

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

The Adelphi, 1 - 11 John Adam Street, London WC2N 6HT

HB/CTB A2/2008

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
ACTION	For information
SUBJECT	HB and CTB Performance Indicators from April 2008

Guidance Manual

The information in this circular does affect the content of the HB/CTB Guidance Manual. Please annotate this circular number against *Part A, paragraph 1.350*.

Queries

If you

- **want extra copies of this circular/copies of previous circulars, they can be found on the website at www.dwp.gov.uk/hbctb**
- **have any queries about the**
 - technical content of this circular, contact Rhona Dighton
Tel: 020 7712 2163
Email: performance-framework@dwp.gsi.gov.uk
 - **distribution of this circular**, contact Corporate Document Services Ltd Orderline
Tel: 0113 399 4040
Fax: 0113 399 4205
Email: orderline@cds.co.uk

Crown Copyright 2008

Recipients may freely reproduce this circular.

Contents

para

HB/CTB Performance Indicators from April 2008

Introduction	1
The right time indicator	2
Update on the right benefit indicator	9
Local target setting	16
Performance and key management information	19
HB/CTB Performance Standards Guide	23
The HB/CTB right time indicator: Questions and Answers	Appendix A
The right time performance indicator: Detailed guidance	Appendix B
Performance and key management information	Appendix C
The right time indicator: Processing times data to support local target setting	Appendix D

HB/CTB Performance Indicators from April 2008

Introduction

- 1 We issued a consultation circular (*HB/CTB Circular A9/2007*) at the end of August 2007 on our proposals for the two performance indicators to be applied to HB and CTB administration from April 2008. This circular
 - confirms that the **right time indicator** will apply in England, Scotland and Wales from April 2008 and provides further technical detail on its operation
 - gives an up-date on the **right benefit indicator**
 - contains performance information to help you with local target setting
 - provides details of performance and key management information to be made available on the Housing Benefits Operational Database (HoBOD) from 2008/09
 - gives information about a new guide to replace the HB/CTB Performance Standards Guide

The right time indicator

- 2 The right time indicator, which will measure average processing times for new claims and change events, has been agreed with your Local Authority Associations (LAAs) and will apply across England, Scotland and Wales.
- 3 The main concern raised in the LAAs' responses to the consultation on the indicator was that variations in new claims and change of circumstances workloads between authorities would give local authorities (LAs) with a higher proportion of change events an advantage.
- 4 We recognise that the new indicator will make comparisons of performance across all 408 LAs less precise than the current arrangements where processing times for new claims and changes are counted separately. We will be analysing data returns and will be able to establish the degree to which performance is affected by the proportions of new claims to change events. However, we can also assure LAs that DWP is not intending to set national targets or create league tables of performance against the new indicator. As a consequence, variations in performance amongst the majority of LAs will not be of material significance. The new performance framework should provide LAs with the freedom to prioritise their service according to local needs and balance speed of processing with quality customer service and decision making.

- 5 The primary purpose of the indicator, apart from giving a general measure of performance, will be to identify where performance is poor and where DWP engagement and/or support through the Performance Development Team could help towards improvement. Performance data will be passed to Government Offices in England to inform negotiations on improvement targets for HB and CTB processing in Local Area Agreements, and to monitor progress on any targets set.
- 6 We are also working with the audit bodies in England, Scotland and Wales to decide how performance information can be best shared with them to inform their risk assessment and inspection programmes. Each audit body has set up its own stakeholder group to develop its approach to the work. The Audit Commission is consulting on the new assessment framework arrangements; see *Audit Commission - Comprehensive area assessment*, which can be found at <http://www.audit-commission.gov.uk/caa/index.asp>
- 7 The LAAs also raised a number of technical queries about the indicator and these are covered in question and answer format in Appendix A to this circular. A full description of the indicator and detailed guidance is at Appendix B.
- 8 The right time indicator and, subject to further discussions with the LAAs, the right benefit indicator will be the only DWP HB and CTB performance measures against which LAs will be required to report to DWP. Audit Scotland will continue to collect data on the 'gross administration cost per case for Housing and Council Tax Benefit .

Update on the right benefit indicator

- 9 We believe that, whilst not perfect, an indicator based on changes in entitlement to HB and CTB is the right approach, but on the understanding that this is a stepping stone towards an indicator based fully on outcomes. The responses we received to our proposal that PM10 should be used as the basis for the right benefit indicator raised a large number of issues and the proposal was opposed by the LAAs. Many of the concerns about basing the right benefit indicator on PM10 were understandably influenced by this year's experience of the measure. The main concerns were that
 - the indicator is output based instead of outcome based – the ideal indicator would be one which measures the amount of fraud and error present within each LA
 - a 'right benefit' indicator should include increases to entitlement as well as reductions to entitlement
 - a lot of detection and fraud work goes unrewarded by the measure, since it only counts reductions if they affect a claimant's current entitlement
- 10 In line with the principles of the new performance framework we are not setting national targets or individual targets for LAs against the right benefit indicator.

- 11 We acknowledge that the proposed indicator is output based and therefore not ideal, but at the moment it is the best option available. We have given the LAAs an undertaking that we will work with them to develop an outcome based indicator to include in the national performance indicator suite from 2011.
- 12 We are extending the right benefit indicator so that it will measure all changes to entitlement that the LAs processes, so it will include increases as well as decreases to benefit entitlement.
- 13 We agree that counter-fraud activity makes a vital contribution to the right benefit indicator by deterring fraudsters and encouraging customer compliance with their reporting responsibilities. In response to your concerns, we would like the right benefit indicator to also include changes to entitlement which affect past periods, not just changes to current entitlement. However, that alteration to the indicator cannot be introduced until we switch to using the Single HB Extract instead of the HBMS extracts to measure progress. We hope that will be possible later in the year.
- 14 Like the right time indicator, the primary purpose of the right benefit indicator from April 2008, will be to identify LAs who appear to have low levels of changes in entitlement reported to them and when DWP engagement and/or support through the Performance Development Team could help towards improvement.
- 15 Further circulars will be issued shortly covering both the review of PM10 targets for this year and further guidance on the right benefit indicator for April 2008.

Local target setting

- 16 Although there are no national targets for the new indicators, we have had feedback from benefit managers that some guidance on target-setting against the new indicators would be helpful.
- 17 We cannot provide guidance on minimum standards but we have included in Appendix D to this circular some information that might help you make decisions about whether you need to set targets to improve or maintain performance against the right time indicator. The appendix gives recent performance data for new claims and changes of circumstances along with some assumptions about the range of performance against the new measure.
- 18 The forthcoming circular on the right benefit indicator will also contain guidance on how to calculate local targets.

Performance and key management information

- 19 Performance data for the two indicators will be available on HoBOD and will be updated monthly. Although these are the only measures of performance from April 2008, DWP will continue to collect a wide range of processing data through the Single HB Extract. There is general support for continuing to make the data available on HoBOD for performance management and benchmarking purposes. The data will also provide useful contextual information for DWP and the audit bodies when there are concerns about an LA's performance against the national indicators.
- 20 Appendix C lists the performance and key management information that will be available on HoBOD and identifies where data will be presented differently from now. In addition to performance and key management data, HoBOD will continue to provide caseload data and breakdowns by client group. Changes to the format of HoBOD will be made as soon as data for 2008/09 becomes available.
- 21 We intend to make a full history of past performance measures available on HoBOD. Performance data for the final quarter of 2007/08 year will appear as normal later in the year. The exact timings of ongoing updates to HoBOD will depend on a number of factors including the availability of 100% caseload data required to calculate performance against the indicators and provide the key management information.
- 22 We will be issuing guidance at the end of February to help benefit assessors with completion of the Single HB Extract fields which will provide the information from which we will derive performance data and management information.

HB/CTB Performance Standards Guide

- 23 From April 2008 we will be replacing the Performance Standards Guide with a new Performance and Good Practice Guide. The new guide will provide information about the new performance framework and contain guidance on the two indicators, but the main focus of the guide will be on good practice. The guide will be web-based and we will update it regularly. We would particularly welcome contributions from LAs who have identified good practice and want to share it more widely.

The HB/CTB right time indicator – Questions and Answers

Q1 Where will appeals and reconsiderations sit in the new structure as a significant proportion of local authority (LA) work load?

A1 The right time indicator will not measure activity relating to disputes and revisions as it is confined to changes which lead to superseding decisions. We will continue to feed back data on processing times for reconsiderations and appeals via HoBOD. LAs may wish to publicise clearance times locally and benchmark against other authorities.

Q2 Won't including data-matches, which previously had a two month clearance target, lengthen processing times?

A2 It is in the LA's interests to deal with data-matches as quickly as possible to avoid overpayments. However, we recognise that in the majority of cases it will be necessary to establish whether there has been a change in the customer's circumstances. Where this is necessary, processing times will start from the date that the LA receives confirmation that a change has occurred. See detailed guidance at *para 11 of Appendix B*.

Q3 How will bulk National Fraud Initiative (NFI) data be counted?

A3 We are proposing that processing times for changes arising from bulk NFI matches should be counted in the same way as for data-matches.

Q4 How do we count processing times for interventions which go unanswered?

A4 In these circumstances we would normally expect the LA to suspend and then terminate the claim if the customer fails to make contact. Processing times will start on the day after the end of the suspension period. If the claim is processed on this day, which is the first day you can terminate the claim, time taken equals one day.

Q5 What about delays in dealing with a change of circumstances when there is a fraud investigation ongoing?

A5 We are proposing that changes reported by the customer as part of a fraud investigation should be included in the indicator. Similarly, changes reported during, but independently, of the fraud investigation should be acted upon in the normal way and included in the indicator.

Q6 What happens where performance is influenced by Jobcentre Plus delays?

A6 We would hope that delays caused by DWP agencies are not significant and can be addressed through local escalation under Service Level Agreements. If an authority's performance is affected to the extent that our performance monitoring team makes contact, we will want to know what action has been taken locally under the Service Level Agreement.

Q7 As customers are given one month to provide further information if they fail to provide all the information first time, shouldn't this be taken into account when deciding when the clock starts ticking?

A7 Although it is a statutory requirement to allow customers a month to supply information, it is good practice to follow up requests for information with a reminder. An end to end measure ensures that the LA is proactive in seeking information both to ensure the customer receives their entitlement and/or to prevent overpayments.

Q8 Inclusion of more changes in the count is welcomed but does complicate the identification process and increases chances of input errors. LAs will need clearer definitions to determine what is or isn't included in the indicator.

A8 We hope that by including the majority of events in the indicator, there will be less need for LAs to make decisions about what to count and what to exclude. We will issue guidance and, in particular, provide guides on the Single HB Extract input fields.

Q9 Will changes following Local Housing Allowance (LHA) Anniversaries, significant birthdays that affect LHA rates or decisions to stop or start payments of excess LHA to landlords be counted in the indicator?

A9 Any of these events which lead to a superseding decision on the claim will be included in the indicator.

The right time performance indicator: Detailed guidance

Description

- 1 The average time taken in calendar days to process all new claims and change events in HB and CTB.

Purpose

- 2 The indicator is designed to ensure that local authorities deal promptly with both new claims to HB and CTB and changes of circumstances reported by customers receiving those benefits. If customers receive a prompt service from their local authority there are positive outcomes across a range of government priorities such as reducing the number of people living in poverty, reducing homelessness and supporting people into work.

Calculation

- 3 **Numerator:** The total number of days taken to process all new claims and change events decided in the reporting period.
Denominator: The number of new claims and change events decided in the reporting period.

Example

An authority processes 640 new claims and 2,000 change events in a quarter and these take 40,000 days to process. The average processing time for that authority would be $40,000/2,640 = 15.2$ days.

Note. All rounding is arithmetical to a single decimal place.

Definitions

Claim to HB/CTB

- 4 A claim means an effective or defective claim made
 - on a paper claim form approved for the purpose and provided free of charge by the LA or DWP, eg
 - HCTB1
 - HCTB1(PC)
 - HBRR1

continued

- via an LA input document received through the Customer Management System
- on an electronic claim form approved for the purpose and provided free of charge by the LA
- by tele-claim
- in a form otherwise acceptable to the LA

Change event

- 5 A change event means any notification/information received during the course of a benefit award (and other than as part of or in the course of the making of a new claim) from the customer or third party which leads to a superseding decision on a claim. A notification can be received
- in writing
 - by Electronic Transfer of Data (ETD) from Jobcentre Plus or The Pension Service
 - via the Housing Benefit Matching Service, see *para 11 of this appendix*
 - electronically
 - by telephone
 - during the course of a visit or interview, including video links
 - as part of a fraud investigation, see *para 13 of this appendix*
 - following contact initiated by the LA, eg a diary date, intervention, see *paras 14 and 15 of this appendix*
- 6 Include all changes except
- automatic uprating of the HB/CTB applicable amounts and social security benefits
 - annual Council Tax increases
 - revisions to earlier decisions, eg following a reconsideration, appeal,
 - management check

Note: The indicator will include all rent increases both LA and non-LA. Changes to the Pension Credit assessed income figure (including up-ratings of the assessed income figure).

Start date

7 The date the claim or change notification was received (at the designated office)

- electronically
- date stamped at post opening or at a reception point
- during the course of an interview or visit
- recorded as made or notified over the telephone

Note: On new claims do not treat an initial date of contact as the start date – use the date the claim is received.

8 For changes notified following an intervention by the LA the start date should be the date that the customer or third party initially responds to the request for information.

Exceptions (as now)

- Advance claims – the Treat As Made date determined by the LA
- Council Tax payable not known due to late valuation – the date the Council Tax payable is notified to the benefits section
- Advance notifications of change of circumstances – the date the change takes effect

Completion date

9 The completion date is the date a

- decision is made on a new claim
- superseding decision is made following the notification of a change

Data collection

10 Data required to measure processing times is collected by the Single HB Extract.

Data matches

11 Processing times will be calculated as follows

- When an LA has to contact the customer or a third party to establish correct information, the count for processing times will start when the customer or third party responds and confirms that there has been a change. Subsequent action, such as seeking further information, will be included in the time taken to process the change.

continued

- When the data-match arrives before a corresponding notification from the customer or third party already held by the LA has been dealt with, the processing time will count from the receipt of the original notification from the customer or third party.
- When no contact with the customer or third party is necessary, for example, the LA can check the information independently the time taken to process will be from the receipt of the data-match.
- When the data-match leads to a revision of the original decision because information which corresponds with the data-match is already held (e.g LA input error), the data-match will not count towards the indicator.
- When the LA makes further enquiries and receives no response from the customer or third parties and decides to terminate the claim following a period of suspension the count will start from the day after the customer was asked to respond by (the end of the suspension period).

- 12 Processing times for bulk National Fraud Initiative (NFI) notifications should be dealt with in the same way.

Change of circumstances notified during a fraud investigation

- 13 Changes reported or confirmed by the customer as part of a fraud investigation, for example at an interview, should be included in the indicator. The date the change is reported or confirmed should be your start date. Similarly, changes reported during but independently of the fraud investigation should be acted upon in the normal way and included in the indicator.

Change events arising from diary dates

- 14 If contact with the customer or third party is necessary to obtain further information the time taken to process the change will start from the date the customer **first** responds. If further information is required the time taken to obtain it will be included in the processing time.
- 15 If the diary date can be actioned without further contact with the customer or third party, for example the information can be obtained from the DWP Customer Information System, the time taken to process the change will start from the diary date.

Interventions which go unanswered

- 16 When the LA initiates contact with the customer, ie there has been no other notification of a change in circumstances from the customer or third party, and there is no response from the customer, the LA will suspend and eventually terminate the award of benefit. Time taken to process will be from the day after the end of the suspension period (the end of the suspension period being the day the customer was due to respond to the LA) to the date a decision is made to terminate the claim. If the LA terminates the claim on the day after the suspension period ends, time taken to process equals one day.

Performance and key management information

PERFORMANCE INFORMATION	Source	Comment
Right Benefit Performance Indicator: Annual number of changes to benefit entitlement	HBMS Extract (switching to HB Extract later in 2008)	This indicator will replace PM10
Right Time Performance Indicator: Average time to process new claims and change events	HB Extract	This indicator replaces PM1 and PM5
KEY MANAGEMENT INFORMATION	Source	Comment
Average time to process new claims	HB Extract	
Number of claims outstanding at extract point Number of claims outstanding over 50 days at extract point	HB Extract	
Percentage of new claims decided within 14 days of receiving all information	HB Extract	
Number of claims paid on time either: <ul style="list-style-type: none"> - fully decided and paid within 14 days of receipt of the claim, or - a payment on account made within 14 days of receipt of the claim as customer has provided all information/evidence 	HB Extract	Information on compliance with statutory requirements
Average time to process change events	HB Extract	

KEY MANAGEMENT INFORMATION (cont)	Source	Comment
Total value of HB overpayments outstanding at the start of the quarter Total value of HB overpayments identified during the quarter Total value of HB overpayments recovered during the quarter Total value of HB overpayments written off during the quarter	HBRF Return	Annual total of HB overpayments outstanding to be derived from the 1st quarter's data in the following financial year e.g annual total for 2008/09 derived from June 2009 return.
Annual number of increases in benefit entitlement Annual number of reductions in benefit entitlement	HBMS Extract (switching to HB Extract later in 2008)	Right Benefit Performance indicator broken down into increases and reductions.
Number of data-match referrals Number of data-match referrals returned Number of data-match referrals that identified fraud	HBMS Spreadsheet	
Number of fraud referrals per thousand caseload Number of Fraud Investigators employed per thousand caseload Number of Fraud Investigations per thousand caseload Number of successful sanctions and prosecutions per thousand caseload	HBRF Return	Information presented per 1000 caseload to allow LAs to benchmark more easily
Average time taken to process applications for reconsideration	HB Extract	
Average time taken to process appeals	HB Extract	

KEY MANAGEMENT INFORMATION (cont)	Source	Comment
Number of direct payments made to claimants in receipt of Local Housing Allowance (LHA)	HB Extract	Added due to the national rollout of LHA from April 2008
Number of PRS cases in receipt of LHA		
Caseload	HB Extract	

The right time indicator: Processing times data to support local target setting

- 1 To assist you with local target setting we have provided below our assumptions about the likely range of performance against the new right time indicator. The figures for the new indicator are indicative as we do not yet have sufficient data to make accurate assumptions.

	New Claims 2006/07	Changes 2006/07	New right time indicator
Fastest	10.0	1.8	4.2
Slowest	91.4	43.5	51.4
Average (mean)	28.9	11.5	15.7
Median (middle)	26.5	10.0	14.4
All figures taken from Stats 124 for the year 2006/07 and are provided to give indicative figures of likely performance for the new indicator.			
Figures for the new indicator are based upon weighted averages of scores for new claims and change events.			
Change events adjusted to take into account rent increases and reviews and therefore will differ slightly from those in HoBOD.			
The mean is weighted by workload.			
The fastest authority for the new measure may not have the fastest scores for both new claims and change events. The same holds true for the slowest authority.			