

## HOUSING BENEFIT PERFORMANCE STANDARDS – 2005 REVIEW

### 1 SUMMARY

- 1.1 This report is to appraise Members of the revised Housing Benefit Performance Standards (HBPS) which came into force on 1 April 2005.
- 1.2 This Committee monitors progress towards achieving the standards on a six-monthly basis. Elsewhere on this agenda is a report on the Council Tax Improvement Plan which suggest adopting a revised monitoring timetable as follows:-
- Council Tax Improvement Plan April/October
  - Housing Benefit Performance Standards July/December

### 2 BACKGROUND

- 2.1 The Performance Standards were first launched in April 2002 as a result of a commitment given by the Department for Work and Pensions (DWP) to develop a performance framework for Housing Benefit (HB) in their response to the *Housing Green Paper* (published November 2000).
- 2.2 The Performance Standards were developed to cover what needed to be achieved to deliver an effective and secure HB and CTB system that met wider strategic objectives and strengthened accountability for the service in local authorities. Drawing on the expertise and experience of the Benefit Fraud Inspectorate (BFI), the Performance Standards incorporated a self-assessment package to assist local authorities to analyse risks in the administration of benefits and their counter-fraud activity. They are designed to provide a common basis for DWP, BFI and local authorities to assess performance. The Council adopted the 641 standards in July 2002 and have committed to further improvement by the inclusion of the Benefit Service in the CPA Improvement Plan.

### 3 REVIEW OF THE PERFORMANCE STANDARDS

- 3.1 In 2004 Ministers commissioned a review of DWP's programme of inspection, monitoring and support of local authorities' delivery of HB and CTB. One of the main recommendations from the review was that the Performance Standards should be revised to clearly differentiate between:
- The outcomes expected.
  - The key enablers reflecting strategies, policies, practices and processes, that should be in place in every local authority to ensure good performance and conformity with legislation.

- A larger set of good practices and processes which have been shown to underpin good performance and are generally desirable but may not be appropriate for all local authorities or may be done equally effectively in other ways.

The Performance Standards have been rewritten to incorporate these changes.

#### 4 WHAT THE PERFORMANCE STANDARDS COVER AND WHY

- 4.1 The revised Performance Standards continue to cover the full picture of what makes up effective and secure delivery of HB and CTB, but in a more focused way with the number of components against which local authorities need to self-assess being substantially reduced. They allow inspectors and auditors to assess whether a local authority provides a modern, efficient, effective, secure, and customer-focused Benefits Service that it is continuously seeking to improve. For ease of use the Performance Standards are divided into four themes, which are subdivided into three components. The four themes are:

- **Claims Administration** – claims processing, quality and reducing error, and overpayments.
- **Security** – security of administration, counter-fraud activities, and sanctions.
- **User Focus** – take-up, customer service, and appeals and complaints.
- **Resource Management** – strategic management, value for money, and assurance.

#### 5 THE NEW SCORING METHODOLOGY

- 5.1 The new scoring methodology for the revised Performance Standards is based on applying a graded 1–4 score. The following descriptions have been applied to the scores:-

- **4 – Excellent**
- **3 – Good**
- **2 – Meeting minimum requirements**
- **1 – Not meeting minimum requirements**

- 5.2 To derive the score, performance is assessed against:

- **19 Performance Measures** – the key outcomes expected.
- **65 Enablers** – key activities which should be in place in all local authorities regardless of size and structure.

5.3 The new scoring methodology has been designed to give:

- More weight to those parts of the Performance Standards which underpin the delivery of the DWP's Public Service Agreement (PSA) targets for improving the speed of housing benefit claims and reducing the level of fraud and error.
- Credit for partial achievement against the standards set for the performance measures.
- Detailed explanation of the mechanisms is given in paragraph 7, below, and the Head of Service will also give an illustration of the process at the meeting.

## 6 WHY USE THE PERFORMANCE STANDARDS?

6.1 There are advantages in using the Performance Standards as they provide a common framework against which local authorities can plan and set objectives. For example, to:

- Provide a clear foundation for locally driven improvement plans that deliver results and drive up performance over time.
- Prepare for external inspection or assessment.
- Benchmark performance with other local authorities and share good practice.
- As a monitoring tool for Members to judge the quality of service delivery.

6.2 The Performance Standards will have a number of purposes for the different people who are involved in the delivery of the Benefits Service. These people will include:

- **Members, Chief Executives and Senior Officers** – to help maintain effective corporate governance over HB and CTB administration and counter-fraud activity.
- **Benefit and Counter-fraud Managers and their Teams** – to provide a framework for measuring performance and reference materials, including good practices, to assist in ensuring an effective and secure Benefits Service that meets the requirements of Members and senior managers.
- **Internal and External Auditors** – as a point of reference when planning an audit of the Benefits Service.
- **Customers and other Stakeholders** – to improve understanding of the quality of service they can expect.

## 7 SCORING METHODOLOGY

7.1 The new Performance Standards scoring methodology is based on applying a graded 1–4 score. The following descriptors have been applied to the 1–4 scores:-

- **4 – Excellent**
- **3 – Good**
- **2 – Meeting minimum requirements**
- **1 – Not meeting minimum requirements**

7.2 To derive the score performance is assessed against:-

- **19 Performance Measures** – the key outcomes expected.
- **65 Enablers** – key activities which should be in place in all local authorities regardless of size and structure.

7.3 These are set out in the following four themes:-

- **Claims Administration** – 16 enablers, 9 performance measures.
- **Security** – 21 enablers, 7 performance measures.
- **User Focus** – 12 enablers, 3 performance measures.
- **Resource Management** – 16 enablers, no performance measures.

7.4 The new scoring methodology has been designed to give:

- More weight to those parts of the standards which underpin the delivery of the Department of Work and Pensions (DWP) Public Service Agreement (PSA) targets for improving the speed of Housing and Council Tax Benefit claims and reducing the level of fraud and error.
- Credit for partial achievement against the standards set for the performance measures.

7.5 The themes are weighted as follows:-

Theme	Weight for Enablers	Weight for Performance Measures
Claims Administration	35%	50%
Security	35%	35%
User Focus	15%	15%
Resource Management	15%	0%

- 7.6 The performance measures are graded between 1 and 4. Only 12 performance measures have a clear direction and are scored. The other 7 are to provide information and context on the local authority's performance. The total performance measure score is also graded between 1 and 4 and is calculated from the weighted average of the individual performance measures score.
- 7.7 The overall enabler score is also graded between 1 and 4 and is calculated by finding the percentage of enablers achieved in each theme, and combining these using the weights.
- 7.8 The overall score is derived by combining the total enabler score and the total performance measure score, using a matrix. The process is not easily described here, but will become clearer with visual presentation at the meeting.

## **8 SELF-ASSESSMENT**

- 8.1 There is some 'translation' between the old 641 standards and the new regime but it will take the Revenue and Benefit Team some time to reassess Rochford's performance. It is therefore proposed that the initial Self-Assessment Report be presented to Committee in July and then six-monthly thereafter until all standards are met.

## **9 RECOMMENDATION**

It is proposed that that the Committee **RESOLVES:-**

- (1) That the new Housing Benefit Performance Standards be adopted.
- (2) That the reporting cycle be July/December until all standards are met.

S J Clarkson

Head of Revenue & Housing Management

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**Background Papers:-**

2005 HB/CTB Performance Standards

Various DWP Directives and Statutory Instruments

Letter to leader of Council from Parliamentary Undersecretary of State for Work and Pensions

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