

THE SECURING
SYSTEM

Comprehensive Performance Assessment

Rochford District Council

Benefits Service

June 2004

Comprehensive Performance Assessment

Background

1.1 The government's White Paper *Strong Local Leadership – Quality Public Services*, sets out a revised performance management framework for local authorities. Comprehensive Performance Assessment is an assessment of each authority's performance across the full range of its services, its financial integrity, capacity to drive improvement, its underlying systems and processes and the way in which it relates to its community and partners.

1.2 The aim of Comprehensive Performance Assessment is to form a view of a district local authority's performance at a corporate level and for the services it provides. The corporate assessment is undertaken by the Audit Commission and will include 2 cross-cutting reviews focused on balancing housing markets and managing public spaces. In addition, the Benefit Fraud Inspectorate (BFI) undertakes an assessment of the Housing Benefit (HB) and Council Tax Benefit (CTB) service.

1.3 BFI's assessment covers 2 aspects:

- the current level of performance
- the authority's proven capacity to improve.

1.4 The BFI's assessment and the Audit Commission's 2 cross-cutting reviews are brought together to produce an overall view of the authority.

1.5 BFI uses a 5-point scale to measure each assessment:

- poor
- fair
- fair towards good
- good
- excellent.

1.6 It is important to note that we have undertaken this assessment as part of the overall Office of the Deputy Prime Minister Comprehensive Performance Assessment process and it does not represent a full inspection of Rochford District Council's Benefits service. Our assessment is therefore not intended to be a definitive assessment of Rochford District Council's Benefits service and should not be used for this purpose.

Summary

Current performance

Scoring guidelines

2.1 Overall, we found that Rochford's HB and CTB service is currently providing a **fair** performance. Rochford District Council's current performance demonstrates a number of strengths. These include:

- policies and strategies that outline the council's and the Benefits service aims and objectives
- a performance management framework that provides assurance to Members and senior officers that the Benefits service is working towards the council's strategic objectives
- a commitment to meet the BFI and Department for Work and Pensions' (the Department) Performance Standards framework
- a 90% customer satisfaction rate
- compliance with the Verification Framework
- management checking for claims processing and counter-fraud work
- the availability of the council's website to promote benefits
- use of distinct claim forms for pensioners and working age customers
- a commitment to prevent fraud and error by using all available methods to investigate fraud
- the control and recovery of overpayments.

2.2 However, there are some areas where Rochford District Council needs to develop further to fully meet the BFI and the Department's Performance Standards framework. These include:

- expanding on how the Benefits service will help the council achieve its aims and objectives in the Corporate Performance Plan
- recognising the need to include performance results in individual staff training and development needs and having specific, measurable, achievable, relevant and time-bound key work objectives
- achieving all its performance indicator targets
- ✓introducing procedures for payments on account
- ✓monitoring the service level agreement with Jobcentre Plus
- ✓holding regular meetings with landlords
- ✓introducing an IT fallback and recovery plan
- ✓increasing the level of recovery of overpayments.

Proven capacity to improve

2.3 We assessed Rochford District Council's proven capacity to improve as **fair towards good**. Rochford District Council was able to demonstrate the following positive aspects:

- recognition of the need to improve the Benefits service
- a clear statement of intent to provide an effective and secure service
- conducting a self-assessment against Performance Standards and supporting this with a 3-year Benefits Improvement Plan
- having a robust checking regime to report performance against the council's aims and objectives
- clear lines of responsibility and accountability
- investment in a new IT system to support improved customer service
- Internal Audit reports are reviewed by senior management and Members
- a willingness by Members and senior managers to take tough decisions and tackle difficult problems
- adopting a flexible approach to move resources to tackle important problems
- seeking regular customer feedback and utilising information to improve services.

2.4 However, the following areas led us to question the extent to which Rochford District Council was able to demonstrate its capacity to improve:

- difficulty in filling vacancies
- ✓ • lack of consistency in working with landlords
- ✓ • inconsistent approach to joint working with Jobcentre Plus because the service level agreement is not being monitored.

2.5 We would like to thank Rochford District Council staff, particularly the Head of Revenues and Housing Management and the Revenues and Benefits Manager, for their assistance and co-operation with the assessment process.

2.6 This report has been produced pursuant to powers contained in sections 10 and 11 of the Local Government Act 1999.

Findings

Introduction

3.1 Information for this assessment was gathered from a range of sources, including:

- Rochford District Council
- statistical information provided by the Department
- Best Value Performance Indicators
- BFI inspection report dated February 2000.

3.2 Although some key information was collected earlier, much of the detailed evidence was provided by Rochford District Council in support of its self-assessment or following discussion with senior officers.

Benefit expenditure and caseload

3.3 Figure 1 shows that the expenditure on benefits has averaged around 33% of the council's total gross revenue expenditure for the last 3 years.

Fig. 1: Revenue expenditure compared to HB and CTB expenditure

Year	Revenue expenditure (£)	HB/CTB expenditure (£)	HB/CTB (%)
2000/01	21,371,000	7,579,623	35.5
2001/02	24,740,605	7,709,192	31.2
2002/03	25,883,100	8,174,824	31.6

Source: Rochford District Council

3.4 At the time of our assessment there were approximately 4,120 people claiming HB and CTB in Rochford District Council.

Current level of performance

3.5 Assessing current levels of performance is done primarily on the basis of Performance Standards. But other data is also relevant, such as the authority's comparative position using Best Value and other performance indicators as reported in the Department's quarterly returns.

3.6 Assessments are based around the 7 functional areas used to group Performance Standards. These cover the life of a claim from the point an individual becomes interested in claiming HB or CTB to the point when eligibility to HB or CTB no longer exists. They 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 customers

Processing of Claims – speedy and accurate claims processing with effective verification

Working with Landlords – so private landlords have the confidence to let to customers and supporting delivery of social housing

Internal Security – preventing internal fraud

Counter-fraud – deterring, preventing, detecting and pursuing fraud

Overpayments – preventing, identifying and recovering overpayments.

3.7 Rochford District Council provided a copy of its full self-assessment against Performance Standards which was undertaken in September 2003. We have used this as the basis of our assessment and the council's self-assessment score is shown in each of the 7 functional areas of Performance Standards set out below.

Strategic Management

3.8 Rochford District Council told us that it was at Standard in 189 of the 234 Strategic Management components.

3.9 The council's Corporate Management Board comprising the Chief Executive and 2 Corporate Directors is responsible for making policy and taking decisions on behalf of the organisation. The full council of elected Members is responsible for setting the strategy and policy of the council.

3.10 The Operational Management Team comprising the 7 Heads of Services is responsible for the day-to-day management of the Divisions of the council.

3.11 The council has 4 Principle Service Committees and 3 Overview and Scrutiny Committees, each made up of elected Members. These committees are responsible for overseeing the strategy and policy making decisions within council.

3.12 The Heads of Service report on operational matters to the Corporate Management Board and the respective Overview and Scrutiny Committees who in turn provide information to the respective Principle Service Committees for decisions to be made.

3.13 The Benefits service is part of the Revenues and Housing Management Division. It is one of 7 Divisions that report to one of 2 Directors who are part of the Corporate Management Board.

3.14 The Revenues and Housing Management Division reports either to the Finance and Procedures Overview and Scrutiny Committee or the Policy and Finance Committee. The Chairman of the Finance and Procedures Overview and Scrutiny Committee is the Lead Member on benefits. Decisions on benefit related matters are referred to the Policy and Finance Committee. All reports from Heads

of Service go to the Corporate Management Board who endorse requests or decisions before they are forwarded to the Finance and Procedures Overview and Scrutiny Committee. This Committee takes the lead on making strategic decisions for the Benefits service before referral is made to the Policy and Finance Committee for a final decision.

3.15 Rochford District Council's strategic objectives and priorities are set by the Corporate Management Board in its annual Corporate Performance Plan. The Corporate Performance Plan is based around 6 corporate aims. The objectives and priorities are then translated into practical ways of delivering services to achieve the corporate aims and these are subsequently incorporated into individual Division plans. The 2003/04 HB and CTB Administration Operational Plan incorporates the council's stated aims for the Benefits service. This helps to ensure the council can measure if it has been successful in achieving its objectives and priorities. The council monitors progress against its targets using various performance measures, including Best Value Performance Indicators and local targets.

3.16 Although benefits expenditure represents approximately 33% of the council's total gross revenue expenditure, the Benefits service does not feature significantly in Rochford District Council's Corporate Performance Plan. There are details about performance achievement, but there is no other information or any indication as to how the Benefits service will help the council achieve its aims and objectives.

3.17 The HB and CTB Administration Operational Plan recognises the key role the Benefits service has in helping the council meet its corporate aims and objectives. The plan sets out the Benefits service vision, which is to:

- *provide a modern, customer-focused, efficient, effective and secure housing benefit system that is continuously seeking to improve and reduce the risk of fraud and error*
- *deliver an effective housing benefit system that is set within the broad context of local authority and stakeholder strategies to meet wider strategic objectives*
- *ensure that benefits administration be given the priority needed to raise standards*
- *deliver a cost effective service which provides value for money to all stakeholders*
- *ensure that all involved with administering or claiming housing benefit understand what they must do to make the system effective and secure.*

3.18 The HB and CTB Administration Operational Plan also outlines how the Benefits service proposes to achieve its aims by:

- ensuring people receive the benefit to which they are entitled
- making benefit services more accessible

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- responding to claims and enquiries speedily and accurately
- administering benefits promptly so as to minimise barriers to work
- providing support to people to live in decent housing
- maximising the recovery of overpaid benefit to protect public funds and council finances
- investigating potential fraud and applying appropriate sanctions to benefit fraudsters.

3.19 The performance targets contained in the HB and CTB Administration Operational Plan are monitored weekly by the Revenues and Benefits Manager and respective Benefits Team Leaders. Weekly reports are submitted to the Head of Revenues and Housing Management. These reports are used by the Revenues and Benefits Manager at weekly meetings with Benefits Team Leaders to assess the state of work, decide priorities and where necessary reallocate resources. A report is also compiled for the Head of Revenues and Housing Management setting out the Benefits service's performance against targets. The Revenues and Benefits Manager and the Head of Revenues and Housing Management meet monthly to discuss performance.

3.20 The Head of Revenues and Housing Management provides a monthly report on performance to the Corporate Director and a quarterly report is issued to Members. A more detailed report is sent monthly to the Benefits Lead Member.

3.21 The Senior Benefits Officers complete a 10% check of all claims prior to a decision being made. Errors found are recorded and reported back to individual assessors. More common and persistent errors identified lead to further training or written guidance being provided.

3.22 As part of its HB and CTB Administration Operational Plan, Rochford District Council also introduced a 3-year Benefits Improvement Plan. This plan was produced in recognition of the council's self-assessment against Performance Standards and set out the changes and improvements required for the council to meet targets by April 2006.

3.23 Rochford District Council has a number of policies linked to the Benefits service. These include for example a:

- contingency plan against service disruption
- corporate anti-fraud and corruption strategy, including a whistleblowing policy
- policy and procedures for the administration and recovery of HB and CTB overpayments.

3.24 Based on the evidence provided, we conclude that Rochford District Council was not at Standard for Strategic Management.

Customer Services

3.25 Rochford District Council told us that it was at Standard in 78 of the 91 Customer Services' components.

3.26 The HB and CTB Administration Operational Plan is underpinned by the Customer Services Policy which details the specific policy and performance targets relating to customer services. The customer services targets set by the council for 2003/04 meet the requirements of Performance Standards.

3.27 The overall aims of the Customer Services Policy are to:

- provide a customer focused service that supports the needs of the service users
- maximise take-up of the HB and CTB scheme
- provide support to those customers that are vulnerable and require assistance in making a claim
- ensure that personal information is communicated to those parties with appropriate authorisation
- ensure adherence to the council's equal opportunities policy.

3.28 To enable Rochford District Council to meet its customer service aims, the Benefits service provides:

- reception points in Rochford and Rayleigh
- a dedicated telephone service dealing with HB and CTB enquiries
- a commitment to promote benefits through take-up campaigns
- a visiting service to help people complete claims.

3.29 Approximately 51,000 telephone calls were made to the Benefits service in 2002/03. The telephone service is open from 0800-1730 Monday to Thursday and from 0800-1700 on Fridays.

3.30 The Benefits service also deals with approximately 6,500 personal callers at its HB and CTB enquiry offices. The offices are open from 0830-1700 Monday to Thursday and from 0830-1630 on Fridays. A telephone service is provided outside these hours for those who work.

3.31 The telephone and reception service times are advertised in notes which accompany the claim form and are displayed in leaflets and in the newsletters issued quarterly by Rochford District Council.

3.32 The Benefits service has a visiting officer available to undertake welfare visits, for example, to elderly customers who need help to complete a claim form but cannot get into the council's 2 offices. The service is advertised on Rochford District Council's claim forms and by Social Services.

3.33 One of Rochford District Council's key objectives is to improve the way the council interacts with customers relating to the services provided. In October 2002, the council undertook a survey of its customers to ascertain their views about improving the service. Over

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90% of customers expressed the view that they would prefer dealing with one point of contact and would like to see improvements made.

3.34 As a result of the survey findings, in February 2003, the council restructured by merging the Local Taxation Sections and Benefits Sections to create the Revenues and Benefits service. This service incorporated a housing liaison officer with specific duties associated with housing rent rebates. The council took this decision to provide a more focused approach to dealing with benefit claims.

3.35 Between September 2003 and January 2004 results from a further customer satisfaction survey showed that 90% of customers were either very satisfied or fairly satisfied with the overall quality of service being provided.

3.36 Rochford District Council told us that the Head of Revenues and Housing Management monitors the percentage of letters replied to within the target of 14 days every month.

3.37 Rochford District Council has a corporate complaints system. We were told all complaints are monitored to ensure prompt replies are sent and that the complaint is analysed to identify procedural weaknesses. Since April 2001, 23 complaints have been received about the Benefits service and there have been no complaints made to the Local Government Ombudsman.

3.38 Rochford District Council uses 2 claim forms, one designed for pensioners and the other for working age customers. The forms reflect advice on designing a claim form as specified in the Department's pack *Designing the HB and CTB claim form*. The claim forms are available on the council's website.

3.39 Rochford District Council's anti-poverty strategy and social inclusion policy state people will be made aware of benefits they may be entitled to, making sure no one is left out. To help deliver this aim a recent benefits take-up campaign, in co-operation with The Pension Service, was undertaken between September and October 2003.

3.40 As the Rochford office is a listed building, the council cannot alter or provide totally suitable facilities for customers with sight difficulties or those who are disabled. As a result the council accepts it is not fully compliant with the Disability Discrimination Acts 1995 and 1999. To meet the requirements of the Act Rochford District Council is adding a specialist modular reception area to its existing building from August 2004.

3.41 Rochford District Council told us that the Benefits service has not:

- had in place key work objectives containing smart, measurable, achievable, relevant and time-bound customer service objectives
- ensured that standards for training and development set out in strategic management plans are met for customer services.

3.42 Based on the evidence provided, we conclude that Rochford District Council was not at Standard for Customer Services.

Processing of Claims

3.43 Rochford District Council told us that it was at Standard in 94 of the 96 Processing of Claims components.

3.44 Since August 2002 Rochford District Council has reported to the Department that it has been fully compliant with the Verification Framework. In its self-assessment Rochford District Council confirmed it verified all evidence in support of a claim in accordance with Performance Standards.

3.45 Figure 2 shows Rochford District Council's performance against Best Value Performance Indicators and Performance Standards between April 2001 and March 2003. The data for 2002/03 has been audited.

Fig. 2: Rochford District Council's performance from April 2001 to March 2003 against Best Value Performance Indicators and Performance Standards

Performance indicator	Standard	Performance 2001/02	Performance 2002/03
BV78a: Average time for processing new claims (days)	36	42	50
BV78b: Average time for processing changes of circumstances (days)	9	13	9
BV78c: % renewal claims processed on time	83	72	74
BV79a: % cases processed accurately	98	96	96
Departmental quarterly return: % new claims decided in 14 days	90	75	75
Departmental quarterly return: % of new rent allowance claims paid in 14 days	82	76	77

Source: Rochford District Council and Departmental data

3.46 Between 2001/02 and 2002/03 the council's performance showed that:

- the time taken to deal with changes of circumstances improved
- the percentage of claims processed accurately and the percentage of new claims decided in 14 days remained the same and

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- processing new claims, processing renewal claims and the percentage of new rent allowance claims decided in 14 days deteriorated.

3.47 Since April 2003 performance, with the exception of cases processed accurately, has worsened and as a result the council is not at Standard.

3.48 We were told there were 3 reasons for this deterioration in performance. These were:

- the major upheaval caused through the amalgamation of Revenues and Benefits in February 2003
- the loss of around 50% of experienced benefits staff early in 2003
- the need to recruit and train staff to ensure they had the appropriate skills and experience to process claims.

3.49 Rochford District Council recognised its performance failings in 2002/03 and the continued under achievement during 2003/04. To improve performance the council has introduced a number of initiatives to help improve performance including:

- the appointment of a Benefits champion, the Lead Member of the Finance and Procedures Overview and Scrutiny Committee, to oversee benefits administration and ensure the delivery of the HB and CTB Administration Operational Plan
- the requirement to provide quarterly performance reports to Members
- the requirement to provide a monthly report to the Benefits champion
- regular weekly meetings between the Revenues and Benefits Manager, the 2 Senior Benefits Officers and Benefits Team Leaders to decide prioritisation of work and best use of resources
- asking all staff to identify their own training needs to inform gaps in knowledge
- the appointment of a temporary Benefits Training Officer to co-ordinate and identify training needs.

3.50 We were told that Rochford District Council does not make payments on account due to difficulties with its benefits IT system. However, plans have been made to rectify this problem and the Benefits service intends to make payments on account from April 2004 at the latest.

3.51 The Senior Benefits Officers undertake a 10% post payment check on all claims where a decision has been made. The 10% check is increased for new entrant staff, agency staff or when a change in legislation has occurred.

3.52 Rochford District Council also told us that:

- a 10% selection of pre-payment cases is subject to check

- the payments made by cheque are checked each week before issue.

3.53 Rochford District Council uses the risk groups outlined in the Verification Framework to tailor benefit periods. Although benefit periods are not restricted to reflect a known change in circumstances recognised at the initial assessment, users will input a diary note on the IT system to highlight a future known change.

3.54 Rochford District Council has a number of service level agreements with various stakeholders including:

- the Rent Service
- Jobcentre Plus
- The Pension Service.

3.55 Rochford District Council told us that it has a good relationship with the Rent Service and monitors performance quarterly against the standards set out in the service level agreement. Formal meetings are held every 6-months but any issues arising either as a result of a general enquiry or due to non-compliance with the standards are dealt with by telephone and appropriate action is taken to rectify any specific failings.

3.56 Rochford District Council holds quarterly meetings with Jobcentre Plus. Despite this the council told us that it is not able to monitor the performance of Jobcentre Plus as Jobcentre Plus shows no interest in complying with the standards set out in the service level agreement.

3.57 Quarterly meetings are held with The Pension Service and performance is monitored against the standards set out in the service level agreement.

3.58 Based on the evidence provided, we conclude that Rochford District Council was not at Standard for Processing of Claims.

Working with landlords

3.59 Rochford District Council told us that it was at Standard in 22 of the 28 Working with Landlords components.

3.60 Rochford District Council introduced Policy and Procedures guidance for dealing with private landlords in October 2002. These procedures were revised in November 2003. Rochford District Council uses an information leaflet and provides a help sheet as part of the claim form to explain the HB and CTB scheme, advise landlords of their responsibilities and the level of service they can expect. The leaflet is displayed in the council's offices, is publicised on the website and in the local newspaper, *Rochford District Matters* and is sent out automatically on receipt of all new claims from private landlords.

3.62 Rochford District Council does not write to landlords annually to remind them of their responsibilities and encourage them to co-operate to prevent overpayments arising.

3.63 The council does not communicate with landlords on a regular basis. Rochford District Council told us that meetings with landlords were previously run by the Housing Department and the Benefits service contributed to this forum. However, meetings were infrequent and poorly attended and it was recognised that the Benefits service was better placed to deal with the forum and take the lead in dealing with landlords. The first forum is scheduled for February 2004 and a 6-monthly landlords newsletter is to be issued in support of the forum.

3.64 Rochford District Council also told us that although regular contact is maintained with registered social landlords, for example, Springboard Housing Association, no regular meetings are held.

3.65 Rochford District Council sends notifications to landlords at the same time that decision letters are sent to customers. We were told the decision letters meet legal requirements. However, letters are not sent to landlords when a reminder is sent to customers about their renewal claim in cases where the customer has given their consent.

3.66 Rochford District Council told us it ensured the accuracy of payments and minimised the risk of fraud and error by:

- complying with the Verification Framework
- undertaking a 10% pre-payment check of claims
- using diary notes when aware of a future change of circumstances
- undertaking random delivery of payment cheques to ensure residency
- applying the fit and proper test on landlords before a direct payment is authorised.

3.67 Rochford District Council told us that it does not make use of the Bankers Automated Credit System. However, the facility to have payments made by this method does exist and is offered as part of the initial claim pack sent out when a customer makes a claim for benefit. The Benefits service has acknowledged that a number of landlords and customers have expressed a wish to have payments made direct to their bank and we were told that the scheme will be operational from April 2004 once adjustments have been made to its payment IT system.

3.68 Rochford District Council told us that it monitors the impact of efforts to work with landlords and amends its approach in the light of results. For example, in recent months there have been some difficulties with registered social landlords which has led to the Benefits service taking over responsibility from the Housing Department for dealing with landlords. The Benefits service has also recognised the need to have service level agreements with its largest registered social landlords to establish respective responsibilities. We were told Rochford District Council plans to meet with registered social landlords in February 2004 to discuss proposed agreements.

3.69 Based on the evidence provided, we conclude that Rochford District Council was not at Standard for Working with Landlords.

Internal Security

3.70 Rochford District Council told us that it was at Standard in 32 of the 33 Internal Security components.

3.71 In recognition of a reliance on the council's IT systems to deliver its Benefits service, Rochford District Council has procedures and guidance on the use and security of its IT systems.

3.72 The guidance covers areas such as passwords, logging-off the system when staff are away from their desks, electronic mail, the intranet and internet, storage of information, and Health and Safety issues. The guidance notes are available to staff on the council's intranet site and it is made clear that failure to abide by the rules governing use of the council's IT systems may lead to disciplinary action.

3.73 Rochford District Council's self-assessment shows that it does not have a current IT fallback and recovery plan. However, the council has recognised this as a risk and has an action plan to remedy this by June 2004.

3.74 Rochford District Council vets staff in accordance with Audit Commission recommendations. We were told that checks include the verification of:

- references
- qualifications
- medical requirements.

3.75 We were also told that when an advertised post is in Revenues and Benefits, Internal Audit, the Revenues Investigation Department or the Housing Department a further check at the Criminal Records Bureau would be required.

3.76 Rochford District Council told us that its post opening procedures cover:

- where post is opened
- the minimum number of staff
- the receipt of items of value.

3.77 The council's corporate anti-fraud and corruption strategy contains guidance to Members and staff of the need to declare relevant interests. Declarations are held in a Register of Interests which is maintained by the council's Financial Services Team. Rochford District Council told us that regular checks of the Register is undertaken.

3.78 Rochford District Council has a code of conduct for all employees. The code is documented in the Staff Handbook and sets

out the standards of behaviour expected of staff when dealing with customers.

3.79 Rochford District Council's Internal Audit plan is approved by Members each year. In 2002/03 Internal Audit spent 10% of available time on the Benefits service.

3.80 In February 2003 Internal Audit conducted a review of the Benefits service to ensure that adequate controls were in place. It reported that the procedures relating to HB were sound and operating well and we were told that controls were either effective or adequate.

3.81 Based on the evidence provided, we conclude that Rochford District Council was not at Standard for Internal Security.

Counter-fraud

3.82 Rochford District Council told us that it was at Standard in 110 of the 117 Counter-fraud components.

3.83 The council seeks to prevent, detect, deter and investigate instances of fraud and corruption in various ways. It has:

- a corporate anti-fraud and corruption strategy which includes a whistleblowing policy
- a Revenues and Benefits Fraud Business Plan approved by Members in September 2003
- a fraud hotline is advertised in council literature, libraries, local shops, the railway station, the local press and the council's reception areas in Rochford and Rayleigh
- a prosecution policy
- an employee code of conduct
- procedures for investigation staff to follow.

3.84 Rochford District Council's HB and CTB Administration Operational Plan sets out the council's aims and objectives for the Benefits service. The plan is supported by the Revenues and Benefits Fraud Business Plan that outlines the aims and objectives of the Revenues Investigation Department. The Revenues and Benefits Fraud Business Plan includes the key strategic objectives for the Revenues Investigation Department which aims to:

- encourage closer working by promoting an honest and open culture amongst staff involved in the administration of HB and CTB
- ensure there is a secure and robust administration system that mitigates against internal and external fraud
- advertise successful prosecutions of Benefit fraud to act as a deterrent.

3.85 Rochford District Council's Revenues Investigation Department comprises 2 full-time investigators, one of whom is the Senior

Benefits Officer (Fraud) and the other is the Team Leader (Fraud), and 2 visiting officers undertaking residency checks in line with the Verification Framework. An additional visiting officer is responsible for checking properties and a clerical assistant provides administrative support. The Senior Benefits Officer (Fraud) oversees the Revenues Investigation Department and reports to the Revenues and Benefits Manager.

3.86 Rochford District Council told us that the 2 investigators had successfully completed the Professionalism in Security training. The Senior Benefits Officer (Fraud) and the Team Leader (Fraud) are both qualified under the Professionalism in Security accreditation. A third member of the team is undertaking training for accreditation as an investigator and we were told this should be achieved by July 2004.

3.87 Fraud awareness training is provided to all new Revenues, Benefits and Housing Department staff during their induction. Other council employees do not receive fraud awareness training, but are advised of the council's corporate anti-fraud and corruption strategy and whistleblowing policy as part of their induction. Additional fraud awareness training is provided, at least annually, to existing Revenues, Benefits and Housing Department staff.

3.88 On a quarterly basis Rochford District Council issues a free newspaper *Rochford District Matters* to all households in the district. The newspaper provides customers with news and information of events within the district, including details about fraudulent activity. In addition an *In-house* newsletter is issued quarterly to all council staff. This newsletter provides staff with information covering all aspects of the council's activities including information about the council's counter-fraud work.

3.89 Rochford District Council told us it uses a variety of methods to detect fraud. These include:

- data matching through the Housing Benefit Matching Service and the National Fraud Initiative
- the 'Do Not Redirect' scheme
- the Verification Framework
- a home visiting programme
- the use of a confidential hotline which is accessible 24 hours a day
- a commitment to undertake specific fraud drives once a year through joint working with, for example, the Counter Fraud Investigation Service and other councils
- making use of the National Anti-Fraud Network to exchange intelligence about possible fraud activity. It provides a gateway for officers to carry out checks with, for example, the Land Registry and credit card companies.

Rochford District Council's Benefits service

3.90 Rochford District Council has appointed one authorised individual with powers to require people or organisations to provide information in connection with the detection and investigation of fraud. We were told that the Benefits service maintains appropriate records on its use of these powers and was complimented by an Inspector from the Office of the Surveillance Commissioner for its procedures.

3.91 Rochford District Council does not provide Members, senior officers and the Audit Commission with an annual report on the outcome of National Fraud Initiative data matches. However, regular reports are made to the Lead Member responsible for Benefits.

3.92 All referrals made to the Revenues Investigation Department are recorded on the fraud module of the benefits IT system within 5 working days of receipt. The Senior Benefits Officer (Fraud) or Team Leader (Fraud) decides which referrals will be accepted. Rochford District Council told us that all referrals are usually sifted within 5 days of receipt and investigations commenced within 14 working days.

3.93 Rochford District Council does not monitor the effectiveness or quality of referrals being made by source.

3.94 Rochford District Council told us that the Senior Benefits Officer (Fraud) and the Team Leader (Fraud) undertake checks on each other's case files every month to monitor workload and case progression. An independent check is also undertaken by the Revenues and Benefits Manager. Details of action to be taken is recorded in the notes box on the benefits IT system. This cross-checking enables officers to discuss performance and review the caseload. The Senior Benefits Officer (Fraud) meets weekly with the Revenues and Benefits Manager to discuss performance.

3.95 The Senior Benefits Officer (Fraud) or the Team Leader (Fraud) are responsible for making decisions on whether cases should be closed. The Revenues and Benefits Manager undertakes random checks on closed cases to ensure closure is compliant with guidance. The Revenues and Benefits Manager will discuss individual cases and decide whether a fraudster is to be prosecuted or a sanction is to be applied.

3.96 Figure 3 shows the number of prosecutions, administrative penalties and cautions undertaken by Rochford District Council in 2001/02 and 2002/03.

Fig. 3: Numbers of prosecutions, administrative penalties and cautions

	2001/02	2002/03
Cases submitted for prosecution	5	5
Successful prosecutions	5	4
Administrative Penalties offered and accepted	8	8
Formal cautions given	8	8

Source: Rochford District Council

3.97 For 2003/04 Rochford District Council's targets are to prosecute 9 fraudsters and apply 21 other sanctions. At the end of December 2003 it had successfully carried out 4 prosecutions, 6 administrative penalties and given 9 formal cautions.

3.98 Rochford District Council has a counter-fraud joint working partnership agreement in place with Counter Fraud Investigation Service.

3.99 Rochford District Council uses the following methods to monitor the impact of counter-fraud activity and amend its approach:

- uses system reports to analyse trends and focus attention on high risk cases
- undertakes benchmarking and shares good practice on counter-fraud activity with the Essex Counter-Fraud Officers' forum
- holds meetings with Counter Fraud Investigation Service and the Essex Counter-Fraud Officers forum to discuss working practices, procedures and joint investigations
- monitors referrals to highlight weaknesses and inform fraud awareness training.

3.100 Our February 2000 Inspection report made a number of recommendations about improving the council's counter-fraud activity. Rochford District Council told us that all the recommendations had been implemented.

3.101 Based on the evidence provided, we conclude that Rochford District Council was not at Standard for Counter-fraud.

Overpayments

3.102 Rochford District Council told us that it was at Standard in all 55 of the 55 Overpayments components.

3.103 The HB and CTB schemes require local authorities to calculate and recover overpaid benefit. Rochford District Council has defined its processes in a Policy and Procedures for the Administration and Recovery of HB and CTB Overpayments document. This policy was endorsed by Members and senior officers in October 2002.

3.104 The overall aims of the policy are to prevent and minimise the number and value of overpayments by, for example:

- regularly informing customers and landlords of their responsibilities to advise the council of changes of circumstances
- ensuring appropriate management checks are undertaken
- make use of all recovery methods available to the council.

3.105 Rochford District Council told us that it aims to prevent overpayments occurring by:

- ensuring claims are correctly assessed first time
- undertaking a 10% check of all claims before notifications are sent to customers and landlords
- dealing with reported changes of circumstances in a timely and accurate manner.

3.106 In Rochford District Council the benefit assessor inputs details of any reported changes of circumstances into the benefits IT system. The system calculates any new benefit entitlement and automatically calculates any resultant over or underpayment. The benefit assessor makes the decision on the classification of the overpayment, whether it is recoverable and from whom recovery should be sought after they have checked for any underlying entitlement. The Benefits service is only responsible for recovering debts where there is ongoing entitlement. The Revenues and Local Taxation Recovery Team, a dedicated team within the Revenues and Housing Management Division, is responsible for the recovery of all debts associated with Revenues and Benefits overpayments.

3.107 Figure 4 shows Rochford District Council's performance in recovery of overpaid benefit for the period April 2001 to December 2003.

Fig. 4: Rochford District Council's performance in recovery of overpaid benefit.			
	Performance 2001/02	Performance 2002/03	Performance (April to December 2003)
Recovery of overpaid benefit %	90	37	26

Source: Rochford District Council

3.108 Figure 4 shows that the level of debt recovered deteriorated during 2002/03. Rochford District Council told us that the figures for 2001/02 were incorrect as they were based on erroneous management information. However, the council acknowledges that the level of recovery is not consistent or particularly high and told us that this had been due to the lack of trained staff.

3.109 Rochford District Council told us it needs to improve performance if it is to achieve its aim to increase recovery of overpaid benefit to 65% within 3 years as outlined in its HB and CTB Administration Operational Plan.

3.110 Rochford District Council told us that it makes full use of all overpayment recovery methods available.

3.111 Recovery levels are reviewed annually to determine the most effective way of recovering debts.

3.112 Rochford District Council monitors the level and age of outstanding debt. It sets recovery targets to be achieved each year and performance is monitored by the Revenues and Local Taxation Recovery Team and reported monthly to the Revenues and Benefits Manager. Rochford District Council has not achieved its recovery targets prior to 2003 and is not expected to do so for 2003/04.

3.113 Quarterly reports are made to the Finance and Procedures Overview and Scrutiny Committee.

3.114 Rochford District Council's Policy and Procedures for the Administration and Recovery of HB and CTB Overpayments document outlines the procedures for writing off overpayments. We were told that all appropriate methods of recovery are used before consideration is given to write-off a debt. Debts are usually only written off where it has been decided that it is impossible to pursue further, for example, the customer has died or the debt is too old and uneconomical to pursue.

3.115 Based on the evidence provided, we conclude that Rochford District Council was at Standard for Overpayments.

Proven capacity to improve

3.116 The White Paper places emphasis on an authority's proven capacity to improve and for this to be based on evidenced improvement over the last 3 years. Authorities will also need to demonstrate how they will meet the statutory duty to continuously improve performance.

3.117 This section looks at what evidence there is to support the likelihood of improvement. It covers the track record of the council in improving and managing change within its Benefits service, as well as more broadly across the authority. In particular, whether it meets the Strategic Management Standard.

3.118 In making this assessment account has also been taken of 4 key factors set out in the Audit Commission's report *Changing Gear*.

- ownership of problems and willingness to change
- a sustained focus on what matters
- the capacity and systems to deliver performance and improvement
- integration of Best Value into day-to-day management.

Ownership of problems and willingness to change

3.119 Rochford District Council's strategic aims and objectives are set out each year in the annual Corporate Performance Plan. The 7 Heads of Service translate the strategy into practical ways of providing a service through their business plans. The business plans outline specific targets and outcomes to be met, enabling the council to measure if it has been successful in achieving its aims and objectives.

3.120 The Benefits service has developed an HB and CTB Administration Operational Plan and a Benefits Improvement Plan which have clear links to the council's objectives and priorities.

3.121 The Head of Revenues and Housing Management is accountable for the Benefits service performance. Performance against Best Value Performance Indicators is monitored and reported monthly to the Corporate Management Board and quarterly to the Finance and Procedures Overview and Scrutiny Committee.

3.122 Despite the Benefits service not featuring significantly in the Corporate Performance Plan, senior managers and Members have acknowledged the importance of providing a Benefits service of excellence to the community. In recognition of this Members endorsed a vision for the Benefits service which is included in the 2003/04 HB and CTB Administration Operational Plan.

3.123 As part of its commitment to improve its Benefits service, Rochford District Council has welcomed external and internal challenge. For example:

- as a result of customer comments about the service it:
 - appointed a dedicated Project Officer to take the lead on issues such as, take-up campaigns, updating information in leaflets and forms, providing newsletters, arranging landlord forums, maintaining the website
 - conducted a consultation exercise with customers which resulted in a major reorganisation of the Benefits service
- in November 2003, following its self-assessment against Performance Standards, the Benefits service developed an action plan to address areas of weakness and strive for improvement.

3.124 Rochford District Council has in the last 12 months:

- amalgamated the Revenues and Benefits Teams to provide an improved service to the customer
- appointed a temporary Training Officer to develop a training programme and provide support to staff, 80% of whom had been in post less than a year
- created 2 full-time checking officers to strengthen its procedures in checking claims
- undertaken training for staff who replaced the high proportion of skilled staff who left the council

- shown it is willing to take tough decisions and tackle difficult problems to ensure it meets Performance Standards and provide the level of service to which it aspires.

A sustained focus on what matters

3.125 The Revenues and Benefits service reviews its HB and CTB Administration Operational Plan annually. The aims and objectives are scrutinised and prioritised in line with the council's corporate objectives.

3.126 Since 2001, Rochford District Council has undertaken annual customer surveys to measure customer satisfaction and ensure that council objectives focus on areas that are important to the customer.

3.127 To improve customer service Rochford District Council has developed corporate targets for responding to customer enquiries. We found that Rochford District Council had monitoring processes to evaluate the level of service being provided for answering the telephone, dealing with customers at reception, responding to correspondence and handling appeals.

3.128 Rochford District Council recognises that its reception facilities in the Rochford office are inadequate and do not fully comply with the Disability Discrimination Acts 1995 and 1999. Although the council has considered the possibility of moving to alternative premises this cannot be undertaken until 2007 at the earliest. The council has therefore decided to put in place, additional specialist accommodation, attached to its existing building to meet the needs of the Act. This will be completed by August 2004.

The capacity and systems to deliver performance and improvement

3.129 The HB and CTB Administration Operational Plan and the Fraud Business Plan include a series of targets which are measured and monitored weekly and monthly through the council's performance management framework. The targets are derived from the council's aims and objectives outlined in the Corporate Business Plan. The plans detail how Rochford District Council proposes to measure performance between 2003/04 and 2005/06.

3.130 Rochford District Council has various procedures in place to monitor performance and to review the work undertaken by its staff. These methods include:

- monitoring performance against targets
- maximising use of management information and reports
- identifying individual and common errors through its quality checking procedures
- staff undertaking their own training needs analysis to highlight strengths and weaknesses in knowledge and identify where improvements can be made

- weekly team meetings
- monthly review of fraud workloads.

3.131 Rochford District Council told us that the reorganisation of its Revenues and Benefits service coupled with the loss of around 80% of its skilled workforce had a detrimental effect on HB and CTB delivery in the early part of 2003. These problems were reported to the Corporate Management Board and Members through the council's performance management framework. To overcome the difficulties faced by the Benefits service, Rochford District Council recommended that a number of changes be introduced. Members endorsed the recommendations and supported the Benefits service by agreeing:

- the allocation of additional resources for the service
- to take an active interest in Benefits service staff performance in meeting targets
- the appointment of the Lead Member of the Finance and Procedures Overview and Scrutiny Committee overseeing benefits administration
- additional investment in its IT systems to include Document Imaging Processing for reception staff
- to the appointment of a Training Officer to help improve staff skills and knowledge.

3.132 Rochford District Council has demonstrated effective partnership working with some key stakeholders by holding regular meetings and measuring elements of service level agreements so it can report back to respective stakeholders about current performance.

Integration of Best Value into day-to-day management

3.133 The 2003 HB and CTB Administration Operational Plan outlines benefits and counter-fraud targets to be achieved. This along with the Benefits Improvement Plan spell out how Rochford District Council will measure performance of the service between 2003/04 and 2005/06.

3.134 To provide assurance that success can be gauged, performance monitoring is undertaken at all levels. Members and senior managers are involved in monitoring progress against the HB and CTB Administration Operational Plan and the Benefits Improvement Plan and reports on progress are subject to regular scrutiny by the Corporate Management Board and the Finance and Procedures Overview and Scrutiny Committee.

3.135 Rochford District Council has endeavoured to develop a culture of continuous improvement by setting performance targets that are agreed, specific, measurable, achievable, relevant and time-bound. By following these principles Rochford District Council aspires to meeting Performance Standards.



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