

FUNDING FOR BENEFITS STAFF

EXECUTIVE MEMBER: Cllr E Woodburn

LEAD OFFICER: Jane Salt

REPORT AUTHOR: Jane Salt

Summary: To receive approval to retain additional subsidy to fund two Revenues and Benefits Technical Officers.

Recommendation:	Approval be given to retain Housing and Council Tax Benefits subsidy to fund the additional posts; subject to the approval, via an urgent action by the Chair of Personnel Panel, to increase the number of FTE's employed in Revenues and Benefits Services (RBS).
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Impact on delivering the Corporate Plan: To provide an effective Housing Benefits service to the standards set out in the DWP Performance standards

Impact on other statutory objectives (e.g. crime & disorder, LA21): None

Financial and human resource implications: The cost of the posts would be funded from additional subsidy by keeping LA error overpayments below £98,000.

Project & Risk Management: None

Key Decision Status

- **Financial:** None
- **Ward:** None

Other Ward Implications: None

1. INTRODUCTION

- 1.1 The Benefits section for a long period of time, for many reasons, has been flagging which has meant that the service has never performed to the level expected by DWP and ourselves. Due to these issues the Benefit Fraud Inspectorate (BFI) made a number of recommendations following their visit in November 2004.
- 1.2 A lot of effort has gone into delivering the majority of recommendations in the BFI report but they still did not achieve an improvement in the BVPI's. Therefore the assistance of the BFI Performance Development Team (PDT) was requested at the same time as a permanent Revenue and Benefits Manager (RBM) was appointed.
- 1.3 Performance is now closely monitored both from a point of view of individual productivity and improvement in service delivery. Since the appointment of the RBM and the assistance from the BFI Performance Team a improvement has been made. However due to the sensitive position regarding the resources available any slight alteration to workload or staff turnover (currently at

40%) means that the performance is quickly adversely affected, and does not allow for unforeseen work to be catered for.

- 1.4 The BFI PDT identified that to process the number of incoming new claims and changes of circumstances we currently receive we require 7 staff processing them at any one time. Whilst we currently have 9 on complement, due to holidays, sickness and some only being partially trained this has equated to an average of 5.5 during the past few months. It is estimated that it takes between 12-18 months to fully train a member of staff to be 100% productive.
- 1.5 In addition to claim processing, during the year there is other work to be undertaken in order for us to keep up to date with DWP guidance. For example this year we have to introduce the verification framework and change our working practices to accommodate the change in access to DWP information through the RAT (remote access terminal). Due to the number of legislative changes there is also an ongoing requirement for training.

2. ARGUMENT

- 2.1 There are obviously delays by having insufficient staff to process new claims and changes of circumstances, not only in calculating the customer's entitlement but also the amount that has been overpaid to the customer. If the amount overpaid is deemed to be Local Authority (LA) error, for example where we have not processed a change, then depending on the level of overpaid benefit we may be penalised through a reduction in subsidy.
- 2.2 By having sufficient staff throughout the year to keep the level of LA overpayments to below £88,000 no such penalty will apply and we will receive the whole £88,000 in subsidy. If the value of overpayments is between £88,000 and £98,000 then we will only receive 40% subsidy, between £35,200 and £39,200. If the overpayments exceed £98,000 no subsidy is received. At this point it is worth clarifying that claimants will be required to repay any recoverable overpayments so subsidy is seen to be "profit" to the organisation.

3. OPTIONS TO BE CONSIDERED

- 3.1 Retain the current staffing level, which means we lose processing time whenever we need to undergo training or carry out additional tasks and drastically reduce our productivity each time a member of staff leaves; therefore losing income by way of subsidy to the organisation.
- 3.2 Recruit a further 2 members of staff at a cost of £36,000 pa to ensure timely processing of new claims and changes of circumstances to keep overpayments to a minimum and maximise subsidy to the organisation. The cost of the posts would be funded from additional subsidy by keeping LA error overpayments below £98,000. Any excess income will be considered as part of the budget setting process.

4. CONCLUSIONS

- 4.1 Once we can maintain the resource availability at 7 on a permanent basis there is no reason why the maximum subsidy could not be achieved, in which case the organisation would keep the excess of the income after the salaries had been deducted.
- 4.2 The increase in the number of permanent members of staff in the RBS section will be dealt with through an urgent action to be signed by the Chair of the Personnel Panel.

List of Background Documents:

List of Consultees:

Terry Chilcott, Sue Borwick, Leader