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## **PERFORMANCE STANDARDS FOR HOUSING AND COUNCIL TAX BENEFITS**

### **1 SUMMARY**

- 1.1 This report deals with adoption of the Department for Work and Pensions (DWP) new Performance Standards for Housing Benefit and Council Tax Benefit as part of a “tool kit” for consideration by the Financial Services Best Value Review Team.

### **2 INTRODUCTION**

- 2.1 In April, Malcolm Wicks MP, Parliamentary Under-Secretary of State for Work and Pensions wrote to the Leader of the Council setting out that one of his key priorities was to improve the standard of Housing Benefit (HB) administration and that his Department wanted to work closely with each local authority to achieve that. He went on to explain that to achieve this effectively, it was necessary to express clearly what we should be aspiring to.
- 2.2 To this end he issued copies of the DWP's newly developed performance standards package. This document runs to around 15 modules contained in two volumes. It is not practical to reproduce these as an appendix to this report but they are available for inspection at the Council Offices, Rochford to any interested Member.

### **3 PERFORMANCE STANDARDS**

- 3.1 The Standards are intended to:-
- give a comprehensive picture of what makes up secure and effective benefits administration - divided into seven key functional areas
  - be a clear strategic and operational framework for assessing the performance of each authority
  - be an aid to identifying local priorities for action and planning for continuous improvement
  - improve accountability for £14 billion of public funds.
- 3.2 The Head of Service and the Benefits Manager attended a DWP conference in London in April where the key issues were debated. These included:-
- how standards form part of a wider programme of housing benefit reform
  - what the standards cover, why, and how DWP set the level of standards

- the implementation timetable and the advantages for each authority in making early use of the standards.

3.3 A briefing note is appended to this report which sets out in question and answer format why the DWP are introducing the standards.

#### **4 FINANCIAL SERVICES BEST VALUE REVIEW**

4.1 The Council have earmarked this year for a Best Value Review of Financial Services which would naturally include Council Tax Benefit and Housing Benefit functions.

4.2 The Officer review team feel that the Self Assessment toolkit contained in the Performance Standards Package would provide an excellent document to which they should work.

4.3 At the conference, the Minister stressed the importance of the formal adoption of the Standards by each local authority to demonstrate Member commitment to achieving the collective aims.

#### **5 FINANCIAL IMPLICATIONS**

5.1 The review and adoption of the Standards is additional work to that already planned for the Benefits Team which is already heavily committed to the new Weekly Incorrect Benefit Subsidy (WIBS) regime which was introduced on 1 April 2002 and our decision to adopt the Verification Framework from the same date. Consequently, Rochford may not be able to move at the pace described in the Briefing Note (paras 8 - 11). However, it is important that a start is made.

5.2 Para 15 of the Briefing Note describes that consideration will be given to targeting additional resources to those local authorities who are working to meet the standards but have difficulty achieving them within their existing resource levels. This will be part of the Spending Review for 2002; traditionally in July.

#### **6 CONCLUSIONS**

6.1 Adoption of the Standards will send a positive message to the DWP that the Council intends to make improvements to Service delivery albeit over a period of time.

6.2 It is therefore proposed that Members formally adopt the Standards and that the timetable for implementation be included in the Action Plan for the Financial Services Best Value Review.

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**7 RECOMMENDATION**

7.1 It is proposed that the Committee **RESOLVES** to

- (1) adopt the Department for Work and Pensions new Performance Standards for Council Tax Benefits and Housing Benefits;
- (2) incorporate an implementation timetable within the Financial Services Best Value Review.

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**Background Papers:**

DWP Performance Standards Pack

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**A PERFORMANCE FRAMEWORK FOR  
HOUSING BENEFIT AND COUNCIL TAX BENEFIT  
A SENIOR MANAGER'S GUIDE**

**Why a performance framework? Why performance standards?**

1. We want to work with you to improve the standard of administration of housing benefit and council tax benefit. To do this effectively, we must as an early step express clearly what we should be aspiring to, by setting performance standards.
2. This is part of a wider commitment made in our response to the Housing Green Paper (published November 2000) to develop a performance framework for housing benefit, and earlier by the Benefit Fraud Inspectorate to the Social Security Select Committee, to publish performance standards for benefits administration.

**How do these standards fit with the wider programme of housing benefit reform?**

3. We need secure, effective delivery of housing benefit to help meet wider Government objectives:
  - To offer everyone the opportunity of a decent home and so promote social cohesion, well-being and independence
  - To deliver modern, efficient, secure customer focused public services
  - To reduce barriers to work, particularly in relation to benefit and rent policy
  - To support vulnerable people and tackle social exclusion, including bad housing, homelessness, poverty, crime and poor health
  - To extend choice and personal responsibility
  - To support dignity and security in retirement
  - To protect the system against fraud and error.
4. These objectives can only be met by reforming the benefit itself, strengthening accountability for the service in local authorities, and providing better central support and help in return for measurable improvements in performance. The development of a performance framework for housing benefit is therefore one element among a number of reforms we are making.
5. Performance standards are an early step in a wider performance framework we are developing to include:
  - *Consistent national performance standards* which make clear what local authorities are expected to deliver
  - *Accurate and timely management information* so that local authorities can compare their performance and be held to account
  - *Links between administration subsidy and performance* – we are looking at how we can use performance assessments to target help and support to authorities that need it most
  - *A wider package of help and challenge* and better change management to provide a stable basis on which local authorities can plan, invest and deliver.

**What do standards cover and why?**

6. These performance standards allow local authorities to make a *comprehensive self-assessment of whether they deliver benefit effectively and securely*. For ease of use they are divided into 7 functional areas. These are:
  - *Strategic management* – clear stated aims and action, resources and monitoring to deliver those aims, with effective training and IT
  - *Customer services* – providing an efficient and prompt service that meets the needs of all claimants
  - *Processing of claims* – speedy and accurate claims processing with effective verification
  - *Working with landlords* – so private landlords have the confidence to let to claimants and we support delivery of social housing
  - *Internal security* – preventing internal fraud
  - *Counter-fraud* – deterring, preventing, detecting and pursuing fraud
  - *Overpayments* – preventing, identifying and recovering overpayments.
7. We have deliberately chosen to look at the full picture of what makes up effective and secure housing benefit delivery, that meets wider strategic objectives, rather than focusing solely on speed, accuracy and security. There is a danger that if we focused on a narrow set of administrative standards and linked these to subsidy this would distort behaviour and measurement.

**What do senior managers need to do now?**

8. We intend to take time in implementing these standards. They are the standards we aspire to, not the standards we think you can all achieve tomorrow.
9. But there are clear advantages for you in acting now to see where you are against standards, and planning for improvement. Self-assessment allows you to take control of the agenda:
  - Making an effective input into Audit Commission and BFI assessment of your performance
  - Integrating work to meet performance standards into your own change management programmes, and fitting it round your priorities.
10. We recommend you:
  - *Ensure key staff are attending one of the one day conferences we are running on the standards* – being held in Harrogate on 16 and 30 April and London on 23 and 24 April.
  - *Plan for a programme of self-assessments*, preferably building self-assessment into planning for and resourcing improvements in the delivery of service.
  - *Self-assess against the standard for processing claims* in the first half of 2002-2003, identifying priority areas for improvements in performance.
  - *Consider wider self-assessment during 2002-2003* in time to feed in to Audit Commission Comprehensive Performance Assessments
  - *Give us feedback on your experience of applying the standards.*

11. How quickly local authorities meet standards will depend on the circumstances they face, current levels of performance, and the level of local and national resources, as well as the effectiveness of change management within the authority itself. We have not therefore set any timetable at this stage for how rapidly the standards will be met. The exception is speed of processing, where we have set standards based on top quartile local authority Best Value performance data, to which the standard 5 year Best Value timescale has then been applied.

**How did you decide what level to set standards at?**

12. In developing these standards our approach has been to work with local authorities and other stakeholders to:
- To set an ideal – going beyond the regulatory minimum to look at what local authorities really need to do to deliver HB effectively and securely
  - But ensure that it is achievable – setting standards that we know some authorities are already achieving, for instance those in the Best Value upper quartile
  - Not just accepting average performance – average performance is poor in some cases
  - Not just accepting what can be achieved with existing ways of running things – we need to look at ways of working more effectively, and both central and local government may need to invest over the long term to deliver improvements and meet standards.

**How much scope do these standards give us to reflect local priorities and circumstances to drive forward local improvement?**

13. Our aim is that standards should be flexible enough to take account of the variation in local needs and circumstances that local authorities face. For instance, we have offered flexibility in how you meet customer needs in rural areas. And we recognise that some of you face much greater demands than others for services that meet the needs of ethnic minority communities and customers with special needs. We intend that the standards should be the basis of locally driven plans to make improvement, helping you identify where you are and where you should aim to be, helping you benchmark against your peers.
14. It is however important to recognise that this is a national benefits service, subject to national rules and customers, whatever their needs, should legitimately expect similar levels of service, wherever they happen to live. We have therefore set national standards that we should all work towards. Existing returns to DWP show substantial geographical variation in the level of service actually delivered: local authority self-assessments will tell us (and you) more.

**Will we get any additional funding to help us deliver these standards?**

15. We will be considering the case for targeted help to authorities who are working to meet these performance standards but have difficulty achieving them within current resource levels. The level of support for expenditure on housing benefit administration is, like all other spending, being considered as part of the Spending Review 2002.

**What incentive have we to make a frank assessment of performance?**

16. Effective, realistic, early self-assessment of performance will provide a firm basis for managers to make future improvements, rather than systematic weaknesses coming to light at a later stage, for instance as a result of external assessment.
17. A frank assessment will enable us to target help and support to those authorities that need it most.

**We are some way off meeting these standards - what help will you give local authorities like ours to improve administration to meet these standards?**

18. The DWP is committed to constructive and positive working with local authorities that need help. DWP can provide help through the Help Team and Help Fund to assist managers who want to tackle serious performance problems.
19. We also want to help more authorities deliver a high standard of Housing Benefit service by sharing good practice. As a first step, we plan to make available shortly a CD containing a "toolkit" which the Help Team has developed.
20. We are also developing a dedicated website aimed at improving two way communication with local authorities, and improving the provision of and access to central support materials such as training packages and customer leaflets.

**We are a high performing authority – what do these standards offer us?**

21. The standards provide high-performing authorities with an opportunity to demonstrate their excellence against challenging standards that go beyond the core Best Value measures of speed, accuracy and basic security and address wider issues – customer service, housing need and anti-poverty objectives.
22. We also want high performing authorities to work with us to develop and disseminate good practice material.

**Who to contact**

23. If you or your colleagues would like to know more about the performance standards, please contact Emily Hay on [emily.hay@dwp.gsi.gov.uk](mailto:emily.hay@dwp.gsi.gov.uk) or telephone 0207 712 2455.