

Meeting: Audit Committee

Portfolio Area: Resources

Date: 27 September 2006

BENEFIT FRAUD INSPECTORATE REPORT – ACTION PLAN

(Finance – Revenues Originating Service Delivery Units)

KEY / NON-KEY DECISION

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1 PURPOSE

- 1.1 To update Members on progress in implementing the action plan developed in response to the Benefit Fraud Inspectorate (BFI) report on Stevenage Borough Council.

2 RECOMMENDATIONS

To agree the progress made in implementing the plan and the timetable for completion

3 BACKGROUND

- 3.1 The executive summary and recommendations contained in the BFI report are attached at **Appendix 1**.
- 3.2 The Benefit Fraud Inspectorate (BFI) selected Stevenage for a focussed inspection to review our performance in the processing of Benefit claims. They select authorities where recent performance has deteriorated as in the case of Stevenage Borough Council or the relevant Best Value Performance indicators (BVPI's) have been persistently been in the bottom quartile.
- 3.3 The on-site inspection took place during March 2006 and was supported by the gathering of relevant information on the Authority's demographics, performance profile, policies and procedures. The final report was published on the 19th July 2006 and a copy for information has been placed in the Members library. The publication was accompanied by a national press release that had been agreed with the Council in advance.
- 3.4 The report covers performance by the Authority against the Department for Work and Pensions (DWP) standards package that was revised at the beginning of the 2005/06-year. The full standards cover all aspects of Benefits administration but the report by the BFI concentrates purely on those relating to claims processing. Therefore no overall score is produced but the Authority has carried out its own separate assessment against the full standards and this indicates that the authority is at level 3 against a range of 4 (4 being the highest possible ranking). This

assessment has revealed the areas where we need to improve and the aim is to achieve level 4 by the end of 2006/07.

- 3.5 The on-site phase covered a two-week period and a team of four inspectors carried out an in-depth analysis of our performance in processing Benefit claims and this reflected the improvements that we had made in the final two quarters of 2005/06. Whilst the inspection team identified further areas where they believe we can improve they acknowledged that considerable progress had been made in restoring the authority to its previous level of performance.
- 3.6 Members are aware that following the replacement of the previous Benefits software with the Anite Pericles system there was a backlog of claims and the section struggled to clear this effectively. The use of overtime and temporary staff cleared the backlog in the Benefits section by the end of October 2005. The aim is to consolidate this improvement throughout 2006/07 and ensure that this problem does not recur.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

The BFI report includes eleven recommendations for implementation and the action plan at **Appendix 2** has been developed to ensure that these are completed within the current calendar year. The DWP expect authorities to take action on any recommendations made by the BFI and to ensure that the resources are available for them to be successfully maintained.

5 IMPLICATIONS

5.1 Financial Implications

The improvements contained in the action plan require additional Benefits staff in 2006/07 to allow time to be devoted to improving procedures and performance against targets. This will lead to an estimated additional cost of £70k in 2006/07 which will be dealt with later under the probables exercise.

5.2 Legal Implications

The Council has a legal obligation to provide the Benefits service and the Department for Work and Pensions has mandatory powers to ensure that authorities meet required standards.

5.3 Policy Implications

The Council has a legal obligation to provide the Benefits service and the Department for Work and Pensions has mandatory powers to ensure that authorities meet required standards.

5.4 Service Delivery Implications

The implementation of the action plan at **Appendix 2** will result in improved standards of service delivery.

BACKGROUND DOCUMENTS

BFI Report – copy placed in the Members Library

APPENDICES

- Appendix 1 – Executive Summary and Recommendations from the BFI Report
- Appendix 2 – BFI Action plan