire Council.
- 1.6 The report highlights key issues from the Risk Assessments carried out and identifies good practice.

- 1.7 The outcome of the Risk Assessment carried out at Renfrewshire (noted above) was reported to the Audit, Scrutiny and Petitions Board on 21 September 2015.
- 1.8 In April 2016, Audit Scotland issued a '*Best Practice Guide*' (attached as appendix 2) The purpose of the report was to summarise in a single report, initiatives which had been introduced by Councils and identified by the Risk Assessments carried out during 2013/14 and 2014/15.
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2. Recommendations

- 2.1 To note the Audit Scotland Report '*Benefits Performance Audit Annual Update 2015/16*' (appendix 1)
- 2.2 To note the Audit Scotland Report '*Housing Benefit Good Practice Guide*'
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3. Background

- 3.1 Senior officers within the Service have examined the Audit Scotland report, '*Benefits Performance Audit Annual Update 2015/16*' (appendix 1)
- 3.2 As stated in section 1.7 above, the outcome of Renfrewshire Council's Risk Assessment was previously reported to the Board. Members may wish to note that only two risks to continuous improvement were identified. Paragraph 24 of the Annual Update details that a total of 45 risks were identified by the Risk Assessments carried out in 11 Councils during 2015/16.
- 3.3 Senior officers within the Service have reviewed the *Housing Benefit Good Practice Guide* and were encouraged that Renfrewshire Council had been highlighted as 'Best Practice' in relation to the proactive methods it uses to encourage customers to report changes. (Please refer to paragraph 31 of Appendix 2)
- 3.4 Officers have also reviewed in full all of the Best Practice examples highlighted in the *Housing Benefit Good Practice Guide*. With a strong, ongoing commitment to Continuous Improvement and the delivery of Best Value the Service has assembled a working group to consider the ideas in full and assess the appropriateness of their application in Renfrewshire.

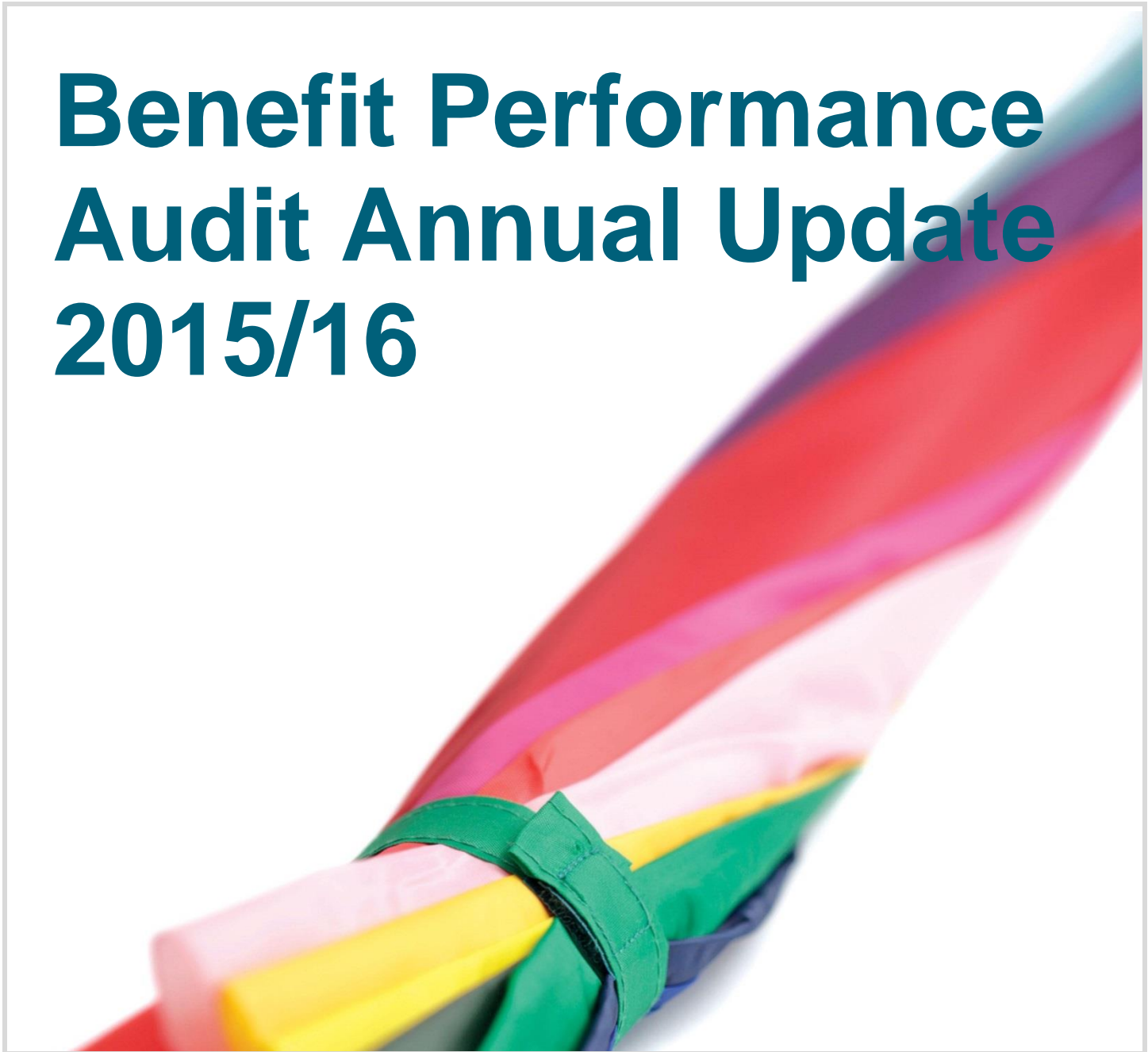
Implications of the Report

1. **Financial** – an efficient, effective Benefit Service assists council tenants meet their financial obligations in terms of rent and council tax and ensures overpayments are minimised and DWP subsidy maximised
2. **HR & Organisational Development** - *none*
3. **Community Planning** –

Community Care, Health & Well-being – An effective Benefits service is vital to the quality of life of many of our citizens as it provides vital support for low income households in order to sustain tenancies and meet their rent obligations
4. **Legal** - *none*
5. **Property/Assets** - *none*
6. **Information Technology** - *none*
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - *none*
9. **Procurement** – *none*
10. **Risk** - *none*
11. **Privacy Impact** - *none*

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Benefit Performance Audit Annual Update 2015/16



Prepared for The Accounts Commission

June 2016

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Purpose

1. This report provides a summary of the performance audit work carried out by Audit Scotland on Scottish councils' housing benefit (HB) services during 2015/16.

Key messages

2. During 2015/16 we issued 11 reports to councils which identified 45 risks to continuous improvement that were accepted. We found that 85% of risks identified during previous risk assessments had been either fully or partially addressed (83% in 2014/15). Council feedback on the performance audit process remains positive.
3. When benefit services are well managed they can deliver value for money and high quality services for customers. However, we found that:
 - speed of processing performance was of concern in seven councils. For example, in two councils the level of benefit processing resources may not be sufficient to sustain or improve current claims processing performance
 - quality checking is not carried out consistently, and that outcomes from quality checks are not routinely collated and analysed in six councils
 - business planning and performance reporting were weak in four councils which included targets not being set for all areas of the service and limited performance reporting in respect of all areas of the service.
4. Universal Credit (UC) continues to be rolled out across Scotland with all councils now having some local residents claiming UC. The Department for Work and Pensions (DWP) plan is that the majority of existing HB claims will migrate to UC by 2021.
5. Scottish councils have now completed the transfer of responsibility for investigating benefit fraud and, in many cases, fraud staff to the DWPs Single Fraud Investigation Service (SFIS). Councils need to ensure that sufficient resources are in place to investigate other types of fraud.
6. The Scottish Parliament's new devolved social security powers may result in some aspects of the devolved benefits being delivered by a number of organisations including local authorities.

Background

7. During 2015/16, one in five Scottish households received financial support to help pay for their rent in the form of means tested HB. Scottish councils paid out £1.73 billion in HB awards in 2015/16 (£1.74 billion in 2014/15).
8. Between March 2009 and March 2015, there has been a 7% increase in HB claims in Scotland. However, the increase has not been constant with a 1.6% reduction in claim numbers between March 2014 and March 2015. This is discussed in more detail at paragraph 30.
9. In 2015/16, councils received £27.8 million (£29.5 million in 2014/15) in funding from the DWP to deliver HB services. This 5.8% reduction in funding in 2015/16 is due to assumed efficiency savings. There is no consistent data available to allow comparison across Scottish councils regarding the cost of administering HB in 2015/16. The latest statutory performance indicators published for 2012/13, before council tax benefit was abolished, indicated that the cost of administration of both HB and council tax benefit at that time was £71.4 million in Scotland.
10. 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 audit has two phases:
 - a risk assessment phase that identifies risks to continuous improvement
 - a focused audit phase that examines the service, or parts of it in more detail, if a council is unable or unwilling to address key risks identified in phase one.
11. Risk assessment reports are provided to council Chief Executives who are invited to prepare an improvement plan detailing the actions, with associated timescales, that they will take to address the identified risks. These reports are also copied to the DWP to provide assurances over how Scottish councils are performing.
12. When a focused audit is required the Controller of Audit prepares a report to the Accounts Commission. Focused audit reports are provided to council Chief Executives and are also copied to the DWP and published on the Audit Scotland website.

Work carried out during 2015/16

13. We reviewed our risk based approach to benefit performance audit to ensure that the councils that we considered to be the highest risk were visited during the year. Appendix A contains the details of the 11 risk assessment reports that were issued to council Chief Executives during 2015/16. No focused audits were carried out.
14. Following receipt and review of council improvement plans to address the risks identified in our risk assessment reports, progress reports were requested from six councils. Three progress reports relate to risk assessment reports issued in 2014/15 as detailed in *Appendix B*.
15. To date, we have received progress reports from all six councils. Due to further improvements being required, we have requested updates from Clackmannanshire Council and East Dunbartonshire Council in July 2016. Action taken to address risks was considered to be satisfactory in all updates received to date.
16. In line with Audit Scotland's objective of identifying and sharing good practice, three thematic studies were undertaken during 2015/16. More information on each study is provided in the following paragraphs.

Review of housing benefit subsidy certification issues 2014/15

17. A review was undertaken of issues identified by auditors during the certification of the 2014/15 HB subsidy claims. Auditors identified 43 errors across 18 councils, an improvement from 2013/14 where auditors identified 60 errors in subsidy claims in respect of 19 councils. The errors identified resulted in subsidy being over claimed by £1.134 million (0.06% of expenditure) in the year-end claims submitted by councils to the DWP.
18. Auditors reported that most errors were identified in the classification of expenditure and the calculation of claimant income. The report is available on our [website](#).

Review of activity to reduce fraud and error in housing benefit

19. A review of the activity undertaken by Scottish councils in order to reduce fraud and error highlighted that the monetary value of HB fraud and error has been steadily rising across the UK, with 2014/15 showing a loss of £1.38 billion. Claimant error is the largest contributor to this figure with a total loss of £770 million (56%).

20. From April 2013, there was a reduction in intervention activity by some councils as a result of the need to manage the impact of the UK government's welfare reform agenda.
21. However, during 2014/15, there was a significant increase in intervention activity and improvements to the methods of identifying suitable cases. Although many councils have introduced innovative ways of carrying out interventions that have produced positive outcomes, there remains scope for further improvement in others. The report is available on our [website](#).

Housing Benefit Good Practice Guide: initiatives which deliver best value

22. This report summarises initiatives introduced by councils, and identified during our HB performance audits in 2013/14 and 2014/15, which have helped to deliver continuous improvement.
23. The report also considers the effectiveness of these initiatives in helping to deliver continuous improvement in benefit services and it is hoped that these might be of interest to councils that are finding it difficult to deliver continuous improvement going forward in an environment of reducing budgets and increasing workloads. The report is available on our [website](#).

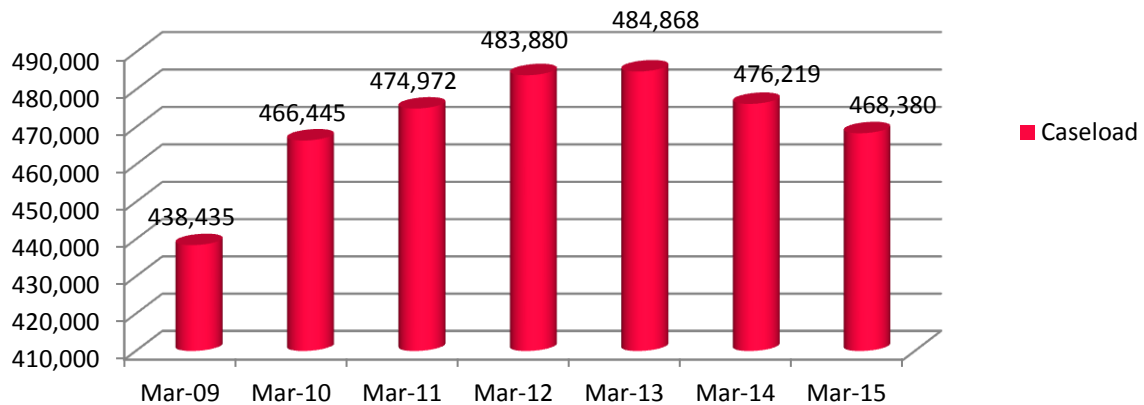
Outcomes of the 2015/16 risk assessments

24. Audit Scotland identified 45 risks to continuous improvement (70 in 2014/15) in the 11 risk assessments completed in 2015/16. We are pleased to report that only one risk to continuous improvement was identified in both the Moray Council and Orkney Islands Council.
25. Our work identified that 85% (123 out of 145) of previously agreed actions had been fully or partially implemented (83% in 2014/15).
26. Improvement plans have been received from all councils visited. Analysis of the risks identified shows that:
 - 100% (100% in 2014/15) of the identified risks were fully accepted by councils

- 17% (25/145) of agreed risks from previous risk assessments were carried forward (22% in 2014/15). Councils have cited resourcing issues as a reason why not all agreed actions have been implemented.
27. We have found that where benefit services are well managed they can deliver value for money and high quality services for claimants.
28. During 2015/16 Audit Scotland has identified weaknesses in the following key areas:
- Quality checking is not carried out consistently and outcomes are not routinely collated and analysed in respect of all activities to inform a risk-based approach. In addition, more work needs to be done to measure performance and improvement over time which can then be used to evaluate individual performance.
 - Business planning and performance reporting weaknesses were identified. It was noted that targets are not set for all areas of the service and/or there is limited performance reporting to senior management and elected members in respect of all areas of the service. The level of resources within the benefit service may not be sufficient to enable the service to continually improve or sustain current performance levels across all of its activities. The continued use of temporary staff on short term contracts could result in the further loss of staff to other areas of the council or externally.
 - Speed of processing performance issues were identified. It was noted that the current level of benefit processing resources may not be sufficient to sustain or improve on current claims processing performance in two councils.
29. Between March 2009 and March 2015, the number of HB claims in Scotland increased by 29,945 (7%). However the increase has not been constant as detailed in Exhibit 1 below which shows that claim numbers peaked at almost 485,000 during 2012/13 before falling by 1.8%, at March 2014. Exhibit 2 shows that claim numbers continued to fall during 2015/16 by

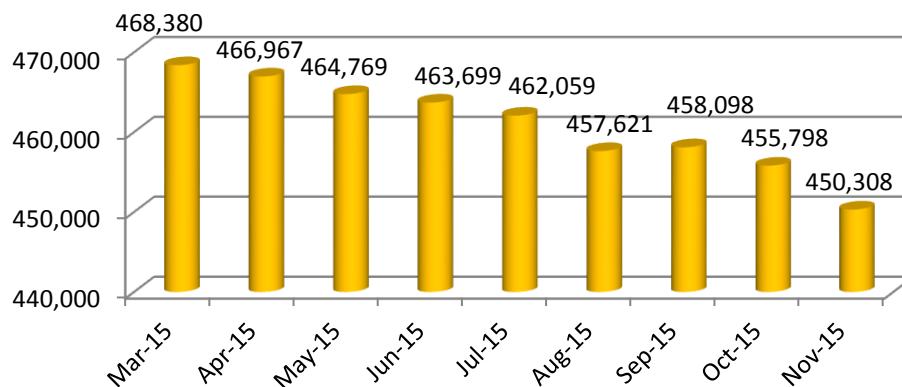
a further 1.6% between March 2015 and November 2015.

Exhibit 1: change in HB caseload in Scotland March 2009-March 2015



During 2015/16 the downward trend in claim numbers has continued as shown in exhibit 2 below.

Exhibit 2: HB caseload in Scotland during 2015/16



Exhibits 1 & 2: Source DWP caseload statistics

30. The fall in claim numbers in recent years may be due to several reasons including:
- people working longer before retiring
 - falling unemployment levels in some areas
 - claimants moving into work, possibly due to the claimant commitment changes in Jobseeker's Allowance, and the reducing numbers of people qualifying for Employment Support Allowance, Incapacity Benefit and Personal Independence Payments

- a small number of claimants moving to UC and therefore becoming ineligible for HB.

Stakeholder feedback

31. Feedback questionnaires are issued to benefit managers after each risk assessment in order to gain assurances over whether the audit methodology is effective and to look for areas which could be improved. During 2015/16, we received responses from 13 councils.
32. Overall the responses were positive and provided Audit Scotland with assurance that the audit methodology is fit for purpose and proportionate. The following comments help illustrate these responses:
 - "The audit report will inform our service review".
 - "It is helpful for elected members to have an accurate independent assessment of the service particularly during a time of major reform and limited resource availability".
 - "As well as suggestions for improvement, the report included positive feedback and recognition of improvements; this was a real morale boost when shared with staff".
 - "The audit provides a strong set of basic principles that in general can be adapted to other council services, thus helping to strengthen processes and outcomes in other non-benefit related areas".
 - "We have found the experience to be extremely beneficial and we found that our auditor had an excellent understanding of the challenges we face".
33. Whilst the majority of the responses were good, not every council found the process to be so positive. Particular concerns were raised by one council:
 - "In terms of the report it would be helpful to not have issues repeated across various areas as it was difficult to group items in a meaningful way for the action plan. I think that it was unclear what documentary evidence was required".
34. Audit Scotland has taken these comments on board in the planning and delivery of risk assessments. Councils are given as much notice as possible of risk assessments and discussions are held with benefit managers prior to submission regarding the self-assessment requirements. We also try to concentrate on the challenges facing each council and how they respond to those challenges.
35. HB risk assessment reports continue to be shared with the DWP. We also continue to monitor our approach in conjunction with the DWP through quarterly meetings between the Manager,

Benefits-Technical and senior officers in the DWP's Housing Delivery Division.

Welfare reform

36. Councils continue to work with partners to help deliver the UK government's welfare reform agenda.

Universal credit (UC)

37. UC roll-out has continued in the Inverness Jobcentre area where single claimants have claimed UC since November 2013. This was expanded to claims from couples in June 2014 and claims from families in January 2015. Highland Council has been providing personal budgeting support, digital access, housing cost knowledge, and advice and support to claimants.
38. The rollout of UC across the rest of Scotland began in February 2015 for single people who would otherwise have been eligible for income based Jobseeker's Allowance, including those with existing HB. By April 2016, all Scottish councils had some local residents claiming UC.

Universal Credit Full Digital Service

39. The Universal Credit Digital Service will allow users to make a claim, notify changes of circumstance and search for a job through a single account, making digital the primary channel for most working-age people to interact with the DWP.
40. On 23 March 2016, Musselburgh Job Centre in East Lothian was the first Job Centre in Scotland to provide the full Universal Credit Digital Service. Further roll-out of the full digital service will take place from May 2016 with phases 1 and 2 taking place between May and December 2016. Highland Council is the only Scottish council included in either of these phases. The UK government expects the national roll-out to the digital service to be completed in June 2018. The migration of the remaining working age existing HB claimants to the full UC service will start thereafter and expected to be completed by 2021.

DWP's Single Fraud Investigation Service (SFIS)

41. The DWP has completed the roll-out of its Single Fraud Investigation Service (SFIS). All Scottish councils have now transferred their responsibility for investigating benefit fraud, and in many cases, their fraud investigators to SFIS. Councils should ensure sufficient resources are in place to investigate other fraud unrelated to HB, such as council tax reduction fraud, tenancy fraud and other corporate fraud.

Devolved financial powers

42. The Smith Commission recommended that the Scottish Parliament be given complete autonomy to determine the structure and value of a range of powers over disability, and devolution of the components of the Regulated Social Fund. In addition, it was recommended that the Scottish Parliament should be given the power to make administrative changes to UC and to vary the housing cost element.
43. The Smith Commission's proposals will devolve around £2.7 billion (15.3%) of Scottish benefit expenditure to the Scottish Parliament.
44. Although the Scotland Act 2016 only received Royal assent in March 2016, the Scottish Government have been planning and preparing for the delivery of the devolved aspects of social security included within the Act. The Government's plans include:
- the introduction of a Scottish social security bill in the first year of the new Parliament
 - the setting up of a new agency to deliver the social security powers
 - the initial delivery of the devolved benefits by the DWP in order to help ensure a smooth transition and to avoid delays for claimants
 - a fully costed business case detailing how the new powers will be delivered will be published later this year.
45. It is possible that some of the devolved benefits will be delivered by a number of organisations including local authorities, DWP, and the third sector.

Appendix A – The 2015/16 risk assessment programme

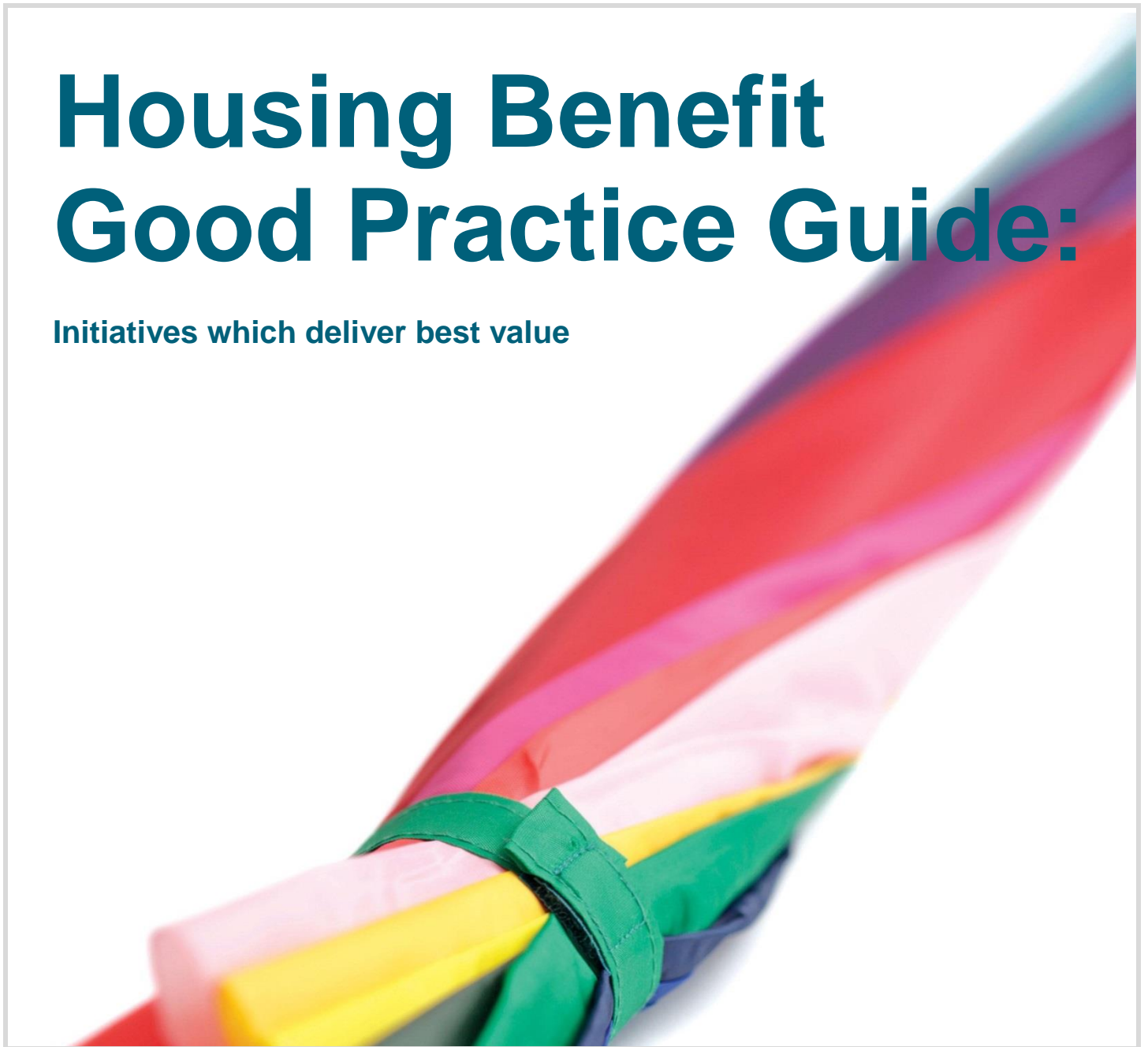
Date on site	Council	Date reported
March 2015	Clackmannanshire	May 2015
April 2015	East Dunbartonshire	May 2015
May 2015	Renfrewshire	June 2015
May 2015	North Ayrshire	June 2015
June 2015	Aberdeen City	July 2015
July 2015	Orkney	August 2015
August 2015	Moray	September 2015
September 2015	North Lanarkshire	November 2015
October 2015	East Lothian	November 2015
October 2015	Perth & Kinross	December 2015
December 2015	Falkirk	January 2016

Appendix B – Progress reports requested during 2015/16

Council	Date progress report received/expected	Conclusion on action taken to address risks
East Ayrshire Council	April 2015	Updates received and satisfactory progress made. A full risk assessment is planned for 2016.
East Renfrewshire Council	July 2015	Update received and satisfactory progress made.
West Lothian Council	August 2015	Update received and satisfactory progress made.
Clackmannanshire Council	November 2015, February 2016 & July 2016	Update received and satisfactory progress made to date. A further update has been requested by July 2016.
East Dunbartonshire Council	May 2016	Update received and a further update has been requested by July 2016.
North Ayrshire Council	May 2016	Update received and satisfactory progress made.

Housing Benefit Good Practice Guide:

Initiatives which deliver best value



ACCOUNTS COMMISSION 

Prepared by Audit Scotland

28 April 2016

The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance.

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Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Introduction

1. Audit Scotland undertakes housing benefit (HB) performance audits on behalf of the Accounts Commission as part of the audit of councils. Following each performance audit, a HB risk assessment report is provided to the council Chief Executives. These reports are also presented to council audit committees and copied to the Department for Work and Pensions (DWP).
2. The purpose of this report is to summarise into a single overarching report initiatives, that were introduced by councils and identified during our audits in 2013/14 and 2014/15, which have helped to deliver Best Value¹.
3. The report follows the same structure as HB risk assessment reports issued to councils in considering the effectiveness of these initiatives in helping to deliver continuous improvement in meeting national and local priorities, business planning, performance reporting and delivering outcomes. These initiatives might be of interest to councils that are finding it difficult to deliver continuous improvement going forward in an environment of reducing budgets and increasing workloads.
4. This report includes working practices introduced by councils and identified in our reports as having helped deliver Best Value. It is not intended to be a comprehensive list of all working practices introduced by councils which have led to performance or process improvements. Equally, we recognise that an initiative introduced in one council may not have the same impact when introduced elsewhere.
5. Although some of these initiatives might be considered 'normal business practice', we have included them as not all benefit services are operating in the same manner. Similarly we have included appendices containing some initiatives that we consider are innovative, or could be considered by councils when considering how they could improve benefit services.

National and local priorities

6. The UK Government's welfare reform agenda aims to simplify the benefits system by bringing together a range of working-age benefits, including HB, into a single payment of Universal Credit (UC) administered by DWP. This is the biggest change to the welfare system for over 60 years and has had a significant impact on local authorities and the services they provide.
7. Scottish councils have been participating in various working groups at a national level reviewing and planning for the implications of welfare reform. As well as working with external partners, councils have also set up internal cross-functional corporate working groups with action plans in place to address the challenges posed by welfare reform.

¹ Initiatives identified in risk assessments and reports to council Chief Executives

8. Welfare reform has also resulted in councils planning for and implementing new and additional activities locally such as the Scottish Welfare Fund (SWF), the Scottish Council Tax Reduction Scheme (CTRS), and the provision of budgeting support and advice. This has, in many cases led to significant change with the introduction of new IT systems, the restructuring of departments, and the re-training of staff.
9. Delays in the roll-out of UC have resulted in councils having to continue to ensure that benefit services are sustained and a high quality service continues to be provided until full migration to UC has taken place. Specific examples of what councils have been doing in order to prepare for welfare reform changes are shown below and in Appendix 1:
 - several councils have been working in partnership with the [Convention of Scottish Local Authorities](#) (COSLA) to help deliver the local support services framework in respect of UC
 - The Highland Council has been a partner in the DWP UC pathfinder project which introduced UC to the first jobcentre in Scotland in Inverness
 - the City of Edinburgh Council has worked with Dunedin Canmore Housing Association trialling direct payment of HB to claimants
 - Glasgow City Council piloted the DWPs Single Fraud and Investigation Service approach
 - South Lanarkshire Council has been part of the Scottish Government's UC pilot looking at developing online facilities at local offices to assist and support customers who do not have access to the internet
 - Dumfries and Galloway Council has been piloting digital inclusion. The benefit service has also been working with the council's employability and skills service to provide financial education and support.

Business planning and performance reporting

10. An effective business plan provides an opportunity for councils to set out the aims and objectives for each service and should contain key deliverables against which performance can be measured, monitored and reported. Performance initiatives in respect of business planning and performance reporting are detailed in Appendix 2. These include the two examples set out in the following paragraphs.

Case study 1 - North Ayrshire Council

11. North Ayrshire Council has a directorate plan setting out how the directorate will contribute to the council's *Good to Great Journey*. The performance indicators include targets for speed of processing and the gross administrative cost per case. This is supported by an operational plan which details the key improvement actions to be delivered, with associated completion dates. These include:

- implementing software to maximise the automation of DWP Automated Transfer to Local Authority Systems (ATLAS) notifications
- retaining [Customer Service Excellence](#) accreditation
- reviewing the new claims process using [Lean Six Sigma techniques](#)
- achieving DWP Fraud and Error Reduction Incentive Scheme (FERIS) lower threshold targets
- channel shift HB and CTRS customers to an online benefit claim form.

Case study 2 - Angus Council

12. Angus Council sets targets for all operational areas, and senior managers within the benefit service meet each month to review service performance, discuss any variances and agree any appropriate action. In addition, key performance information, including speed of processing, overpayments, complaints and costs, is reported to senior officers and made available to the public on the council's website.
13. The council has also introduced daily processing targets and regular feedback on processing and accuracy performance is provided to staff to ensure that each member of staff fully understands how their own performance impacts the overall service performance and delivery. Performance is evaluated daily by the benefit service management team and used to agree priorities for the next day. This effective management of productivity on a daily basis has helped improve overall performance across all areas of the service.

Delivering outcomes

14. Effective operational processes and IT systems, along with skilled staff help benefit services deliver sound performance and continuous improvement.

Speed of processing

15. When customers claim benefit, it is a time of financial uncertainty for them and, as such, it is essential that benefit services have sufficient fully trained and effective benefit processors in place that can make informed decisions on complex benefit claims and pay benefit promptly.
16. Performance initiatives in respect of speed of processing are detailed in Appendix 3. These include the two examples set out in the following paragraphs.

Case study 1 - Dumfries and Galloway Council

17. Dumfries & Galloway Council delivered improved speed of processing performance through:
 - introducing assisted interviews to ensure customers fully understand what further information is needed to support their claim at the earliest possible stage

- developing and delivering training to ensure all council and registered social landlord staff, who serve as a point of contact with benefit customers, know what information to ask for when a claim or a change notification is received and how to verify evidence as acceptable and correct
- reviewing all new claims and changes where there are any delays with a view to improving working practices and identifying any specific training requirements
- developing and introducing online forms that automatically populate the benefit IT system
- introducing an in-house performance management framework that has helped improve individual performance.

Case study 2 - Clackmannanshire Council

18. Clackmannanshire Council carried out a review of its working practices to identify process improvements and as a result now carries out pre-assessment checks as soon as a claim or additional information is received to determine if the claim can be processed and if not, the customer is contacted and advised of what further information is required. This ensures that only claims with sufficient information to process are passed to processing staff which has resulted in significant improvements to claims processing times.

Accuracy

19. The accurate and secure administration of HB should be a key priority for every council, and to support this it should have a robust quality assurance framework in place. Performance initiatives in respect of accuracy are detailed in Appendix 4. These include the example set out in the following paragraphs.

Case study - Aberdeen City Council

20. Aberdeen City Council's Quality Assurance team are responsible for helping assessors to make correct HB and council tax reduction decisions by providing advice, guidance, and remedial training where appropriate. The Quality Assurance Plan 2015/16 sets out the team's key priorities which include:
 - conducting quality assurance checks on 10% of decisions made by staff
 - providing constructive feedback to team leaders and assessors
 - providing training for all staff throughout the year, including staff in other departments
 - monitoring staff performance in relation to its internal accuracy target
 - creating and maintaining desk aids/procedures for staff to follow
 - maintaining the Quality Assurance spreadsheet detailing staff's individual accuracy.
21. On a daily basis a random sample of claims are selected from a benefit IT system report which contains the cases which the council considers to be high-risk, based on previous analysis. The Quality Assurance team aims to carry out ten full case checks for each assessor

per month. In addition, the work of new staff, and staff that are under-performing, is subject to a 100% management check, which is reduced incrementally as performance improves.

22. Where staff are under-performing, the council's Performance Management Policy is instigated which involves discussions with staff to identify any underlying issues and the development of a personalised performance plan which details:
 - the required improvements in performance
 - the support/training that will be provided
 - the timescale for improvement
 - how progress will be monitored and reviewed
 - the potential consequences of failing to meet the required improvements.
23. The outcomes from the daily management checking activities are recorded electronically on a Quality Assurance database and subsequently extracted to a comprehensive spreadsheet which the Quality Assurance team uses to summarise and analyse the data to identify trends and patterns of error at individual, team and service level.
24. There is regular reporting of accuracy performance at the weekly benefit operational meeting and the weekly management meeting, and summary performance at service, team and individual level is updated monthly and displayed prominently on a 'performance wall' within the benefit team area. The service has found the 'performance wall' to be very effective in contributing to the significant improvements in speed of processing and accuracy performance in 2014/15.
25. At the end of each year the Quality Assurance team produces a comprehensive report which details the outcomes from all management checks, provides summary data on the types of errors found, and information on the actions carried out by the team to deliver improvements, for example, the issue of a weekly 'Did you know?' email.

Interventions

26. To minimise error in the caseload, councils must encourage customers to report changes of circumstances on time and have a robust intervention programme to identify changes and take appropriate corrective action.
27. Over the last year this is an area where the DWP has increased its focus on fraud and introduced FERIS to reward councils that are proactively working towards reducing fraud and error in the benefit system. Audit Scotland recently carried out a review of activity in Scottish councils to reduce fraud and error in the benefit system. The report is available on our [website](#).
28. Performance initiatives in respect of interventions are detailed in Appendix 5. These include the two examples set out in the following paragraphs.

Case study 1 - Scottish Borders Council

29. Information is checked across systems such as social work financial assessments, educational benefit applications, applications for a Discretionary Housing Payment (DHP), council tax, and the SWF to identify and investigate any discrepancies.
30. Examples of how this has highlighted inconsistencies include tax credit information provided for educational benefit claims which has differed from the information provided in respect of HB claims, additional occupants have also been identified on SWF applications and changes to rent liability and capital have come to light from homecare applications.

Case study 2- Renfrewshire Council

31. Renfrewshire Council has a strong commitment to encouraging and educating customers on the importance of reporting a change of circumstances and uses a number of methods to achieve this. For example:
 - including a reminder to report any change in circumstances in all outgoing mail
 - including a quarter page reminder on reporting changes in the 'Renfrewshire Magazine' that is issued quarterly to all residents, and a reminder in the annual council tax booklet
 - having a regular benefit advice column in the local newspaper
 - providing examples on the council website of the types of changes of circumstances that should be reported, and advice on how to report a change.
32. The service has continued to support a visiting officer who has carried out a review of the following claim types:
 - war pension cases
 - earned income where there has been no change to tax credits.

Overpayments

33. To protect public funds, councils should take appropriate steps to ensure that overpayments are minimised and that when they do occur they are correctly classified for subsidy purposes and rigorously recovered. This is an area which Audit Scotland has found to be weak in a number of councils and reported in our HB risk assessment reports and in our review of HB subsidy certification issues 2014/15.
34. With the introduction of FERIS the level of overpayments identified is expected to increase and therefore recovery methods should be efficient and effective with performance accurately recorded, monitored and reported. Performance initiatives in respect of overpayments are detailed in Appendix 6. These include the example set out in the following paragraphs.

Case study - Glasgow City Council

35. The council has a clear and structured approach to the recovery of overpayments and has a number of initiatives focused on preventing overpayments from occurring. These include:
 - regular dialogue with landlords regarding their responsibilities to report changes

- phoning customers to encourage repayment
 - regularly discussing overpayment recovery performance at service performance meetings, and at a separate scrutiny meeting to specifically address overpayment issues
 - developing a HB overpayments action plan which details issues that are impacting the recovery of overpayments, and the actions that are required to address these.
36. The council also has an excellent working relationship with Glasgow Housing Association (GHA), its largest RSL. As part of this relationship, a benefit officer is co-located in four GHA area housing offices and an IT interface has been developed which automatically suspends a benefit claim when a GHA tenant changes address. There are also regular meetings between the council and GHA where overpayment recovery is a standing agenda item.
37. As a result of these initiatives and new arrangements the council has developed for dealing with GHA tenants' overpayments, the value of GHA tenants' overpayments outstanding reduced significantly from £286,670 at October 2013 to £57,345, at October 2014, a reduction of approximately 80%.

Appeals and Reconsiderations

38. Customers who disagree with the council's decision on the manner in which their benefit application is processed have a right to request the claim to be reconsidered, and to appeal against the decision. Performance initiatives in respect of appeals and reconsiderations are detailed in Appendix 7. These include the example set out in the following paragraphs.

Case study - Dundee City Council

39. When a customer submits a request for a reconsideration or appeal it is reviewed by an officer not involved in the original decision. The outcomes from requests for reconsiderations and appeals are recorded on a spreadsheet which contains comprehensive management information. For example:
- the date the request was received and the reason for the dispute
 - details of the officer involved in the original decision
 - the date the customer was advised of the outcome.

Counter-fraud

40. The prevention, detection and investigation of fraudulent claims are important aspects of a secure and effective benefit service. Counter-fraud activities help to protect public funds by ensuring that fraudulent claims are identified and sanctions are applied where appropriate.
41. In line with the Autumn Statement by the Chancellor of the Exchequer on 5 December 2013, the DWPs SFIS was launched to bring together welfare benefit fraud investigations currently undertaken by DWP, local authorities and Her Majesty's Revenue and Customs. As part of the national roll out, the responsibility for investigating HB fraud in all Scottish councils has now transferred to DWPs SFIS.

42. However, many Scottish councils have retained investigators to focus on fraudulent activity not covered by SFIS. Performance initiatives in respect of counter-fraud are detailed in Appendix 8. These include the example set out in the following paragraph.

Case study - North Ayrshire Council

43. In order to retain experienced investigative resources, the council agreed to the establishment of a Corporate Fraud Team under the responsibility of the Senior Manager for Internal Audit and Risk Management. The creation of the Corporate Fraud team makes best use of the differing but complementary skills of internal auditors and fraud investigators. This arrangement has been mutually beneficial to both the on-going development of the officers in the enlarged Internal Audit and Risk Management team and to the council as a whole in tackling fraud and error.

Endnotes

[Benefits Performance Audit Annual Update 2014/15](#), Audit Scotland June 2015

[Review of activity to reduce fraud and error in housing benefit](#), Audit Scotland September 2015

[Housing benefit subsidy certification 2014/15](#), Audit Scotland January 2016

Appendix 1 - National and local priorities

Council	Benefit
<p>Dundee City Council created a Corporate Welfare Reform Group (CWRG) and a Revenues Division Welfare Reform Group. The CWRG makes use of a welfare reform risk register which is reviewed monthly with updates provided to the council's Strategic Management Team. A number of significant risks have been identified which include the implementation of UC, the potential shortfall in income to the council, and the adverse impact on the homeless service. The council has a number of work streams and initiatives in place. These include:</p> <ul style="list-style-type: none"> • bringing forward its personal computer modernisation programme. • training library staff to assist customers to apply for work and benefits online • the provision of a budgeting service to help customers manage their finances • successfully achieving funding from The Big Lottery Fund which has resulted in the creation of a specialist welfare reform team responsible for implementing initiatives within communities to help minimise the impact of the welfare reform changes. 	<p>The achievement of external funding and the forward planning and consultative approach taken by many councils could help to ease the transition to UC for customers and councils.</p>
<p>South Lanarkshire council's corporate priority of reducing callers at the council's local Question and Answer (Q&A) one stop facility offices saw the benefit service opening a call centre with trained call handlers to deal with all benefit enquiries and promoting the use of its online facilities, including a claim form, a changes of circumstances form and a benefit calculator. Assistance in the completion of online forms is provided by the call centre and local Q&A staff as required. Face-to-face enquiries are dealt with by trained customer service officers at the local Q&A offices. In recognition of the extensive work the Q&A one stop facility has done to meet the needs of its customers, a Customer Service Excellence accreditation award was achieved.</p>	<p>Multi-skilled staff enable the council to make best use of its resources and free up valuable time for processing staff to deal with more complex enquiries.</p>

Council	Benefit
<p>East Ayrshire Council's £705,000 Welfare Reform Fund was created to help mitigate the impact of welfare reforms and also to provide additional funding to the Citizens Advice Bureau to help them support those impacted by the changes. The council also extended its partnership based Financial Inclusion Group and developed a financial inclusion strategy to ensure citizens can readily access information, advice and support.</p>	<p>The achievement of external funding and the financial inclusion activity could help to ensure citizens receive appropriate information and support.</p>
<p>Scottish Borders Council adopted a collaborative working approach to welfare reform and integrated its welfare reform programme into the local community planning process. The Welfare Reform Project forms part of the Future Model of Public Service Delivery community planning theme managed by a joint delivery team comprising of senior executives from partner organisations and the council's Chief Executive.</p> <p>In addition, the long established Strategic Partnership Against Poverty Group, which is chaired by the senior manager of the Welfare Benefits Service and Housing Strategy, comprises a range of external stakeholders, has undertaken a huge amount of activity including delivering two welfare reform conferences and the creation of a 'welfare aware campaign'. The Group meets quarterly to monitor progress against actions.</p>	<p>Working with partners to share the responsibility for ensuring customers are provided with relevant information in preparation for welfare reform changes.</p>
<p>Glasgow City Council's Revenues and Benefits division has close working relationships with key stakeholders which have assisted customers. Initiatives included:</p> <ul style="list-style-type: none"> • working with the Registrar's department to ensure that recently bereaved customers are receiving the correct amount of benefit and discounts • publicising and providing a tailored service to provide additional support to first time claimants • working with the Long Term Conditions and MacMillan Service, a free and confidential money advice and support service. 	<p>Helps to ensure citizens receive appropriate information and support to claim the benefits to which they are entitled.</p>
<p>South Ayrshire Council's local priorities include sustaining the benefit service and retaining its</p>	<p>Helping to ensure the benefit service is</p>

Council	Benefit
<p>experienced staff until the migration of the HB caseload to UC. To that end, the service took over the responsibility for administering applications for free school meals, clothing grants, the SWF, the CTRS and an increased DHP fund. Furthermore, in recognition of the slowdown of the roll out of UC temporary benefit posts were made permanent.</p>	<p>sustained during a period of uncertainty regarding the roll out of UC and is able to provide financial support in a range of areas.</p>
<p>A visiting service is provided for housebound customers by Stirling Council. Volunteers from the community are provided with training to identify customers that might be entitled to benefits or, who might be affected by the changes arising from the welfare reform agenda. These volunteers, known as 'spotters/referrers' help customers to contact the appropriate department for more information, guidance and support.</p>	<p>This could help to ensure housebound citizens receive the appropriate information, advice and support and receive the benefits they are entitled to.</p>

Appendix 2 - Business planning and performance reporting

Council	Benefit
<p>Aberdeen City Council has a performance wall within the benefit service, which is updated monthly and shows speed of processing and accuracy performance at service, team, and anonymously at individual level. This is an innovative approach which the council told us has been very effective in contributing to significant improvements in speed of processing and accuracy performance in 2014/15.</p> <p>Angus Council has introduced daily processing targets and performance is evaluated daily by the benefit service management team and used to agree priorities for the next day. This effective management of productivity on a daily basis has improved performance across all areas of the service.</p>	<p>Staff are keen to improve their individual performance which helps to drive team and service performance improvements.</p> <p>Service performance is regularly reviewed and prompt action can be taken to re-prioritise workloads and address any issues such as staff/team under-performance.</p>
<p>North Ayrshire Council has a directorate plan setting out how the directorate will contribute to the council's Good to Great Journey. The performance indicators in the plan include targets for speed of processing and the gross administrative cost per case. This is supported by an operational plan which details the key improvement actions to be delivered, with associated completion dates. These include:</p> <ul style="list-style-type: none"> implementing software to maximise the automation of DWP Automated Transfer to Local Authority Systems (ATLAS) notifications retaining Customer Service Excellence accreditation reviewing the new claims process using Lean Six Sigma techniques achieving DWP Fraud and Error Reduction Incentive Scheme (FERIS) lower threshold targets channel shift HB and CTRS customers to an online benefit claim form. 	<p>Clearly setting out key objectives and targets for the service helps ensure that performance is kept in view and regularly reviewing progress against the plan will help the service prioritise its workload and focus resources on areas that require improvement.</p>

Appendix 3 - Speed of processing

Council	Benefit
Clackmannanshire Council and Scottish Borders Council carry out a pre-assessment check as soon as a claim or additional information is received to determine if a claim can be processed. Where a claim cannot be progressed, the customer is contacted and advised of what further information is required.	Only claims where all information received that is required to process a payment are referred for assessment. This ensures that experienced processing staff are used to best effect.
Dundee Council and Midlothian Council have a fast-track scheme where the council has a stated commitment to process a claim within a specific number of days if all relevant information is provided by the customer at the first point of contact.	Customers are encouraged and educated on the benefits of providing the correct information at the first point of contact. Widely advertised, a fast-track process could also benefit landlords by enabling quicker payments and reducing the potential for rent arrears.
Fife Council implemented a timed appointment system, along with a text reminder service for customers to attend appointments.	Improve interview attendance rates and increase the number of customers that attend with the correct information.
Stirling Council provided each member of staff with training in a specialism, for example homelessness claims, and reviews this approach annually.	Staff gain greater experience across the full range of claim types and have increased confidence to make decisions across a number of areas of the business leading to better use of resources.
Midlothian Council has implemented dual monitors for processing staff.	Improved processing times and reducing the potential for errors as access to benefit IT systems will be quicker and simpler.
Midlothian Council has provided training on acceptable standards of evidence to key internal and external stakeholders, including officers from	External agents would be trained and accredited by the council to receive and copy evidence in support of a benefit claim. This

Council	Benefit
housing associations and private sector leasing landlords.	could help to ensure that a claim can be processed at the time it is received with the need for requesting further information.
Western Isles Council closes the benefit offices to the public one day each week and has introduced an appointment system at all other times.	Staff have more time to process benefit claims uninterrupted.
Edinburgh City Council and the Scottish Borders Council have implemented a home working solution for processing staff to work from home.	Increased productivity and reduced sickness leave.
Glasgow City Council and Edinburgh City Council have located a benefit processor within housing association office accommodation and provide that officer with a facility to access the council's benefit IT systems.	Improved liaison with housing association staff, the ability to prioritise and action cases that require urgent attention which, in turn, could help reduce the potential for rent arrears.
<p>Dumfries and Galloway Council has delivered improved speed of processing performance through:</p> <ul style="list-style-type: none"> introducing assisted interviews to ensure customers fully understand what further information is needed to support their claim at the earliest possible stage developing and delivering training to ensure all council and registered social landlord staff who serve as a point of contact with benefit customers know what information to ask for when a claim or a change notification is received and how to verify evidence as acceptable and correct reviewing all new claims and changes where there are any delays with a view to improving working practices and identifying any specific training requirements developing and introducing online forms that automatically populate the benefit IT system 	<p>Engaging with customers and stakeholders, and regularly reviewing the reasons for delays in claims processing could help to ensure that consistent information is being disseminated in respect of the correct completion of claim forms and on the required level of evidence. This could lead to an increase in the number of claims received that can be processed without the need for further action.</p>

Council	Benefit
<ul style="list-style-type: none">introducing an in-house performance management framework that has helped improve individual performance.	

Appendix 4 - Accuracy

Council	Benefit
Glasgow City Council benefit staff record any errors found during the assessment process on a log which is reviewed to identify patterns of error and areas where remedial training could be beneficial.	A better understanding of the type and frequency of errors found could help identify staff that are under performing and require support. A more holistic approach could also help the service reduce the number of LA error overpayments and maximise the available subsidy.
The outcomes from Aberdeen City Council's daily management checks are recorded electronically on a quality assurance database and subsequently extracted to a comprehensive spreadsheet. This data is analysed and summarised to identify trends and patterns of error at individual, team and service level.	Detailed analysis of management checks could help identify areas that require further investigation while providing a holistic view of the service's accuracy performance.

Appendix 5 - Interventions

Council	Benefit
<p>Aberdeen City Council's annual Interventions strategy sets out a programme of intervention activity. The council records the outcomes from all interventions including those where there is no change to benefit, and analyses outcomes in respect of the number of changes identified including the value of those changes. The council has a dedicated interventions team and produces an annual report summarising interventions activity which is used to determine the overall effectiveness of the service's approach, and set the focus and interventions timetable for the following year</p>	<p>The creation of a specialist interventions team in conjunction with an annual programme of interventions activity allows the council time to focus in greater detail on the areas that are considered to pose the greatest risk of having un-reported changes.</p> <p>Good use of outcome data and recording the number and value of un-reported changes identified establishes the effectiveness of each intervention campaign.</p>
<p>North Ayrshire Council used the set-up funding from the DWP's FERIS programme in 2014/15 for a Pan Ayrshire radio publicity campaign to raise awareness of reporting changes of circumstances. The council is also using maintenance funding in 2015/16 to employ one dedicated FERIS officer and using a bespoke FERIS module to identify and engage with customers assessed as high risk.</p>	<p>Good partnership working helps to develop and enhance working relationships while ensuring a consistent approach to publicising and raising awareness of the need to report changes of circumstances.</p>
<p>Renfrewshire Council uses a number of methods to encourage and educate customers on the importance of reporting a change of circumstances and uses a number of methods to achieve this. For example:</p> <ul style="list-style-type: none"> including a reminder to report any change in circumstances in all outgoing mail including a quarter page reminder on reporting changes in the 'Renfrewshire Magazine' that is issued quarterly to all residents, and a reminder in the 	<p>Regularly engaging with customers can help improve the understanding of the requirement to notify the council of a change of circumstances and could help reduce the number and value of overpayments.</p>

Council	Benefit
<p>annual council tax booklet</p> <ul style="list-style-type: none"> • having a regular benefit advice column in the local newspaper • providing examples on the council website of the types of changes of circumstances that should be reported, and advice on how to report a change. <p>The service also supported a visiting officer who has carried out a review of the following claim types:</p> <ul style="list-style-type: none"> • war pension cases • earned income where there has been no change to tax credits. 	
<p>Information is checked across Scottish Borders Council's systems such as social work financial assessments, educational benefit applications, DHP, council tax and the SWF to identify and investigate any discrepancies.</p> <p>These checks highlighted inconsistencies, including tax credit information provided for educational benefit claims which differed from the information provided in respect of HB claims, additional occupants were identified on SWF applications, and changes to rent liability and capital came to light from scrutiny of homecare applications.</p>	<p>Information from other systems could help identify un-reported changes of circumstances that might otherwise have gone undetected resulting in the early intervention in respect of incorrect claims.</p>

Appendix 6 - Overpayments

Council	Benefit
Renfrewshire Council and North Ayrshire Council immediately suspend a claim when it is clear that the reported change would result in an overpayment.	Minimises the risk of an overpayment arising and is considered good practice and an effective approach to caseload management.
Renfrewshire Council uses Direct Earnings Arrestment (DEA) as a means of recovering overpayments.	Ensures that the council can initiate recovery of an overpayment where all other avenues may have been exhausted.
North Ayrshire Council regularly reviews cases with ongoing deductions.	Ensures that recovery levels are accurate and set at the appropriate level or, where there is a change in the customer's circumstances that could result in an increase to the amount being recovered, that the maximum amount of benefit is being recovered.
North Ayrshire Council phones customers, where possible, to encourage payment.	Direct personal engagement with customers could help facilitate increased payments and quicker repayment of overpayments.
Glasgow City Council's benefit staff that are co-located within housing association offices have a direct IT interface which automatically suspends a benefit claim when a housing association tenant changes address.	The co-location of a council officer in housing association offices can lead to improved liaison and dissemination of information across both organisations. The example provided has resulted in the council developing new arrangements for its housing association tenants which has seen an 80% reduction in the value of housing association related overpayments outstanding from October 2013 to October 2014.
Falkirk Council has a separate product code or unique identifier on the benefit IT systems for fraud overpayments.	Ensures that fraud overpayments are easily identifiable and can be monitored and prioritised for recovery to act as a deterrent to others considering fraud against the council.

Appendix 7 - Appeals and reconsiderations

Council	Benefit
<p>When a customer submits a request for a reconsideration or appeal to Dundee City Council, it is reviewed by an officer not involved in the original decision. The outcomes are recorded on a spreadsheet which contains comprehensive management information. For example:</p> <ul style="list-style-type: none">• the date the request was received and the reason for the dispute• details of the officer involved in the original decision• the date the customer was advised of the outcome.	<p>The independent review of benefit decisions provides a level of assurance that all decisions that have been challenged have been rigorously scrutinised which could help reduce the number of subsequent appeals.</p> <p>Recording and analysing outcomes can help identify recurring issues and determine how effective the service is against internal targets for dealing with reconsiderations and appeals.</p>

Appendix 8 - Counter-fraud

Council	Benefit
Dundee City Council has taken a proactive approach to address the potential loss of fraud officers to the DWP's SFIS by putting a Corporate Fraud and Corruption Policy and a Corporate Fraud Action Plan in place which adopt the National Fraud Authority's (NFA) 'Fighting Fraud Locally' strategy. This allows the experience of the counter-fraud team to remain in-house to carry out investigations in specific high-risk pilot areas such as the CTRS, housing tenancies, and blue badges.	The council retains the skills, knowledge and experience of its benefit fraud team which are transferrable and beneficial to the investigation of corporate fraud.
North Ayrshire Council agreed to the establishment of a Corporate Fraud Team under the responsibility of the Senior Manager for Internal Audit and Risk Management. The creation of the Corporate Fraud Team was to ensure that best use was made of the differing but complementary skills of Internal Auditors and Fraud Investigators. In particular, the fraud investigators had specialist training in interview skills.	The council retains the skills, knowledge and experience of its benefit fraud team which are transferrable and beneficial to the investigation of corporate fraud.

