



# Benefits Service Plan

2014/2015

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## **Appendix A - Benefits Improvement Plan 2014/15**

## **1. What this document is about**

This Business Plan provides a framework of how we intend to continue to deliver a high quality service for our customers and stakeholders.

It covers who we are, what we do, and how we do it. Information on all areas of the service is provided with details of our performance during 2013/14 and priorities for 2014/15.

Reducing poverty and social exclusion and increasing opportunities for improved access to services, which are high quality, continually improving, efficient and responsive to local people's needs are key outcomes in Shetland's Single Outcome Agreement. Reducing inequalities and ensuring Shetland's more vulnerable people and households are provided with support is a key priority in the Council's Corporate Plan. This business plan identifies the Benefits Section's contribution to these outcomes and priorities.

This Business Plan also communicates to staff the direction needed for the service to continually improve and provide the best service possible for our customers.

Our Benefits Improvement Plan (appendix A) demonstrates our commitment to continuous improvement.

## **2. Introduction to the Benefits Service**

The function of Benefits Section is to administer Housing Benefit, Council Tax Reduction, Discretionary Housing Payments and the Scottish Welfare Fund for the people of Shetland on behalf of the Department for Work and Pensions (DWP) and the Scottish Government.

It is a statutory service that forms an integral part of Finance's Revenues and Benefits Team, which sits within the Corporate Services Department of Shetland Islands Council.

Housing Benefit and Council Tax Reduction are governed by law passed by the Westminster and Scottish Parliaments. All claims assessed by the Benefits Section are in accordance with government legislation, DWP policy, case law and Council policy.

Housing Benefit and Council Tax Reduction provides financial assistance for those people with low income as payment towards their Rent and Council Tax. The Shetland Islands Council has over 1,300 customers receiving benefit in Council owned properties; privately rented properties and privately owned properties, split roughly 50:50 between pension age and working age cases. We make benefit payments of approximately £3.8 million per year.

Discretionary Housing Payments provide claimants with further financial assistance when a local authority considers that help with housing costs is required. This is in addition to any welfare benefits the claimant is in receipt

of. During 2013/14 £90,942 was awarded, mostly to cover shortfalls in Housing Benefit created by the 'bedroom tax'.

The Scottish Welfare Fund, a new scheme from April 2013, provides two types of grant: crisis grants, and community care grants. Crisis Grants are intended to offer grants or in kind support in order to provide a safety net in an emergency when there is an immediate threat to health or safety. Community Care Grants are intended to offer grants or in kind support in order to enable independent living, preventing the need for institutional care. The funding that the Shetland Islands Council receives from the Scottish Government for this scheme is limited during 2014/15 to £59,492 and therefore applications awarded are based on the priority of each case.

The Revenues and Benefits Team also deliver the Council's Taxation Services (Council Tax and Non Domestic Rates); bill, collect and account for rent and service charges related to Council house and garage tenants; account for all miscellaneous Council invoices raised; recover income arrears for all Council debts; and delivers the Council cashier function, processing all Council income received.

### **3. Benefits Staffing Structure**

Compared to most authorities our Benefits Section is very small only having a normal compliment of 5.6 full time equivalents. The staffing complement is a very experienced, settled one, with 4 members each having over 10 years experience in the section. However, during 2014-15 this will be reduced by 1 member of staff for due to a secondment opportunity within Revenues and Benefits and also due to maternity leave.

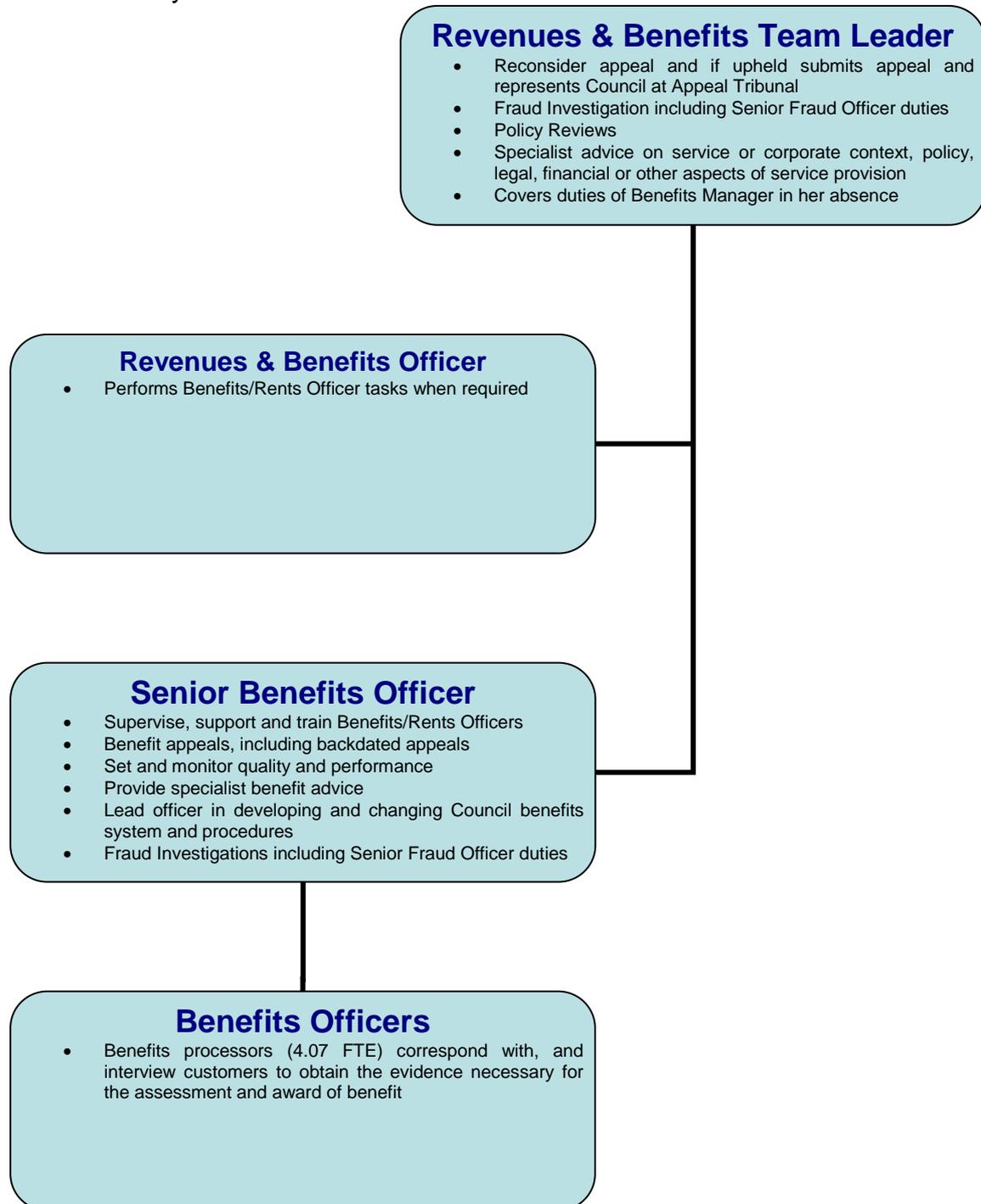
Due to the small size of the Benefits Section, our staffing structure is unique amongst local authorities. The Revenues and Benefits Team Leader and Senior Benefits Officer work in close partnership, as they are both responsible for a number of roles, which are usually covered by separate posts or even groups of staff within a typical Benefits Service. For example, within a typical Benefits service structure you would expect to have an Assistant Benefits Manager, Processing Supervisor, Senior Fraud Officer, Fraud Investigation Officer, Appeals Officer, Overpayment Recovery Officer and a Benefit Support Officer to monitor and assess quality and performance. However, these roles are split between the Revenues and Benefits Team Leader and Senior Benefits Officer.

The Benefits Officers also have dual roles, which is unique as along with their Benefit processing role they also deal with, in the absence of the Revenues and Benefits Officer, rent enquiries; sign up new tenants etc. The Revenues and Benefits Officer in turn can deal with Benefits matters as and when required.

The Institute for Revenues, Rating and Valuation (IRRV) is the nationally approved awarding body for vocational and examination-based benefit profession qualifications. The Revenues and Benefits Team Leader possesses the full IRRV (Hons) professional qualification. The Senior Benefits

Officer holds the IRRV Benefit SVQ qualification and the Revenues and Benefits Officer is a qualified IRRV Benefits Technician. The qualifications held by these staff provide a guarantee that the holders have been rigorously assessed in their chosen professional level.

The flexibility and wide spread knowledge of our staff is essential for such a small authority.



## 4. Benefits Aims and Priorities for 2014/15

Our aim is to provide a prompt, accurate and secure service that recognises and meets the needs of the local community and contributes to its overall

welfare. To achieve this we constantly look to improve the quality of the service and this focus is reflected in our Benefits Improvement Plan (Appendix A).

### **The Principle Aims of the Benefits Section are to:**

- Provide effective and efficient benefit administration
- Ensure the benefit system is secure by preventing, deterring, detecting and acting against fraud
- Prevent, reduce and recover overpayments of benefit.
- Maximise the take up of benefits and make the service easier to access
- Work together with organisations to improve and promote the service and contribute in the prevention of poverty and homelessness
- Ensure quality by providing training and guidance for staff, and undertaking processes for checking and monitoring work

### **The Benefits Section's Main Priorities for 2014/15 will be to:**

- In this time of cut backs and welfare benefit changes, to at least maintain the current level of service, but at every opportunity improve the level of service provided
- Work towards achieving our performance targets, regularly monitor current performance to previous levels reached and continue to compare practice and procedures with similar sized Councils
- Implement the activities on the Service Improvement Plan
- Ensure that staff receive training and support to enable them to work effectively and efficiently
- Ensure all staff receive performance reviews and are encouraged to contribute to the achievement of our objectives through effective communication and delegation of the appropriate tasks
- Continue to assess the proposed welfare reform changes and keep our customers notified of the changes and the impact on benefit payments

## **5. Issues Contributing to the Service in 2014/15**

### **5.1 Council Restructure and Service Redesign**

Due to national economic downturn and a reduction in Government funding, it is apparent that the challenges facing public services are long standing and wide ranging. In order for the Council to balance the books, all services will be expected to find further savings for this year as well as avoiding any additional spending.

Under normal circumstances it would be inevitable that the affects of Council savings will have an impact on the Shetland economy, which would increase the demand on our Benefits Section. However, due to the current boom in oil industry related work, the Benefits caseload is actually falling.

### **5.2 Welfare Reforms**

The DWP are reforming the welfare system to help people move into and progress in work, while supporting the most vulnerable. Reforming the benefits system aims to make it fairer, more affordable and better able to tackle poverty, worklessness and welfare dependency. The DWP states that it is committed to overhauling the benefits system to promote work and personal responsibility.

Universal Credit will replace a number of benefits, including Housing Benefit. The UK government timetable was originally for implementation between 2013 and 2017. However, this had been delayed with a phased implementation only expected to start in Shetland during autumn 2015. In the meantime a number of measures affecting Housing Benefit have already been finalised.

### **Social Housing Under Occupancy (Bedroom Tax)**

Changes to Housing Benefit regulations for those living in Social Housing, known through the media as the Bedroom Tax, were introduced across the UK on 1 April 2013. As a result of funding from the UK and Scottish Government, all households in Shetland affected by these changes are able to apply to the Discretionary Housing Payment (DHP) Fund, to provide full financial compensation. This will be the case until at least March 2016

## **6. Customer Service**

Good customer service is an essential part of providing a quality Benefit service. Our staff will respond promptly, politely and sensitively to all of our customers. Benefits Officers will provide additional support for vulnerable customers by offering a home visit to assist with the completion of forms and providing guidance on any element of the service.

The Benefits Section is situated in the Council Office Headquarters based at 8 North Ness Business Park, Lerwick, which is considered to be a good, central location for its customers. The service provided by Revenues and Benefits is complimented as our office is in close proximity to the Viking Bus Station, Job Centre Plus, the Pension Service Assessors/Electoral Registration Office, Citizens Advice Bureau (CAB), Housing etc. The layout of the open plan office is regarded as being good, of adequate size and has good access for disabled customers and customers who rely on public transport.

Revenues and Benefits provide a 'one stop shop' service to our customers. For example, all new Council tenants must visit our office to set up their preferred payment method and make payment of the first 2 weeks rent (or an estimate of rent if likely to be in receipt of HB). The tenant will also receive advice on what to do if they encounter problems paying their rent. During the 'signing ceremony' it will be established if they need to claim Housing Benefit/Council Tax Reduction and if they do a Benefits Officer will see them and complete the benefit application form and advise them of the information required to process the claim and give details of the time limits for providing information. They then proceed to Housing to collect their keys.

The prompt receipt of information from customers is essential during the life of a benefit application. Consequently, to try and speed up the process and to provide more of a personal service, if possible initial contact is made by phone to remind the claimant of the need to supply information. However, a reminder letter will be sent to the claimant if any outstanding information is still not provided within 2 weeks of their visit to this office.

The Council's Recovery Officers, based in Revenues and Benefits, collect all debts owed to the Council. Consequently, during discussions with debtors while addressing all outstanding council debts, they also assess whether or not they are missing out on welfare benefits and arrange, on behalf of debtors, Benefits Health Checks with the Citizens Advice Bureau or refer the claimant directly to Benefits.

During 2013/14, the Benefits Section received nearly 8,000 separate pieces of mail regarding benefit claims (each mail item may contain numerous documents). Benefits dealt with over 1,900 personal enquiries from benefit customers attending our North Ness office. The types of enquiries range from assisting customers with benefits forms, verifying documentation and providing advice. No central record is kept of contact made by telephone.

We believe we communicate well with customers on Housing Benefit and Council Tax Reduction, which is helped by our face-to-face, personal approach, based way we prefer to deal with benefit matters.

Forms are on hand in our interview rooms for customers to provide feedback to help us improve and develop our service, which can be handed in at 8 North Ness or taken away and returned via a postage pre-paid service. During 2010-11, 2011-12 and 2012-13 no feedback forms were returned. A single feedback form was returned during 2013-14 to inform the office that they were really happy with the service received. However, we shall be receptive to all customer feedback and will seek to respond positively.

With regard to complaints about our Benefits service, either the Revenues and Benefits Team Leader or Senior Benefits Officer will deal with initial approaches by customers and attempt to resolve their concerns. Such approaches are likely to be made in person or by telephone, and less frequently, in writing. However, if the matter is not resolved the customer is advised that they may wish to make a formal complaint to the Council under the Council's complaints procedure, which is a key element of the Council's overall approach to customer care and customer service. By following the procedure we can help maintain and improve the level of service the Council provides to the people of Shetland. We can identify where mistakes have been made and genuine grievances have arisen and ensure that these are rectified to the satisfaction of the customer and that similar circumstances do not re-occur. During 2010-11, 2011-12, 2012-13 and 2013-14 no formal Benefits Section complaints were made.

## **7. Partnership Working**

It is an important role of a Benefits Section to build positive working partnerships with other stakeholders and that we understand our partners' priorities and procedures. Good communication and co-operation between partner organisations make for efficient and effective systems, procedures and services, and can reduce error, delay and duplication of work.

Even though all DWP unemployment benefits are now processed on the mainland, at Aberdeen, with all enquiries dealt with by staff there, we believe that we have as good a working relationship as possible with Job Centre Plus. In the past it was common practice to phone the Job Centre Staff. However, we still on first name terms with the Lerwick based Job Centre Plus staff and have good access to senior staff. We have 6 monthly informal meetings with the Manager for Orkney and Shetland, which provides a good opportunity to discuss any issues we may have.

We have a close working relationship with Pension Services, who have held surgeries in our office and we make as much use as possible of the Pension Service resources, which includes referrals to Pension Service staff based in Shetland; ask them to contact clients; phone them for advice, and if any available, request a Pension Service Adviser to come down to our office and speak to a claimant. We have an agreed Service Level Agreement in place.

Investigating benefit fraud can be time consuming and must be carried out by staff that specialise in fraud work and are trained fraud investigators. Whenever possible, and as the preferred route, we undertake joint investigation and sanction action with the DWP Fraud Investigation Service.

The Benefits Section is represented on the Fairer Shetland Strategic Group, which aims to provide a more integrated approach to the Shetland Single Outcome Agreement National Priority Area of 'Wealthier and Fairer'. The group comprises members of the Shetland Community Planning Partnership.

The Benefits Section is also represented at the annual workshop focusing on Poverty, Disadvantage and Exclusion in Shetland, which provides an opportunity for people from different work environments and perspectives to come together to discuss different themes. Feedback has indicated that workshop attendees find this very valuable for their ongoing work, by increasing understanding and being a catalyst for new ideas and innovation.

## **8. Benefit Claim Administration**

The service is responsible for the assessment, maintenance and review of all claims for Housing Benefit, Council Tax Reduction, Discretionary Housing Payments and Scottish Welfare Fund grants, ensuring that payments and overpayments are correctly calculated and the customer is properly notified. Claims are checked and evidence is verified before payments are made.

During 2013/14 the Benefits Section processed 976 new claims, 5,944 changes in circumstances, and instigated the review of 274 claims already in payment.

We use a nationally approved 'standard' benefit claim form to ensure that the information it contains is up to date. The form gives the customer clear instructions on how to complete the form and provide the information that is required to support their claim. The benefit claim form can also be downloaded or completed from the Council's website.

However, we fully appreciate that, regardless of improvements made, the benefits system is so complex that some claimants will continue to experience difficulties when completing our benefits application form. Consequently, Benefits staff routinely offer to fill in forms with the customer and provide written notification of any evidence or information the customer needs to provide to support their claim.

### Performance

The DWP collect performance measures for benefit processing in local authorities including the average time taken in calendar days to process all claims and changes. The measure is counted from the date a claim is made until the date it is assessed, which includes any delays that the customer may have contributed to by not providing all the information or evidence to support their claim at the outset.

No target is set by the DWP for performance. However, local authorities are expected to set their own targets.

Our Benefits system includes a real time performance management tool, which enables us to have an immediate view of how we are performing. The tool allows our performance to be analysed over a number of indicators and includes performance monitoring data back to 2009/10.

Benefits performance data is reported to the Finance Management Team, which meets every six weeks and is discussed if required.

Improving performance will continue to be challenging in 2014/15 due to many issues out with our control. However every effort will be made to at least maintain the time take to process claims and minimise any adverse effect on the service to our customers.

We feel the following key indicators provide a good measure of our general performance:

Description	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Target
The average time taken to process New Claims (calendar days)	27	26	22	24	23	<23
The average time for	8	8	8	6	8	<8

processing changes in details (calendar days)						
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Based on the available data submitted to the DWP, the average Scottish speed of processing figures for 2013/14 is 26 days for new claims and 9 days for change of circumstances. However, as some local authorities failed to submit data, these national figures are an under estimate of the true total.

## 9. Appeals

As a service, our responsibility is to assess entitlement, getting decisions right first time.

In accordance with legislation, all customers are provided with written notification of their entitlement at the time their claim has been assessed. The notification letter will advise the customer of the amount of benefit they are entitled to, how it will be paid and the income and allowances we have used in the assessment of their claim.

The notification letter also advises the customer of their appeal rights – what they have to do if they are not satisfied with the decision that has been made on their entitlement.

The Team Leader Revenues and Benefits and Senior Benefits Officer are responsible for dealing with appeals. When a written appeal is received the benefit application is reconsidered in order that the decision may be revised or confirmed. If the initial decision remains, the customer has a further right of appeal to an independent appeal tribunal service, which is an executive agency of the Ministry of Justice.

As pointed out earlier, during 2013/14 Benefits processed 976 new claims and 5,944 changes in circumstances. However, no formal appeals were received from customers.

As the number of formal appeals received each year usually remains in single figures with one or two progressing to the Tribunal Service, we believe this indicates that customers are dealt with promptly, the correct legislation has been applied and that our customers are notified of the outcome in plain English.

### Performance

The DWP do not set targets for appeals performance. However, as a service, we closely monitor this process to ensure that they are dealt with timeously and in accordance with legislation.

Although we have no targets with regard to the number of appeals received, we have set a target time to deal with this type of enquiry of 28 calendar days (20 working days).

Description	2010/11	2011/12	2012/13	2013/14
Number reconsidered	6	5	8	0
%age of reconsiderations actioned/notified within 28 days	100%	100%	100%	n/a
Reconsiderations – Decision revised to advantage of customer	1	n/a	3	n/a
Reconsiderations – Decision unchanged	5	n/a	5	n/a
No of Appeals requiring submission to Tribunal Service	1	n/a	1	0
Percentage of Appeals requiring submission to appeal Tribunal sent within 28 days	0%	100%	100%	n/a
Appeals – Decision revised to advantage of customer	0	n/a	0	n/a
Appeals – Decision unchanged	1	n/a	1	n/a

## 10. Overpayment Recovery

Overpayments can occur when customers or landlords fail to notify the Benefits Section of changes. Consequently, every effort is made to remind and encourage customers and landlords to report changes in circumstances as soon as possible, with information on our forms, leaflets and website, and with help and guidance from staff.

Experience shows that the sooner overpayments are dealt with, the more successful recovery will be. In addition, the proper and timely administration of benefit claims can reduce the level of overpayment debt.

In the event that an overpayment has been caused by an error made by a member of staff (classified as Local Authority Error), consideration is given as to whether the customer could have reasonably known that they were being overpaid, before recovery is pursued.

The Council's Recovery Officers, based in Revenues and Benefits, collect all debts owed to the Council. Having dedicated Recovery Officers along with the Council using an integrated Rents/Benefits/Council Tax system helps ensure that overpayments are brought to account and recovered.

For Council tenants all overpayments are automatically transferred to Council Rent accounts and Council Tax accounts, with overpayment amounts included in any reminders issued. If the overpayments remain unpaid a

Recovery Officer will become personally involved, being responsible for 'chasing' the claimant for repayment.

Private tenant Council Tax overpayments are also automatically transferred to Council Tax accounts with Housing Benefit overpayments recovered by deductions from ongoing benefit. However, if benefit is no longer in payment, the person responsible for the overpayment is sent an invoice, (using the Council Debtors system, based and administered in Revenues) which incurs the same recovery procedures as any other outstanding Council invoice. If the overpayment remains unpaid a Recovery Officer will become personally involved. However, if the claimant reclaims benefit a copy of the invoice will be the last thing held in the claimants file and the Benefits Officer will check if the invoice is still outstanding, if it is, the Benefits Officer will start recovering the overpayment from ongoing benefit.

The Recovery Officers will use a number of ways to recover outstanding overpayments in line with other Council debts. However, a specific means of recovery used for benefit overpayment is recovering from certain DWP benefits via DWP's Debt Management.

### **Performance**

As already mentioned, our Recovery Officers collect all Council charges, which results in the prioritisation of all outstanding debts, with weekly rent charges taking priority over Housing Benefit overpayments. (Overpayments are excluded when taking into account the tenants rent balance when considering starting the eviction process).

Consequently, although percentage targets have been set for the recovery of overpayments, realistically they will generally only improve if the collection of other Council debts are improving, which in recent years has been the case.

It should be noted that the DWP reimburses the Council 100% of Housing Benefit payments made to claimants via the benefit subsidy. Therefore, you would expect the Council to receive no benefit money from the DWP for benefit overpayments as the Council is expected to recover benefit payments made to claimants in error. However, as an incentive to detect fraud and claimant error overpayments, the DWP automatically reimburses the Council 40% of all such overpayments detected, regardless of whether or not the Council actually collects the overpayments from the claimants. Consequently, £22,503 was received from the DWP in respect of overpayments created during 2013/14.

The Council Tax system does not treat Council Tax Reduction overpayments in such a way that specific overpayment totals can be obtained. Consequently, the following performance data is for Housing Benefit overpayments for Council and privately rented tenancies.

Description	2011/12	2012/13	2013/14	2014/15 Target
Council Tenancies Overpayments O/S Start of Year	£164,746.94	£126,639.06	£116,187.04	n/a
Council Tenancies Overpayments Created During Year	£68,751.84	£65,604.95	£54,868.03	n/a
Council Tenancies Amount Recovered	£106,859.72	£76,056.97	£48,148.60	n/a
Council Tenancies Overpayments O/S as at End of Year	£126,639.06	£116,187.04	£122,906.47	n/a
Council Tenancies Overpayments recovered during period as %age of O/S debt at start of period +O/P's identified during the period	46%	40%	28%	40%
Privately Rented Tenancies Overpayments O/S Start of Year	£25,829.09	£28,733.68	£25,808.91	n/a
Privately Rented Tenancies Overpayments Created During Year	£18,810.42	£11,526.75	£12,917.58	n/a
Privately Rented Tenancies Amount Recovered	£15,905.83	£14,451.52	£20,535.26	n/a
Privately Rented Tenancies Overpayments O/S as at End of Year	£28,733.68	£25,808.91	£18,191.23	n/a
Privately Rented Tenancies Overpayments recovered during period as %age of O/S debt at start of period +O/P's identified during the period	36%	36%	53%	40%

## 11. Security and Fraud Investigation

Housing Benefit and Council Tax Benefit should only be paid to claimants who are entitled to receive them. It is, therefore, important that the administration of Housing Benefit and Council Tax Benefit is secure, fair, provides help where it is needed and is vigilant in tackling fraud and error to ensure value for the taxpayer's money.

However, the complex rules governing entitlement to Housing Benefit and Council Tax Benefit create many opportunities for people to commit fraud, both by lying (making false statements) when claiming the benefits and by concealing subsequent changes (failing to notify a change in their circumstances), which may end or reduce their entitlement. Housing Benefit awarded to people who rent in the private sector may be paid directly to landlords, creating opportunities for fraud by them as well as claimants.

The exact level of benefit fraud is extremely difficult to prove particularly as it is difficult to distinguish fraud from genuine mistakes or misunderstandings

made by claimants and landlords. Decisions on whether to view particular cases as fraud rather than innocent errors are made by the Council's Senior Benefits Officer or, in her absence, the Revenues and Benefits Team Leader.

Investigating benefit fraud can be time consuming and must be carried out by staff that specialise in fraud work and are trained fraud investigators.

Although we have no dedicated Benefit Fraud Officers, all of our officers do not like seeing public money being wasted on fraud and therefore, all of our officers take an active, if discreet, part in investigations, making full use of their local knowledge, use of the local newspaper etc.

Consequently, whenever possible, and as the preferred route, we undertake joint investigation and sanction action with the DWP Fraud Investigation Service in cases where Housing and/or Council Tax Benefit and a DWP benefit is also in payment. By doing this the Council will utilise the DWP's highly trained fraud investigators, counter fraud surveillance teams and their counter fraud intelligence unit who can search credit reference agency details and DVLA data;

Occasionally people who receive Housing Benefit and/or Council Tax Benefit fail to declare that they are working or do not notify us when their earnings increase. When we are looking into suspicions of undeclared work, we try to find out where the person works, the type of work they do, or the payments they receive. To help with this task, the Senior Benefits Officer and the Revenues and Benefits Team Leader are trained 'Authorised Officers', authorised under the Social Security Administration Act 1992 to request information relating to an investigation from third parties such as employers or banks.

We also make maximum use of the DWP Housing Benefit Matching Service. On a monthly basis the Council's benefit data is matched with records held by the DWP, HMRC and the Credit Reference Agency. Inconsistencies between the data are highlighted and referred back to the Council for consideration. Cases where fraud is suspected will be referred for investigation. Results of these investigations are recorded and reported back to the DWP.

The procedures to be followed by staff on suspicion of fraud are detailed in the Council's Housing Benefit and Council Tax Benefit Anti-Fraud Policy. If benefit fraud is suspected it must be referred to the Senior Benefits Officer or in her absence the Revenue and Benefits Team Leader. The referral will be assessed for its quality and an assessment will be undertaken to determine the risk to public funds.

### **Performance**

Although The DWP no longer set targets, they formerly set performance measures for fraud investigation work in respect of the number of sanctions achieved per 1000 of the benefit caseload. Sanctions are defined as:

- A report to the Procurator Fiscal for consideration of proceedings

- An Administrative Caution

Although we have no specific fraud targets, we believe we are still committed to preventing and detecting fraud from entering the benefits system and continue to monitor fraud performance and measure.

Description	2012/13	2013/14
Sanctions Achieved	0	2
Housing Benefit Fraud Detected	£4,726	£6,353
Council Tax Benefit Fraud Detected	£1,491	£404

## 12. Performance Management

Due to the nature of the Benefit Section's work, performance is closely monitored and reported.

### 12.1 Single Housing Benefit Extract

Data is provided to the DWP every month by means of their Single Housing Benefit Extract, which extracts all the information that they require for data-matching, statistics and performance.

### 12.2 Housing Benefit Recoveries and Fraud

Information about recovered overpayments allows the DWP to establish new losses to the public purse. Data about fraud investigations and sanctions provides assurance that the local authority is making a contribution to the DWP anti-fraud and error strategy.

### 12.3 Other Performance Reporting

Benefit Section performance information is also reported every six weeks to the Finance Management Team and the Finance Executive Manager.

Performance information is also reported annually to Audit Scotland and the Chartered Institute of Public Finance and Accountancy.

### 12.4 Quality Performance

The Benefit system Comprehensive Performance Assessment Quality Checking module provides a sample of claim processing for checking by the Senior Benefits Officer or, in her absence, the Revenue and Benefits Team Leader prior to notification and payment. The transactions selected, with the exceptions of high value payments, are all identified during general processing within the system at the claim administration stage and include:

- New Claims (create claim, new claim period and change address)

- Change in Circumstance (both notified and unreported/error corrections)
- Claim Suspension
- Claim Cancellation (including cancellation of pending claims)

During 2013/14, 4% of claims were checked, which resulted in 93 quality checks being undertaken.

## **12.5 Benefit Subsidy**

The Benefits Section manages the assessment and pays £3.8 million annually in Housing Benefit & Council Tax Reduction on behalf of the DWP.

For this work, the DWP and Scottish Government subsidises some of the administration costs and most of the benefits award costs.

The annual Housing Benefit Final Subsidy Claim is one of the largest value claims made to the Government each year. All documentation to support the subsidy claim is submitted to external auditors for scrutiny. Payments must also be reconciled with the expenditure presented on the final subsidy claim before the claim can be signed off by Audit Scotland and subsidy is paid to the Council by the DWP.

For a number of years the annual subsidy claim has been signed off by Audit Scotland with no qualifications required, which confirms no issues have been found with our Benefit processing.

## **12.6 Value for Money**

There is a statutory requirement for the service to report on the gross administration cost per benefits case annually.

There is no national standard costing structure for benefit administration and no detailed definition of the cost factors to be considered when measuring cost per claim. Methods of service delivery vary between Councils such as whether the service is provided centrally in one location or spread over several, whether staff deal only with benefit administration or are also responsible for other tasks. The level of advice and support given to customers and the efficiency of the administrative process will all have an impact on the cost of the service.

It is important also to remember that the activities of the service are statutory and controlled by legislation, the DWP, Scottish Government and audit requirements. Staff must also receive proper training and support in order to effectively administer the service.

The cost per claim in 2013/14 was £70.39 down from £75.85, which was a 7.8% decrease from 2012/13, with the cost of operating the service £237,861, down from £274,718.

During 2013/14 Shetland Islands Council received £95,425 in Administration Costs Subsidy compared to £111,250 for 2012/13.

## **13. Audit and Inspection**

### **13.1 Risk Assessment**

Audit Scotland is a statutory, independent body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Accounts Commission and the Auditor General for Scotland. Audit Scotland is responsible for the inspection of Housing Benefit & Council Tax Benefit in Scotland.

From April 2008, a new biennial risk assessment was implemented to consider the extent to which Scottish local authorities are complying with the Local Government in Scotland Act 2003 in achieving continuous improvement.

A risk assessment was carried out by Audit Scotland in Shetland during 2008, with a follow up assessment during 2012. The resultant report was largely positive and amongst the highlights Audit Scotland advised that we clearly demonstrate an awareness of what constitutes an effective, efficient and secure benefits service and we have much in place to support local and national objectives. However, although Audit Scotland considered our benefits service to be performing well, they identified a number of issues which they considered risks to continuous improvement, which included the lack of a specific counter-fraud function, which relies on the DWP to investigate suitable cases on our behalf. Wherever possible the issues have been addressed but a follow-up assessment will most likely repeat the issue of not having dedicated Benefit Fraud Officers.

As it will be two years since the risk assessment took place, we anticipate a follow-up assessment to take place within the next 12 months.

### **13.2 Annual Financial Audit**

The annual audit focuses on the financial transactions that create the records used for subsidy purposes, but it also plays a role in verifying compliance with the legislation that defines the administration and payment of Housing Benefit & Council Tax Reduction. Following the annual audit, Audit Scotland issues a report to The DWP about the financial and legal probity of the Benefit Section.

There have been no concerns reported by Audit Scotland for a number of years.

### **13.3 Risk Management**

Risk management is a means of both minimising the costs and disruption to the Council caused by undesired events and ensuring that opportunities are taken where appropriate. The aim is to reduce the frequency of negative risk events occurring and to minimise the severity of their consequences if they do occur.

The Finance Business Continuity Plan identifies a process for our response to a major incident affecting our office infrastructure [e.g. fire, bombs, contamination of the workplace, storm damage, severe weather, long term power/communications loss, significant loss of personnel and/or resources]. The aim of this Business Continuity Plan is to mitigate the effects of any incident that might occur within or adjacent to 8 North Ness, which could disrupt the core activities to such an extent that it may cause loss of service to clients/users and/or require the relocation of parts or all of the services provided by Revenues.

The Business Continuity Plan was 'tested' in a live situation during May 2010 and May 2012 when our Charlotte House office was flooded by a burst pipe. Overall the incident went smoothly with all Revenues and Benefit services up and running not long after the usual 9am opening time, with staff relocated to appropriate offices.

## **14. Future Interests**

### **14.1 Department for Work and Pensions Projects**

The Housing Benefit Information Flows Programme, part of Housing Benefit Strategy Division, is currently running a number of projects to improve the exchange of information between the DWP and local authorities.

The Employee Authentication Service Project has been set up to improve security on access to information databases such as the Customer Information System, which provides local authorities with information on customers receiving benefits and tax credits. Benefits Section staff, have recently been subject to a rigorous authentication procedure before access to the system is permitted.

The Automated Transfers to Local Authority Systems (ATLAS) Project focuses on increasing the amount of information that can be sent to local authorities. The intention is to transfer award information for a range of DWP benefits and Her Majesty's Revenue and Customs tax credits, in a format that will allow direct loading into local authority systems. Getting information automatically in this way will significantly reduce overpayments and underpayments of benefit. In particular this will help where the customer fails to notify the local authority of a claim or change, or provides the information late.

All of these projects will have an effect on the service not only in making improvements and efficiencies to administration processes but it is likely that the service will also be involved in the development and testing of these projects to ensure that they work effectively.

## **Appendix A - Benefits Improvement Plan 2014/15**