

## Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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# HB/CTB A7/2011

### ADJUDICATION AND OPERATIONS CIRCULAR

<b>WHO SHOULD READ</b>	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
<b>ACTION</b>	For information
<b>SUBJECT</b>	Changes to inspection arrangements (England only) for Housing Benefit (HB)/Council Tax Benefit (CTB) and operational and performance information for 2011/2012

### Guidance Manual

The information in this circular does not affect the content of the HB/CTB Guidance Manual.

### Queries

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- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <http://www.dwp.gov.uk/local-authority-staff/housing-benefit/user-communications/hbctb-circulars/>
- have any queries about the
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## Changes to inspection arrangements (England only) for HB/CTB and operational and performance information for 2011/2012

### Introduction

- 1 This circular provides, for 2011/12, further information on
  - the changes to inspection arrangements for HB and CTB in England
  - the use of operational and performance information for 2011/12
  - the Department for Work and Pension's (DWP) key areas of interest concerning HB/CTB administration

### Inspection arrangements (England only)

- 2 [HB/CTB Circular A1/2011](#) advised that DWP officials would carry out any necessary HB/CTB inspections in 2011/12 and that these would
  - only be undertaken after a local authority (LA) had been allowed time to improve
  - focus on critical issues and not attempt to provide a comprehensive assessment of performance
- 3 Having shared our proposals with the Local Authority Associations (LAAs) we can now advise that
  - an inspection would only be likely if available information and/or our discussions with an LA suggested it would be appropriate to produce a report for the Secretary of State (as a report enables him to fulfil his statutory responsibilities and draw on his direction making powers where appropriate)
  - decisions on whether to inspect will be taken separately from any decisions related to DWP's provision of consultancy support, although the decision may be informed by the outcome of any such support. We would normally aim to offer consultancy support before considering an inspection, although it will remain for LAs to decide on their sources of support
  - reports may not be available to the public, as in covering fraud and error issues it will be important that information that might aid would-be fraudsters is not put into the public domain
- 4 Further information is provided in **Appendix A** on
  - the approach we will take in deciding whether to contact an LA about its operational performance in administering HB/CTB
  - the wider issues DWP has taken into account in deciding what will be its main areas of interest
  - an outline of DWP's key areas of interest

## **Operational and performance information for 2011/12**

- 5     [HB/CTB Circular A18/2010](#) advised how DWP was planning to provide LAs with information about
- case volumes (claims and changes)
  - speed of processing (claims and changes)
  - right benefit information
- 6     [HB/CTB Bulletin G17/2010](#) advised of the delay of the quality assurance work necessary to take this forward. However, we are now able to report on the outcome of this work and advise on our intended approach for 2011/12.
- 7     We would like to thank all LAs that took part in the quality assurance exercise.

### **Speed of processing information and associated volumes**

- 8     Our initial view on the results from the quality assurance exercise is that data on the volumes of new claims and changes of circumstance will be of publishable standard along with the speed of processing information. Further work is required to confirm this and in the coming months we will work through the remaining issues with software suppliers and LAs.
- 9     Our aim remains to publish speed of processing data quarterly as official statistics, starting with data relating to Quarter 1 for 2011/12 in October 2011. As proposed last year, new claims and changes processing time information will not be combined to produce the equivalent of the former Right Time Indicator (RTI).

### **Right benefit information**

- 10    Our intention was to derive and develop right benefit information using the Single Housing Benefit Extract (SHBE) change (T) records. However, the quality assurance work raised a number of major issues for DWP, LAs and software suppliers that have led us to take a different approach.
- 11    The key issues were that the benefit award amounts on these records were not of sufficient quality to produce a measure of changes that is robust enough to allow for publication as official statistics. In addition, LAs were not able to derive their own comparable figures. We judge that the changes needed to enable us to publish right benefit information as official statistics from these records would have high costs attached, lead to delay in the production of data and could be a burden on LAs. Consequently, we intend to provide right benefit information as management information, derived in a similar way as before.

- 12 Although, like other HB/CTB information, right benefit information will not be presented as a formal performance indicator, it is useful operational information that will play a part, along with other intelligence, in DWP's decision about whether it should contact an LA about its performance. This is because, in the absence of an estimate of the level of fraud and error at LA level, right benefit information can be useful in helping DWP and LAs identify where work is needed to keep claims right, e.g. to identify potential changes of circumstances that may be being missed, and to help target potential overpayments/underpayments in the system.
- 13 We are now working to derive the information direct from SHBE with the intention of providing useful right benefit information to LAs during summer 2011, backdating the information to April 2011, if possible. We are looking to provide similar information, including breakdowns, as we did for last year.
- 14 In taking this work forward we will continue to look for ways in which we can improve the transparency of information and maximise its value, but we are also mindful of the need to provide LAs with information relatively quickly if it is to be useful. We will provide further information as our derivation work on this is progressed and as we liaise with software suppliers, as appropriate.

### **Scotland and Wales**

- 15 While we may need to contact Scottish and Welsh LAs about HB/CTB operational matters, the respective audit bodies there are responsible for assessment work and deciding whether to report on a specific LA's HB/CTB administration. DWP will liaise with the audit bodies, as necessary, but assessment and audit/inspection reporting will rest with them.

### **Further information**

- 16 Please send any questions about this circular to [Performance-Framework@dwpgsi.gov.uk](mailto:Performance-Framework@dwpgsi.gov.uk)

## **DWP's approach in 2011/12**

- 1 To reflect wider Government policy, and in acknowledgement of the improvements LAs have delivered (particularly on processing speed), DWP is not setting any formal HB/CTB performance measures or targets for LAs.
- 2 We will, however, continue to publish key HB/CTB information (including caseload and speed of processing data), and use this to help decide if we should contact an LA about the operation of its HB/CTB service.

## **Issues that influence DWP's approach to contacting LAs on HB/CTB performance**

- 3 Our approach is based on the principle that, while it is for LAs to manage their benefits services, DWP has interests arising from its
  - funding of the HB and CTB schemes, including accountabilities to Parliament, and
  - need to ensure its policies and strategies are delivering, especially in relation to reducing fraud and error and welfare reform
- 4 Consequently, we propose to contact an LA to discuss operational performance matters only if
  - the data/information we have for an LA (whether published or management information, including subsidy returns), or absence of it, suggests some cause for concern
  - we have other information (e.g. from auditors or in correspondence) that suggests a problem with an HB/CTB service that DWP may be able to help resolve or may need some assurance that it is being addressed, or
  - an LA contacts us to discuss concerns it has about its service
- 5 How we contact an LA about an operational matter will depend upon the information we have concerning the nature and potential seriousness of the issue.

## **Areas of importance for DWP**

- 6 As with all the other services delivered by local government, we appreciate that it is for an LA to decide how best to deliver its HB/CTB service, taking account of the wider need to
  - reflect local and national objectives, including the needs of the community and its wider approach to service delivery
  - deliver services that provide value for money and meet customer needs
  - maintain a skilled and competent workforce

- 7 DWP's main interests are linked to the need to ensure the right benefit goes to the right people at the right time, in particular
- ensuring benefit is provided to those that are entitled to it and keeping claims right – balancing take-up and speed of processing with the need to keep the gateway secure and minimising over and underpayments arising during the course of claims. This includes checks, case interventions and work to encourage customers to report changes
  - ensuring fraud and error is being tackled – through investigation, overpayment management, penalties and deterrence
  - being assured of the above through LAs' own performance management of their service and their provision of the information DWP needs to manage its interests and to deliver change, including the successful introduction of Universal Credit and its counter-fraud strategy
- 8 As DWP is not proposing to carry out full assessments of HB/CTB services, as the Audit Commission did, we are not intending to produce a replacement for the Audit Commission's Key Lines of Enquiry. We will update the Good Practice Guide in due course to reflect the new performance framework.

## Sources of data

- 9 DWP obtains data that it can consider when looking at operational and performance matters relating to HB/CTB administration. Key information is provided from the following sources, directly to DWP
- SHBE returns, including caseload, speed of processing and right benefit information
  - information contained in subsidy returns and any auditor qualifications in respect of final returns, including amount overpaid as a proportion of total benefit paid
  - HB Recoveries and Fraud (HBRF) data, covering both overpayments and fraud investigations and sanctions
  - DWP data-matching exercises, including information on LAs' involvement in and returns made on HB Matching Service and Credit Reference Agency data-matching exercises
  - HB Review information (at national level only) on the overall monetary value of stock of fraud and error
- 10 Other information may come to light from elsewhere – including the Local Government Ombudsman, reports produced by audit bodies (including studies, audits and public interest reports), correspondence received in the Department, press/media stories and any information LAs or the Local Government Group may choose to publish themselves.