



London Borough of Harrow

August 2003

Highlighted parts of this report are omitted from the published version as they may assist fraudsters, contain confidential information or unnecessarily identify individuals.

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Executive summary

Background

1.1 Housing Benefit (HB) and Council Tax Benefit (CTB) are important contributions to many household budgets. Just under 4 million people receive HB, including many families with children, and many pensioners. It helps one in 6 households meet the cost of their housing at an annual cost of £11.5 billion

1.2 In its response to the Housing Green Paper of November 2000 the Department for Work and Pensions (the Department) agreed to develop a performance framework for HB. Benefit Fraud Inspectorate (BFI) played a major role and the HB/CTB Performance Standards were launched and published in April 2002. Each local authority was sent a copy of the Standards at that time, and encouraged to complete a self-assessment against them.

1.3 The Performance Standards allow local authorities to make a comprehensive self-assessment of whether they deliver benefit effectively and securely. The Department has

chosen to consider the full picture of what constitutes an effective and secure Benefits service, that meets wider strategic objectives, rather than focusing solely on speed and accuracy of processing claims and security. They are the standards the Department expects local authorities to aspire to and achieve in time.

1.4 How quickly local authorities meet these standards will depend on the circumstances they face, current levels of performance and the level of local and national resources, as well as the effectiveness of change management within the authority itself. The Department has therefore not set a timescale for how rapidly the Standards will need to be met by local authorities. There is, however, one exception, which relates to the speed of processing claims, where the Department has set the Standards based on the top quartile Best Value performance data, and expects all local authorities to achieve this by 2005/06.

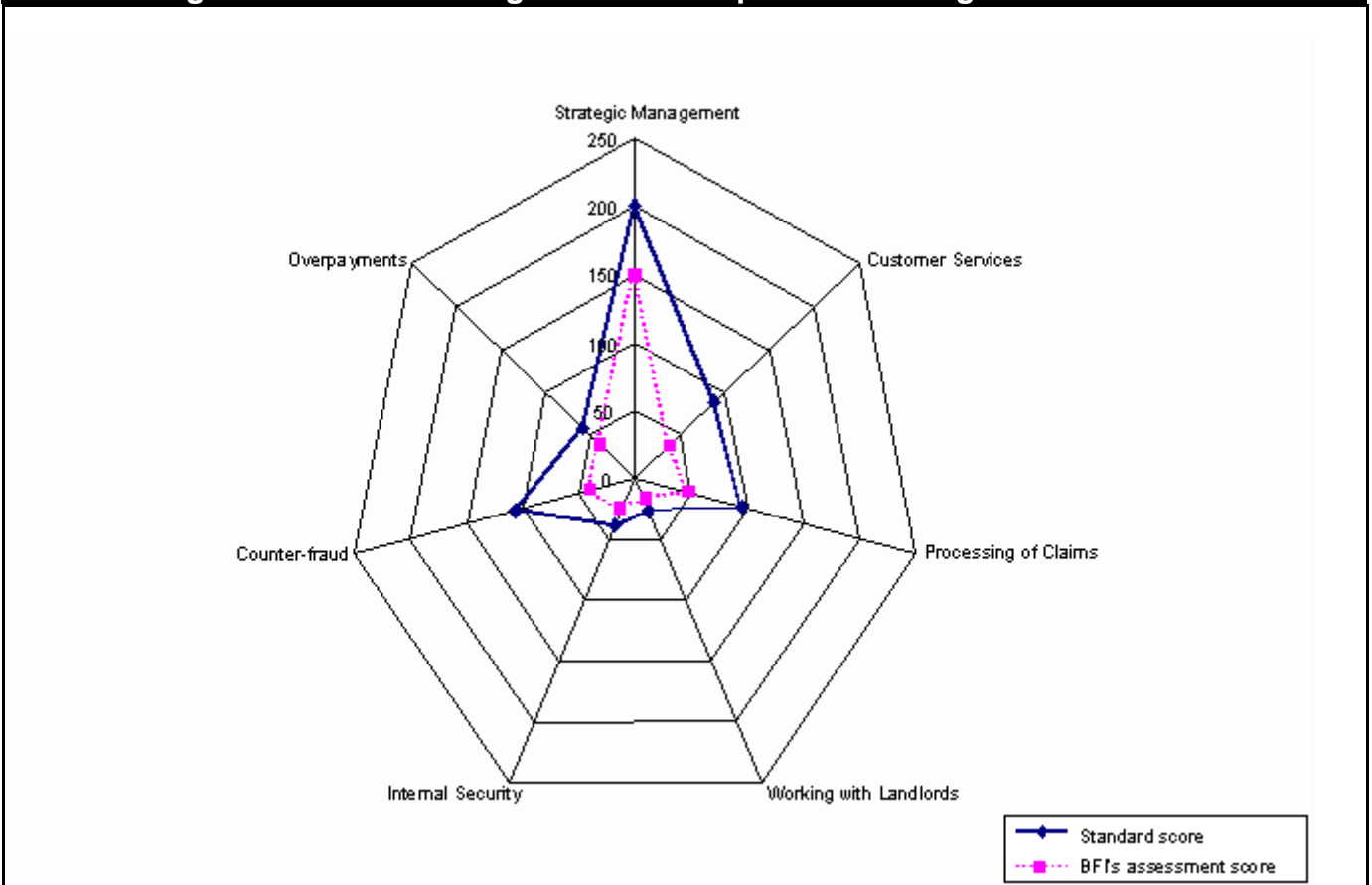
1.5 This report assesses London Borough of Harrow's administration of HB and CTB against the Performance Standards and against progress since the first BFI inspection report published in September 2000. The findings in this report should be read in conjunction with the Performance Standards pack. It can be downloaded from the Department's website www.dwp.gov.uk.

1.6 We are grateful to London Borough of Harrow for its help and co-operation throughout this inspection.

Overall performance

1.7 At the start of our inspection London Borough of Harrow completed a self-assessment against the 7 Performance Standards. Our inspection was based on validating the authority's self-assessment and assessing progress against the recommendations from our first inspection report.

Fig. 1.1: London Borough of Harrow's performance against Standards



Source: BFI inspection assessment

1.8 Figure 1.1 is a radar graph that provides an illustration of London Borough of Harrow's performance against the Performance Standards' 7 functional areas. The continuous line shows

the Standard level of performance, the broken line is BFI's assessment of London Borough of Harrow's performance at the time of our on-site inspection in February and March 2003.

1.9 London Borough of Harrow's action plan, drawn up in response to the recommendations from our first inspection, and its self-assessment both indicated that there had been a significant improvement in benefits administration since our first inspection. A summary of London Borough of Harrow's progress against our recommendations is at Appendix A.

1.10 There were some positive aspects to London Borough of Harrow's administration of HB and CTB, although it had not fully achieved Standard in any of the 7 functional areas of the Performance Standards. There was a range of comprehensive policy and strategy documents and good quality guidance for staff that was updated regularly. The verification of information before benefit was paid had improved since our first inspection making us confident that the gateway to the Benefits system had been made more secure. We were encouraged to find that the majority of our recommendations from our first report, relating to overpayments, had been implemented and had resulted in significant improvements in performance.

1.11 Commitment to improving the service further was demonstrated by Members, senior officers and staff, with Members having agreed additional funding for 2003/04 to turn this commitment into reality. The Member, whose portfolio included the Benefits service, told us that he planned to form a small cross-party working group to support senior officers in implementing the recommendations from this inspection.

1.12 However, there were areas of London Borough of Harrow's benefits administration that were well below Standard and where expected improvements had not materialised.

1.13 Of the 67 recommendations we made in our first report only 31 (46%) had been fully implemented and a further 22 (33%) had been partially implemented or implemented unsuccessfully. Disappointingly London Borough of Harrow had failed to implement 14 of our recommendations and 11 of these recommendations were in counter-fraud.

1.14 London Borough of Harrow had not been proactive since summer 2001 in clearing the backlog of benefits processing work that had existed since 1999. In our first report we made a number of recommendations relating to the backlog and the authority informed the Department that it had plans in place that would clear this. We were concerned that at the time we were on-site in February and March 2003 the backlog of cases waiting to be processed was 5,808. This was a 23% increase in the work that was outstanding in July 2002. Despite this increase there was no strategy or targets to deal with the backlog. The authority had not measured the gap between the incoming work and weekly output. However, while we were on-site a Deputy Housing Benefits Manager was appointed to a post that had been created specifically to address performance management including resolving the backlog of work.

1.15 London Borough of Harrow had not fully implemented the recommendations from our first report relating to management checking. Management checks had been performed on 1.5% of the claims that it decided. This was well below the recommended level of 10% and was insufficient for the authority to satisfy itself that it was paying benefit accurately. In addition, the authority had failed to implement a thorough management checking and monitoring regime for fraud work and there were no routine or documented management checks of fraud files, despite assurances to the Department that it would develop management checks to control fraud investigations.

1.16 Performance in counter-fraud was well below Standard. The additional resources for counter-fraud, recommended in our first report, had not been employed. We found delays in starting investigations, poor quality investigations and inappropriate use of sanctions.

Performance against Standards

Strategic Management

1.17 London Borough of Harrow was not at Standard but performed well in terms of vision, policy objectives, organisational structure, management information, training and development, external audit, cost of claims and internal working arrangements.

1.18 Our main concern was that there was no operational plan in place to clear the backlog of benefits processing work and performance targets were not realistic or achievable given current

performance. However, a new Deputy Housing Benefits Manager was appointed while we were on-site and this officer had responsibility for performance monitoring. London Borough of Harrow's track record in relation to the backlog had been poor. It collected management information about the levels of incoming work and its weekly output but it had not analysed the gap between these or set any milestones or targets to address the gap. We were therefore not confident that the plans that senior officers told us they had in place would improve performance in this area.

1.19 London Borough of Harrow would achieve Standard and improve performance in relation to other Standards, if it:

- produced and monitored a plan to clear the backlog of claims
- set realistic and achievable performance targets
- ensured that job descriptions accurately reflected the work of job-holders
- worked with its benefits IT system provider to produce accurate management information
- fully documented procedures across benefits administration.

Customer Service

1.20 London Borough of Harrow was not at Standard but provided good quality training to Customer Advisors, had clear claim forms and dealt with complaints effectively. London Borough of Harrow had also made its Financial and Exchequer services reception area accessible to disabled customers.

1.21 However, customers had difficulty contacting the Benefits section by telephone and the reception opening hours were restricted. There was a backlog of requests for reconsideration of decisions and appeals because these were not given due priority.

1.22 London Borough of Harrow would achieve Standard if it: made claim forms and leaflets more accessible to customers

- opened telephone lines and its reception for a minimum of 36 hours a week
- introduced procedures to ensure that 80% of customers were seen within 15 minutes of arrival
- ensured that the information to support claims for benefit was requested on receipt of the claim
- provided the necessary resources to deal with requests for reconsideration and appeals promptly.

Processing of Claims

1.23 London Borough of Harrow was not at Standard but performed well in the gathering of information to support claims, monitoring the renewal claims process and tailoring benefit periods to take account of anticipated changes of circumstances.

1.24 The authority only accepted original documents as supporting evidence as required by the Verification Framework. However, during the period May 2000 to October 2002 it did not record that it had seen and verified original documents to Verification Framework requirements.

1.25 Our main concern was the time London Borough of Harrow took to process new and renewal claims and changes of circumstances. Delays in making requests for information to support claims and in making referrals to the Rent Service also caused customers worry and hardship.

1.26 London Borough of Harrow would achieve Standard and improve performance in other Standards if it:

- reduced the time taken to process new and renewal claims and changes of circumstances
- ensured that all original documents were verified to Standard

- increased the number of management checks
- changed the timing of management checks
- introduced procedures to ensure that referrals to the Rent Service were made on time.

Working with Landlords

1.27 London Borough of Harrow was not at Standard but did have a number of strengths. There was a written agreement with Registered Social Landlords and regular meetings took place. Working relationships with the council's housing managers was good and overpayments were recovered from landlords when appropriate.

1.28 London Borough of Harrow would achieve Standard and improve performance in other Standards, if it:

- provided help sheets and leaflets to landlords
- sent direct payment landlords a copy of the letter sent to customers inviting them to renew their claim.

Internal Security

1.29 London Borough of Harrow was not at Standard although it performed well in terms of IT security and was above Standard for document management. However, there were weaknesses in post opening and cheque security.

1.30 London Borough of Harrow would achieve Standard and improve performance in other Standards if it:

- made post opening secure
- increased internal audit coverage of HB and CTB
- improved cheque security.

Counter-fraud

1.31 London Borough of Harrow was not at Standard although there had been some minor improvements since our first inspection.

1.32 The quality of investigations was poor and this had affected the outcomes of cases investigated. In addition the incorrect application of the HB and CTB regulations had resulted in large overpayments of benefit. Sanctions had also been inappropriately offered.

1.33 London Borough of Harrow would achieve Standard and improve performance in other Standards if it:

- had a business plan for the Investigations Team
- provided appropriate staff with fraud awareness training
- sifted all referrals and commenced investigations promptly
- improved working relationships with the Counter-Fraud Investigation Service
- introduced a system of management checks of investigations
- publicised the fraud hotline.

Overpayments

1.34 London Borough of Harrow was not at Standard although it demonstrated particular strengths in management of debt and was above Standard for decisions on recoverability. We were encouraged to see the additional resources, recommended in our first report, had been allocated to overpayments work.

1.35 While the authority had improved the range of management information collected on the level of overpayments outstanding and the amount of debt that it had recovered, there was still room for improvement.

1.36 London Borough of Harrow would achieve Standard and improve performance in other Standards, if it:

- identified changes of circumstances and calculated overpayments promptly
- correctly classified overpayments
- produced accurate management information about overpayment recovery
- ensured that overpayment decision notices were always issued to persons affected by the decision
- used all available recovery methods.

London Borough of Harrow

1.37 London Borough of Harrow is one of 33 London Boroughs and is located in north-west London, 12 miles from the centre and covers an area of 19 square miles. It provides services to approximately 215,000 residents living in around 82,000 dwellings.

1.38 Results from the 2001 Census indicated that 41% of the borough's residents were of ethnic minority origin, with the largest single minority group being of Indian origin.

1.39 Around 60% of Harrow's economically active residents worked outside the borough, and unemployment in Harrow was relatively low. Figures produced for the House of Commons Library for February 2003 showed that the unemployment rate was 2.8%.

1.40 London Borough of Harrow's Benefits service was one of the first local authorities to adopt the Department's Verification Framework in March 1999.

1.41 In December 1999 the council achieved beacon status for the procurement of its IT systems for Revenues and Benefits. Financial and Exchequer services received accreditation as an Investor in People in 1999 and Charter Mark for customer service in December 2001.

1.42 Prior to and during the on-site phase of our inspection, a reorganisation of the authority's management team was taking place. At the same time the new Chief Executive was working with other senior officers to deliver against an action plan drawn up following a Comprehensive Performance Assessment by the Audit Commission.

1.43 The political make up of the authority at the time of the on-site inspection is shown in Figure 1.2.

Fig. 1.2: Political make up in London Borough of Harrow

Party	Seats
Labour	31
Conservative	28
Liberal Democrat	3
Independent	1
Total	63

Source: London Borough of Harrow

1.44 Figure 1.3 shows the levels of unemployment in Harrow.

Fig. 1.3: Unemployment levels – February 2003

Parliamentary constituency	% unemployment
Harrow East	2.9

Harrow West	2.6
Average	2.8

Source: House of Commons Library

Benefit expenditure and caseload

1.45 The gross revenue expenditure of London Borough of Harrow for 2001/02 totalled £377.1 million. HB and CTB expenditure in that year was £60.6 million, 16% of gross revenue expenditure.

1.46 Figure 1.4 shows London Borough of Harrow's gross revenue expenditure compared to HB and CTB expenditure. The authority's HB expenditure increased significantly in 2002/03 due to additional claims from customers in housing association leasing scheme properties and transitional HB.

Fig. 1.4: Gross revenue expenditure compared as a % of gross HB and CTB expenditure

Year	Total gross revenue expenditure £ million	expenditure £ million	HB/CTB expenditure as % of gross revenue expenditure
2000/01	349,436	56,357	16
2001/02	377,153	60,597	16
2002/03	401,630	68,100	17

Source: London Borough of Harrow

1.47 London Borough of Harrow's HB and CTB caseload had increased slightly over the last 3 years as shown in Figure 1.5. The increase in Rent Allowance claims between 2001/02 and 2002/03 partly reflected the transfer of some of the council's housing stock to a registered social landlord but the majority of this was due to an increase in the availability of private rented accommodation from Registered Social Landlords.

Fig. 1.5: Caseload from 2000/01 – 2002/03

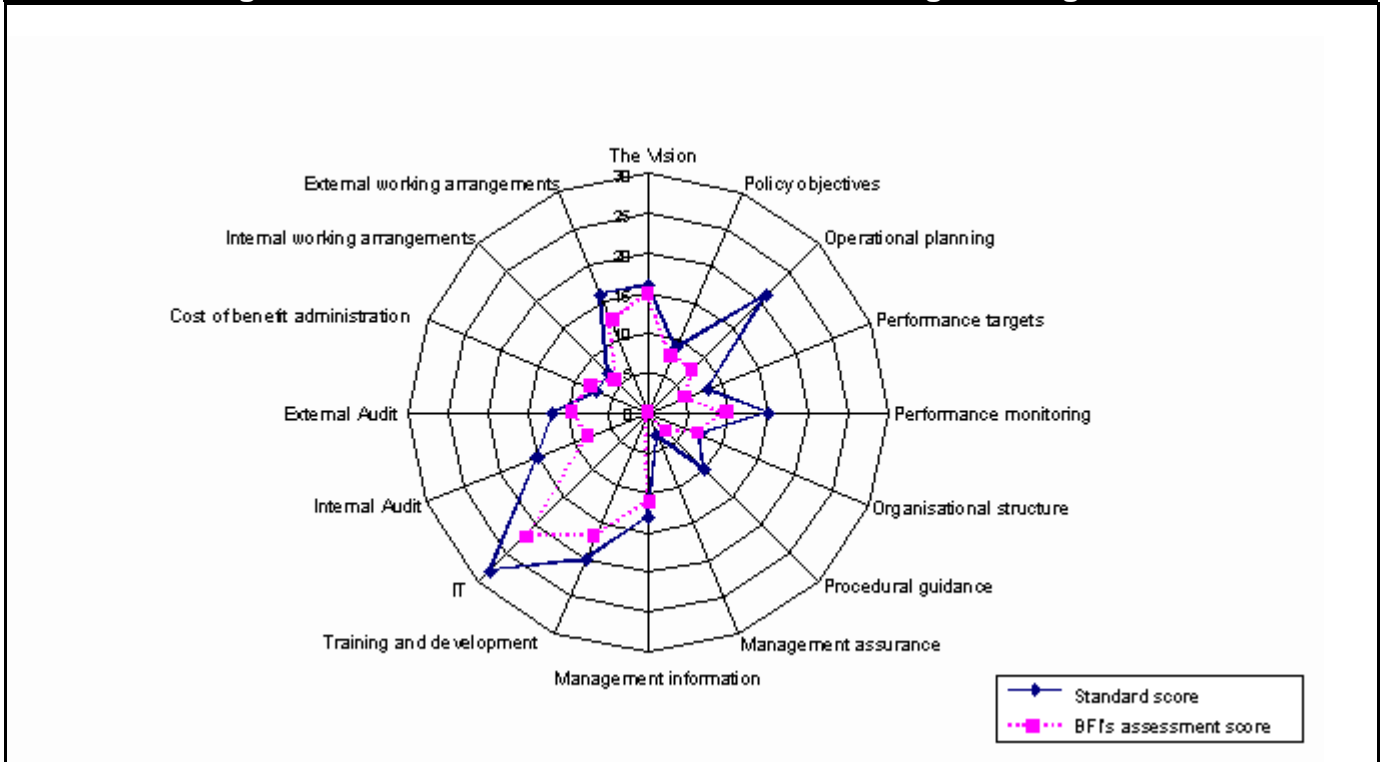
Case type	2000/01	2001/02	2002/03
Rent Allowance	4,698	5,316	5,715
Rent Rebate	3,905	4,073	3,766
CTB	10,415	11,392	11,527
Total	19,018	20,781	21,008

Source: London Borough of Harrow

BFI findings

Strategic Management

Fig. 2.1: Results of BFI's assessment for Strategic Management



Source: BFI inspection assessment

This and all subsequent radar graphs show the levels of performance for each of the elements of individual Performance Standards. The Standard score is the level of performance that needs to be achieved for the local authority to be at Standard. BFI's assessment is the level of performance that has been achieved. Where the assessment score exceeds the Standard score, for example, on 'cost of claims', the local authority is performing above Standard.

2.1 Benefits administration has to be set within the much broader context of a local authority's overall strategies and responsibilities towards, for example, neighbourhood renewal, alleviating poverty, preventing homelessness, helping people into work and enhancing consumer choice.

The Vision

2.2 London Borough of Harrow was not at Standard in this element but could achieve Standard if its vision statement included a commitment to ensure that its Benefits service minimised the barriers to work.

2.3 The Best Value Performance Plan for 2002/03 was London Borough of Harrow's corporate strategic document, from which all the other council plans were derived. The Best Value Performance Plan sets out London Borough of Harrow's goals for improvement. This document defined the council's 5 corporate strategic priorities as:

- enhancing the environment in Harrow
- strengthening Harrow's local communities
- promoting Harrow as a centre of lifelong learning
- improving the quality of health and social care in Harrow
- developing a prosperous and sustainable economy.

2.4 The plan also set out the council's vision, which was:

We will strive for a community:

- where everybody is able to enjoy healthy happy lives in an environment that is clean, safe and secure
- which is cohesive and strong
- where all have the widest range of opportunities to succeed and the capacity to achieve their aspirations
- where no one feels excluded
- where young people have a strong voice and are heard.

2.5 London Borough of Harrow also had a mission statement for achieving the vision which was:

To deliver quality and cost effective services through a partnership with stakeholders and the community in general; to govern within a framework of fairness, openness, integrity and accountability.

2.6 The Benefits service is part of Financial and Exchequer services within the Chief Executive's Department. The Benefits service policy and strategy stated that the strategic vision of the Benefits service was:

The council strives to provide an effective and secure Benefits service, operating efficient procedures in accordance with the HB and CTB regulations, to the standards set in the DWP Performance Standards.

2.7 The strategic vision for the Benefits service was linked to the council's corporate objectives, and was publicised internally. The Benefits service policy and strategy was supported by the following documents:

- *Claims Maintenance Policy and Strategy*
- *Overpayments Policy and Strategy*
- *Counter-fraud Policy and Strategy.*

2.8 These documents were comprehensive and contained references to the Performance Standards. A cross-party group of Members had reviewed these policy and strategy documents and the portfolio holder endorsed them on behalf of the council while we were on-site.

2.9 To achieve Standard, London Borough of Harrow should include a commitment in the Benefits service policy and strategy to service delivery that minimises the barriers to work and identify ways of promoting this aim.

Recommendations

We recommend that London Borough of Harrow:

- includes a commitment in the Benefits service policy and strategy to provide a service that minimises the barriers to work and identifies ways of promoting this aim.

Policy objectives

2.10 Authorities should support the strategic vision with high level policies and clear objectives for the Benefits service. Together these should:

- eliminate the need for senior managers to make recurring or routine decisions
- provide a systematic way of delegating operational decisions in a manner that will sustain consistency of approach and equity of service
- be linked to high level strategic and business plans.

2.11 London Borough of Harrow was not at Standard in this element because it did not set interim targets for service delivery objectives where a significant improvement in performance was required. However, the authority had:

- explicit policies and objectives for the Benefits service that were drawn directly from the strategic vision in the Benefits service policy and strategy
- made a commitment to meet, over time, the full range of Performance Standards
- set an objective of minimising backlogs
- recognised and consulted internal stakeholders.

2.12 To deliver the improvements identified in the council's Best Value Performance Plan each department of the council had a service plan. The service plan for Financial and Exchequer services had a number of excellent features. In addition to a comprehensive list of service delivery objectives, the plan included:

- an overview of the work of each section
- a review of the last year
- a list of all the staff involved in the delivery of the service with details of their experience and qualifications.

2.13 Each service delivery objective had a priority ranking and was linked to one of the authority's corporate objectives.

2.14 The content of the service plan was communicated to staff at an annual launch event, and to raise awareness, staff participated in a quiz on the content of the plan.

2.15 To achieve Standard London Borough of Harrow should set interim targets for the following service delivery objectives:

- the average number of days taken to process a new claim for benefit
- the percentage of renewal claims processed on time
- the average number of days taken to process changes of circumstances.

Recommendations

We recommend that London Borough of Harrow:

- sets interim targets for the following service delivery objectives:
 - the average number of days taken to process a new claim for benefit
 - the percentage of renewal claims processed on time
 - the average number of days taken to process changes of circumstances.

Operational planning

2.16 Operational planning ensures that resources are effectively managed and monitored to deliver service standards and performance targets.

2.17 An operational plan for administering HB and CTB translates the Vision, policies and objectives into practical ways of providing a service. Effective operational plans will enable any changes that are required to improve the HB and CTB service to be managed.

2.18 Plans can only be effective if they are developed, used, monitored and adapted to meet changing circumstances. Managers and staff need to be convinced that the plans are realistic and achievable.

2.19 London Borough of Harrow was not at Standard in this element because:

- it had no documented plan for clearing the backlog of claims
- the service plan did not identify key milestone dates
- the authority did not communicate the contents of its plans to all stakeholders
- it did not have a documented business continuity plan.

2.20 However, where plans existed they took into account:

- local aims and targets derived from the vision statement
- peaks and troughs in resource availability and workload
- the resources needed to implement change.

2.21 It is important that when major projects are planned the authority appoints a project manager and a team to manage the project. London Borough of Harrow appointed a project manager and a project team for the implementation of the council's new rent IT system. Senior officers told us that the council planned to appoint a project team in accordance with the council's corporate project management procedures for the migration to a new benefits IT system.

2.22 At the time of our first inspection in February 2000 London Borough of Harrow had a backlog of work in scanning and indexing and claims processing. At the time of this inspection, the council was up-to-date with scanning and indexing, but it still had a backlog of benefits work.

2.23 London Borough of Harrow has had a backlog of benefit claims since it introduced the Verification Framework in 1999. The council told us that it had previously implemented a number of plans to clear the backlog of work and that these plans had been largely successful. The backlog had, however, never been completely cleared because the budget for additional staff had run out before the task had been completed.

2.24 The Financial and Exchequer services annual report 2001/02, that was available in the reception area advised customers that:

With the backlog cleared we are going to refocus on providing a quality service to claimants. Harrow's Benefits section will be one of only a handful of Local Authorities in the UK, which are up to date with claims processing and are Verification Framework compliant.

2.25 In our first report, we made a number of recommendations relating to the need for London Borough of Harrow to urgently address the backlog. These included nominating an officer with responsibility for the backlog and drawing up an action plan with key target dates to clear the backlog. However, at the time we were on-site in February and March 2003 there was no documented plan and no targets had been set, although senior officers told us that the following measures were introduced to help address it:

- closing the office to the public on Wednesdays
- recruiting a Deputy Housing Benefits Manager to concentrate on performance issues
- employing 3 additional assessment staff
- bringing forward the recruitment and training of 7 new staff for Pension Credit.

2.26 Senior officers told us that the last time a documented plan existed to clear the backlog was in the summer of 2001, although in an effort to clear the backlog additional staff had also been employed, for different periods, up to November 2002. In our first report we recommended that the backlog was ring-fenced and a dedicated team formed to work on it. Senior officers told us that the backlog had been ring-fenced in the summer of 2000 and a dedicated additional resource employed to work on it, and the backlog had reduced as a result of doing this. At the time we were on-site the backlog was not ring fenced and the Assessment Team was working on both new and old work.

2.27 In June 2002 London Borough of Harrow took the decision to close the Financial and Exchequer services reception and its telephone lines to customers every Wednesday for a temporary period. Members were told that this measure would free up the time of Benefit Assessors and Customer Advisors to process more claims.

2.28 While we were on-site Members agreed to close the reception and telephones permanently every Wednesday as a budget saving measure. We analysed the backlog of work and found that the level of outstanding work was rising. We provide a detailed analysis of the backlog later in this report in *Processing of Claims*.

2.29 Senior officers told us that they knew the amount of work that London Borough of Harrow was currently processing each week. But no milestones or targets had been set in relation to clearing the backlog of work. Although the authority had measured the gap between the incoming work and weekly output it had not analysed this gap to satisfy itself that it had the necessary resources to clear the backlog.

2.30 London Borough of Harrow told us that the Deputy Housing Benefits Manager, who was appointed while we were on-site, would have responsibility for performance management in the Benefits section.

2.31 The service plan for Financial and Exchequer services contained a number of service delivery objectives to match the performance of the top 25% of English authorities, against the Best Value Performance Indicators, by the end of 2002/03.

2.32 In October 2002, November 2002 and January 2003 the Benefits section did not report its progress against the service delivery objectives. We were told that this was due to staff holidays and the time spent on the collection of information for our inspection.

2.33 The Benefits service had a Best Value improvement plan that was monitored by Members. Six-monthly reports were provided to Members to enable them to monitor progress against the Best Value improvement plan. In addition to these reports, when requested, Members were provided with information about performance against the Best Value Performance Indicators.

2.34 We saw 2 reports to Members from the Head of Financial and Exchequer services that put forward a case for additional resources. One of these reports dated 14 November 2000 related to the recommendations from our first inspection, when we identified the need for additional resources for overpayment recovery and counter-fraud. A further report dated December 2002 related to the need for extra staff to prepare for New Tax and Pension Credits and the implementation of a new IT system. Members had endorsed the recommendations in both these reports.

2.35 To achieve Standard, London Borough of Harrow needs to:

- develop an action plan to clear the backlog and monitor the plan to ensure that the backlog is cleared
- review the use of resources for processing claims
- ensure that the content of the service plan is communicated to all stakeholders
- develop a documented business continuity plan.

Recommendations

We recommend that London Borough of Harrow:

• develops a documented plan to clear the backlog of claims, with key milestone dates, and monitors the plan to ensure that the backlog is cleared within agreed timescales

• reviews the use of its resources to enable it to achieve a step change approach and clear the backlog of work

- communicates the content of the service plan to all stakeholders

- develops a documented business continuity plan which:
 - states how London Borough of Harrow will respond to disruptions that impact on normal HB and CTB delivery
 - is tested, at least, annually
 - staff know where to find, know who is responsible for which actions, and know what their role is within it.

Performance targets

2.36 Performance targets underpin policy objectives and service standards and give staff a clear view of the desired outcome and management clear accountability for providing effective and secure administration.

2.37 London Borough of Harrow was not at Standard in this element because it did not:

- set targets that were achievable and realistic
- include in the service plan objectives for clearing the backlog of claims
- set a service delivery objective to meet the council's corporate objective of promoting social inclusion and seeking to eradicate poverty.

2.38 The Benefits service had linked performance targets to the council's relevant policy objectives. The service delivery objectives in the service plan included all the relevant Best Value Performance Indicators, providing a baseline against which performance could be measured.

2.39 Performance targets should be reflected in the job descriptions of all benefit staff. London Borough of Harrow's job descriptions did not contain any of the performance targets although they did specify that the job-holder must:

comply with and maintain levels of service and performance as demanded by service standards and performance indicators.

2.40 Service delivery objectives in the service plan were based on the latest available information about national performance against the Best Value Performance Indicators. London Borough of Harrow is a member of the Lewisham benchmarking club. This enabled it to regularly benchmark performance with comparable local authorities and set appropriate targets. However, the service plan included targets that were unrealistic based on the authority's current performance. For example, in 2001/02 the authority reported that it decided new claims for benefit in an average of 59 calendar days. Current performance was 78 calendar days and yet it set a target for 2002/03 of deciding 100% of new claims within 35 calendar days.

2.41 We would expect performance targets to be communicated to all relevant stakeholders. Some stakeholders told us that performance was discussed with them but we found no evidence that a formal mechanism existed to communicate performance targets to all relevant stakeholders. Senior officers told us that this information was in the 2001/02 annual report for Financial and Exchequer services which was available in the reception area. However, this did not include any information about performance against local targets or the Best Value Performance Indicators relating to the accuracy of assessments or the recovery of overpaid benefit.

2.42 London Borough of Harrow's Best Value Performance Plan for 2002/03 stated that it was committed to:

strengthening local communities by promoting social inclusion and seeking to eradicate poverty.

However, there was no related target in the service plan such as increasing the take-up of HB and CTB. Senior officers told us that they had not set any targets for this area of work as the focus was on dealing with the current work.

2.43 The service plan contained a service delivery objective for each section in Financial and Exchequer services to provide a percentage of its service electronically. Senior officers told us that there had been little progress on this issue in the Benefits service. We report further on this in *Customer Services*.

2.44 London Borough of Harrow would achieve Standard if it:

- ensured that service delivery objectives are achievable and realistic
- set a service delivery objective for clearing the backlog of claims and included this in its service plan
- linked its service delivery objectives to the corporate objective of *promoting social inclusion and reducing poverty*.

Recommendations

We recommend that London Borough of Harrow:

• sets service delivery objectives that are achievable and realistic

• includes in the service plan a service delivery objective of clearing the backlog of claims

• links its service delivery objectives to the corporate objective of *promoting social inclusion and seeking to eradicate poverty*.

Performance monitoring

2.45 Performance monitoring provides assurance to Members and senior officers that HB and CTB administration is effective and secure. It is important that Members and senior officers receive reports on performance against the Vision, objectives and plans to make the accountability process transparent. Performance monitoring can also encourage the development of a culture of continuous improvement.

2.46 London Borough of Harrow told us that it was not at Standard in this element because of the inability to produce accurate data from its benefits IT system for the Department's management information returns.

2.47 Senior officers and Members received regular 6-monthly reports on performance including progress against targets in the Best Value improvement plan.

2.48 The service plan provided information on performance management and said that:

All the targets and objectives contained in this service plan will be monitored on a monthly basis. This is essential and it will ensure we are aware of problems as they develop and can take swift remedial action.

2.49 However, as we have already mentioned, performance against the service delivery objectives in the service plan was not reported in October and November 2002 or in January 2003.

2.50 The monthly reports on performance against objectives in the service plan failed to give a clear indication of what had been achieved. The following non-specific terms were often used to report performance:

- *generally up-to-date*
- *generally achieved*
- *generally achieved but occasional delays.*

2.51 London Borough of Harrow told us that it was unable to collect sufficient or accurate management information from its benefits IT system to monitor performance targets. The authority had been in correspondence with the provider of its benefits IT system for some time and the Head of Financial and Exchequer services is a member of the User Group Executive Committee of the benefits IT system provider. Despite these measures it had been unable to resolve these difficulties. Reports produced by the benefits IT system, measuring the time taken to process new and renewal claims for benefit, were not used to measure or report performance against the Best Value Performance Indicators. However, the authority used these reports to complete its management information returns to the Department.

2.52 In each of 3 management returns in 2001/02, London Borough of Harrow had expressed concern to the Department about the accuracy of management information on new claims, renewal claims and overpayments. London Borough of Harrow had explained that its concerns related to the problems that it was experiencing with its benefits IT system software. On each occasion, following contact with the Department, London Borough of Harrow had confirmed that the Department should accept the information provided.

2.53 Since London Borough of Harrow had no confidence in the information produced by its benefits IT system, it used cases selected for management checking to calculate the average time taken to process a new claim. The checking officer counted the number of calendar days taken to decide each new claim. This process was repeated for all new claims checked and the results were then used to calculate London Borough of Harrow's speed in deciding new claims. However, our analysis revealed that the sample of claims that had been checked always excluded a number of new claims for CTB that had taken longer to process. The results were therefore not an accurate reflection of London Borough of Harrow's performance as the information submitted to the Audit Commission for the Best Value Performance Indicators suggested that London Borough of Harrow's performance was better.

2.54 London Borough of Harrow used 2 reports from the benefits IT system to calculate the percentage of renewal claims decided on time. Our analysis of this method found that this did not accurately reflect the authority's performance because not all of the renewal claims decided were included in the calculation. The authority agreed with our conclusions and immediately stopped calculating performance for new and renewal claims in this manner.

2.55 Figure 2.2 compares the performance against Best Value Performance Indicators reported to the Audit Commission for 2001/02 by London Borough of Harrow with the results produced by the benefits IT system and reported to the Department for the same period.

Fig. 2.2: Reported Best Value Performance 2001/02 compared with benefits IT system data		
Best Value Performance Indicators	Reported performance to the Audit Commission	Benefits IT system reported performance to the Department
Average time taken to process a new claim (days)	59	88
Percentage of renewal claims processed on time %	85.8	38

Source: London Borough of Harrow and BFI analysis

2.56 We met with a cross-party group of 3 Members who told us what information they received about the performance of the Benefits service. Together we identified that they were not being provided with information against the service delivery objectives for the following areas:

- level of outstanding work

- outcome of management checks
- number of requests for reconsideration and appeals outstanding
- time taken to deal with requests for reconsideration and appeals
- level of overpayments created
- percentage of overpayments recovered.

2.57 To achieve Standard in this element, London Borough of Harrow should:

- review the method that it uses to calculate performance in processing new and renewal claims and work with its benefits IT system provider to collect more accurate data
- ensure that monthly reports of performance against service delivery objectives are made to senior officers
- review the information needs of Members.

Recommendations
We recommend that London Borough of Harrow:
<ul style="list-style-type: none"> - reviews its current method of calculating performance in processing new and renewal claims and works with its benefits IT system provider to collect accurate data
<ul style="list-style-type: none"> - ensures that monthly reports of performance against service delivery objectives are made to Members and senior officers
<ul style="list-style-type: none"> - reviews the information needs of Members and amends reports to include the following: <ul style="list-style-type: none"> - the level of outstanding work - the outcome of management checks - the number of requests for reconsideration and appeals outstanding - the time taken to deal with requests for reconsideration and appeals - the level of overpayments created - the percentage of overpayments recovered.

Organisational structure

2.58 It is important that human and other resources are used to provide a secure and effective Benefits service. Organisational design will obviously be influenced by council-wide policy on issues such as:

- service centralisation or decentralisation
- outsourcing
- the size and geography of the local authority
- the siting of benefits and counter-fraud work within Finance or Housing, or a combination within these or other departments.

2.59 It is essential that the organisational structure adopted should not have an adverse impact on the administration of benefits. The Institute of Revenues, Rating and Valuation recommends therefore that the Housing Benefits Manager should occupy a senior position within the authority with a direct reporting line to the Section 151 Officer.

2.60 London Borough of Harrow was not at Standard in relation to its organisational structure because job descriptions for staff working in the Benefits service did not accurately reflect the work of staff. However, management lines of responsibility within the Benefits service were clear and logical and the service was managed effectively with the Housing Benefits Manager maintaining control over resources.

2.61 Clear lines of communication existed between the Benefits section and other parts of the council involved with HB and CTB administration. We saw agendas for team meetings between managers in Financial and Exchequer services that confirmed this.

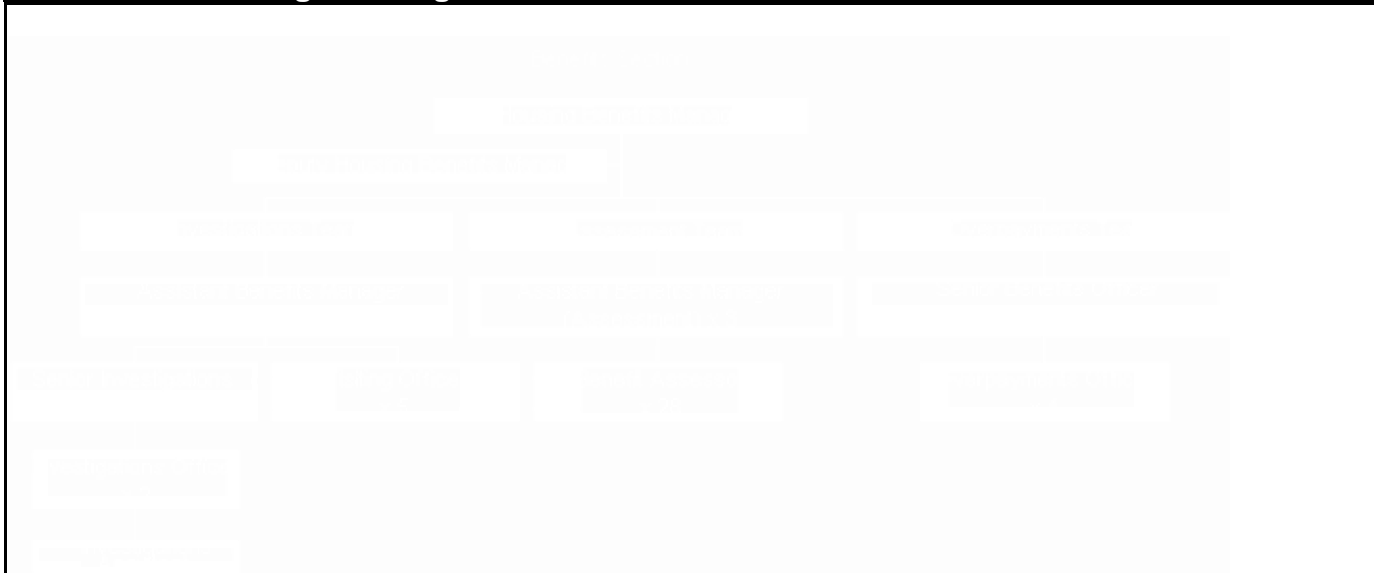
2.62 Figure 2.3 illustrates the organisational structure of the sections within Financial and Exchequer services who were involved in benefits administration during the on-site phase of our inspection. These sections were collectively referred to as the Benefits service. Figure 2.4 provides details of the staff under the control of the Housing Benefits Manager and referred to as the Benefits section.

Fig. 2.3: Organisational structure of the Benefits service



Source: London Borough of Harrow

Fig. 2.4: Organisational structure of the Benefits section



Source: London Borough of Harrow

2.63 We were concerned that at the time we were on-site the Chief Executive's re-structure of the council meant that the future location of the Benefits service within the organisation was undecided. The Chief Executive told us that this was due to be resolved by the end of April 2003.

We recommend that London Borough of Harrow:

· reviews all job descriptions and removes the generic element so that job descriptions clearly define roles and responsibilities which accurately reflect the responsibilities of the post

· reviews the use of staffing resources on the Investigations team and re-evaluates the grading of the posts to assist with the recruitment and retention of experienced staff.

Procedural guidance

2.73 HB and CTB are important components of the national benefits system and it is important that staff and managers responsible for their administration are supported and guided by good procedures.

2.74 London Borough of Harrow was not at Standard in this element because HB and CTB delivery procedures were not fully documented in manuals and did not contain reference to all of the regulations and circulars. However, the authority provided a wide range of good quality procedural guidance and training notes that were available to benefit staff on the shared computer network.

2.75 London Borough of Harrow had no formal change control process in place for developing or changing local procedures. All proposed changes were initially discussed by benefits managers and any resulting changes were communicated to staff at team meetings.

2.76 To achieve Standard in this element the authority needs to ensure that:

- it has a comprehensive procedural guide, that includes reference to regulations, circulars and local policies, that is made available to all benefit staff
- a formal change control process is in place for the implementation of changes to local procedures.

Recommendations

We recommend that London Borough of Harrow:

· makes available to all benefit staff, a comprehensive procedural guide, which includes reference to regulations, circulars, office practice and local policies

· ensures that a formal change control process is in place for the implementation of changes to procedural guidance.

Management assurance

2.77 Members and senior managers accountable for the delivery of effective and secure HB and CTB administration, need assurance that the Benefits service and counter-fraud efforts are working as planned.

2.78 London Borough of Harrow was not at Standard in this element. It operated a system of management checks for claims processing, but it did not have a system of management checks in place for the Investigations Team.

2.79 The level of checking for HB and CTB was only 1.5%, well below the 10% level recommended by Performance Standards and there were no systematic or documented management checks of fraud files. The results of checking were not used to inform training and development of staff and the results of management checks were not reported to Members. Our detailed findings in relation to this issue are reported under *Processing of Claims and Counter-fraud* where we make a number of recommendations.

2.80 To achieve Standard, London Borough of Harrow should:

- increase the level of management checks of HB and CTB assessments to 10% before a decision notice is issued to the customer
- report findings from management checks regularly to Members
- use the results to inform staff training and development plans.

Recommendations
We recommend that London Borough of Harrow:
· reports the findings from management checks of benefit assessments regularly to Members
· ensures that the results of management checks inform staff training and development plans.

Management information

2.81 Management information provides a sound base for managers to evaluate the effectiveness and security of the benefits system and is a useful tool for management to make informed decisions on the day-to-day running of their sections and to keep Members informed of performance. It should not be used simply to generate a local authority's current set of performance indicators.

2.82 London Borough of Harrow was not at Standard in this element because it did not use management information to:

- predict trends
- identify risks
- establish areas of procedural weakness
- identify areas of low take-up.

2.83 However, assessment team managers used reports from the document image processing system to:

- adjust work priorities
- assist continuous improvement in HB and CTB administration
- identify deviations from plans and targets
- adjust resource allocation.

These reports were produced in a standard format at weekly intervals and, when necessary, at more regular intervals.

2.84 Members and senior officers had previously determined what information they wanted to receive and there was evidence that management information was being provided to them. We saw copies of 6-monthly monitoring reports that were provided to Members for performance against the targets in the Best Value improvement plan. However, we identified that Members were not being provided with information on the levels of outstanding work, overpayment recovery performance and accuracy.

2.85 London Borough of Harrow did not use management information to effectively manage its backlog. Reports from the document image processing system were used to inform managers of the work that had been completed at the end of each week and to measure the gap between the incoming work and the number of claims dealt with each week. The difference between the incoming work and the number of claims dealt with each week had not been analysed. This information is crucial for the effective management of the backlog of work.

2.86 Requests for reconsideration of decisions and appeals made by customers were not effectively managed and this resulted in the accumulation of a significant backlog of these

cases. Reports available from the document image processing system could have been used to establish areas of procedural weakness that we identified in the authority's handling of appeals. We report on this area in more detail in *Customer Services*.

2.87 Management information, available from the council's telephone system, about calls made by customers to the Benefits section had never been requested. The quality of management information collected about callers at the Financial and Exchequer services reception was poor and was not suitable to be used to inform resource allocation or improvements to the service. We report on this in more detail in *Customer Services*.

2.88 Management information about the individual performance of benefit staff was collected from the document image processing system and the management checks that were performed. This was not routinely used to inform staff training and development plans.

2.89 To achieve Standard, London Borough of Harrow should:

- develop a range of management information to:
 - predict trends
 - identify risks
 - identify areas of procedural weakness
 - identify areas of low take-up.
- ensure that information about individual performance informs training and development plans.

Recommendations

We recommend that London Borough of Harrow:

• develops and uses a range of management information to:

- predict trends
- identify risks
- identify areas of procedural weakness
- identify areas of low take-up

• ensures that information about individual performance informs training and development plans.

Training and development

2.90 Effective and secure delivery of HB and CTB depends on staff performance. The administration of these benefits is complex and staff retention and recruitment are major issues for managers. Local authorities should offer effective training, career and personal development activities.

2.91 Investment in the training and development of staff, plays a key role in:

- attracting new recruits
- retaining staff
- offering a career path for potential managers
- developing the management skills of more senior staff.

2.92 Investment in performance management can:

- bring greater consistency and fairness to the management of staff

- highlight where individuals need to develop or improve performance
- ensure that career advancement is based on demonstrable delivery of results and competence to take on greater responsibility.

2.93 London Borough of Harrow was not at Standard in this element because:

- job descriptions were not tailored to each post
- not all staff had updated job descriptions
- the work objectives referred to in job descriptions were not achievable or realistic
- it did not have a dedicated training resource for training new and existing staff.

2.94 However, London Borough of Harrow had many positive aspects in the area of the training and development.

2.95 Financial and Exchequer services received Investors in People accreditation in 1999 and this was reassessed in January 2003. There was a training programme in place for new and existing staff and all staff received training that covered their main responsibilities.

2.96 Staff received training for new legislation and changes to the Department's guidance at their team meetings and this training was supplemented by material produced by the Housing Benefits Manager. The training material produced was of a high quality and was made available to all staff. Training sessions were planned to minimise disruption to the service, with training being arranged to avoid busy periods and staff holidays.

2.97 External training providers were employed to supplement local training sessions. Examples of the external training received included:

- forgery awareness for all Benefit Assessors, Customer Advisors and scanning and indexing staff
- investigation techniques for Investigations Officers
- conducting interviews under caution for Investigations Officers
- telephone debt collection skills for overpayments staff.

2.98 In October 2002 London Borough of Harrow made a successful bid for Performance Standards funding and was working closely with another London borough, a recruitment agency specialising in recruiting benefit staff and a private training provider. The project aimed to recruit, train and develop a number of new staff to work in HB and CTB administration. Senior officers told us that the authority had taken on 10 staff as a result of the project and these staff were due to arrive at the end of March 2003. Existing Benefit Assessors would provide support to the new staff during their period of induction with their work being covered by agency staff.

2.99 Financial and Exchequer services had a training and development strategy and each member of staff had a personal training and development plan. Staff received an annual appraisal of their performance and managers provided interim feedback throughout the year.

2.100 According to their job descriptions, officers on the Quality, Systems and Development Team were responsible for providing training to staff. However, the Housing Benefits Manager told us that Quality, Systems and Development officers only provided IT system training. Induction training for benefit staff was provided by one of the Benefit Assessors and the Housing Benefits Manager provided all other benefits training, including the training provided to Housing Management staff.

2.101 The lack of a dedicated training officer for benefit staff resulted in the Housing Benefits Manager spending a considerable amount of time preparing training notes and training staff. We were also concerned about the ongoing provision of training for benefit staff in view of the fact that the Housing Benefits Manager was due to leave the authority in April 2003.

2.102 To achieve Standard in this element, London Borough of Harrow should:

- ensure that job descriptions are tailored to each post

- provide all staff with updated job descriptions
- amend the work objectives referred to in job descriptions to make them achievable and realistic.

2.103 Since we have made recommendations relating to these areas earlier in this report we only make a recommendation in this section relating to the provision of a dedicated training resource for training new and existing benefit staff.

Recommendations
We recommend that London Borough of Harrow:
• provides a dedicated resource for training new and existing benefit staff.

IT

2.104 Every local authority should make the most of available IT to support an effective and secure HB and CTB administration, and the technology deployed should assist the local authority in making progress against the *e-government* agenda.

2.105 Automation of processes should enable greater efficiency and reliable and timely management information to monitor performance and inform management decisions.

2.106 London Borough of Harrow told us that it was not at Standard in this element because the benefits IT system was unable to produce accurate management information, there was no interface with the council's financial systems and the authority had no documented IT recovery plans. We have made recommendations relating to the lack of accurate management information in the section of this report on *Performance monitoring* and we make a recommendation relating to the need for a documented IT recovery plan later in this report in *Internal Security*.

2.107 London Borough of Harrow used its benefits IT system to process HB and CTB claims and a fully integrated module for recovering overpayments by sundry debtors invoice.

2.108 The benefits IT system had automatic interfaces with the following systems:

- housing rents
- Council Tax
- document image processing.

2.109 Shortly before the on-site phase of our inspection, London Borough of Harrow began to use a stand-alone fraud case management IT system. This system had an interface with the benefits IT and the document image processing systems.

2.110 London Borough of Harrow's benefits IT system provided the necessary reports for the completion of subsidy returns to the Department. However, the data relating to management information was inaccurate. This is covered in more detail under *Performance monitoring*.

2.111 The benefits IT, the document image processing and the fraud case management systems all provided audit trails and access to these were controlled by passwords. We report on this area in more detail later in *Internal Security*.

2.112 The Quality, Systems and Development Team was responsible for logging and reporting all IT system faults. Documented procedures existed for this activity and there were detailed records of reported and cleared faults.

2.113 London Borough of Harrow had a dedicated test system for both its benefits IT and document image processing systems. All new releases of software and system fixes were tested on the dedicated test system before they were transferred to the live environment. Documented procedures provided guidance for this area of work and software testing and user acceptance testing were also fully documented.

2.114 Back-ups of the benefits IT and the document image processing systems were made each evening by the council's IT Section. However, there were no documented contingency or

recovery plans for any of the council's systems. We report on this in more detail in *Internal Security*.

2.115 London Borough of Harrow will achieve Standard in this element if it:

- works with its benefits IT system provider to ensure that it is able to produce accurate management information
- develops and documents its IT recovery plans
- develops an interface with the council's financial systems.

2.116 We have made recommendations relating to the first point earlier in this report.

Recommendations
We recommend that London Borough of Harrow:
· develops and documents its IT recovery plans
· develops an interface between the benefits IT system and the council's financial systems.

Internal Audit

2.117 Internal Audit provides assurance to management and Members about the effectiveness and security of HB and CTB administration.

2.118 London Borough of Harrow was not at Standard in this element because:

- internal audit coverage was not:
 - reflective of our assessment of the risks associated with HB and CTB administration
 - comparable to the budget expenditure for other services
 - reflective of the monetary value of HB and CTB payments
- Members did not monitor individual action plans drawn up in response to Internal Audit recommendations.

2.119 Internal Audit had some areas of good practice and it had a programme of work that:

- was agreed by Members
- focused on risks to security
- examined failures in effectiveness
- assessed performance against Performance Standards.

2.120 Members and senior officers were actively involved in the development of the annual audit plan. This process included a workshop for Members who assisted in the development of the audit plan 2003/04. Once this part of the process was completed the council's corporate management team approved the plan which was then reported annually to the Overview and Scrutiny Committee.

2.121 The work of Internal Audit was reviewed annually and there was a programme of work that extended over a 3-year period. Senior officers told us that Internal Audit intended to cover *Processing of Claims* and *Working with Landlords* in 2003/04 and then 2 functional areas of Performance Standards in each of the following years. We were encouraged to find that Internal Audit had secured its own copy of Performance Standards, was aware of their development and had used them for an audit of the Investigations Team in 2002/03. This audit included a follow-up on the progress of the Investigations Team in implementing the recommendations from our first report.

2.122 Internal Audit told us that its audit coverage was assessed using a structured risk assessment process that was developed with external advice and expertise from consultants. The risk assessment process used in 2002/03 had 10 elements which included:

- service provision
- reputation
- legality
- people
- finances.

A risk score was calculated from this process and this was used to determine what was included in the audit plan. The days allocated to each area were determined after consideration had been given to the scope of the work to be undertaken. Figure 2.5 illustrates the internal audit coverage of the Benefits service.

Fig. 2.5: Internal audit – planned and usage of audit days

	2000/01	2001/02	2002/03
Total number of internal audit days planned	29.5	53	56.5
Total number of internal audit days used	31.9	45.5	38.5

Source: London Borough of Harrow

2.123 Figure 2.6 provides a breakdown of the type of internal audit work that was completed from 2000/01 to February 2003 on the Benefits service.

Fig. 2.6: Internal audit activity breakdown

Area covered	2000/01	2001/02	2002/03 – February 2003
Audit of counter-fraud work	0	0	22
Follow-up of HB and CTB audit	2.5	6	0
Ad hoc advice	6	6	4.5
Key control review	8.7	11.5	2.5
Benefits IT System	0	7	0
Staff checks	1.7	3	5.5
Co-ordination of National Fraud Initiative	13	12	10
Performance Indicators	0	0	12

Total days	31.9	45.5	56.5
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Source: London Borough of Harrow

2.124 We were pleased to find that the recommendation in our first report, that a formal process for agreeing action on the recommendations in internal audit reports had been implemented. Draft internal audit reports were discussed with senior officers and the findings agreed. An action plan was drawn up to implement the recommendations and the report published. Progress in implementing recommendations was monitored by Internal Audit with a review the following year.

2.125 In our first report we recommended that procedures were set up to ensure that internal audit recommendations were properly considered and implemented. We also recommended that progress in implementing recommendations was reported to the Chief Executive and Members.

2.126 Internal Audit told us that Members did not monitor the progress against any individual action plans arising from their reports. Senior managers were responsible for ensuring that the recommendations were implemented and any ongoing failures to implement significant recommendations would be reported to Members and could be referred to the Overview and Scrutiny Committee.

2.127 Internal Audit told us that it worked closely with External Audit and discussions with the new external auditor about co-ordinating work programmes took place during the on-site phase of our inspection.

2.128 An internal audit of the Investigations Team in September 2002 had identified a number of issues that were outstanding from our previous report, including the absence of any management checking of fraud files. We report on this in more detail in *Counter-fraud*.

2.129 In our first report we recommended that internal audit activity in HB and CTB was reconsidered and a minimum annual resource allocation was established. London Borough of Harrow had not addressed this recommendation.

2.130 There had been no internal audit work on the assessment and payment of HB and CTB since an audit in April 1999, although there had been some audit work on Verification Framework visits, system security, management checking and annual coverage of key controls. This lack of coverage is particularly worrying as London Borough of Harrow's subsidy claims had been qualified since 1999 for the following areas:

- referrals to the Rent Officer
- backdated benefit
- classification of overpayments
- identification of extended payments.

2.131 We consider this failure to be a missed opportunity, as work by Internal Audit should have been carried out on these areas to identify if problems had been resolved or if more work was needed to improve performance. As the audit plan for 2003/04 had not been finalised while we were on-site the authority had a chance to address our concerns.

2.132 In its report of the April 1999 audit, Internal Audit expressed concern about the lack of management checks on HB and CTB claims. Internal Audit recommended that management checks should be introduced and management reported that checks had started in June 1999. However, in its follow-up review, published in July 2000, Internal Audit raised issues about the level of management checks that were being undertaken. We asked Internal Audit what further work it had performed on this area and were told that no further testing was undertaken because Internal Audit could not resource it.

2.133 We were concerned that the internal audit resource committed to HB and CTB administration was not reflective of the risk associated with benefits administration. Internal Audit told us that the level of internal audit coverage overall had been benchmarked against other London Boroughs and the authority had been aware that internal audit resource was not

equal to many of these other authorities. Internal Audit could not tell us how the authority would resolve this issue as the audit plan for 2003/04 had yet to be finalised.

2.134 To achieve Standard in this element, London Borough of Harrow should:

- reconsider and revise the number of audit days allocated to benefits administration
- ensure that Members receive summaries of all audit reports
- enable Members to monitor action taken to implement internal audit recommendations.

Recommendations

We recommend that London Borough of Harrow:

· reviews and revises the number of audit days allocated to benefits administration so that it more accurately reflects:

- the risks associated with HB and CTB
- expenditure on other council services
- the monetary value of HB and CTB payments.

· makes arrangements for summaries of all internal audit reports to be made available to Members

· enables Members to monitor action taken in response to internal audit recommendations.

External Audit

2.135 External Audit has statutory duties to report on the arrangements that the local authority has put in place to secure economy, efficiency and effectiveness in its use of resources. It also gives independent assurance on matters relating to the accounts and reports on the arrangements to secure propriety. Local authorities must act on this independent advice and assurance, while having their own systems of assurance. They cannot rely on External Audit identifying faults.

2.136 London Borough of Harrow was not at Standard in this element because Members were not asked to endorse or monitor action plans arising from external audit reports.

2.137 External audit was provided by the Audit Commission in England (District Audit). Shortly before our inspection London Borough of Harrow began the process of changing to a private company for the provision of its external audit services.

2.138 Internal Audit told us that the previous provider, District Audit, utilised and supported the work of Internal Audit by agreeing work programmes and avoiding duplication.

2.139 We saw evidence of good work between External Audit and London Borough of Harrow. For example, an action plan had been prepared to address problems with the reconciliation of benefit payments to the council's general ledger. District Audit had worked with Financial and Exchequer services to resolve the problems that had led to subsidy claims being qualified in 2000/01 and 2001/02. London Borough of Harrow successfully reconciled benefit payments to the council's general ledger for 2002/03.

2.140 Senior officers told us that Members were not always informed of the findings of External Audit on the authority's subsidy claims, or the work that was required to address any qualifications, because action to rectify the claim and provide a response to the Department needed to be taken quickly. However, following our first inspection of London Borough of Harrow an action plan to respond to our recommendations was prepared by senior officers and endorsed by Members. Some external audit recommendations were incorporated into a Best Value improvement plan and progress against the plan has continued to be monitored by Members.

2.141 London Borough of Harrow would achieve Standard if copies of action plans arising from External Audit reports were:

- provided to Members and endorsed by them
- monitored by Members.

Recommendations

We recommend that London Borough of Harrow:

- arranges for Members to be provided with copies of action plans arising from external audit reports and that Members are asked to endorse these plans

- provides Members with reports to monitor progress against these action plans.

Cost of benefit administration

2.142 There is no definitive costing structure for benefit administration although local authorities should be guided by the Department's circular *S1/2000*.

2.143 London Borough of Harrow was above Standard in this element as it calculated the cost per claim at regular intervals, had developed a costing structure and benchmarked performance against similar local authorities.

2.144 In 2001/02 London Borough of Harrow's cost per claim was £81.07 compared to an average of £64.92 for the top 25% of London boroughs.

2.145 The authority calculated the cost per claim using guidance issued by the Chartered Institute of Public Finance and Accountancy, which aims to achieve a reasonable assessment of the cost of assessing a claim for benefit. London Borough of Harrow also benchmarked its costs against a number of local authorities.

2.146 The service plan included a service delivery objective of reducing the cost per claim by 4% in 2002/03. Senior officers told us that this objective had been included in service plans for previous years but had not been achieved because the caseload had fallen while the cost of providing the service had continued to rise due to changes in legislation and guidance and work to meet Performance Standards.

Internal working arrangements

2.147 Local authorities need to manage their internal partnerships and relationships to support short and long term policy objectives. Such management includes ensuring that common goals are set for an effective and secure HB and CTB administration.

2.148 London Borough of Harrow told us that it was not at Standard in this element because it did not:

- document the internal communication channels used
- monitor and review the effectiveness of these arrangements
- publish the results of any monitoring.

2.149 However, internal stakeholders in Housing Management and the council's Homelessness Section told us that working relationships with the Benefits section were very good. Examples provided to us of the good working relationship were:

- telephone access to the Assistant Benefits Managers to resolve queries
- training provided to Housing Management staff on the HB and CTB schemes
- Housing Management staff meeting with benefit staff once a week to discuss urgent cases.

2.150 Staff from Housing Management and the Homelessness Section had received training in forgery awareness and the Verification Framework. This enabled them to collect and verify evidence to support claims for benefit. Documented procedures existed for staff doing this work and refresher training was provided.

2.151 We were pleased to see that the Housing Assessment Team had been provided with indicative rent levels, together with details of above average rents that would result in any property let by a registered social landlord being considered for referral to the Rent Service. Benefit staff told us that Housing Assessment Team staff used this information to help avoid homeless customers taking on a privately rented property that was too expensive.

2.152 Communication channels with departments in the authority were not specified in any written agreement and meetings between the Benefits section and internal stakeholders were not documented. We were provided with a list of items that had been discussed at meetings between Housing Management and benefit staff.

2.153 To achieve Standard, London Borough of Harrow should:

- specify and record the communication channels between internal stakeholders
- monitor and review the effectiveness of these arrangements
- publish the results of any monitoring.

Recommendations

We recommend that London Borough of Harrow:

· documents the internal communication channels that are used between the Benefits section and internal stakeholders

· regularly monitors and reviews the effectiveness of internal working arrangements

· publishes the results of the monitoring.

External working arrangements

2.154 Local authorities function within their own network of relationships with customers, stakeholders and other bodies in their communities. Effective partnerships with these organisations will provide mutual benefits through savings in administrative costs and benefit expenditure and reduce the amount of fraud and error. Some stakeholders such as the Rent Service and Jobcentre Plus play a key part in handling HB and CTB claims effectively and securely.

2.155 London Borough of Harrow was not at Standard in this element because of weaknesses in monitoring service level agreements.

2.156 London Borough of Harrow had service level agreements with organisations connected with benefits delivery including:

- the Rent Service
- Jobcentre Plus office at Harrow
- Counter-Fraud Investigation Service.

2.157 In addition, London Borough of Harrow operated a *Working Practices Protocol* with housing associations in the borough.

2.158 The agreements followed national models where such models were available. London Borough of Harrow did not formally monitor performance against the service level agreements. Regular monitoring with action taken to correct deficiencies would help to improve effectiveness and security. For example, monitoring the time taken to provide information regarding Income Support (IS) or income-based Jobseeker's Allowance (JSA(IB)).

2.159 In our first report we recommended that:

- mechanisms for measuring performance against targets contained in the service level agreements with the Rent Service, Jobcentre Plus and Counter-Fraud Investigation Service were agreed
- joint training sessions were conducted between the authority and Jobcentre Plus.

2.160 We were disappointed that these recommendations had not been implemented.

2.161 There was good liaison between London Borough of Harrow and the other organisations with regular meetings taking place. For example, the liaison contact from Jobcentre Plus visited the Benefits section at London Borough of Harrow each week to discuss and resolve any complex queries. This met the recommendations in our first report when we recommended regular meetings and consideration of alternative arrangements for contact with Jobcentre Plus.

2.162 It is essential that London Borough of Harrow is notified of changes to IS or JSA(IB) entitlement, which will affect HB and CTB claims. To ensure that the relevant cases were identified by the IS and JSA computer systems, a special indicator was attached to the records in those systems.

2.163 We examined the IS/JSA(IB) cases in our new and renewal claims samples to test the extent to which the IS and JSA computer system records had been noted as having an HB or CTB interest. The results are shown in Figure 2.7.

Fig. 2.7: HB/CTB indicators set on IS or JSA system

Type of case	Number where indicator appropriate	Number set and percentage (%)
New claim	15	12 (80%)
Renewal claim	24	19 (79%)
Total	39	31 (79%)

Source: BFI analysis

2.164 In our first report we recommended that Jobcentre Plus staff were reminded of the importance of setting the HB and CTB indicators correctly on the IS or JSA computer system. The authority told us that it had done this.

2.165 London Borough of Harrow had a procedure in place for informing Jobcentre Plus when it identified a case where the relevant indicator had not been set correctly. However, we saw no evidence that Jobcentre Plus had been informed about the omission in the 8 cases identified in our sample.

2.166 To achieve Standard in this element London Borough of Harrow should produce quarterly monitoring reports that assess performance against the targets in the service level agreements and discuss these reports at regular liaison meetings.

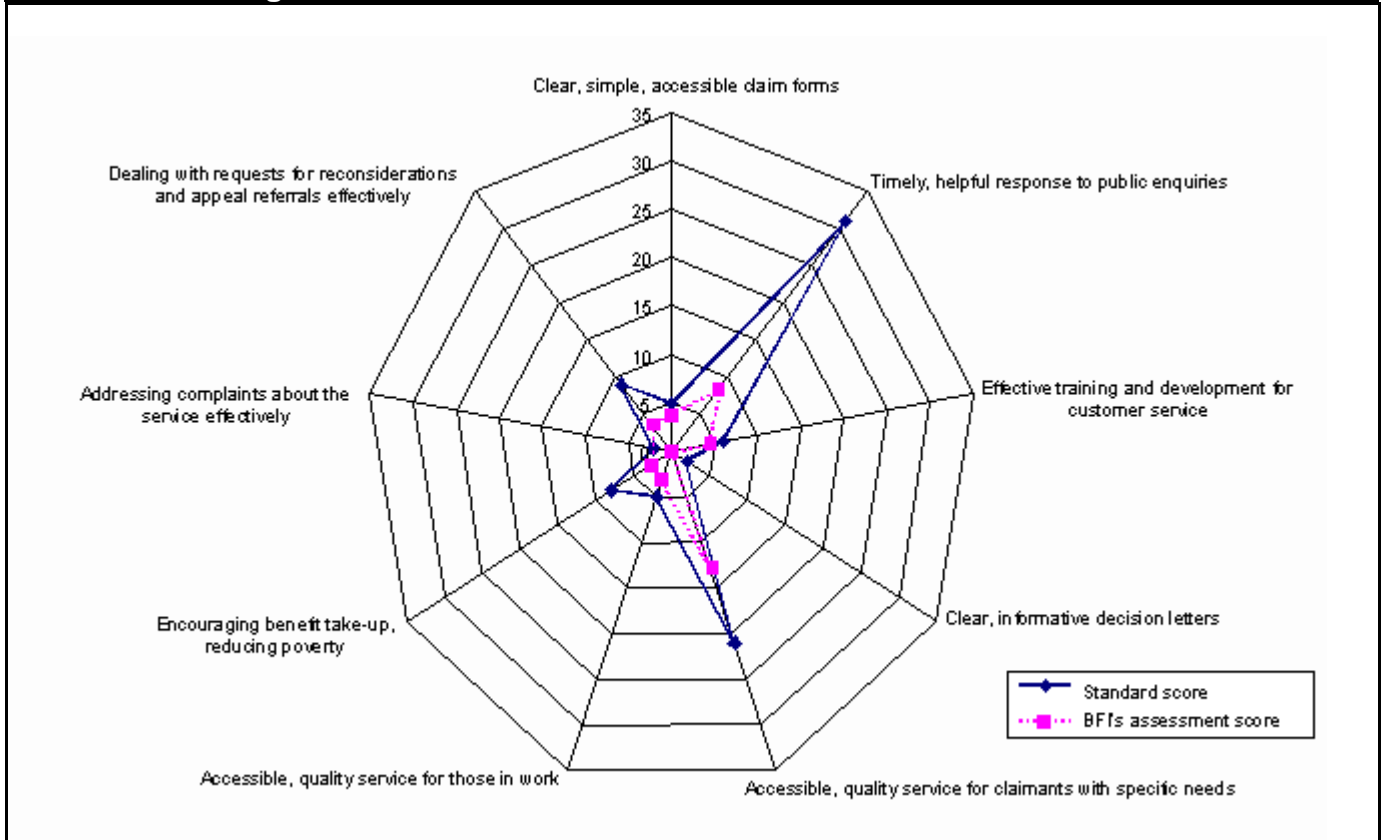
Recommendations

We recommend that London Borough of Harrow:

- produces quarterly monitoring reports for each service level agreement so that it can assess performance against the service level agreements and discuss these reports at regular liaison meetings.

Customer Services

Fig. 3.1: Results of BFI's assessment for Customer Services



Source: BFI inspection assessment

For an explanation about how to read this radar chart see Strategic Management.

3.1 Customer service is important and local authorities should aim to:

- deliver modern, efficient, secure customer focused public services and empower individuals to influence them
- reduce barriers to work, particularly in relation to benefit and rent policy
- support vulnerable people and tackle all forms of social exclusion, including bad housing, homelessness, poverty, crime and poor health.

Clear, simple, accessible claim forms

3.2 Clear HB and CTB claim forms can help reduce the need for requests for further information from the customer. They also reduce the risk of customer confusion, error and fraud. Clear advice at the time of the claim can reinforce messages about the need to provide evidence of identity and income and resolve concerns of those with limited documentation.

3.3 London Borough of Harrow was not at Standard in this element because it had a separate claim form for renewal claims and did not make its claim forms freely available at the Financial and Exchequer services reception area or at any of the council's other enquiry points. To ensure that customers took away the correct claim form, claim forms were only available upon request from a Customer Advisor. However, it issued regular supplies of forms to Housing Management and some Registered Social Landlords who had requested a supply.

3.4 London Borough of Harrow had revised its claim forms in response to a recommendation in our first report and used the following 4 claim forms for new claims:

- Rent Rebate and CTB
- Rent Allowance and CTB for housing association tenants
- Rent Allowance and CTB for private tenants

- CTB for owner-occupiers.

3.5 There were 2 renewal forms available for each of the above types of claim. One for customers in receipt of IS or JSA(IB) and one non-IS or JSA(IB) customers. These forms mirrored the design of the claim forms issued for new claims. All the claim forms had some very good features and followed the design of BFI's model claim form with:

- good design including clear signposting
- the use of checklists
- guidance on the types of evidence customers must provide in support of their claim
- details of changes customers must report and examples of the types of changes.

3.6 Each form had two parts. Part A was a single page that customers were asked to complete and return immediately to register their claim. Customers were asked to complete and return Part B of the form, with all the evidence requested on the claim form, within 4 weeks of part A being returned.

3.7 London Borough of Harrow told us that the claim forms were being redesigned again and the new forms would not include the 2-stage claim process. Staff told us that customers had been confused by this process and had regularly returned both parts of the form at the same time, but in separate envelopes and without all the necessary evidence.

3.8 Staff told us that claim forms were not available in the reception area of Financial and Exchequer services or at any of the council's reception points because:

- customers would get confused with the choice of 4 forms and take the wrong one
- claim forms were expensive and children would take them and waste them
- customers would take and complete a form when it was not appropriate, such as when reporting a simple change of circumstances
- renewal forms were held off-site with the council's printer.

3.9 London Borough of Harrow would achieve Standard in this element if it:

- stopped using separate renewal claim forms
- ensured that claim forms were available in the Financial and Exchequer services reception area and all council enquiry points.

Recommendations
We recommend that London Borough of Harrow:
-ceases to use separate renewal claim forms
-ensures that claim forms are available in the Financial and Exchequer services reception area and all council enquiry points.

Timely, helpful response to public enquiries

3.10 This section is concerned with quantitative measures, such as opening hours and speed of response as well as the quality of service provided.

3.11 London Borough of Harrow was not at Standard in this element because it did not:

- have telephone enquiry lines or an enquiry point for customers that were open and staffed for a minimum of 36 hours a week
- use management information to monitor performance in answering 80% of telephone calls received within 10 rings

- have procedures in place to ensure that customers were seen within 15 minutes of their arrival at the Financial and Exchequer services reception
- monitor to ensure that customers with an appointment were seen within 15 minutes of their allotted appointment time
- have procedures in place to confirm that customers had provided adequate verification documentation at the Financial and Exchequer services reception
- make a full range of information leaflets about HB and CTB available for customers at the Financial and Exchequer services reception or any other council enquiry point
- analyse or publish the results of its customer surveys or use the results to identify improvements to the service
- have a target for dealing with written correspondence
- respond to 80% of written correspondence within 14 days.

3.12 In 2002/03 London Borough of Harrow reviewed its front line services in a cross-cutting Best Value Service Review. The review was called First Contact and the lead officer was the Head of Financial and Exchequer services. The review considered the options for the future of customer contact at the authority by:

- personal visits
- telephone
- letter and faxes
- e-mail and the website.

3.13 The review also considered the requirements for meeting the e-government targets.

3.14 Consultation with Members, staff, unions and customer focus groups identified what the likely outcomes of improved performance would be, these were:

- improved customer satisfaction
- reduced cost
- increased percentage of transactions conducted electronically
- number of customer enquiries fully dealt with at the first contact
- reduced waiting times
- quicker response to customer enquiries.

3.15 The review resulted in a number of recommendations to improve the council's telephone system and enquiry points, with a 3-stage process for delivering these. The first stage of the process was the replacement of the council's telephone system with a call management system with the intention of eventually setting up a telephone call centre. The second and third stages of the process involved the eventual evolution to a one-stop shop enquiry service. While we were on-site Members agreed additional resources for 2003/04 to replace the council's telephone system.

3.16 The Support Services Section had 2 teams, a Customer Advisor Team that provided advice at the Financial and Exchequer services reception and a Scanning and Indexing Team that also provided a post opening service. **3.17** All personal callers to the authority with benefit or Council Tax enquiries were seen by the Customer Advisor Team. Customer Advisors were able to deal with callers who required help with completing claim forms, verifying evidence to support claims for benefit and answering detailed enquiries on the progress of individual claims. The

team did not take telephone calls from customers as these were directed through to the Assessment Team.

3.18 Financial and Exchequer services was awarded a Charter Mark in December 2001 for its customer service.

Telephone service

3.19 Telephone lines to the Benefits section were open from 08.30 – 17.00 each day, except Wednesdays when the lines were closed to customers. Telephone access on Wednesdays was withdrawn in June 2002, for a temporary period, to allow Benefit Assessors uninterrupted time to clear the backlog of claims.

3.20 There was a dedicated telephone number for customers calling the Benefits section with 21 lines available for benefit staff to answer calls. Staff told us that a maximum of only 3 of these lines was open at any one time. While we were on-site we were provided with internal records that indicated that there was regularly less than 3 lines open for customers to call. Senior officers told us that this was because of staff sickness, holidays or training.

3.21 London Borough of Harrow had a local target to answer telephone calls within 3 rings and told us that it was achieving this although there was no evidence that any monitoring had been undertaken. As all the telephone handsets were set to silence, it was not possible for us to observe whether the 3-ring target was being met. Reports provided to the Head of Financial and Exchequer services indicated that this target was being regularly achieved. We asked what management information reports were available from the council's switchboard system and were told that the Benefits section had never asked for any reports to be provided to them.

3.22 We were provided with management information from the council's telephone system about the service provided by benefit staff. Our analysis of the reports indicated that:

- the average time for answering the telephone was 34 seconds (12 rings)
- each of the telephones allocated to receive calls from customers had been left off the hook up to 6 times a day
- an average of 150 (43%) calls a day were unable to be connected to benefit staff.

3.23 Staff told us that they left the telephones off the hook so they had time to type up the notes of the previous call on the document image processing system.

3.24 As the telephone lines were closed on Wednesdays, customers calling on that day heard a pre-recorded message informing them that the office and reception was closed and that they should contact the council later in the week. There was no facility for customers to leave a message and the recorded message made no mention of the council's separate fraud hotline number.

3.25 We telephoned the Benefits section on 19 separate occasions over a 2-week period. Of these calls:

- 12 were abandoned because all lines were engaged
- 4 were abandoned because there was no answer after one minute
- 3 were answered within 3 rings.

3.26 Citizens Advice Bureau, Age Concern, Housing Advice Centre all told us that their customers had complained to them about the telephone service. All of these organisations told us that they had problems contacting the Benefits section. Although they had direct dial telephone numbers that they could use, their calls were connected to an answer phone. Senior officers told us that these organisations understood that when they began to leave a message their call would normally be answered.

3.27 London Borough of Harrow provided e-mail addresses as an alternative method for customers to make contact and records were kept of its use.

3.28 To achieve Standard in answering telephone calls, London Borough of Harrow should:

- ensure that telephone lines to the Benefits section are open to customers a minimum of 36 hours a week

- introduce procedures, targets and monitoring for the handling of telephone calls
- ensure that 80% of telephone calls made to the Benefits section are answered within 10 rings.

Recommendations
We recommend that London Borough of Harrow:
-reviews its telephone service to ensure that telephone lines are open to customers a minimum of 36 hours a week
-introduces formal procedures, targets and monitoring for the handling of telephone calls
-ensures that 80% of all telephone calls to the Benefits section are answered within 10 rings.

Customer reception points

3.29 The London Borough of Harrow had one reception point for HB and CTB customers. This was located in the Financial and Exchequer services building at the Civic Centre in Harrow. Customer Advisor Team staff provided advice at this reception point and were trained to give advice on HB and CTB, Council Tax and non-domestic rates. The authority did not provide advice or information for HB and CTB customers at any of its other reception points.

3.30 The Customer Advisor Team had 7 full-time Customer Advisors, a Team Leader and a Clerical Assistant who helped with the photocopying of supporting documents that customers brought to reception. On Wednesdays, when the reception was closed to the public, some of the Customer Advisors helped with the assessment of HB and CTB claims.

3.31 The Financial and Exchequer services reception area had seating for approximately 30 customers and had 7 interview points. The reception area did not have adequate signage for customers to tell them about the queuing system. While we were on-site we observed the queuing system in operation. On arrival a customer would take up one of 30 seats in the reception area. When the customer at the front of the queue was called to an interview point, the other customers would move around the remaining seats until it was their turn to be seen.

3.32 London Borough of Harrow had an electronic ticket based system which it used to count the number of customers who visited reception, the number of reception points open and the length of time that a customer enquiry took. It did not use the electronic ticket system to manage the queue of customers. The information from the electronic ticket system showed that the closure of the reception area on Wednesdays had not reduced the number of callers who were visiting the offices each week.

3.33 The targets in the Financial and Exchequer services service plan for 2002/03 for dealing with customers calling at reception were:

- to achieve an average customer waiting time of 5 minutes from their arrival at the waiting area to them being seen by an advisor. Within this to ensure that no one will be waiting more than 15 minutes
- to see all customers within 30 minutes of them being given a ticket
- to offer an appointment to any customer who prefers not to wait.

3.34 Staff told us that these targets and the results of any monitoring were displayed in the Financial and Exchequer services reception area. However, we found no evidence of this. Performance was reported to the Head of Financial and Exchequer services every month. Average waiting times of 20 minutes were reported in November 2002. In January 2003, the average waiting time was reported to be 11 minutes.

3.35 London Borough of Harrow did not properly monitor customer waiting times. In place of any monitoring, twice a day the Clerical Assistant would observe the time of arrival of the last customer in the queue and the time that the customer was seen by one of the Customer Advisors. The Clerical Assistant then calculated the waiting time. Our analysis of London Borough of Harrow's own management information on waiting times for the period 10 November to 13 February 2003 showed that the average waiting time had been 16.5 minutes.

3.36 The Benefits section did not provide staff to assist at the reception when Customer Advisors were on holiday, sick or on a training course. Staff told us that normally there were not enough Customer Advisors to cover all of the reception points. Analysis of the authority's own management information showed that there was on average only 5 of the 7 reception points open at any one time.

3.37 Customer Advisors followed written guidance and verified documents provided with the claim form and checked to confirm that the forms were signed. They did not check claim forms to ensure that all the relevant questions had been answered or always ask the customer to provide any missing documents. The failure to request any missing documents, when the claim form was handed in at reception, resulted in delays in processing the benefit claim. We discuss this later in Processing of Claims.

3.38 Customers requiring an appointment were able to make one to see a Customer Advisor at an agreed time. The record of appointments contained the following information:

- customer's name and address
- time the interview commenced
- time the interview finished
- a note if the appointment was cancelled.

3.39 London Borough of Harrow did not keep a record of the date that the appointment was requested. Without this information it was unable to monitor whether appointments were allocated within 14 days of the request being made. This is a requirement of Performance Standards.

3.40 Customers were also able to book appointments by telephone but the number of appointments available was restricted to 4 a day. London Borough of Harrow was not able to confirm whether 80% of customers arriving for a pre-arranged appointment were seen within the Standard of 15 minutes or its own target of 30 minutes because it did not monitor waiting times. We noted that customers arriving for an appointment either had to interrupt at one of reception points or join the queue to let staff know that they were waiting.

3.41 Private interview facilities were available, but not well publicised. We found one poster in the reception area informing customers of this facility, but it was not prominently displayed.

3.42 XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX XXXX XXXX
XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX XXXX XXXX XXXX
XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX X

3.43 To achieve Standard, an authority should produce and hold a stock of clearly advertised HB and CTB leaflets covering:

- who can apply, including students, persons from abroad and those in work
- how to apply, including the renewal process and the need to notify changes of circumstances
- how much HB and CTB will I get, covering eligible and ineligible charges, non-dependant deductions, absence from home, backdating and Discretionary Housing Payments
- how to complain
- how to appeal.

3.44 The range of information leaflets produced and made available by London Borough of Harrow was very limited. The only leaflets in use were:

- advice on claiming Rent Allowance
- how to appeal
- how to make a complaint.

3.45 While we were on-site we observed that none of these leaflets were freely available to the customers in the reception area of Financial and Exchequer services. The leaflets that were available were held on the office side of the counter and customers had to queue to obtain a leaflet. Staff told us that they had been told not to display the appeal and complaints leaflets and that the Rent Allowance leaflet was not available because it was being reviewed. Senior officers confirmed that this was the case.

3.46 To establish if the authority was delivering a timely, helpful response to public enquiries we would expect the authority to have carried out customer surveys to determine the level of customer satisfaction with the service being delivered.

3.47 In addition to the survey required for the Best Value Performance Indicator in 2000/01, London Borough of Harrow had carried out 3 customer surveys. The additional surveys were carried out during May, August and November 2002 when the views of customers were sought on:

- whether the service met its targets on waiting times
- the reason for their visit
- their opinion on the helpfulness, politeness and performance of staff
- the facilities provided in the reception area
- information displayed and available in the reception area.

3.48 Staff told us that the completed surveys had been retained but the results had not been analysed to identify improvements to the service and senior officers could not tell us when they planned to analyse the results.

3.49 To achieve Standard in dealing with customers who call at the Financial and Exchequer services reception, London Borough of Harrow should:

- ensure that the Financial and Exchequer services reception area is open and staffed a minimum of 36 hours a week
- monitor performance to ensure that it sees customers arriving at Financial and Exchequer services reception within 15 minutes of arrival
- monitor performance against targets and report the results to Members and senior officers
- publish the results of monitoring performance against targets
- introduce procedures to ensure that customers are provided with confirmation at the Financial and Exchequer services reception of what verification documentation they need to provide before their claim can be decided
- introduce procedures to ensure that appointments are allocated within 14 days of the request
- introduce procedures to ensure that 80% of customers arriving for an appointment are seen within 15 minutes of their appointment time
- ensure that the range of leaflets specified in Performance Standards are made available at the Financial and Exchequer services reception and other council enquiry points, and that an annual check on the availability of these leaflets is documented- analyse the

results of customer surveys, make the results available to senior officers and Members and publish the results.

Recommendations
We recommend that London Borough of Harrow:
-ensures that the Financial and Exchequer services reception is open and staffed a minimum of 36 hours each week
-monitors its performance to ensure that it sees customers arriving at Financial and Exchequer services reception within 15 minutes of their arrival
-reports the results of monitoring to senior officers and Members
-introduces procedures to ensure that customers are provided with confirmation at Financial and Exchequer services reception of what verification documentation they need to provide before their claim can be decided
-introduces procedures to ensure that appointments are allocated within 14 days of the request
-introduces procedures to ensure that 80% of customers arriving for an appointment are seen within 15 minutes of their appointment time
-ensures that sufficient stocks of the leaflets specified in the Standard are made available in the Financial and Exchequer services reception area and that an annual check on the availability of these leaflets is completed and recorded
-analyses the data from customer surveys and identifies areas for improvement
-publishes the results of customer surveys.

Dealing with correspondence

3.50 Performance Standards say a local authority should respond substantively to 80% of correspondence within 14 calendar days or less. It should also set a target to achieve this and monitor performance against the target.

3.51 All correspondence received for the Benefits section was sorted into document types and then allocated with a process type and an automatic priority rating by the document image processing system.

3.52 The service plan for Financial and Exchequer services did not include a target for responding to correspondence from customers and there was no monitoring of performance. Our analysis of requests for reconsideration and appeals found that there were long delays in responding to correspondence from customers. Our sample of requests for reconsideration and appeals found correspondence received in November 2002 which had not received a response.

3.53 To achieve Standard in this element, London Borough of Harrow should:

- introduce a target for responding substantively to 80% of written correspondence with 14 calendar days
- monitor its performance against the target and report performance to senior officers and Members.

Recommendations

We recommend that London Borough of Harrow:

-introduces a target for responding substantively to 80% of written correspondence within 14 calendar days

-reports performance against this target to senior officers.

Effective training and development for customer service

3.54 It is important that staff should be equipped to deliver good customer service. Training and development should be provided that will ensure:

- the service is right the first time
- a continuing high standard of customer service.

3.55 To achieve Standard an authority should:

- operate a training and development programme for new and existing staff
- ensure that staff who deal with the public have in their job description, key work objectives which are specific, measurable, achievable, relevant and time-based.

3.56 London Borough of Harrow was at Standard in this element because it had a training and development programme for staff who dealt with the public and training was delivered to new and existing staff that enabled them to deal with most enquiries.

3.57 Customer Advisors told us that they had received the necessary training to do their jobs, although they felt that a refresher course on welfare benefits would have helped them to answer more questions from customers. They also told us that they had received regular ongoing training on HB and CTB, with advice on changes to legislation and procedures normally being discussed at team meetings and then followed up by written guidance. 3.5 We have covered training and development of staff in more detail within the Strategic Management section of this report.

Clear, informative decision letters

3.59 Letters to customers and other affected persons need to inform them clearly about decisions made and explain the decision clearly enough for them to decide whether they might have grounds for appeal.

3.60 London Borough of Harrow was at Standard in this element.

3.61 In our first report we recommended that the authority reviewed the content of its decision letters to ensure that they fully complied with Schedule 6 of the Housing Benefit (General) Regulations 1987 and the Council Tax Benefit (General) Regulations 1992.

3.62 We compared a range of decision letters, that were generated from the benefits IT system, against Schedule 6 of the Housing Benefit (General) Regulations 1987 and the Council Tax Benefit (General) Regulations 1992 and found that they contained all the information required. Staff told us, however, that some overpayment decision letters needed to be re-typed as they did not always contain the reason why the overpayment had occurred.

3.63 Our sampling of overpayment decision letters revealed some examples of human error, which we cover in more detail in the Overpayments section of this report.

Recommendations

We recommend that London Borough of Harrow:

-makes representations to its software supplier to ensure that all decision letters produced by the benefits IT system comply with Schedule 6 of the HB (General) Regulations 1987 and the similar provisions in the CTB (General) Regulations 1992.

Accessible, quality service for claimants with specific needs

3.64 It is important that eligible customers are not deterred from claiming because the Benefits service does not address their specific needs.

3.65 Services need to be accessible to people with disabilities, people whose first language is not English, people with communication or learning difficulties and other people who are vulnerable because of their age or physical or mental problems.

3.66 London Borough of Harrow was not at Standard in this element because it:

- had not analysed the communication needs of ethnic minority groups in the borough
- did not make customers aware that information was available in other formats
- did not undertake an annual review of the availability and usage of facilities for the disabled
- had not consulted with customer representative groups to assess the effectiveness of the service.

3.67 However, London Borough of Harrow had made the Financial and Exchequer services reception area accessible to disabled customers and had claim forms, leaflets and letters available in Braille, large-scale font and on audio cassette.

Disability

3.68 The Disability Discrimination Act 1995 requires public buildings to be accessible to all members of the public.

3.69 The Financial and Exchequer services reception area had wheelchair access, an automatic opening door and low-level counters. London Borough of Harrow provided us with evidence of a full assessment that had been carried out on the Financial and Exchequer services reception area to measure its compliance. The assessment resulted in a number of recommendations to upgrade the reception area and these were with Members for approval while we were on-site.

Customer interaction in a suitable format

3.70 An authority should ensure that it meets its legal duty by providing information in a format which is accessible to disabled people. An authority should adapt in the way it corresponds with customers by ensuring it complies with requests for information from customers in a format that is suitable for their needs.

3.71 In addition services need to be provided in an accessible way for customers whose first language is not English.

3.72 Claim forms, letters and leaflets were available in Braille, large-scale font, or on audio cassette and senior managers told us that these could be provided at short notice. A text phone was available for customers telephoning the Benefits section and a loop system for the deaf and hard of hearing was fitted in reception. A number of benefit staff could speak another language and were able to assist with interpretation at reception. London Borough of Harrow also subscribed to, and used, an interpretation service for customers visiting reception. Only the minicom service was advertised on the claim forms.

3.73 One member of the Benefits section was qualified to level one in British Sign Language but there was no information in the reception area about the availability of this service for customers.

3.74 London Borough of Harrow told us that it had a Race Equality Scheme but it had not assessed the needs of the ethnic minority customers in the area. Although 41% of the borough's residents were of ethnic minority origin, staff told us that the authority had no plans to provide claim forms in any other language, other than English, because the costs of doing so were prohibitive.

3.75 To achieve Standard London Borough of Harrow should:

- analyse the communication needs of ethnic minority groups in the area

- ensure that customers are aware of the availability of forms, letters and leaflets in other formats
- undertake an annual review of the availability and usage of facilities for the disabled.

Recommendations

We recommend that London Borough of Harrow:

- analyses the communication needs of ethnic minority groups in the area
- establishes procedures to ensure that customers are made aware of information that is in a suitable format for their needs for example audio cassette, text phone facilities, large print or computer disk
- carries out an annual review of the availability and usage of facilities for the disabled.

Accessibility

3.76 Public enquiry offices need to be readily accessible by public transport from large parts of a local authority's area. In addition the needs of customers living in parts of the local authority which do not have regular public transport links to the Benefits service need to be addressed.

3.77 London Borough of Harrow told us that it had carried out a survey and that 95% of the borough's residents could get to Financial and Exchequer services reception without needing to change bus or train more than once.

3.78 Car parking facilities for visitors were available at the Civic Offices and the nearest underground and main line stations were less than a 2-minute walk from the Financial and Exchequer services reception.

3.79 Home visits were provided for customers who were unable to get to the office by public transport by reason of age, ill health or disability and the availability of this service was advertised on the claim forms.

Consultation with customer representative groups

3.80 An authority should consult with customer representative groups, including Citizens Advice Bureau, disability and ethnic minority groups. Local authorities should inform the customer representative groups of the services they provide and engage them in assessing the effectiveness of the service offered.

3.81 London Borough of Harrow did not formally consult with customer representative groups on the effectiveness of the service provided but it was aware of the major concerns identified by these groups and meetings had taken place to discuss the issues causing concern.

3.82 We met with representatives from Citizens Advice Bureau, Age Concern and the Housing Advice Centre who all told us that their involvement was increasing through regular meetings with the Benefits section but there was still scope for improvement. The poor telephone service and the queues at reception were a major cause of complaint.

3.83 London Borough of Harrow would achieve Standard if it:

- consulted with all customer representative groups to assess the effectiveness of the service being provided
- analysed the results of the consultation and developed an action plan to improve the service.

Recommendations

We recommend that London Borough of Harrow:

· consults with all customer representative groups, to assess the effectiveness of the service provided

· analyses the results of the consultation and develops an action plan to improve the service.

Accessible, quality service for those in work

3.84 Working people may have limited opportunities to contact the local authority. It is important that authorities provide accessible, quality services for those in work. Working people may have particularly complex claims, for instance if their earnings fluctuate from week to week, or if they take temporary work interspersed by short periods of unemployment.

3.85 London Borough of Harrow was not at Standard in this element because there had been no formal assessment of whether the service met the needs of customers who work.

3.86 Staff told us that some customers had complained that there was an insufficient number of Customer Advisors on duty at the reception during lunchtimes, but London Borough of Harrow had not addressed these complaints. Our observations of the reception during these periods indicated that there was a reduced service at these times. Insufficient cover on reception and restricted telephone access is a particular problem for customers who work, as they would usually attempt to contact the office between 12.00 and 14.00 hours.

3.87 London Borough of Harrow had procedures to act on information received from Jobcentre Plus to make extended payments or fast-track claims and rapid reclaims. All information received from Jobcentre Plus was dealt with within 7 calendar days of receipt. We were pleased to see that the benefits IT system automatically produced a letter inviting a reclaim when a notification was received that IS or JSA(IB) had ceased. A new claim form was attached to this letter when it was issued to the customer.

3.88 To achieve Standard an authority should also provide a certificate of earnings form to the customer when payslips are unavailable. London Borough of Harrow provided a certificate of earnings form with all its new and renewal claim forms. This form asked the employer for a breakdown of the last 5 wage payments for weekly and fortnightly paid employees, or the last 2 salary payments for monthly or 4-weekly paid employees. The form was not accepted if the employer had not signed and then authenticated it with the company's official stamp.

3.89 To achieve Standard, London Borough of Harrow should assess the needs of customers who work and develop an action plan to address any shortfalls identified.

Recommendations

We recommend that London Borough of Harrow:

· assesses the access needs of customers who work and develops an action plan to ensure any shortfalls are addressed.

Encouraging benefit take-up, reducing poverty

3.90 Local authority benefit staff have a role in encouraging take-up of other benefits. This work may be most effective as part of a wider anti-poverty strategy.

3.91 London Borough of Harrow was not at Standard in this element because:

- it did not have a strategy for benefit take-up
- information was not targeted at particular groups
- there were no initiatives for joint working with internal or external stakeholders including the Department
- there were no information leaflets available at any of the council's reception areas advertising the availability of HB and CTB to tenants on low incomes, or telling customers about extended payments or fast tracking.

3.92 However, we were pleased to see that:

- when a tenant accepted a new council tenancy, the agreement advised them of the availability of HB and CTB
- Housing Management staff had some knowledge of the benefits schemes and offered advice
- the telephone number of the Benefits section was included with each Council Tax bill and a booklet issued with the bill contained general information about the availability of HB and CTB.

3.93 To achieve Standard in this element, London Borough of Harrow should develop a strategy for HB and CTB take-up that targets information at specific groups, includes joint initiatives and ensures leaflets and posters are available to raise public awareness.

Recommendations

We recommend that London Borough of Harrow:

- develops a strategy for benefits take-up that:
 - targets information at particular groups, for example under-claiming groups, groups with a high chance of a successful claim or people on low incomes
 - includes joint working initiatives with internal and external stakeholders
 - advertises the availability of HB and CTB to tenants on low incomes at all council reception points and provides information leaflets about extended payments or fast tracking
 - routinely offers advice to customers who intend starting work.

Addressing complaints about the service effectively

3.94 It is important that complaints are dealt with promptly and the complainant is given an explanation, information, an apology and rectification if appropriate.

3.95 London Borough of Harrow was at Standard in this element because Financial and Exchequer services operated clear procedures and set targets for dealing with complaints. Although the procedures were not documented in procedural guidance for staff they were outlined in a customer leaflet that was available from Customer Advisors at the Financial and Exchequer services reception.

3.96 London Borough of Harrow's complaints procedure was a 2-stage process:

- the complaints process required the service manager to make a substantive reply to the complainant within 3 working days
- if the complainant was unhappy with the response, the second stage of the process provided the complainant with a further opportunity to complain to the Head of Finance and Exchequer Services or to their councillor. At that stage, they were also given advice about how to contact the Local Government Ombudsman.

3.97 The receipt and progress of all complaints relating to Financial and Exchequer services was monitored by the Head of Financial and Exchequer services, who kept a record of the type of complaint and whether it had been cleared within the target of 3 working days.

3.98 Analysis of complaints can be a useful tool for local authorities. It can identify substantial weaknesses in processes and inform training needs, in addition to providing information on the current level of performance.

3.99 In addition to a record of the number of complaints it received and the time it took to respond, London Borough of Harrow also kept records of the nature of the complaint and whether the complaint was upheld. Figure 3.2 provides details of the number of complaints received by Financial and Exchequer services from April 2000 to December 2002.

Fig. 3.2: Complaints received – 2000/01 – December 2002

Year	Total number of complaints received by Financial and Exchequer services	Benefits service related complaints	
		Number	% of all complaints
2000/01	205	110	54
2001/02	180	85	47
2002/03 – December 2002	102	63	62

Source: London Borough of Harrow

Fig. 3.3: Speed of response to Benefits service complaints – 2001/03 – December 2002

Time taken	2001/02 %	2002/03 – December 2002 %
Complaints replied to within 3 working days	87	83
Complaints more than 3 but less than 10 working days	8	14
More than 10 working days	5	3
Total	100	100

Source: London Borough of Harrow

3.100 Figure 3.3 shows that 83% of complaints received about the Benefits service from April 2002 to December 2002 were responded to within 3 days.

3.101 London Borough of Harrow had dealt with 8 complaints about the Benefits service that had been made to the Local Government Ombudsman since April 2002, of these:

- one complaint was returned as the customer did not live in the borough
- one complaint was settled locally
- 4 complaints were not pursued
- 2 complaints were still being investigated at the time of our on-site inspection.

3.102 London Borough of Harrow could improve its procedures by documenting its complaints procedure and making it available to staff.

Recommendations

We recommend that London Borough of Harrow:

- formally documents the complaints procedure and makes the procedure available to all staff.

Dealing with requests for reconsideration and appeal referrals effectively

3.103 Local authorities should ensure that:

- disputes are resolved as quickly as possible
- management information is used to inform the effectiveness of the local authority's handling of disputes and appeals
- analysis is undertaken to ensure that any wider or common failures indicated are addressed.

3.104 London Borough of Harrow was not at Standard in this element because it did not:

- deal with requests for reconsideration and appeal referrals effectively
- give requests for reconsideration and appeal referrals sufficient priority
- produce management information to monitor the progress of requests for reconsideration and appeal referrals
- have systems or procedures in place to comply with the regulatory components of the decision making and appeals guidance issued by the Department.

3.105 In our first report we recommended that London Borough of Harrow:

- identified and prioritised all requests for reconsideration and appeal referrals
- established a management reporting system to ensure the proper control and prompt action on appeals.

We were disappointed that London Borough of Harrow had not implemented either of these recommendations.

3.106 Staff told us that a member of the Assessment Team looked at all letters received each day, prior to the scanning operation, to identify urgent post, appeals and complaints.

3.107 Benefit Assessors had the responsibility for dealing with all requests for reconsideration and the Assistant Benefits Managers (Assessment) had responsibility for preparing cases for a hearing by the appeal tribunal

3.108 At the time we were on-site, there were 72 documents on the document image processing system that had been identified as a request for reconsideration or an appeal referral. The oldest of these had been received on 12 November 2002. Each of these documents was in the backlog of work and had not been looked at by a Benefit Assessor.

3.109 There were a further 47 decisions that had been reconsidered by a Benefit Assessor and passed to the Assistant Benefits Managers (Assessment) as an appeal. These documents all required a submission to be prepared to the Appeals Service for a tribunal hearing. The oldest appeal outstanding was shown as having been received by London Borough of Harrow on 29 August 2001.

3.110 London Borough of Harrow had procedures in place for processing appeals but we were concerned that it was not following its own procedures and had allowed a significant backlog of requests for reconsideration and appeals to accumulate.

3.111 London Borough of Harrow did not comply with guidance or have systems to deal with referrals as set out in the Department's circulars A11/2001 and A18/2001. The London Borough of Harrow could not provide assurance that it had made adequate provision to deal effectively with requests for reconsideration or appeals.

3.112 There was no evidence of regular monitoring or management of the cases identified as a request for reconsideration or appeal. Monthly service plan monitoring reports to the Head of Financial and Exchequer services provided no information about the backlog of requests for reconsideration or appeals that was outstanding. This backlog must be addressed as a matter of urgency.

3.113 Our sample of appeals revealed that some documents that had been initially identified as an appeal were letters actually informing the authority of a change of circumstances. London Borough of Harrow's failure to identify these notifications of changes of circumstances meant that an incorrect amount of benefit may have been paid.

3.114 Figure 3.4 provides details of the appeals that we analysed. This shows that London Borough of Harrow failed to correctly identify or prioritise requests for reconsideration and appeals. It also demonstrates that there were delays in responding to correspondence and poor customer service.

Fig. 3.4: Summary of outstanding requests for reconsideration and appeal referral cases taken from BFI sample

Case reference	Date appeal received	Action taken by London Borough of Harrow following receipt	Comments
Case A	18/11/2002	No action	Appeal against a decision made in respect of Discretionary Housing Benefit for which the authority had a separate 2-stage appeals procedure.
Case B	25/11/2002	Further information requested	An attempt had been made to answer the request for reconsideration by requesting further information. The customer replied to this request and provided additional information, the decision should have been reconsidered.
Case C	04/12/2002	No action	Letter from customer requested that the authority reconsider its decision and supplied additional information.
Case D	12/12/2002	No action	Letter from customer should have been regarded as a request for a reconsideration of the council's decision.
Case E	30/01/2003	No action	Request for reconsideration of a decision to recover from the landlord received 30/01/2003. Request for reconsideration of a decision to recover from the landlord received 19/2/2003 same reasons given as the first letter.

Case F	11/02/2003	No action	Letter from a solicitor on behalf of a customer requested that consideration be given to a late appeal.
Case G	25/02/2003	No action	Not a request for a reconsideration or an appeal. Letter requested backdated benefit.
Case H	30/01/2003	No action	Letter from solicitor asked for confirmation that the claim for benefit had been decided. No action since 30/01/2003. A reply to the letter from the solicitor could have been dealt with by a Benefit Assessor.
Case I	31/01/2003	No action	Completed appeal form received from the customer requesting an appeal.
Case J	31/01/2003	No action	Letter from customer queried the self-employed income assessment that had been used, the non-dependant charge and the income disregard. Letter from Housing Department dated 5/12/2002 had threatened eviction. No priority had been placed on the customer's letter. A Benefit Assessor could have dealt with this case. No action had been taken since 31/01/2003.

Source: London Borough of Harrow and BFI analysis

3.115 Although there is no time limit on the referral of cases to the Appeals Service it is unacceptable for customers to suffer unreasonable delays. Customers who had requested that the authority reconsiders its decision were entitled to expect a prompt response or to have had their appeal heard by an independent tribunal. We would expect London Borough of Harrow to implement immediate measures to clear the outstanding cases.

3.116 To achieve Standard in this element, London Borough of Harrow should:

- produce and deliver a plan to clear the backlog of requests for reconsideration and appeals
- set targets for dealing with requests for reconsideration and appeals
- give requests for reconsideration and appeals sufficient priority
- produce management information to monitor the progress of requests for reconsideration and appeals
- put in place procedures so that it complies with the regulatory components of the decision making and appeals guidance issued by the Department.

Recommendations

We recommend that London Borough of Harrow:

- produces and delivers a plan to clear the outstanding requests for reconsideration and appeals and ensures that it does not recur

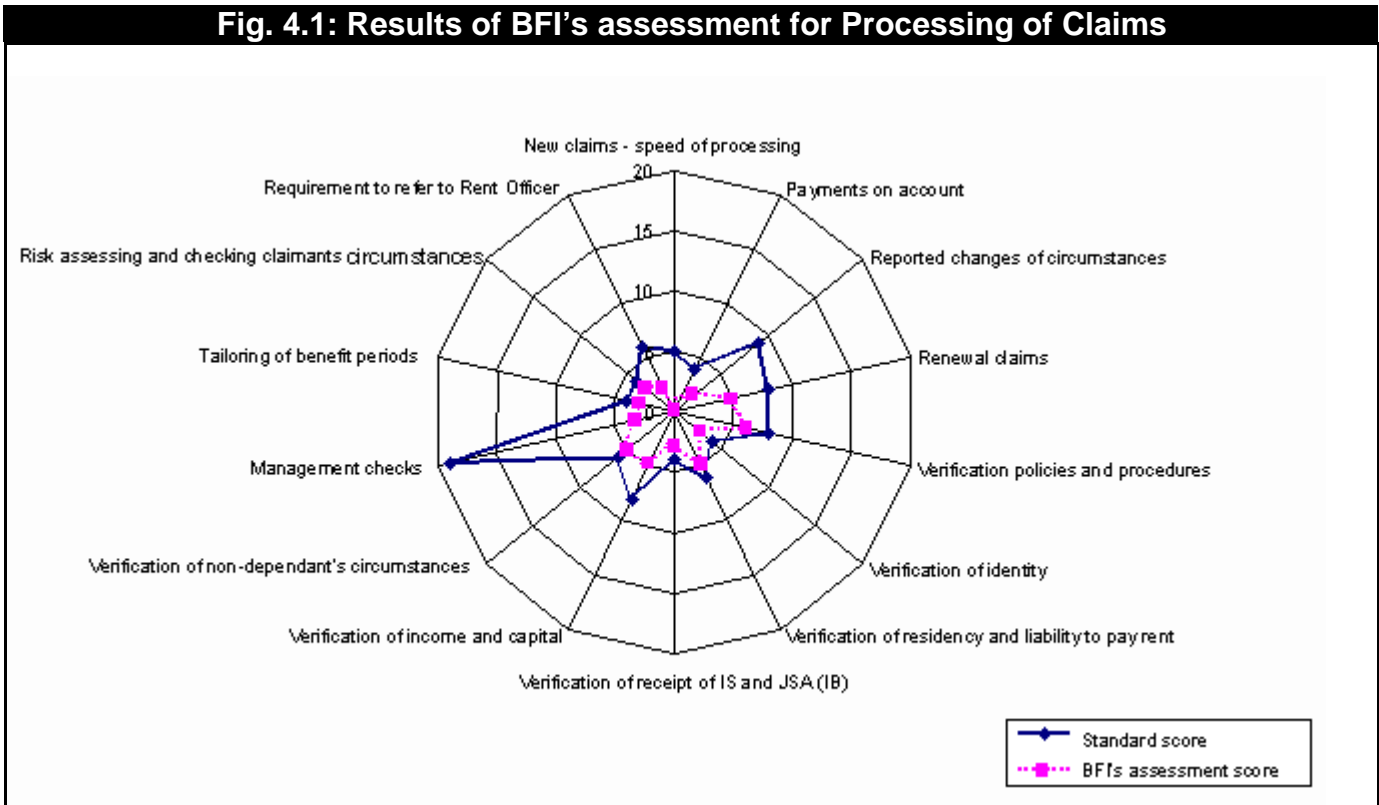
- sets targets for dealing with requests for reconsideration and appeals

- takes action to ensure that requests for reconsideration and appeals are identified and given a high priority

- produces management information to monitor the progress of requests for reconsideration and appeals

- ensures that it has systems in place to comply with the regulatory components of the decision making and appeals guidance in the Department's circulars A11/2001 and A18/2001.

Processing of Claims



Source: BFI inspection assessment

For an explanation about how to read this radar chart see Strategic Management.

4.1 HB and CTB are vital payments made to help people on low incomes. Claims should be dealt with quickly and accurately.

Backlog of work

4.2 At the time of the first inspection, London Borough of Harrow had a backlog of work that comprised 2 main elements:

- post that had been received but had not been scanned and indexed and was therefore not available for processing
- work that had been scanned and indexed and was available for processing.

4.3 We reported, in September 2000, that London Borough of Harrow had 2,000 items of post awaiting scanning and indexing and 4,000 cases available for processing. In the first report, we made recommendations aimed at improving the management and control of the backlog.

4.4 During our follow-up inspection, London Borough of Harrow no longer had any backlog of post waiting to be scanned and indexed but still had a backlog of claims awaiting processing. Details of the backlog of work as at 11 March 2003 are shown in Figure 4.2.

Fig. 4.2: Outstanding work as at 11 March 2003

Type of case	Number of cases assigned to Benefit Assessors	Number of cases not yet assigned to Benefit Assessors	Total number of cases outstanding
New claim	696	984	1,680
Renewal claim	558	1,335	1,893

Urgent correspondence	133	33	166
Other work	362	1,707	2,069
Total	1,749	4,059	5,808

Source: BFI analysis

4.5 In an internal report in April 2002, London Borough of Harrow estimated that it received an average of 850 cases for processing each week. Using the same figure, we estimated that there was a backlog of almost 7 weeks work on 11 March 2003. This was the same level that we found in February 2000.

4.6 Prior to our inspection, London Borough of Harrow provided us with copies of management information reports showing the number of cases waiting to be processed during the period from July 2002 to December 2002. Figure 4.3 provides a monthly summary of that information.

Fig. 4.3: Outstanding work during the period July 2002 – December 2002

Date	Total numbers of cases outstanding	Key items included in overall backlog
July 2002	4,733	1,942 new claims, 1,633 renewal claims
August 2002	5,499	1,882 new claims, 1,991 renewal claims
September 2002	5,735	2,145 new claims, 1,792 renewal claims
October 2002	4,977	1,752 new claims, 1,792 renewal claims
November 2002	4,899	1,664 new claims, 1,644 renewal claims
December 2002	4,601	1,608 new claims, 1,223 renewal claims

Source: BFI analysis

4.7 Our analysis revealed that the average number of cases waiting to be processed between July 2002 and September 2002 was 5,074. The number of cases outstanding on 11 March 2003 was 14% greater than the average for the period shown in Figure 4.3 and 23% greater than it had been in July 2002.

4.8 The failure by London Borough of Harrow to adopt the recommendations from our first report and reduce the number of cases waiting to be processed has affected its ability to reach Standard or achieve its own targets for speed of processing across all aspects of benefit administration.

New claims – speed of processing

4.9 Regulation 76(3) of the Housing Benefit (General) Regulations 1987 states that every claim must be decided within 14 days of the relevant information having been received or as soon as is reasonably practicable thereafter. There is a similar provision in respect of Council Tax Benefit at regulation 66(3) of the Council Tax Benefit (General) Regulations 1992, which also requires first payment of any CTB to be made within 14 days of receipt of the claim or as soon as reasonably practicable thereafter.

4.10 In addition to the statutory requirements the Best Value regime also requires local authorities to measure and report the average time for processing new claims and sets a target of 36 days, a target that should be achieved by all local authorities by 2005/06.

4.11 London Borough of Harrow was not at Standard in this element because our sampling found:

- only 73% of new claims for HB and CTB were decided within 14 days against the Standard of 90%
- the average time for processing new claims in our sample was 78 days against the Standard of 36 days
- it did not produce an exception report for claims not reaching Standard.

14-day performance

4.12 At the time of the first inspection, London Borough of Harrow was deciding less than 50% of new claims within 14 days of it receiving all the necessary information.

4.13 London Borough of Harrow completed a self-assessment against this Standard and reported to us in December 2002 that it decided around 75% of cases within 14 days against the Standard of 90%. Its reported performance for the period from 1999/2000 to 2001/02 is shown in Figure 4.4 and confirms that performance fell short of the Standard for processing new claims.

Fig. 4.4: Percentage of new claims decided within 14 days

Claim type	1999/2000 %	2000/01 %	2001/02 %
HB	57	50	71
CTB	59	50	73

Source: London Borough of Harrow

4.14 We examined a sample of new claims, decided between 1 October 2002 and 31 December 2002, which showed that 83% of HB claims and 43% of CTB claims were decided within 14 days. Details of our findings are shown in Figure 4.5.

Fig. 4.5: Sample of new claims decided within 14 days

Type of case	Number of claims decided	Decided within 14 days	
		Number	%
Rent Rebate	4	3	75
Rent Allowance	19	16	84
CTB only	7	3	43
Total	30	22	73

Source: BFI analysis

4.15 Figure 4.5 shows that the current level of performance, when compared to the reported performance in 2001/02, had improved in respect of HB claims but had deteriorated for CTB claims.

36-day performance

4.16 In its self-assessment, London Borough of Harrow said that its average time to decide new claims was greater than the 36 calendar days required by Standards, averaging around 60

days. We examined a sample of 35 new claims, including 5 claims where London Borough of Harrow decided that the customers were ineligible for benefit because they failed to provide information that had been requested. Our findings are shown in Figure 4.6.

Fig. 4.6: New claims sample – average number of days to decide a claim	
Case type	Average number of days
Rent Allowance	57
Rent Rebate	124
CTB only	108
Total	78

Source: BFI analysis

4.17 Figure 4.6 confirms that London Borough of Harrow was not at Standard for the time taken to decide any type of new claim.

Exception reporting

4.18 For a local authority to be at Standard it should produce exception reports on claims not meeting both the 14-day and 36-day new claims processing Standards. The authority should then investigate the length and reasons for any delays. London Borough of Harrow told us that it produced exception reports on claims not meeting the 14-day processing Standard but not for claims not meeting the 36-day processing Standard.

4.19 To demonstrate what can be achieved by using exception reports, we analysed the delays in respect of the 35 new claims that we examined. Our analysis is shown in Figure 4.7.

Fig. 4.7: New claims processing – days taken for each stage in the process		
Work step	Average days	Range of days
Date of receipt at designated office to date of first action	32	0 – 140
Date of first action to all information or evidence available	22	0 – 92
Date of all information or evidence available to date of decision	25	0 – 195
Total days from claim received to decision	78	5 – 317

Source: BFI analysis

4.20 Figure 4.7 shows that there were delays at each stage of the process which undermined London Borough of Harrow's ability to reach Standard.

4.21 Figure 4.7 shows that London Borough of Harrow took an average of 22 days to obtain all information or evidence. In our new claims sample of 35 cases, there were 20 cases where a letter was sent to the customer requesting further information before the claim could be decided. In 12 of these cases, the claim form had been handed in at the reception and no action had been taken to request the missing information at the time.

4.22 London Borough of Harrow will achieve Standard if it:

- clears the backlog of work and processes claims within the 14-day and 36-day processing Standards

- develops an exception report for claims not meeting the 36-day processing Standard and investigates the reason and length of delay.

Recommendations
We recommend that London Borough of Harrow:
· introduces and monitors procedures to ensure that it meets the 14-day and 36-day processing Standards
· develops an exception report that identifies claims not reaching the 36-day Standard and investigates the length and reason for the delay.

Payments on account

4.23 Regulation 91(1) of the Housing Benefit (General) Regulations 1987 requires a local authority to make a payment on account, if:

- it is unable to decide a Rent Allowance claim within 14 days of receipt of the claim, and
- that inability has not arisen out of the customer's failure to, without good reason, provide the necessary information, which the local authority has requested whether on the claim form or otherwise.

4.24 Payments on account should only be made when necessary and for as brief a period as possible, as they are not intended as a substitute for making a full decision and correct payment on a claim.

4.25 London Borough of Harrow was not at Standard in this element because it did not have procedures in place to identify claims where a payment on account should be made.

4.26 Our sampling during the first inspection revealed that payments on account were not being made where appropriate. In this inspection sampling showed that progress had been made and:

- some payments on account were being made
- procedures in place to monitor the return of Rent Officer determinations had also had the effect of restricting the length of time that payments on account were being made.

4.27 Our sampling in this inspection revealed that payments on account were not being made in all appropriate cases. In our sample of 35 new claims, 22 were Rent Allowance claims. The majority of these claims had been delayed by the backlog of work and we examined them to see whether payments on account were appropriate. Our findings are shown in Figure 4.8.

Fig. 4.8: Analysis of payments on account – performance in sample cases		
	Number	%
Number of Rent Allowance cases where a payment on account was appropriate	5	100
Number of Rent Allowance cases where a payment on account was appropriate but not made	2	40
Number of payments on account made	3	60

Source: BFI analysis

4.28 Figure 4.8 shows that payments on account were appropriate in 5 cases in our sample but payments on account were not made in 2 (40%) of these cases.

4.29 In our first report, we recommended that all appropriate cases awaiting assessment should be identified and payments on account made. London Borough of Harrow still had no process in place to monitor Rent Allowance cases to identify potential payment on account cases and this was confirmed by its self-assessment against Performance Standards.

4.30 To achieve Standard in this element, London Borough of Harrow should ensure that it has procedures in place to identify cases for payment on account.

Recommendations

We recommend that London Borough of Harrow:

- introduces procedures that ensure that appropriate payment on account cases are quickly identified and payments made.

Reported changes of circumstances

4.31 Between July 1997 and October 2001 sections 111A and 112(1A) of the Social Security Administration Act 1992 (as amended) created specific legal offences relating to social security benefits. These sections made it an offence to fail, dishonestly or without reasonable excuse, to notify a change of circumstances prescribed in regulations under the Act.

4.32 From 18 October 2001, sections 111A (c) to (d) and section 112(1A) have been replaced by sections 111A(1A) to (1G) and 112(1A) to (1F). These sections create offences of dishonestly or knowingly failing to notify changes of circumstances affecting entitlement to benefit or other payment or advantage under the social security legislation (certain changes of circumstances are excluded by regulations). These offences can extend to landlords.

4.33 The Best Value regime requires local authorities to measure and report the average time for processing notifications of changes of circumstances.

4.34 London Borough of Harrow was not at Standard in this element because it did not identify or prioritise reported changes of circumstances to ensure that it met the 9 calendar day processing Standard. It did, however:

- use parts of the HB and CTB claim forms to refer to the need to report changes of circumstances promptly and the consequences of not doing so
- remind customers and landlords to report changes of circumstances when issuing decision letters and other selected communications
- establish the correct effective date for changes
- require customers to provide the same level of supporting evidence for changes of circumstances as for new and renewal claims
- promptly identify and process reported changes received from Jobcentre Plus.

4.35 We examined 16 cases selected at random from decision letters issued while we were on-site and looked at the 30 cases in our overpayment sample. There is more information about the overpayment sample in Overpayments.

4.36 The notifications of changes of circumstances came from various sources. Figure 4.9 gives details.

Fig. 4.9: Changes of circumstances – sources of notification

Source of notification	Number	% of sample
Jobcentre Plus	20	43
Customer	16	35

Landlord	1	2
Other	9	20
Total	46	100

Source: BFI analysis

4.37 The overall average times taken to process the changes for the 2 different types of cases in our sample are shown separately and jointly in Figure 4.10.

Fig. 4.10: Average number of days to process reported changes of circumstances		
Sample type	Number of cases	Average number of days from receipt of reported change to decision
Overpayment	30	78
Decision letter	16	20
Total	46	58

Source: BFI analysis

4.38 Figure 4.10 shows that the overpayment cases, on average, took almost 4 times longer to process than the sample selected from the decision letters. Further examination of the overpayment cases showed that 16 of these cases required further enquiries to be made before a decision could be made. The average time taken to decide those cases was 132 days.

4.39 London Borough of Harrow set a target as part of its Best Value improvement plan for 2002/03 to process all notifications of changes of circumstances within 10 calendar days. We examined the time taken to process each case in our sample to establish how many cases were either processed within London Borough of Harrow's own target or within Standard. The findings from our analysis are shown in Figure 4.11.

Fig. 4.11: Time taken to process changes of circumstances		
Days	Number	%
0 – 9	16	35
10	2	4
11 – 15	5	11
16 or over	23	50
Total	46	100

Source: BFI analysis

4.40 Figure 4.11 shows that only 35% of changes of circumstances sampled met the Standard of 9 days and only 39% achieved London Borough of Harrow's internal target of 10 days.

4.41 To achieve Standard, London Borough of Harrow needs to ensure that it processes reported changes of circumstances within 9 calendar days of being notified of the change.

Recommendations

We recommend that London Borough of Harrow:

- introduces procedures to identify and prioritise reported changes of circumstances and monitors action taken to ensure that it meets the Standard of 9 calendar days.

Renewal claims

4.42 Regulation 72(14) of the Housing Benefit (General) Regulations 1987 and regulation 62(15) of the Council Tax Benefit (General) Regulations 1992 require local authorities to invite a customer to make a claim for a further award of benefit when a benefit period:

- exceeding 16 weeks is due to end within the next 8 weeks and no claim has been received
- is brought to an early end because entitlement or receipt of IS or JSA(IB) has stopped.

4.43 The Best Value regime requires local authorities to measure and report the percentage of renewal claims processed on time.

4.44 London Borough of Harrow was not at Standard in this element as it:

- did not send to direct payment landlords a copy of the invitation to renew the claim
- decided less than 83% of renewal claims before the end of the current benefit period
- extended some benefit periods inappropriately
- did not produce an exception report to monitor any delays in deciding renewal claims.

8-week renewal target

4.45 Our sampling of 30 renewal claims confirmed that London Borough of Harrow invited further claims by sending out renewal claim forms between 8 and 9 weeks before the expiry of the current benefit period.

Monitoring and control of the renewal claims process

4.46 London Borough of Harrow issued bar-coded renewal claim forms. The receipt of these forms was automatically logged onto the benefits IT system when the Scanning and Indexing team scanned them on to the document image processing system.

4.47 Potential customers were told in the claim form about obtaining assistance with the completion of the form if they were housebound. They were told to telephone the office and arrangements would be made for a Visiting Officer to call. London Borough of Harrow provided us with information that showed it had made 135 welfare visits for benefit purposes during the 3 months that ended on 31 December 2002.

4.48 A report was generated from the benefits IT system 4 weeks before the end of the current benefit period, identifying cases where the renewal claim form had not been received. London Borough of Harrow used that report to issue a reminder to the customer.

4.49 The reminder gave the customer the opportunity to contact London Borough of Harrow. Procedures could be improved in Rent Allowance cases where benefit is paid direct to the landlord. A copy of the reminder could have been sent to the landlord to indicate that the benefit award was about to expire and that the renewal claim form had not been completed. This would have encouraged the landlord to make contact with the tenant and resulted in the earlier completion of the claim form.

4.50 If no renewal claim form was received by the end of the benefit period, the claim expired and an appropriate decision letter was issued to the customer. Staff told us that details of these cases were referred to the Investigations team to follow up. We were pleased to note that London Borough of Harrow was taking action to follow up the non-return of renewal claim forms

as we had recommended this in our first report. We had concerns about the action taken by the Investigations team on these cases which we report on in Counter-fraud.

Extending benefit periods

4.51 Regulations permit the extension of benefit periods only in certain limited circumstances. But this only applies if the customer or partner:

- is receiving IS or JSA(IB)
- fulfils the conditions for a disability premium, higher pensioner premium or severe disability premium.

4.52 All the benefit periods that had been set in our renewal claim were less than 60 weeks.

4.53 However, we found that London Borough of Harrow had incorrectly extended the maximum 60-week benefit period permitted by regulations in a small number of cases.

4.54 We were provided with an exception report covering the period 1 April 2002 to 10 March 2003, listing 60 cases where the benefit period exceeded

60 weeks. Examination of a sample of these cases showed that the benefit periods had originally been set for 58 weeks and had subsequently been extended for the purposes of avoiding the need to renew these cases in specific weeks in the year. The benefit periods in these cases had not been extended in accordance with the regulations.

Clearance time targets

4.55 At the time of the first inspection, London Borough of Harrow was only deciding 40% of renewal claims before the end of the current benefit period.

4.56 London Borough of Harrow self-assessed itself as meeting the Standard of deciding 83% of renewal claims before the end of the current benefit period. It reported a performance of 85.8% for 2001/02 and set a target of 90% for 2002/03 as part of its Best Value improvement plan. Our analysis of the method used to calculate its performance for 2001/02 revealed that the authority had incorrectly reported its performance. We have reported on this earlier in Strategic Management.

4.57 We examined 30 renewal claims and found that only 47% of these claims were decided on time. Our findings are shown in Figure 4.12.

Fig. 4.12: Renewal claims decided before the expiry of the benefit period

Type of case	Number of claims decided	Decided before the expiry of the benefit period	
		Number	%
Rent Rebate	9	5	56
Rent Allowance	14	3	21
CTB only	7	6	86
Total	30	14	47

Source: BFI analysis

Exception reporting

4.58 London Borough of Harrow did not produce an exception report, showing the length and reasons for the delays for renewal claims that were returned but not decided before the end of the current benefit period.

4.59 The results of our analysis of a sample of renewal claims showing the average times taken for each stage of the renewal claims process are shown in Figure 4.13.

Fig. 4.13: Sample renewal claims processing – days taken for each stage in the process

Work step	Average days	Range days
Date of receipt to date of first action	32	0 – 91
Date of first action to all information or evidence available when claim incomplete on receipt	16	0 – 100
Date of all information or evidence available to date of decision	16	0 – 64
Total days from claim received to decision	47	8 – 127

Source: BFI analysis

4.60 Figure 4.13 shows that the longest delays occurred at the start of the process where the average delay between receipt of the claim form and first action was 32 days. It follows that, if London Borough of Harrow reduced or cleared its backlog of benefits administration work, it would be better placed to reach Standard for the clearance of renewal claims.

London Borough of Harrow would achieve Standard in this element if it:

- sent to direct payment landlords a copy of the invitation to renew the claim
- did not extended benefit periods inappropriately
- decided at least 83% of renewal claims before the end of the current benefit period
- produced an exception report to monitor any delays in deciding renewal claims.

Recommendations

We recommend that London Borough of Harrow:

- sends to direct payment landlords a copy of the invitation to renew the claim
- ceases the practice of extending benefit periods beyond 60 weeks unless permitted by the regulations
- introduces and monitors procedures to ensure that it meets the renewal claims clearance time Standard
- introduces an exception report for renewal claims that are not decided before the end of the current benefit period and investigates the length and reasons for the delay.

Verification policies and procedures

4.62 Local authorities must verify information supplied by customers to determine entitlement to benefit. This is an essential part of securing the gateway to the HB and CTB systems.

Regulation 73(1) of the Housing Benefit (General) Regulations 1987 requires that:

...a person who makes a claim shall furnish such certificates, documents, information and evidence in connection with the claim...as may be reasonably required by the appropriate authority to determine that person's entitlement to housing benefit...

4.63 There is a similar provision in regulation 63 (1) of the Council Tax Benefit Regulations 1992.

4.64 London Borough of Harrow was not at Standard in this element because of its failure to:

- certify and stamp photocopies of original documents
- XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX X XXXX XXXX
- ensure that management checks included residency.

4.65 The Verification Framework requires an authority to be able to show that a trained officer accepted and verified any original documents that were seen. London Borough of Harrow met these requirements. However, it did not meet Standard for certifying and stamping original documents because Standards require that individual photocopies need to be certified and stamped as copies of an original document.

4.66 In this inspection, we confirmed London Borough of Harrow's self-assessment that it was not at Standard in this element. Although XXXX XXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX and it did not stamp and certify photocopies of original documents.

Furnishing original documents as supporting evidence

4.67 London Borough of Harrow had the policies, procedures and practices in place to ensure that customers furnished the original documents that were necessary to support applications for benefit and notifications of changes of circumstances. In particular we noted that:

- the claims maintenance policy and strategy included an objective to ensure that the claim form requested comprehensive and relevant documentary evidence to support claims
- London Borough of Harrow's local verification procedures were set out in a comprehensive 33 page document
- notes in the claim forms informed customers what proof was required to support claims and showed that original documents were required
- the Rent Allowance leaflet informed potential customers what evidence was required to support claims
- our sampling confirmed that London Borough of Harrow had sought all the necessary evidence that was required to support claims.

Authentication of verification evidence

4.68 The Department's Verification Framework requires local authorities to be able to show that any documents that were seen were accepted by a trained officer as being original.

4.69 London Borough of Harrow told us that all benefits, reception and scanning staff had received training to recognise original documents as part of their induction training.

4.70 London Borough of Harrow told us that it had not XXXX XXXX XXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX received in the post since implementing the Department's Verification Framework in March 1999. It cited health and safety reasons for this course of action but could not substantiate the reasons for this. Customer Advisors had access to an ultra violet scanner that was held on the Investigations Team but its use was limited.

4.71 London Borough of Harrow told us that it had ceased the authentication of individual documents, submitted in support of claims and other notifications, in May 2000. In place of that practice, it introduced the use of cover sheets to accompany photocopied documents, listing which documents had been submitted.

4.72 In our sampling of new and renewal claims, we saw 3 types of cover sheet:

- a Verification Framework control sheet used by the Scanning and Indexing Team when documents were received through the postal system. This sheet indicated whether documents had been supplied in original form

- pre-October 2002 counter receipt used by Customer Advisors when documents had been received at the reception. This sheet did not indicate whether or not the original documents had been seen
- new-style counter receipt used by Customer Advisors since October 2002 when documents had been received at the reception. This sheet indicated whether original documents had been seen.

4.73 Pre-October 2002 counter receipts were present in 31 out of 60 cases sampled. In these cases, the verification of evidence based on the photocopy documents did not meet the requirements set out in the Verification Framework.

Cross-checking

4.74 At the time of the first inspection, cross-checks against the records on other London Borough of Harrow computer systems were seldom made when appropriate.

4.75 At the time of this inspection, London Borough of Harrow used the management control sheet recommended in the Verification Framework for the purposes of recording checks made in the course of the assessment of claims. On that control sheet there was provision for Benefit Assessors to record that all cross-checks had been completed.

4.76 Staff told us that cross-checks would typically have covered residency and, in the case of Rent Rebate cases, liability to pay rent. Management control sheets were present in 54 (90%) of the new and renewal claims sampled. In all of those cases, the sheet had been certified to show that all cross-checks had been completed.

4.77 London Borough of Harrow received some assurance through management checks that cross-checks with previous claims and other council systems had been made. However, they did not include a check to ensure that residency had been confirmed.

Management check of verification

4.78 The Verification Framework provides for management checks of the verification process and in particular that the:

- evidence standards have been met
- risk groups have been correctly identified and recorded
- length of benefit period is correct.

4.79 London Borough of Harrow incorporated this aspect into the management check of HB and CTB assessments and recorded its findings on a combined quality-checking sheet.

4.80 Figure 4.14 provides a summary of our findings of the verification practices at London Borough of Harrow.

Fig. 4.14: Verification practices adopted		
Verification work area	% of cases where verification was complete in our sample of new and renewal claims	BFI comments
National Insurance Number for customer and partner	79	Training notes instructed staff to confirm National Insurance Numbers by requesting documents containing the National Insurance Number of the customer and partner. In our sample of 60 new and

		not show that original documents had been seen.
Liability to pay Council Tax	90	In 54 cases of our new and renewal claims samples, Benefit Assessors had certified that all cross-checks, including Council Tax liability, had been completed.

Verification work area	% of cases where verification was complete in our sample of new and renewal claims	BFI comments
Receipt of IS and JSA(IB)	82	<p>In our sample of 60 new and renewal claims 39 (65%) claims were linked by entitlement to IS or JSA(IB). Verification in 14 (93%) out of 15 new claims met the standard required by the Verification Framework, but in 6 (25%) of the 24 renewal claims, entitlement to IS or JSA(IB) had not been correctly verified.</p> <p>Sampling showed that entitlement was verified using:</p> <ul style="list-style-type: none"> · an IS order book · an IS or JSA(IB) decision notice · a Remote Access Terminal check.
Income and capital	29	<p>In our sample of 60 new and renewal claims:</p> <ul style="list-style-type: none"> · 21 cases required income to be verified · 20 cases required capital to be verified <p>XXXX XXXX XXXX XXXX XXXX XXX XXXX XXXX XX XXXX XXXX XXXX XXXX XXXX XXX XXXX XXXX XX</p> <p>Documents received at the counter before October 2002 were not verified to the standard of the Verification Framework.</p>
Non-dependants' circumstances	0	In our sample of new and renewal

		claims, 5 cases required proof of the income of non-dependants. In one case (20%), the customer did not provide proof and the highest rate of deduction was applied. In the remaining 4 cases (80%) documents were not verified to Verification Framework standards as there was no confirmation that original documents had been seen.
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Source: BFI analysis

4.81 Figure 4.14 reflects the adverse effect that the use of the pre-October 2002 counter receipt had on the verification practices at London Borough of Harrow. Although the authority was using a new style counter receipt at the time we were on-site, the use of this receipt means that London Borough of Harrow did not meet Standard because individual photocopies need to be certified and stamped as copies of an original document.

4.82 To achieve Standard London Borough of Harrow should:

- certify and stamp photocopies of original documents
- XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX XXXX XXXX

Recommendations
We recommend that London Borough of Harrow:
· re-introduces the stamping and certification of photocopy documents to show that original documents have been seen
· XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX

Verification of identity

4.83 Since 6 September 1999, sections 1(1A) and 1(1B) of the Social Security Administration Act 1992 (as amended) requires HB and CTB customers and any partner included in a claim to provide:

- a statement of their National Insurance Number and information or evidence establishing that the number has been allocated to them, or
- information or evidence enabling the National Insurance Number allocated to them to be ascertained.

4.84 If a person does not have a National Insurance Number, they should apply for one and provide all the necessary information or evidence to enable such a number to be allocated to them.

4.85 London Borough of Harrow was not at Standard in this element because it did not certify and stamp photocopied documents as originals.

4.86 In many cases in our sample of new and renewal claims, London Borough of Harrow did not meet the requirements of the Verification Framework when verifying National Insurance Numbers and/or identity. This was due entirely to the use of the pre-October 2002 version of the counter receipt, which provided no indication that original documents had been seen. Our findings are in Figures 4.15 and 4.16.

Fig. 4.15: Verification of National Insurance Numbers in sampled new and renewal claims

Type of case	Number of cases	Verification satisfactory
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	requiring verification	Number	%
New claims – customer	30	20	67
Renewal claims – customer	30	24	80
New claims – partner	6	3	50
Renewal claims – partner	9	3	33

Source: BFI analysis

Fig. 4.16: Verification of identity in sampled new and renewal claims

Type of case	Total cases	Verification satisfactory	
		Number	%
New claims – customer	30	17	57
Renewal claims – customer	30	24	80
New claims – partner	6	2	33
Renewal claims – partner	9	3	33

Source: BFI analysis

4.87 London Borough of Harrow was no longer using the pre-October 2002 version of the counter receipt at the time of our on-site inspection. The current versions of both cover sheets that were in use certified, where appropriate, that original documents had been seen.

4.88 Since the introduction and use of the current version of the counter receipt, London Borough of Harrow had met the requirements of the Verification Framework for the verification of identity. In all cases that we sampled, where the current versions of the cover sheets were used, benefits staff had obtained sufficient evidence to verify the identity for customers and partners.

4.89 London Borough of Harrow would achieve Standard if it certified and stamped photocopied documents to show that they were copies of an original document.

Verification of residency and liability to pay rent

4.90 Section 130(1)(a) of the Social Security Contributions and Benefits Act 1992 provides that a person is entitled to HB if:

...he is liable to make payments in respect of a dwelling in Great Britain which he occupies as his home.

4.91 Similarly, section 131(3) of the Social Security Contributions and Benefits Act 1992 provides for CTB:

- The main condition for the purposes of subsection (1) above is that the person concerned –
- (a) is for the day liable to pay Council Tax in respect of a dwelling of which he is resident.

4.92 These sub-sections mean that, before a local authority can award benefit, it has to be satisfied about both residency and liability to pay either rent or Council Tax.

4.93 London Borough of Harrow was not at Standard in this element because:

- it did not certify and stamp photocopies of original documents
- no assurance was provided through management checks that any cross-checks had been made to confirm residency.

4.94 In the first inspection, there were significant weaknesses in recording the evidence that checks had been made to confirm rent liability and residency.

4.95 In our sample of new and renewal claims, liability to pay rent was not confirmed in 16 cases because the evidence did not reach the requirements of the Verification Framework. In all of these cases, London Borough of Harrow used its old style counter receipt and did not show that original documents had been seen. Our findings are shown in Figure 4.17.

Fig. 4.17: Verification of rent liability in sampled new and renewal claims

Type of case	Number of cases requiring verification	Verification satisfactory	
		Number	%
Rent Rebate – new claims	4	4	100
Rent Rebate – renewal claims	9	9	100
Rent Allowance – new claims	19	9	47
Rent Allowance – renewal claims	14	8	57
Total	46	30	65

Source: BFI analysis

4.96 During this inspection staff told us that Benefit Assessors confirmed residency either by completing cross-checks with other systems in London Borough of Harrow or through the supporting documents that provided an indication that the customer resided at the address from which they were claiming. Our findings from our new and renewal claims sample are shown in Figure 4.18.

Fig. 4.18: Verification of residency in sampled new and renewal claims

Type of case	Number of cases requiring verification	Verification satisfactory	
		Number	%
Rent Rebate – new claims	4	4	100
Rent Rebate – renewal claims	9	9	100
Rent Allowance – new claims	19	18	95
Rent Allowance – renewal claims	14	13	93
CTB only – new claims	7	7	100

CTB only renewal claims	7	7	100
Total	60	58	97

Source: BFI analysis

4.97 Figure 4.18 shows that London Borough of Harrow's performance in recording checks on residency has improved since our first inspection. It does, however, need to obtain assurance through its management check of HB and CTB assessments that the cross-checks to confirm residency have been carried out.

4.98 Our new and renewal claims samples included 14 CTB only cases. Benefit Assessors checked Council Tax liability through London Borough of Harrow's Council Tax records and recorded the completion of the cross-check on the management control sheet. Management control sheets had, however, not been completed in 2 new claims that we examined. Our findings are in Figure 4.19.

Fig. 4.19: Verification of Council Tax liability in sampled new and renewal claims

Type of case	Number of cases requiring verification	Verification satisfactory	
		Number	%
CTB only – new claims	7	5	71
CTB only – renewal claims	7	7	100
Total	14	12	86

Source: BFI analysis

4.99 London Borough of Harrow would achieve Standard if it certified and stamped photocopies of original documents and extended its management checks to include a check on residency.

Recommendations

We recommend that London Borough of Harrow:

- revises and extends the scope of its management check of HB assessments to include residency.

Verification of receipt of IS and JSA(IB)

4.100 The Housing Benefit (General) Regulations 1987, Schedule 3, paragraph 10, Schedule 4, paragraph 4 and Schedule 5, paragraph 5, provide that when the customer receives IS or JSA(IB) the local authority must disregard a customer's income, earnings and capital. There are similar provisions in the Council Tax Benefit (General) Regulations 1992. Before a local authority can assume the customer has no income or capital, it must obtain confirmation from Jobcentre Plus or The Pension Service that the customer is in receipt of IS or JSA(IB).

4.101 London Borough of Harrow was not at Standard in this element because it did not certify and stamp photocopies of original documents.

4.102 In our sample of new and renewal claims, there were 39 (65%) cases where the customer was in receipt of IS or JSA(IB). In 32 (82%) cases, satisfactory evidence was held on file to confirm entitlement to IS or JSA(IB). In all but one of the remaining 7 cases, some evidence of entitlement was held on file but London Borough of Harrow did not show that original documents had been seen. This was because it had used pre-October 2002 counter receipts to record the receipt of the supporting evidence. Our findings are shown in Figure 4.20.

Fig. 4.20: Verification of IS/JSA(IB) entitlement in sampled new and renewal claims

Type of case	Number of cases requiring verification	Evidence as required by the Verification Framework held on file	
		Number	%
New claim	15	14	93
Renewal claim	24	18	75
Total	39	32	82

Source: BFI analysis

4.103 London Borough of Harrow would achieve Standard in this element if it certified and stamped photocopies of original documents.

Verification of income and capital

4.104 In cases when HB and CTB customers are not in receipt of IS or JSA(IB), the local authority must verify the income and capital of the customer and any partner.

4.105 London Borough of Harrow was not at Standard in this element as there were cases in our new and renewal samples where income and capital had not been verified. In our first inspection, there were some weaknesses in the verification of income and capital. We found similar failures in this inspection.

4.106 London Borough of Harrow's use of its old style counter receipts again affected the results of our sampling. To illustrate the effect on the verification Standard, the results are shown in separate Figures. Figure 4.21 shows where some evidence was held on file and includes cases where London Borough of Harrow did not show that original documents had been seen. Figure 4.22 shows our findings where the evidence on file fully met the requirements of the Verification Framework.

Fig. 4.21: Verification of income in sampled new and renewal claims – some evidence held on file

Type of case	Number of cases requiring verification	Some evidence held on file	
		Number	%
New claim	15	13	87
Renewal claim	6	6	100
Total	21	19	90

Source: BFI analysis

Fig. 4.22: Verification of income in sampled new and renewal claims – evidence required by the Verification Framework

Type of case	Number of cases requiring verification	Evidence as required by the Verification Framework held on file

		Number	%
New claim	15	8	53
Renewal claim	6	1	17
Total	21	9	43

Source: BFI analysis

4.107 The difference between the findings in Figure 4.21 and Figure 4.22 clearly demonstrates the effect of London Borough of Harrow not being able to show that confirmation of income met the requirements of the Verification Framework.

4.108 Our findings on the verification of capital by London Borough of Harrow have been similarly separated to illustrate the verification effort in cases where some evidence was held but the evidence did not fully meet the requirements of the Verification Framework. Figure 4.23 shows our findings.

Fig. 4.23: Verification of capital in sampled new and renewal claims – some evidence held on file

Type of case	Number of cases requiring verification	Some evidence held on file	
		Number	%
New claim	14	11	79
Renewal claim	6	6	100
Total	20	17	85

Source: BFI analysis

4.109 In our new and renewal claims samples, the verification of 13 (65%) cases was adversely affected by London Borough of Harrow being unable to show that original documents had been seen. Our findings on the verification of capital against the requirements of the Verification Framework are shown in Figure 4.24.

Fig. 4.24: Verification of capital in sampled new and renewal claims – evidence required by the Verification Framework

Type of case	Number of cases requiring verification	Evidence as required by the Verification Framework held on file	
		Number	%
New claim	14	3	21
Renewal claim	6	1	17
Total	20	4	20

Source: BFI analysis

4.110 Figure 4.23, when compared to Figure 4.24, clearly demonstrates the effect of not verifying evidence to the requirements of the Verification Framework.

4.111 London Borough of Harrow would achieve Standard if it certified and stamped copies of original documents and verified income and capital to the standard required by the Verification Framework.

Recommendations	
We recommend that London Borough of Harrow:	
<ul style="list-style-type: none"> • ensures that income and capital is verified to, at least, the standard required by the Verification Framework in all appropriate cases. 	

Verification of non-dependant's circumstances

4.112 HB and CTB are reduced for each non-dependant normally living with the customer. It is in the customer's interests to provide details of non-dependants because the amount of any deduction depends upon the circumstances of the non-dependant and, if they are in remunerative work, that person's gross income. If a customer does not provide details of a non-dependant's income the highest relevant deduction must be applied.

4.113 London Borough of Harrow was not at Standard in this element because it did not certify and stamp copies of original documents.

4.114 In our new and renewal claims samples, London Borough of Harrow requested and obtained evidence of the income of non-dependants. The evidence held on file in 4 cases did not, however, meet the requirements of the Verification Framework because London Borough of Harrow did not show that original documents had been seen. In the remaining case, proof of income had been requested but not provided by the customer. London Borough of Harrow correctly applied the highest relevant deduction in that case. Figure 4.25 shows our findings.

Fig. 4.25: Verification of non dependant's circumstances in sampled new and renewal claims

Type of claim	Number of cases requiring verification	Verification satisfactory	
		Number	%
New claim	1	1	100
Renewal claim	4	0	0
Total	5	1	20

Source: BFI analysis

4.115 London Borough of Harrow would achieve Standard if it certified and stamped copies of original documents to verify non-dependant's circumstances.

Management checks

4.116 Effective management checks provide information about:

- the integrity and security of benefit processes
- the quality of work such as the evaluation of performance against legislative and other requirements
- training and development needs of staff
- weaknesses in processes.

4.117 The Audit Commission, in *Countering Housing Benefit Fraud - a Management Handbook*, recommends that local authorities quality check at least 10% of claims as a way to prevent errors entering the process at the beginning. The check should take place before a decision notice is sent to a person affected.

4.118 London Borough of Harrow was not at Standard because it did not check 10% of assessments and did not check assessments before the decision letters were sent to the persons affected by the decision.

4.119 At the time of the first inspection, London Borough of Harrow did not have a programme of regular management checks in place. We recommended that the authority developed a process and range of management checks on security and quality issues to ensure greater security to the gateway to benefits. At the time of this inspection, this weakness had been addressed and London Borough of Harrow now carried out regular management checks of HB and CTB assessments.

4.120 Staff told us that a dedicated officer from the Quality, Systems and Development team carried out management checks.

4.121 We were provided with a copy of the quality checking procedures, which had been produced by the Quality, Systems and Development Team in August 2001. Those procedures provided for a check of 5% of assessments to be carried out after the decision notices had been issued. Staff told us, however, that this had never been achieved.

4.122 We looked at a summary record of the numbers of management checks made between July 2002 and December 2002 and found that 20 (1.5%) checks of assessments had been made each week compared to the 10% recommended by Performance Standards.

4.123 The checking officer selected 20 cases from a report that was generated from the document image processing system. The report listed all cases where work had been completed in the previous week and identified the type of case and the officer who completed the work. The selection included:

- the work of all Benefit Assessors on a rota basis
- all types of assessment.

4.124 The results of the management checks were fed back individually to Benefit Assessors and Assistant Benefits Managers. Weekly summary reports were made to the Assistant Benefits Managers, Housing Benefits Manager and the Quality, Systems and Development Team Manager. The Housing Benefits Manager also received a monthly summary report.

4.125 Staff told us that, in addition to the regular management checks, the same officer from the Quality, Systems and Development team checked all cases where payments were £1,500 or above. These cases averaged 5 per day and were checked before the payments were issued.

4.126 While we were on-site, discussions took place between the Housing Benefits Manager and the Quality, Systems and Development team about possible changes to the level and timing of the management checks. These discussions were not completed by the end of the on-site stage of our inspection.

4.127 A description of the checking activity is detailed in Figure 4.26.

Fig. 4.26: Management checks conducted

Type of management check	Management check undertaken Yes/No	BFI comments
The claim form is complete.	Yes	Checks completed by the Benefit Assessor and by the checking officer from the Quality Systems and Development team (referred to as the

		checking officer)
<p>All required original documents are available for verifying:</p> <ul style="list-style-type: none"> · compliance with Section 1 (1A) and 1 (1B) of Social Security Administration Act 1992 (as amended) 	Yes	<p>Documents provided in support of applications for HB and CTB were copied and returned to customers. The copies were not individually authenticated to show that original documents had been seen. Cover sheets were prepared on receipt of the documents to show which documents had been submitted with the claim form. Current copies of the cover sheets indicated which of the documents submitted were original documents but, prior to October 2002, cover sheets prepared by Customer Advisors did not distinguish between original and photocopy documents. All further comments in this table relate to the current practice</p> <p>Checks were made by Benefit Assessor and checking officer to confirm that original documents had been provided to verify the National Insurance Number belonged to the customer/partner.</p>
<ul style="list-style-type: none"> · identity of customer and partner, if applicable 	Yes	<p>Checks were made by Benefit Assessor and checking officer to confirm that original documents had been provided to confirm the identity of the customer/partner.</p>
<ul style="list-style-type: none"> · liability to pay rent and residency 	Yes	<p>The Benefit Assessor and the checking officer made checks to confirm that proof of liability to pay rent was supported by original documents. The Benefit Assessor confirmed residency through cross-checks with the Council Tax and/or Housing Rent systems and recorded completion of the check on the management control sheet. The checking officer did not provide any assurance on the completion of the residency check.</p>
<ul style="list-style-type: none"> · receipt of IS or JSA(IB), in applicable cases 	Yes	<p>Checks were made by the Benefit Assessor and the checking officer.</p>
<ul style="list-style-type: none"> · for non-IS or JSA(IB) claims, full verification of all income 	Yes	<p>Checks were made by the Benefit Assessor and the checking officer.</p>

· for non-IS or JSA(IB) claims, full verification of all capital	Yes	Checks were made by the Benefit Assessor and the checking officer.
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Type of management check	Management check undertaken Yes/No	BFI comments
· income of non-dependants	Yes	Checks were made by the Benefit Assessor and the checking officer.
· a valid Rent Officer decision exists.	Yes	Checks were made by the Benefit Assessor and the checking officer.
That any decision to pay the landlord direct is based on application of the fit and proper person test.	No	Benefit Assessor or checking officer made no checks before paying the landlord direct.
The decision on the benefit period has taken into account all known or anticipated changes of circumstances.	Yes	Check was made by checking officer to confirm that length of benefit period took account of known or anticipated changes of circumstances.
A risk criterion has been correctly applied.	Yes	Check was made by checking officer to confirm that correct risk criterion had been applied.
The calculation of benefit is correct, taking into account all known income, capital and rent liability.	Yes	Check was made by checking officer to confirm that calculation was correct.
Monitor outcome to ensure continuous improvement.	No	Findings and results from management checks were reported regularly to the Housing Benefits Manager but were not used to monitor continuous improvement.
Maintain audit trail of all management checks.	Yes	The checking officer maintained an audit trail from the point of selection through to the acceptance and correction of any error detected.

Source: BFI analysis

4.128 Figure 4.26 shows that London Borough of Harrow had a comprehensive management checking process in place but there were 2 aspects that were not covered in the scope of the check.

4.129 We were provided with a copy of the quarterly summary report of quality checks made by the Quality, Systems and Development team during the period 30 September 2002 to 20 December 2002. The report was originally made to the Housing Benefits Manager and showed that out of 248 cases checked, 56 (23%) cases had at least one financial error and 26 (10%) cases had at least one non-financial error.

4.130 The quarterly summary report also provided a short narrative on the error trends found during the period. The Housing Benefits Manager told us that the trends were not used for group training or personal development purposes.

4.131 London Borough of Harrow would achieve Standard in this element if it:

- increased the level of its management checks to 10%
- performed these checks before the decision letter was sent to the persons affected
- included a check on the application of the fit and proper person test
- used the results of its management checks to inform changes in working practices and staff training.

Recommendations
We recommend that London Borough of Harrow:
· increases the level of management checks of HB and CTB assessments to 10% to meet Standard
· introduces procedures to select and carry out management checks of HB and CTB assessments before decision letters are issued
· reviews its quality checking procedures to ensure that the checks are made to confirm application of the fit and proper person test
· uses the trends and patterns from the results of management checks to inform changes in working practices and corrective training for individuals and groups of assessment staff.

Tailoring of benefit periods

4.132 Regulation 66 of the Housing Benefit (General) Regulations 1987 and regulation 57 of the Council Tax Benefit (General) Regulations 1992 require that awards are to be for a fixed period, which, when originally determined, must not exceed 60 weeks. Paragraph (2) of each of those regulations requires that:

The benefit period shall be such number of benefit weeks, as the relevant authority shall determine having regard in particular to any relevant circumstances that the...relevant authority reasonably expects may affect entitlement in the future.

4.133 These legal requirements on benefit periods take priority over any generalised risk categorisation procedures followed. However, when they have been applied, the Verification Framework gives guidance on the length of benefit periods that should be allocated to customers in different risk groups.

4.134 As well as taking risk groups into consideration, the legal requirements on benefit periods mean that local authorities must also take account of potential or known changes of circumstances that could affect entitlement to benefit.

4.135 London Borough of Harrow was not at Standard in this element. To reach Standard, it needs to introduce procedures to ensure that benefit periods are only extended in accordance with the regulations.

4.136 We did not find any benefit period exceeding 60 weeks in our new and renewal claims samples. In addition, Benefit Assessors had a good understanding of the need to limit the period of the HB and CTB award to match the customer's circumstances. The range of benefit periods set in our claims samples was between 13 and 58 weeks.

4.137 There were controls in place within the benefits IT system to ensure that Benefit Assessors did not set benefit periods to exceed 60 weeks. We were provided with an exception report for the period from 1 April 2002 to

10 March 2003, which listed 60 cases where benefit periods had exceeded 60 weeks. We examined a sample of these cases and found that benefit periods had been extended for an average of 5 weeks. The benefit periods had originally been set for 58 weeks but had been

extended to align them with dates for renewing the claims. The benefit periods in these cases had not been extended in accordance with the regulations.

4.138 London Borough of Harrow would achieve Standard in this element if it introduced procedures to ensure that benefit periods were only extended in accordance with the regulations. We have made a recommendation for this area earlier in this part of the report.

Risk assessing and checking claimants' circumstances

4.139 Estimates in the second Housing Benefit Review: Main Stage Report, 1998 indicate that around 70% of fraud and error occurs as a result of customers or landlords failing to report changes of circumstances. It is essential therefore that local authorities carry out checks on customers' circumstances. The frequency and type of check may be determined by a number of factors, such as:

- the risk associated with the type of claim
- whether or not HB is linked to IS or JSA(IB) entitlement
- the method used to pay benefit.

4.140 London Borough of Harrow was not at Standard in this element because it did not complete all visits to check customers' circumstances within the timescales set out in the Verification Framework.

4.141 The Standards require an authority to:

- assess the risk of fraud and error attached to each case
- conduct checks on customers' circumstances to the requirements of the Verification Framework
- keep a record of the checks that it makes.

4.142 In our first report we recommended that London Borough of Harrow ensured that benefit periods took account of Verification Framework risk groups and the customer's circumstances. Our sampling for this inspection found that:

- the Verification Framework risk groups were applied correctly
- benefit periods were set to take account of the individual circumstances of the customer
- the authority conducted some checks on customers' circumstances to the requirements of the Verification Framework
- a record of the checks was kept.

4.143 Figure 4.27 shows the breakdown of the HB and CTB caseload by Verification Framework risk categories with the number of visits required to be made each year.

Fig. 4.27: HB and CTB caseload, as at November 2002, by Verification Framework risk category			
Risk category	HB	CTB	Visits each year
A	385	1	386
B	84	16	50
C	3,187	355	1,771
D	3,407	657	1,355

E	2,915	2,348	1,754
Totals	9,978	3,377	5,316

Source: London Borough of Harrow and BFI analysis

4.144 Based on the figures in Figure 4.27, London Borough of Harrow would need to conduct a minimum of 5,316 verification visits in one year to meet the guidelines set out in the Verification Framework. London Borough of Harrow's records showed that it carried out only 628 Verification Framework visits in the quarter ended 31 December 2002.

4.145 In August 2001, Internal Audit conducted a study to check that high-risk (category A) cases were being visited in accordance with the Verification Framework requirements. Internal Audit found that, due to deficiencies in the selection process and maintenance of records, it was not possible to confirm that all high-risk cases were visited.

4.146 In its service plan monitoring report for December 2002, Financial and Exchequer services reported that it had not completed all check visits within the timescales set out in the Verification Framework due to staff vacancies in the Visiting team.

4.147 To achieve Standard London Borough of Harrow should ensure that it conducts checks on customers' circumstances in accordance with the requirements of the Verification Framework.

Recommendations

We recommend that London Borough of Harrow:

- ensures that it conducts checks on customers' circumstances in accordance with the requirements of the Verification Framework.

Requirement to refer to Rent Officer

4.148 The Housing Benefit (General) Regulations 1987 require a local authority to refer certain Rent Allowance claims to the Rent Officer for a determination to be made on the level of rent eligible for HB and to make this referral within 3 working days, or as soon as is practicable. The Regulations also provide for an application to be made for a pre-tenancy determination.

4.149 London Borough of Harrow was not at Standard in this element because it did not:

- meet the legal deadlines set for referring cases to the Rent Officer or making a decision on the claim following the receipt of the Rent Officer decision
- ensure that referrals were made to the Rent Officer in all appropriate cases, including housing association properties
- ensure that the service level agreement with the Rent Service was monitored and included timescales, which matched those in regulations 12A(3) and 12A(4) of the Housing Benefit (General) Regulations 1987.

4.150 London Borough of Harrow had some strengths in this area, including:

- a current service level agreement with the Rent Service
- a management report to ensure that determinations were received from the Rent Officer
- applications were made to the Rent Officer within 2 working days of the receipt of a request for a pre-tenancy determination.

4.151 The council provided us with a copy of its written procedures for making referrals to the Rent Officer. The procedures provided staff with comprehensive guidance on all aspects of the referral process, including:

- why referrals were necessary

- when to make referrals
- when not to make referrals
- the referrals process
- the Rent Officer determination.

4.152 In our first report we recommended that London Borough of Harrow ensured that all appropriate cases were referred to the Rent Officer. In our sample of 60 new and renewal claims for this inspection, there were 12 cases where a referral to the Rent Officer was required and 8 of these had been made. The 4 remaining cases related to claims from housing association properties where the council's procedures indicated that the rent level should have been discussed with an Assistant Benefits Manager prior to any referral. Our findings are shown in Figure 4.28.

Fig. 4.28: Rent Officer determinations			
	Number of cases requiring Rent Officer determination	Rent Officer determinations obtained	% of Rent Officer determinations obtained
New claims – housing association properties	1	0	0
New claims – other landlords	6	6	100
Renewal claims – housing association properties	3	0	0
Renewal claims – other landlords	2	2	100
Total	12	8	67

Source: BFI analysis

4.153 From our new and renewal claims samples, it was apparent that the process of obtaining and implementing Rent Officer determinations took far too long. The primary reason for the delay was the failure by London Borough of Harrow to identify appropriate cases held up in the backlog of work. Our findings are shown in Figure 4.29.

Fig. 4.29: Analysis of time taken to process claims needing referral to the Rent Officer in sample cases	
	Average working days taken
Time taken to refer claim to Rent Officer	69
Time taken between referral and determination by Rent Officer	6
Time taken between determination by Rent Officer and receipt at local authority	2

Time taken for London Borough of Harrow to process Rent Officer decision	8
Total time taken	85

Source: BFI analysis

4.154 Figure 4.29 shows the long delay in identifying cases that needed to be referred to the Rent Officer. London Borough of Harrow had no arrangements in place to sift incoming claims to identify those that needed to be referred to the Rent Officer.

4.155 Rent Officer referrals were completed by Benefit Assessors and recorded on the benefits IT system. The individual referral forms were passed to a dedicated officer who was the liaison contact with the Rent Service. That officer produced a daily summary sheet of referrals, which was sent to the Rent Service together with the referrals. A copy of the summary sheet was used by the liaison contact to monitor the return of the Rent Officer determinations.

4.156 A current service level agreement existed between London Borough of Harrow and the Rent Service. Some targets in it did not comply with the timescales contained in regulations 12A (3) and 12A (4) of the Housing Benefit (General) Regulations 1987. For example, the service level agreement says:

- Housing Benefit Department will:
 - refer 10% of HB cases within 3 working days of receipt
 - refer 12% of HB cases within 5 working days of receipt.

4.157 Neither London Borough of Harrow or the Rent Service monitored performance against the targets set out in the service level agreement.

4.158 The Rent Service Team Manager at Harrow was only appointed late in 2002 but described the working relationship with London Borough of Harrow as satisfactory. Quarterly liaison meetings took place between the 2 organisations.

4.159 To reach Standard, London Borough of Harrow should:

- meet the legal deadlines for:
 - referring cases to the Rent Officer
 - making a decision on the claim following the receipt of the Rent Officer determination
- ensure that referrals are made to the Rent Officer in all appropriate cases, including housing association properties
- ensure that the service level agreement with the Rent Service is monitored and includes timescales, which match those in regulations 12A(3) and 12A(4) of the Housing Benefit (General) Regulations 1987.

Recommendations

We recommend that London Borough of Harrow:

· reviews and implements changes, as necessary, to its monitoring arrangements to ensure that action on Rent Officer determinations is taken as soon as practicable after receipt

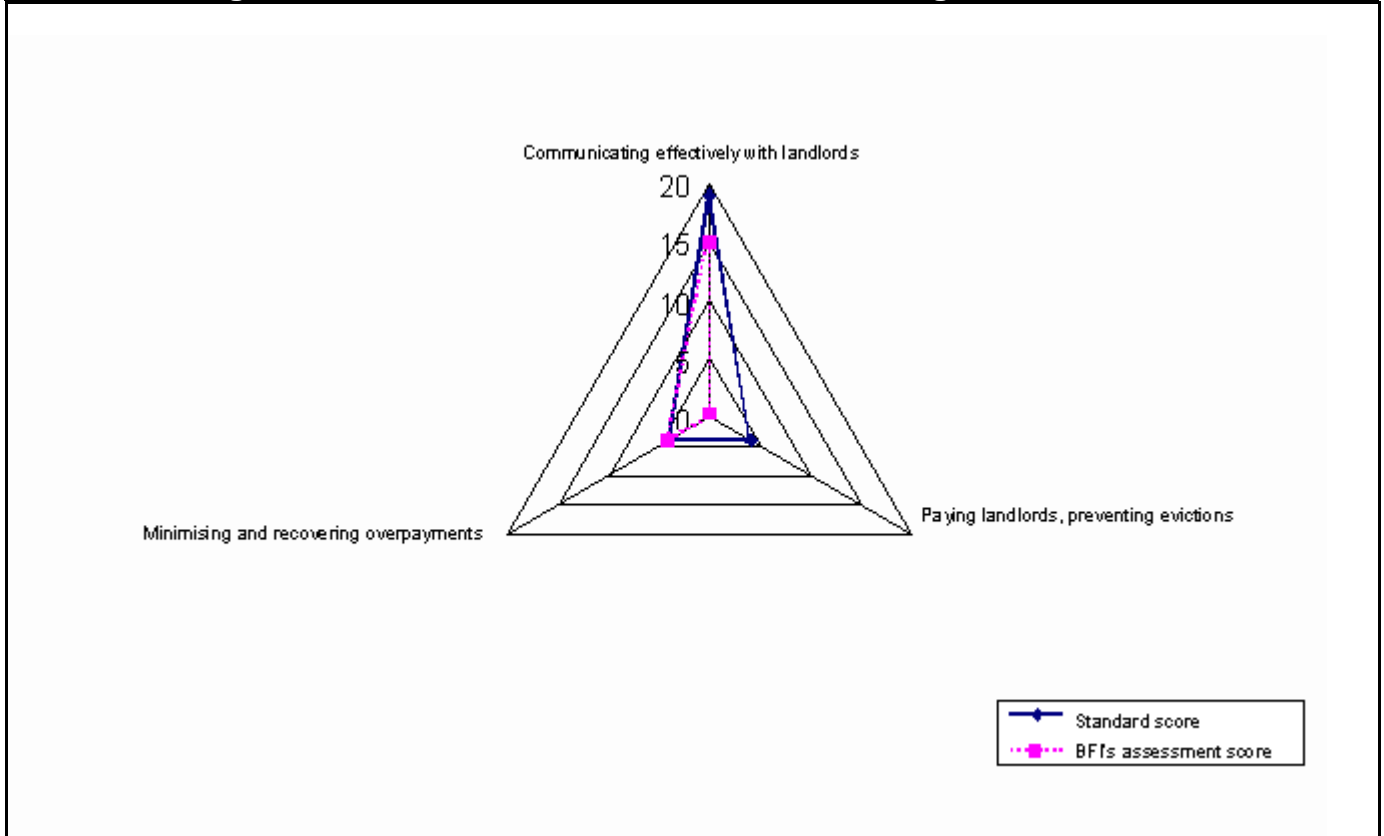
· ensures that referrals are made to the Rent Officer in all appropriate cases including housing association properties

· ensures that the service level agreement with the Rent Service is

monitored and incorporates the statutory requirements.

Working with Landlords

Fig. 5.1: Results of BFI's assessment for Working with Landlords



Source: BFI inspection assessment

For an explanation about how to read this radar chart see *Strategic Management*.

5.1 This section considers how effectively London Borough of Harrow works with private landlords, Registered Social Landlords and its Housing Department.

Communicating effectively with landlords

5.2 London Borough of Harrow was not at Standard in this element because it did not:

- have a range of information leaflets for landlords
- write to all landlords with customers in the area, at least once a year, providing them with up-to-date information about their responsibilities
- send to direct payment landlords, a copy of the invitation to renew the claim or subsequent reminder letters.

5.3 London Borough of Harrow demonstrated a number of strengths that included:

- continuously improving relationships with Registered Social Landlords
- a working practices protocol in place with Registered Social Landlords
- providing training to landlords
- good internal working relationships with Housing Management
- nominated benefit officers for liaison with landlords
- performance communicated and discussed with landlords
- clear policies and procedures in place for dealing with urgent cases.

5.4 In our first report we recommended that London Borough of Harrow improves the working relationship between themselves and housing associations by formalising working

arrangements and agreeing performance targets. The authority had responded to this recommendation by agreeing a working practices protocol with Registered Social Landlords, that included performance targets, and meeting together quarterly.

5.5 While we were on-site we carried out a selection of interviews with Registered Social Landlords. Those we spoke to told us they had a good working relationship with London Borough of Harrow and they received regular updates on performance at the quarterly liaison meetings.

5.6 We were pleased to find good practice in working relationships between London Borough of Harrow and Registered Social Landlords, with many of the larger landlords being provided with a direct dial telephone number of a nominated Benefit Assessor to deal with any urgent cases.

5.7 Training for landlords had been provided and Housing Management staff told us that in addition to training in collecting and verifying evidence to Verification Framework standards, they had also received training from the Housing Benefits Manager in helping their tenants to make a claim.

5.8 Contact with other private landlords was limited to quarterly meetings and London Borough of Harrow did not have a *working practices protocol* with any private landlords.

5.9 London Borough of Harrow provided all landlords with an opportunity to obtain information about the progress of their tenants' HB claims. London Borough of Harrow ensured that the customer and landlord completed a consent form before it would discuss a claim with the landlord.

5.10 When a landlord accepted direct payments of HB, the council sent a decision notice that included details of the weekly award of benefit and the start and end date of the benefit period. However, landlords were not sent a copy of the letter that the council sends to the tenant when their claim was due to be renewed.

5.11 To achieve Standard London Borough of Harrow should ensure that:

- it writes to all landlords with customers in the area, at least once a year, to provide them with up-to-date information about their responsibilities
- help-sheets and information leaflets are made available to landlords
- for renewal claims, direct payment landlords are sent a copy of the invitation to renew and, where necessary, a copy of any reminder letters that are issued to the customer.

<i>Recommendations</i>
We recommend that London Borough of Harrow:
<ul style="list-style-type: none">- writes to all landlords with customers in the area, at least once a year, providing them with up-to-date information about their responsibilities
<ul style="list-style-type: none">- makes available help-sheets and information leaflets for landlords
<ul style="list-style-type: none">- sends to direct payment landlords, where consent has been agreed with the customer, a copy of all correspondence issued, to specifically include:<ul style="list-style-type: none">- a copy of the invitation to renew a claim- a copy of subsequent reminder letters.

Paying landlords, preventing evictions

5.12 This section is about preventing delays in HB payment that can put a customer's tenancy in jeopardy or force a customer into debt. It also covers the appropriate use of direct payments to landlords and suspending direct payments when necessary.

5.13 London Borough of Harrow was not at Standard in this element because it did not:

- have systems in place to ensure direct payments were made to landlords in accordance with regulations 93 and 94 of the Housing Benefit (General) Regulations 1987
- provide staff with written procedures detailing the requirements for applying the fit and proper person test to decide against or end direct payments in appropriate cases
- make payments on account in line with the *Processing of Claims* Standard
- encourage all landlords to make direct contact before taking court action.

5.14 However, we found the following good practices in place:

- it prioritised urgent cases when there was a risk of eviction or loss of tenancy, to process claims quickly
- it had clear policies and practices for dealing with urgent cases which staff were aware of and used effectively.

5.15 London Borough of Harrow's close working relationship between their nominated officers and some Registered Social Landlords ensured that those landlords were encouraged to make direct contact with the authority before taking court action. This needed to be extended to all landlords.

5.16 The council did not have systems in place to ensure that HB was paid directly to landlords when the legislation required it to do so and it did not make a payment on account in all appropriate cases. We have reported on this in more detail in *Processing of Claims*.

5.17 At the time we were on-site London Borough of Harrow did not carry out the fit and proper test for landlords. Guidance should be made available to all benefit staff on the application of this test.

5.18 To achieve Standard in this element London Borough of Harrow should:

- have systems in place that ensures direct payments are made to landlords in accordance with regulations 93 and 94 of the Housing Benefit (General) Regulations 1987
- make payments on account in line with the *Processing of Claims* Standard
- have systems in place to apply the fit and proper test
- encourage all landlords to make direct contact before taking court action.

<i>Recommendations</i>
We recommend that London Borough of Harrow:
<ul style="list-style-type: none"> · has systems in place to ensure direct payments are made to landlords in accordance with regulations 93 and 94 of the Housing Benefit (General) Regulations 1987
<ul style="list-style-type: none"> · provides staff with a policy statement and written procedures to ensure they apply the fit and proper test to decide against or end direct payments to landlords
<ul style="list-style-type: none"> · encourages all landlords to make direct contact before taking court action.

Minimising and recovering overpayments

5.19 Co-operating with landlords prevents the build-up of overpayments and facilitates the recovery of any overpayments from landlords or tenants.

5.20 London Borough of Harrow was at Standard in this element because it:

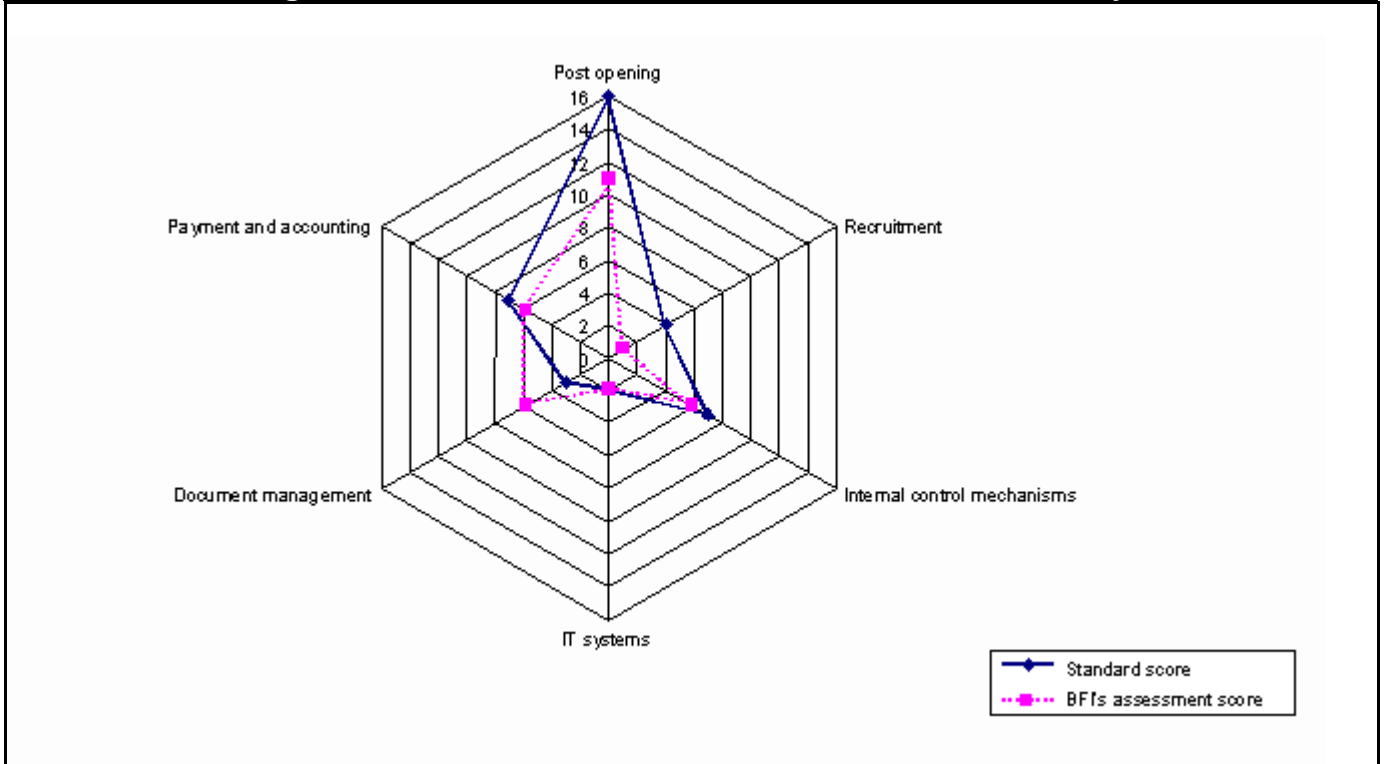
- had an overpayment policy that supported efforts to minimise and recover overpayments
- notified the landlord, in direct payment cases, when it had decided to recover an overpayment from the customer
- only sought to recover overpaid benefit from landlords when it was appropriate to do so.

5.21 Registered Social Landlords told us that overpayments were discussed at the quarterly forum meetings. One landlord told us that they had an additional meeting to discuss particular overpayment issues. London Borough of Harrow told us that each landlord with outstanding overpayments was given a summary of their outstanding debt at each meeting of the landlord forum.

5.22 The amount of overpayment owed by Registered Social Landlords was very small and we consider that this was the result of the good practice that London Borough of Harrow had employed in this area. We report on this issue in more detail later in this report under *Overpayments*.

Internal Security

Fig. 6.1: Results of BFI's assessment for Internal Security



Source: BFI inspection assessment

For an explanation about how to read this radar chart see *Strategic Management*.

Post opening

6.1 Secure adequately staffed post opening procedures are a key part of an effective, economic, safe and efficient postal receipt service. Controls should ensure that items of mail sent to a local authority are not lost or stolen and fraudulent documents do not enter the system.

6.2 Many important documents relevant to the claim are received at the local authority. These will often be valuable and confidential such as passports, birth and marriage certificates and driving licences.

6.3 London Borough of Harrow was not at Standard in this element because XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX

6.4 We reviewed the post opening at London Borough of Harrow. Our detailed findings against Performance Standards are detailed in Figure 6.2 below. The areas of concern were:

- XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX
- post was being opened outside of the restricted area
- XXXX XXXX XXXX XXXX
- XXXX XXXX XXXX XXXX XXXX XXXX XX
- XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX X

Fig. 6.2: Observation of London Borough of Harrow's post opening arrangements		
Performance Standards	Met by local authority?	BFI comment
	4 /6	

Has a programme for reviewing its post opening procedures.	4	Reviewed at 6-monthly intervals.
Carries out monthly management checks on post opening procedures.	4	Scanning and Indexing Team Leader carried out spot checks on procedures.
Has a post opening procedures manual.	4	London Borough of Harrow had procedure manuals covering the post opening operation, the recording of valuables and the handling of post under the Do Not Redirect scheme.
XXXX XXXX XXXX XXXX XXXX XXXX XXX XXXX	6	XXXX XXXX XXXX XXXX XXXX XXXX XXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX X XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX X XXXX XXXX XXXX XXXX XXXX XXXX XXX
Has at least 2 staff opening the post.	4	At least 2 staff were present throughout post opening.
Keeps a daily log of all staff involved.	4	Weekly staff rota showed that there were 2 members of staff on post opening at all times. Any changes to personnel were hand-written on a sheet. Rotas were kept on file as a log.
Separate post opening duties between opening post, recording valuables and dispatching post.	4	These duties were segregated.
XXXX XXXX XXXX XXXX XXXX XXXX X XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX	6	XXXX XXXX XXXX XXXX XXXX XXXX XXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX X XXXX
Ensures that all post is stamped with the date of receipt.	6	Not all photocopied documents were date stamped. A cover sheet was attached to a number of documents for the same claim and the sheet was then date stamped.
Has assurance that all post is distributed to the right person or section.	4	Support Services Manager had assurance that all post was distributed correctly.
Receives photocopies of original	6	Cover sheet was completed to confirm

documents by hand and stamps them, original seen.		that photocopies were of an original document. Individual copies were not stamped.
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Performance Standards	Met by local authority?	BFI comment
	4 /6	
Records items of value immediately in a valuables register.	6	XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX X XXXX
Ensures that a senior officer countersigns the valuables register.	6	XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX
Ensures that valuables and the register are passed securely to the designated officer for safe keeping.	4	Valuables were returned to customer once they had been photocopied – this was done as part of post opening. Register of returned post was held securely.
Ensures that the designated officer signs the register to acknowledge receipt of valuables.	6	XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX
Ensures that post for the fraud team is distributed unopened.	4	Any post for fraud (including returned post) was placed in the dedicated Investigations Team pigeon hole unopened.

Source: BFI analysis

6.5 London Borough of Harrow would achieve Standard in this element if it:

- revised its post opening procedures to ensure that they align with Performance Standards and regular management checks are undertaken to confirm compliance
- XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX XXXX
XXXX XXXX XXXX XXXX XXX

Recommendations
We recommend that London Borough of Harrow:
· ensures its post opening procedures align with Performance Standards and regular management checks are undertaken to confirm compliance
· XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX

Recruitment

6.6 Clerical and automated systems depend on the integrity of staff. To reduce the risk of fraud and error it is vital that the qualifications and employment histories of potential recruits are comprehensively verified. This should be backed up by requiring staff to sign an annual declaration covering any interests that may conflict with their work. For example, receipt of HB and CTB or acting as a landlord or agent.

6.7 London Borough of Harrow was not at Standard in this element because:

- it did not require all staff to make a declaration of interest, including a nil return or to complete a new declaration annually
- it did not regularly review its recruitment procedures
- contractors were not subjected to the council's existing checks.

6.8 London Borough of Harrow had a recruitment and selection policy, endorsed by Members, specifying the type of checks that should be made on new staff.

6.9 The authority performed well against the Audit Commission's recommendations on employment checks as shown in Figure 6.3.

Recommendations	BFI comment
Verifying references with employers	London Borough of Harrow checked all references by writing to the previous employer.
Verifying if previous employers were genuine	A standard reference form was sent to previous employers. To ensure that the employer was genuine, the requests were addressed to the company and not the named referee.
Ensuring that the required skills profile is met (using competency tests if required)	Each post had a job description and a person specification. Competency testing formed part of the recruitment process.
Verification of educational and professional qualifications	Educational certificates were checked against those declared on the application form.
Verification of previous employment and duties performed	Reference form asked for details of experience and abilities.

Source: The Audit Commission's *Countering Housing Benefit Fraud: A Management Handbook (1997)*, BFI analysis

6.10 All recruitment checks were recorded on a checklist and the Human Resources Department confirmed that all the necessary checks had been performed. Additional checks were carried out for posts that involved handling cash or large council assets, where a full 10-year employment history was obtained and checked. Further checks were also made of staff before they were employed in the Benefits service.

6.11 London Borough of Harrow's code of conduct for staff stated that all council staff employed on Scale 6 or above were required to complete a declaration of interest form if they had an interest to declare. Once a declaration had been signed the member of staff had to notify their manager of any changes, other than benefit staff London Borough of Harrow did not require staff to complete a nil return or to complete a new return annually.

6.12 There was a written policy for staff in the Financial and Exchequer services which informed them that they were not permitted to:

- access their own Council Tax account
- deal with their own claim for benefit
- handle a claim for benefit from a relative or friend.

6.13 London Borough of Harrow told us that it would review its recruitment procedures during 2003/04. The revised policy would include procedures for gaining assurance that any contractors employed by the authority were subjected to similar checks to those applied to permanent staff of the authority.

6.14 To achieve Standard in this element, London Borough of Harrow should:

- review and revise its recruitment and selection policy and ask Members to endorse the revised policy
- require all staff to complete an annual declaration of interest, including a nil return
- ensure that contractors are subjected to the authority's recruitment checks.

Recommendations
We recommend that London Borough of Harrow:
- reviews and revises its recruitment and selection policy and that the revised policy is endorsed by Members
- requires all staff to complete a declaration of interest, including a nil return, and reviews these annually
- ensures that contractors are subjected to recruitment checks similar to the authority's checks.

Internal control mechanisms

6.15 Large numbers of HB and CTB payments pass through the accounting and payment systems operated by a local authority. The authority's Section 151 Officer, must ensure that:

- there is an identifiable division of duties
- there are rigorous internal control mechanisms
- Internal Audit provides assurance to Members and management that controls operate effectively.

6.16 London Borough of Harrow was not at Standard in this element because:

- internal audit coverage of HB and CTB did not reflect the size of payments made by the authority
- there were no arrangements in place for recruitment and vetting procedures to be reviewed annually by Internal Audit or an independent body.

6.17 The authority had a number of strengths:

- internal auditors used the Chartered Institute of Public Finance and Accountancy risk matrix as a key control model
- Performance Standards were used to assess the authority's performance
- the authority monitored performance against internal audit and external audit recommendations
- reporting mechanisms to senior officers existed to ensure that weaknesses identified were remedied
- External Audit had expressed satisfaction with system security.

6.18 However, as identified in *Strategic Management*, we had concerns that the internal audit coverage allocated to benefits did not reflect the volume of HB and CTB payments made by the authority or our assessment of the risks associated with HB and CTB administration. We have made a recommendation for this area in *Strategic Management*.

6.19 We also identified that London Borough of Harrow's recruitment and vetting procedures had not been reviewed by internal audit or an independent body.

6.20 To achieve Standard in this element, London Borough of Harrow should:

- ensure that internal audit coverage reflects the size of HB and CTB payments made by the authority
- make arrangements for its recruitment and vetting procedures to be reviewed annually by internal audit or an independent body.

Recommendations
We recommend that London Borough of Harrow:
- ensures its recruitment and vetting procedures are reviewed annually by internal audit or an independent body.

IT systems

6.21 A local authority heavily relies on IT systems to deliver its Benefits service.

6.22 London Borough of Harrow was at Standard in this element because it regularly assessed the integrity and security of its IT systems.

6.23 The Quality, Systems and Development team controlled access to the benefits IT and the document image processing systems. It also tested new releases of software and logged any faults that were reported by users.

6.24 Internal Audit reviewed the document image processing system in December 2000 and made a number of recommendations relating to the security of the system. We were pleased to find that all the recommendations relating to system security had been implemented prior to our inspection.

6.25 Figure 6.4 provides details of London Borough of Harrow's compliance with access control good practice.

Fig. 6.4: Summary of the authority's compliance with access control good practice		
Good Practice	Met by local authority?	BFI comment
	4 /6	

Access control policy		
Requirements for user access to systems should be defined and documented.	4	Requirements for user access were defined and documented in a systems access policy. Requests for user access to the benefits IT system and document image processing system were made by the line manager on a standard form.
User registration		
System users should be registered in accordance with their system access needs and 'de-registered' when access is no longer required.	4	New users' system access needs were determined and controlled by the line manager. Line managers requested that a user is de-registered when access was no longer required.
Privilege management		
Some system privileges may allow users to override system controls and so they must be identified, allocated and authorised on a 'need-to-use' basis.	4	User privileges were authorised by the Quality, Systems and Development Team or the corporate IT Section.
Review of user access rights		
Users access capabilities (including privileges) should be regularly reviewed.	4	User access levels were reviewed every three months. The Quality, Systems and Development Team controlled this process.
User password management		
Allocation of user passwords should be controlled by a formal management process.	4	The Quality, Systems and Development Team controlled user passwords.
Password use		
Users should be advised to follow good practice in selection and use of passwords.	4	A written policy on system security and use of passwords was provided to all staff at induction.

Good Practice	Met by local	BFI comment
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	authority?	
	4 /6	
Unattended equipment		
Unattended equipment should be protected from unauthorised access or usage. For example, active sessions should be terminated unless they can be controlled by a system lock or time-out.	4	Unauthorised access to the benefits IT and document image processing systems was prevented by users locking their workstation. Active sessions were terminated after 15 minutes by a system lock.
User identifiers		
All computer activities should be traceable to individuals.	4	Each user had a unique identifier and this enabled them to be traced on system audit trails.

Source: London Borough of Harrow and BFI analysis

Document management

6.26 Document management needs to be supported by effective procedures and controls. A good document management system gives a local authority an opportunity to improve its performance.

6.27 London Borough of Harrow was above Standard in this element because its document image processing system was efficient, effective and secure and it conducted regular reviews to identify further improvements to the system.

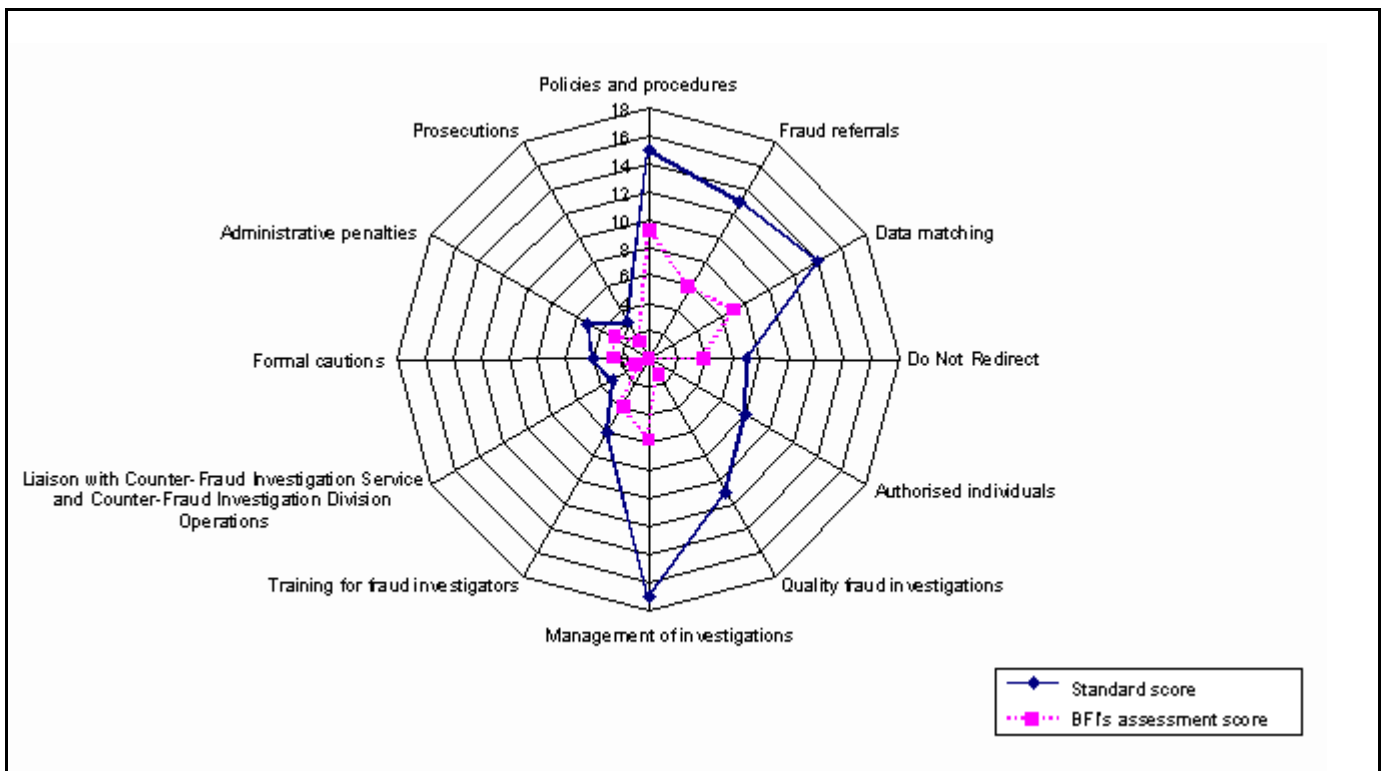
6.28 We were pleased to find that the authority was continuing to work closely with the provider of its document image processing system and we identified some good work in identifying enhancements to the system to improve performance.

6.29 At the time of our first inspection the authority had a large backlog of post waiting to be scanned and indexed. At the time of this inspection there was no such backlog.

6.30 Figure 6.5 compares London Borough of Harrow's document image processing system with document management good practice.

Fig. 6.5: Summary of compliance with document management good practice		
Good Practice	Met by local authority?	BFI comment
	4 /6	
Provide a comprehensive list of document types for indexing.	4	54 different document types were used.
Monitor the progress of scanned documents allocated to individual members of staff.	4	Assistant Benefits Managers were able to monitor any documents that had been scanned and indexed.

Routeing indexed documents to specific members of staff or teams.	4	Individual documents could be routed to specific members of staff once they had been added to a case file.
Being able to significantly magnify chosen areas of the document, such as the signature for close scrutiny.	4	Complete documents or an area of a document could be magnified.
Providing a split screen facility, so that 2 documents can be readily compared at the push of a button.	4	A number of documents could be displayed at once so that documents could be compared.
Being able to easily produce high quality hard copies of images.	4	High quality copies of documents could be printed locally.
Identify high priority documents, such as extended payment claims and can allocate different timescales for dealing with different types of documents.	4	Each document had a process type attached to it and each process type had a priority attached to it.
Automatically alerts staff to documents due for action or overdue.	4	The system automatically alerted managers to documents that were overdue.
Producing colour images, in addition to black and white.	4	The system had the facility to produce colour images.
If documents are stored on disk, having disks stored carefully in conditions which minimise the risk of degradation.	4	Documents were saved to a server and then archived to optical disk.
Classifying documents in terms of priority, security level and urgency for input.	4	Documents were reviewed, prioritised and classified with specific security levels.
Scanning documents into the system on the day of receipt. If this is not possible, they should be scanned as soon as possible on the next working day.	4	The target was to scan documents into the system within 24 hours of receipt. This was being achieved.
Ensuring that scanned images cannot be amended or altered by users.	4	Users could not alter scanned documents.
Having sufficient staff with responsibility for scanning documents who are sufficiently fraud aware to be able to identify and intercept suspect documents.	4	Scanning staff had received training in the identification of original documents and in fraud and forgery awareness.



Source: BFI inspection assessment

For an explanation about how to read this radar chart see *Strategic Management*.

7.1 This section deals with the efforts to deter, prevent and detect fraud and to deal with it when it is detected.

Policies and procedures

7.2 Local authorities should have specific counter-fraud policies, built on the policy objectives for the Benefits service as a whole. These policies should be supported by comprehensive procedures for the Benefit Fraud team to ensure effectiveness and consistency in:

- investigations
- recovery action
- prosecutions and other alternatives.

7.3 London Borough of Harrow was not at Standard in this element because it did not :

- publicise the counter-fraud policy and strategy internally or externally
- apply consistent criteria to the application of sanctions
- have a business plan for the Investigations team.

7.4 The authority had adopted a separate counter-fraud policy and strategy incorporating a penalty and prosecution policy and had a comprehensive set of procedures for use by the Investigations team.

7.5 In our first inspection we identified that London Borough of Harrow had failed to implement a corporate anti-fraud and corruption strategy. It remedied this by adopting a corporate strategy in 2000. This is applicable to both Members and officers and follows the Nolan Principles of standards in public life. It includes a definition of fraud and corruption and sets out the responsibilities and duties of the different layers of the council.

7.6 We also recommended that the authority issued revised guidance on whistleblowing to all staff, to comply with the provisions of the Public Interest Disclosure Act. Revised guidance had been issued to all staff and the whistleblowing policy was available on the council's intranet.

7.7 London Borough of Harrow's counter-fraud policy and strategy was last reviewed in December 2002. This set out what the council would do to combat benefit fraud. This included:

- the adoption of national anti-fraud initiatives such as:

- defines the financial criteria to determine what sanction is the most likely to apply if fraud is proven

- introduces a separate business plan for the Investigations team that identifies:

- resource allocation
- planned activities
- work profile
- targets.

Fraud referrals

7.14 Good quality fraud referrals are important because they:

- are essential to detecting and deterring fraud
- establish an authority's reputation for rigour in claims processing
- indicate the type of fraud which may be prevalent in an area
- identify weaknesses in benefit administration systems and the remedial action necessary
- influence the allocation of fraud investigation resources
- assure management that verification processes operate to identify fraud and error effectively.

7.15 London Borough of Harrow was not at Standard in this element because it did not:

- provide benefit and housing staff with written guidance on making referrals
- deliver fraud awareness sessions to staff
- provide feedback to individual referrers
- give quarterly feedback on the outcome of investigations to benefit and housing staff
- publicise its fraud hotline
- monitor the effectiveness of fraud referrals by source
- sift referrals within 5 days of receipt.

7.16 In our first report, we recommended that London Borough of Harrow introduced a new fraud referral form. The authority introduced a new referral form at the end of 2002. This fraud referral form was well designed, with signposting, and was used by the Benefit Assessors.

7.17 The fraud referral form asked the referrer for the type of fraud, the source of evidence and a summary of the allegation. It was simple and clear to use, but was only available to Benefit Assessors. Housing staff, Customer Advisors and even Visiting Officers did not have access to this form. The Assistant Benefits Manager (Investigations) told us that this was because it had not been set up as a template on the document image processing system. Because the standard referral form was not available referrers, other than Benefit Assessors, used a variety of methods to make a referral including e-mail.

7.18 In our first report we recommended that London Borough of Harrow introduced a sifting procedure. This recommendation had been implemented. Once a referral had been received it was passed to the Investigations Assistant for scoring or sifting. Depending on the score achieved the referral was passed to an Investigations Officer, overloaded, or rejected. If a referral had either JSA(IB) or IS in payment it was passed to the Department's Counter-Fraud Investigation Service.

7.19 The sift form asked 10 questions which were weighted. We considered this approach to be over complicated and that some of the questions were subjective. For example it asked what quality of information had been received without setting any criteria and it asked how easy the investigation was likely to be. This approach could sift out some quality referrals because it was thought they might be too difficult to investigate.

7.20 There was no written guidance available for any authority employee on making a referral to the Investigations team and only Benefit Assessors and some Customer Advisors had received fraud awareness training. Other staff who may come into contact with HB and CTB customers such as housing or social services staff had not received training.

7.21 Benefit Assessors and Customer Advisors told us that they did not routinely receive feedback on referrals and if they wanted it they had to ask. In early 2002 the Investigations team introduced a newsletter that had been produced twice at the time of our on-site inspection. These newsletters detailed the work of the Investigations team and the outcome of sanctions cases. While we consider this to be a step in the right direction, there was no quarterly feedback to either benefits or housing staff on the activities and successes of the Investigations team.

7.22 London Borough of Harrow had a fraud hotline on which members of the public and staff could report incidences of suspected fraud. Callers were diverted to an answerphone if they called out of office hours. However, we could find no instance where this number was publicised on either the claim form, leaflets, Council Tax bills, or other benefit related correspondence. There were no posters in council buildings such as libraries or in the Financial and Exchequer services reception area. Staff were unaware of the fraud hotline number and when we spoke to 3 Members they were also unaware that there was a fraud hotline. The number was featured on the council's website but was only identified as the Assistant Benefits Manager's number.

7.23 The council did not monitor the effectiveness of referrals received by source. Shortly before we arrived on-site a new fraud case management system was introduced and the council told us that it planned to monitor referrals in the future. We looked at the information that the Investigations team provided to Scrutiny Committee between December 1999 and August 2002. This showed a broad breakdown of the source and outcome of referrals. This is shown in Figure 7.2.

Fig. 7.2: Fraud activity reported to Scrutiny Committee between December 1999 and August 2002

Source of referral	Total referrals	Number of cases investigated	Number of cases closed	Number of cases with an irregularity identified	% of cases with an irregularity identified	Sanctions
Benefit staff and public	2,340	1,661	1,317	190	8	14*
Housing Benefit Matching Service	873	566	443	198	23	-
National Fraud Initiative	58	10	19	2	3	-
Total	3,271	2,237	1,779	390	12	-

Source: London Borough of Harrow

*5 prosecutions and 9 cautions.

7.24 With the exception of Housing Benefit Matching Service referrals, Figure 7.2 shows that only 6% of cases investigated had an irregularity identified. We considered that inadequate fraud awareness training and the lack of written guidance for referrers combined with poor quality investigations had led to these poor results. We discuss the quality of investigations later in this section of the report.

7.25 To achieve Standard in this element, London Borough of Harrow should:

- ensure that its referral form is made available to all benefit and housing staff
- simplify its referral sifting process
- provide guidance to staff on making a referral
- provide fraud awareness training to staff that are likely to come into contact with benefit customers
- feedback the results of referrals to individuals
- provide quarterly feedback on the work of the Investigations team
- publicise the existence of the fraud hotline
- monitor referrals by source to identify the most profitable sources.

Recommendations
We recommend that London Borough of Harrow:
· makes the referral form available to all benefit and housing staff
· simplifies its sifting process and removes subjective judgements from the process
· provides written guidance to benefit and housing staff on making a fraud referral
We recommend that London Borough of Harrow:
· provides fraud awareness training to all staff that are likely to come into contact with benefit customers in the course of their duties, this training to be refreshed at least annually
· introduces a system of individual feedback to staff to both acknowledge the referral and inform of the outcome
· gives quarterly feedback on the outcome of investigations to benefit and housing staff
· publicises the existence of its fraud hotline by means of posters, leaflets, claim forms, letters and Council Tax bills
· monitors referrals and outcomes by source to establish its most profitable sources and identify the reasons for the less

profitable sources.

Data matching

7.26 The Housing Benefit Matching Service is a service run by the Department. It provides an authority with the opportunity to identify discrepancies between its HB and CTB records and records for other benefits such as:

- IS and JSA(IB)
- Incapacity Benefit
- Disability Living Allowance
- Working Families' Tax Credit.

7.27 The Audit Commission runs the National Fraud Initiative, which matches the data held by different local authorities. It provides English and Welsh local authorities with an opportunity to identify discrepancies between HB and CTB records and other records such as:

- student awards
- staff loans
- private pensions
- payrolls.

7.28 London Borough of Harrow was not at Standard in this element because it did not:

- sift data matching referrals in line with its own policies and procedures
- take action on the referrals within the Standard of 14 days
- assess matches to identify if weaknesses in benefit administration led to the error.

7.29 The authority participated in both data matching schemes. All referrals with a suspicion of fraud were investigated and the outcome of investigations were recorded and fed back to the Scrutiny Committee. It also reported the result of data matches to the Department.

7.30 The most recent Housing Benefit Matching Service exercise took place in November 2002. London Borough of Harrow received 89 referrals. At the time we were on-site in February and March 2003, none of these had been investigated. Staff told us that a lack of time and resources had prevented these cases from being looked at.

7.31 London Borough of Harrow told us that it would consider withdrawing from the Housing Benefit Matching Service because the Investigations team could not investigate the referrals in a timely manner. We pointed out that in terms of outcomes it was one of London Borough of Harrow's most profitable sources of fraud investigation with 41% of referrals leading to a fraud being recorded as established in 2000/01.

7.32 The council received 800 referrals from the National Fraud Initiative in January 2003. These were being sifted during the on-site phase of our inspection, with 55 having been identified as requiring no further action. No investigations had yet been undertaken as a result of this exercise.

7.33 London Borough of Harrow would achieve Standard in this element if it:

- sifted data matching referrals in line with its own procedures
- took action on referrals within 14 days of their receipt
- assessed matches to identify if weaknesses in benefits administration led to the error.

Recommendations

We recommend that London Borough of Harrow:

- sifts all data matching referrals in line with its own procedures
- takes action on all data matching referrals within 14 days of their receipt
- assesses matches to identify if weaknesses in benefit administration led to the error.

Do Not Redirect

7.34 Section 182A of the Social Security Administration Act 1992 allows local authorities to require providers of postal services not to redirect HB or CTB post. This can help identify possible fraudulent HB and CTB claims.

7.35 When post is unable to be delivered by Royal Mail the mail should be returned to the local authority for further investigation.

7.36 London Borough of Harrow was not at Standard in this element, because although it had operated the Do Not Redirect scheme since 1999 it did not send out all benefits post in Do Not Redirect envelopes.

7.37 The council told us that only HB cheques were sent out in the distinctive envelopes. We asked London Borough of Harrow what proportion of their payments were made by cheque and they told us that only 4% of their payments were made in this way. We were told that cost had precluded general benefits post being sent out in Do Not Redirect envelopes. We were not surprised when London Borough of Harrow told us that there had been no fraud cases arising from the Do Not Redirect scheme in the past two years. If all benefits post was sent out using this method it increases the likelihood of detecting customers who have vacated their property and asked for post to be redirected. This would result in a consequent increase in referrals.

7.38 London Borough of Harrow would achieve Standard in this element if it sent all benefits post in Do Not Redirect envelopes.

Recommendations

We recommend that London Borough of Harrow:

- fully implements the Do Not Redirect scheme by sending all benefits post to customers in the Do Not Redirect envelopes.

Authorised individuals

7.39 Section 110A of the Social Security Administration Act 1992 provides for local authorities to authorise individuals to exercise the powers reasonably and at reasonable times under sections 109B and 109C of the Act.

7.40 The individuals so authorised have powers to:

- enter certain premises
- require a person to provide information, including the delivery of documents
- question persons on premises that have been entered under the powers.

7.41 These powers help the proper investigation of suspected fraud and error and also help in relation to issues of verification.

7.42 London Borough of Harrow was not at Standard in this element as it had failed to appoint any authorised individuals. From our work on-site we identified that the presence of an authorised individual would have helped to progress investigations. Our sampling of fraud files

identified 9 cases where the investigation could have progressed further if the authority had an authorised individual. We discuss this further in *Quality fraud investigations*.

7.43 While we were on-site we were told that the recently appointed Senior Investigations Officer was fully accredited in Professionalism in Security and would be appointed as an authorised individual when he took up post in April 2003.

7.44 To achieve Standard in this element, London Borough of Harrow should appoint an authorised individual and monitor the use of these powers.

Recommendations

We recommend that London Borough of Harrow:

- **appoints an authorised individual at the earliest opportunity then monitors the use of these powers.**

Quality fraud investigations

7.45 It is important that investigations are focused to make best use of the resources available and that each case is thoroughly investigated.

7.46 London Borough of Harrow was not at Standard in this element because it did not:

- have a code of conduct for investigators
- commence activity within 5 working days of a referral being sifted
- keep adequate records in line with legislation.

In addition Investigations Officers did not:

- keep official notebooks
- gather sufficient evidence to support their conclusions and which was admissible to criminal standard
- interview under caution when there was suspicion of an offence.

7.47 To help us analyse London Borough of Harrow's quality of investigations we sampled 31 closed and 9 open fraud files. From these we established that there had been considerable delays between the referral being made and the first action on the case. The average time taken was 49 days. The average time between first action and closure on the 31 closed cases was 93 days. Staff told us that the volume of referrals, staff resources and time available impacted on their ability to conduct investigations in a timely manner.

7.48 We looked in more detail at the time taken to act on referrals. From the sample of 40 cases we established that only 27% had action taken within 5 days of receiving the referral, and that nearly 47% had the first action taken on them after 60 days had elapsed. This is shown in more detail in Figure 7.3.

Fig. 7.3: Time between referral and first action

Source: BFI analysis

7.49 We looked at the quality of the investigations in our sample of 40 cases and found:

- 3 cases which were unsuitable for investigation
- 9 cases where all avenues had not been explored and where authorised individual powers would have been appropriate
- 2 cases where an interview under caution would have been appropriate but was not carried out
- 2 cases where the case had not been decided within 14 days of the authority receiving a response to a request for further information following suspension of benefit as required by the regulations.

7.50 In addition to the above we noted that some interviews under caution had been conducted incorrectly because:

- the caution was inadequately explained
- the allegation had not been put to the customer
- an admission of guilt was not obtained from the customer before a formal caution was offered.

7.51 The fraud files we looked at were difficult to follow as many did not have fully completed logs or summary sheets, and the papers were not in date order. To establish the facts of many of the cases we had to seek answers from the Assistant Benefits Manager (Investigations). A case where we believe an interview under caution should have been carried out is shown in the case study in Figure 7.4.

Fig. 7.4: Case study 1

Case Study

A Benefit Assessor made a referral to the Investigations team in November 2002 following a telephone call by the customer's daughter seeking information about the claim. The caller said that her husband, the customer's son-in-law, was the landlord. The claim had been in continuous

7.54 We asked London Borough of Harrow to comment on our findings. We were told that the decision to carry out a formal caution was based on the summary transcripts and conversations with Investigations Officers. The Assistant Benefits Manager (Investigations) had not listened to the tape of the interview under caution and there had been no management check. In all of these cases the Housing Benefits Manager, who delivered the caution, and who signed off the sanction recommendation sheet with the Head of Financial and Exchequer services, had not undertaken any management check. London Borough of Harrow told us that Investigations Officers were too overloaded with work to deal with the cases properly and that file checking and quality control was limited due to pressure of work.

7.55 Our concerns over the quality of investigations directed us to look at those cases that had led to a claim for Weekly Incorrect Benefit, a subsidy paid by the Department to authorities that identify fraud and error and for which an overpayment has been raised.

7.56 In 5 cases an incorrect overpayment had been calculated. These cases were part of an expired claim exercise that London Borough of Harrow had started following a recommendation made in our first report. London Borough of Harrow had visited customers whose claims had expired because they had not renewed them. When the customer did not respond, London Borough of Harrow assumed that an unnotified change of circumstances had occurred and cancelled the claim back to the beginning of the previous benefit period. This created a large overpayment, and the authority claimed a Weekly Incorrect Benefit. In its letters to the customers to justify this London Borough of Harrow quoted either:

- regulation 14 section (1) (a) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals Regulation) 2001. Which states:

A person in respect of whom payment or a reduction has been suspended under regulation 11, and who subsequently fails to comply with an information requirement, shall cease to be entitled to the benefit from the date on which the payments or reduction were so suspended, or such earlier date on which entitlement to benefit ceases.

or:

- regulation 67 (1) (c) of the Housing Benefit (General) Regulations 1987 which states:

...determine that a change of circumstance has occurred which should result in the benefit period ending with an earlier week when the benefit period will end.

7.57 Neither of these regulations gives an authority the power to act in this fashion. In the first case a claim cannot be suspended if the benefit period has already ended, and in the second an authority must decide what change of circumstances has occurred before it can make a decision. London Borough of Harrow had not decided what change of circumstances had occurred in any of these cases and was therefore acting unlawfully. The authority stopped this practice immediately we brought it to their attention.

7.58 We illustrate a case where London Borough of Harrow had wrongly applied these regulations in Figure 7.5.

Fig. 7.5: Case study 2

Case Study

A customer was visited unsuccessfully in November 2002 after he failed to renew his claim for benefit and it expired. The Investigations team wrote to him and after 4 weeks when no reply had been received his previous claim was cancelled back to the start of the benefit period, creating an overpayment of over £10,000. The council had not established non-residency at the property

His landlord, who was a housing association, had since started eviction proceedings because rent had not been paid.

BFI Comment

We examined the claim form and found that a community psychiatric nurse had signed it, as the customer was mentally ill. London Borough of Harrow had made no attempt to contact the nurse or to see if the customer was known to social services

A letter from the National Association for Mental Health, who were acting on behalf of the customer, pointed out that the customer was in no condition to deal with his post and could not come to the door. The notes on the file stated that there had been no contact since 30 September 2001 when in fact there had been contact on 2 occasions when the customer had supplied medical certificates to the council. A telephone call received from the National Association for Mental Health had not been recorded on the document image processing system.

The authority had unlawfully created a £10,000 overpayment without any serious investigation activity for a customer who was mentally ill.

Source: BFI analysis

7.59 We recommended in our first report that investigators should use official notebooks to record and summarise their interviews and to serve as an aide memoir when in court. These are particularly useful when on visits and when talking to witnesses such as employers as the courts usually only allow investigators to refer to notes made at the time or soon after a meeting with the witness. London Borough of Harrow had not acted on this recommendation.

7.60 To achieve Standard in this element London Borough of Harrow should:

- introduce a code of conduct for investigations staff
- commence activity on referrals within 5 working days of the case being sifted
- keep adequate records and file construction on investigations
- improve the quality and quantity of evidence obtained to support logical conclusions
- interview under caution when suspicion of an offence arises
- XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX
- in cases where the legislation has not been correctly applied, adjust the overpayments that have been incorrectly calculated and notified
- use official notebooks.

Recommendations

We recommend that London Borough of Harrow:

- **introduces a code of conduct for investigators**
- **commences activity on referrals within 5 working days of the case being sifted**

<ul style="list-style-type: none"> · keeps adequate record keeping and file construction on investigations
<ul style="list-style-type: none"> · improves the quality and quantity of evidence obtained to support logical conclusions
<ul style="list-style-type: none"> · interviews under caution when suspicion of an offence arises
<ul style="list-style-type: none"> · XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXX XXXX XXXX
<ul style="list-style-type: none"> · adjusts the overpayments and notifies the customers in those cases where legislation has been incorrectly applied
<ul style="list-style-type: none"> · uses an official notebook such as a QB50.

Management of investigations

7.61 Proper management of investigations:

- focuses resources on the reduction of fraud
- identifies and rectifies administrative and investigative weaknesses.

7.62 London Borough of Harrow was not at Standard in this element because it did not have a programme of management checks in place for fraud investigations and access to fraud files was not properly restricted. However, we found the following good practices:

- Investigations Officers were encouraged to seek legal advice
- the outcome of investigations was measured against the service plan
- Investigations Officers had received appropriate training
- a computerised fraud case management system was in use
- referrals were allocated to individual investigators as required by Standards.

7.63 In our first report we recommended that London Borough of Harrow introduced a management and quality checking regime for fraud investigations. In its report, published in December 2002, Internal Audit also commented on the lack of thorough checking and monitoring regimes to improve the quality of fraud work. We were concerned that the council accepted our recommendation but had not taken any action to implement it. The Assistant Benefits Manager (Investigations) told us that time and resources had prevented this from occurring. The absence of a management and quality checking regime meant that:

- investigations were not checked for compliance with legislation
- investigators' caseloads were not monitored
- there were no key review stages where decisions were made on whether to continue with or close an investigation
- systematic guidance on the conduct of investigations was not given to individual investigators.

7.64 The results of our sampling illustrates that the absence of management checking had resulted in:

- investigations of poor quality
- high caseloads for each investigator

officers told us that the Department had insufficient places on the first course and had failed to carry the places over to the second year. However, the Department told us that they had no record of receiving any nominations for places from London Borough of Harrow for 2001/02 and 2002/03.

7.71 Investigations Officers and the Assistant Benefits Manager (Investigations) were not issued with specific measurable and achievable targets. London Borough of Harrow told us that these objectives were included in the job descriptions for each post but we could not find anything in these beyond the general duties that would be expected of such posts.

7.72 London Borough of Harrow would achieve Standard in this element if it ensured that:

- investigations staff are given specific, measurable and achievable targets.

Recommendations

We recommend that London Borough of Harrow:

- **introduces specific, measurable and achievable targets for Investigations team members.**

Liaison with the Counter-Fraud Investigation Service and Counter-Fraud Investigation Division Operations

7.73 A local authority's ability to administer HB and CTB claims securely, effectively and efficiently depends on good working relationships with Jobcentre Plus, including the Counter-Fraud Investigation Service. Counter-Fraud Investigation Service is often involved with investigating persons in receipt of benefits administered by both local authorities and the Department.

7.74 London Borough of Harrow was not at Standard in this element. Although the authority had signed the Fraud Partnership Agreement with Harrow Counter-Fraud Investigation Service it did not:

- monitor performance against the Fraud Partnership Agreement
- take action as defined in the Fraud Partnership Agreement if standards were not being met
- take part in any form of joint working with Counter-Fraud Investigation Service.

7.75 In our first report we recommended that London Borough of Harrow and Counter-Fraud Investigation Service developed a programme of closer working. London Borough of Harrow had not undertaken joint investigations, interviews under caution or prosecutions with the Counter-Fraud Investigation Service. Staff told us that lack of resources prevented the authority from taking part in these.

7.76 The Assistant Benefits Manager (Investigations) told us that the authority did not receive regular responses to referrals that they had passed to the Counter-Fraud Investigation Service. We were shown a list of 25 cases dating from April 2002 to January 2003 where London Borough of Harrow had received no response to their referral. Counter-Fraud Investigation Service responded to these requests for information in February 2003. This revealed that 11 cases were under investigation, one was currently with Operational Intelligence Unit for scoring, 2 had been overloaded, one had gone to prosecution. Counter-Fraud Investigation Service said that 10 referrals had not been received.

7.77 We examined the minutes of liaison meetings and found no evidence that these problems had been discussed. We also noted that London Borough of Harrow had signed-off the certificate of performance for 2001/02 without any comments about failures in performance. The council could not explain why these problems were not raised in the meetings or at the time the certificate of performance was signed.

7.78 There was no evidence of any liaison between Counter-Fraud Investigation Service and London Borough of Harrow in our sample of cases investigated by London Borough of Harrow. These included a number of cases where either JSA(IB) or IS was in payment as well as HB and CTB. In one case where it was found that a customer had two addresses, London Borough of Harrow stopped payment of the claim but did not inform Counter-Fraud Investigation Service. We asked why and were told:

as we were in a position to end our claim we were not interested in whether they resolved their benefit.

7.79 The 2002/03 service plan for Finance and Exchequer services said that the Investigations team would take part in 2 joint exercises with the Counter-Fraud Investigation Service. At the time we were on-site in February and March 2003, no joint exercises had been taken forward. Counter-Fraud Investigation Service told us that it had 2 joint exercises planned but could not say when they would be undertaken.

7.80 The Department has established structures to improve closer working between the local authorities and the Department. Joint Regional Boards were established to set the strategic direction of fraud work in their region and to approve funding for such work. Senior officers of both the Department and local authorities attend. Joint Operational Boards are attended by fraud managers from both local authorities and the Department within operational areas, their purpose is to co-ordinate joint working and bid for funding to carry out such work. The Government has made considerable funds available for such work. London Borough of Harrow told us that it did not attend either body, and was therefore missing out on potential funding, the opportunity to work more closely with the Counter-Fraud Investigation Service and other local authorities.

7.81 London Borough of Harrow would achieve Standard in this element if it:

- monitored the Fraud Partnership Agreement with the Counter-Fraud Investigation Service
- identified opportunities for joint working
- attended the meetings of Joint Regional and Operational Boards.

Recommendations
We recommend that London Borough of Harrow:
· closely monitors the Fraud Partnership Agreement and identifies where there is a need for improvement, taking appropriate action to bring about improvement
· identifies opportunities for joint working with Counter-Fraud Investigation Service
· attends Joint Regional and Operational Boards.

Formal cautions

7.82 In England and Wales a local authority may offer a formal caution as an alternative to prosecution as long as certain criteria are met and the case is one the local authority would wish to see in court if the caution was refused.

7.83 To be able to offer a caution the authority must have the same standard of criminal evidence required for a prosecution. A caution should only be offered if the local authority can then go on to prosecute, should the caution be refused.

7.84 London Borough of Harrow was not at Standard in this element. The council did not achieve Standard because there was no defined policy or financial criteria for when a caution

would be offered. It had not met its own target in the 2002/03 service plan for the number of cautions it intended to administer.

7.85 However, it checked the Department's database for a record of previous cautions issued and ensured that accepted cautions were registered on the Department's database.

7.86 At the time of our on-site inspection London Borough of Harrow had carried out 10 cautions in the year to date. As reported in *Quality of investigations*, 5 of these formal cautions should not have been offered, as there had been either no admission of guilt or the case was unlikely to be successful in a court of law.

7.87 London Borough of Harrow would achieve Standard in this element if it:

- set criteria for offering official cautions
- set realistic targets for the number of official cautions it expected to offer in a year.

Recommendations

We recommend that London Borough of Harrow:

- sets criteria for when an official caution should be offered
- sets and achieves realistic targets for the number of official cautions it intends to offer in the year.

Administrative penalties

7.88 Section 115A of the Social Security Administration Act 1992 provides local authorities with an opportunity to offer a customer an administrative penalty as an alternative to a prosecution. The penalty is 30% of the value of the overpayment.

7.89 London Borough of Harrow was not at Standard in this element because it had not set a target for the number of administrative penalties it intended to achieve, and it had no set criteria for when one should be offered as an alternative to another type of sanction. Since London Borough of Harrow had only offered one administrative penalty there was insufficient evidence to come to a conclusion concerning recovery of penalties and associated overpayments.

7.90 The one administrative penalty that the authority had issued just prior to the on-site phase of our inspection had been issued against the wrong amount. The authority had calculated the 30% penalty on an overpayment that included a non-recoverable official error and it had failed to consider underlying entitlement to benefit to reduce the overpayment.

7.91 To achieve Standard in this element, London Borough of Harrow should:

- set criteria for when it will offer an administrative penalty
- set a target for the number of administrative penalties it expects to offer in a year
- ensure that the administrative penalties that it offers have been calculated correctly.

Recommendations

We recommend that London Borough of Harrow:

- sets criteria for when an administrative penalty should be offered
- sets a target for the number of administrative penalties it

intends to offer during a year

· ensures that administrative penalties are issued against the correct amount of overpayment.

Prosecutions

7.92 London Borough of Harrow was not at Standard in this element as it had not:

- set criteria for when it would consider a prosecution
- set realistic targets for the number of prosecutions it expected to achieve.

7.93 London Borough of Harrow had passed one case to the police for prosecution in 2002/03. This resulted in a conviction. Between April 1999 and August 2002 the authority had achieved 5 successful prosecutions, all of which had been carried out by the police. We asked London Borough of Harrow why prosecutions were not carried out internally. Staff told us that there was insufficient resource in the legal section. However, the recent employment of a new solicitor may allow London Borough of Harrow to carry out its own prosecutions in the future.

7.94 Prosecutions can also be carried out by the Solicitor's Branch of the Department on behalf of local authorities. London Borough of Harrow had not made use of this facility.

7.95 London Borough of Harrow would achieve Standard in this element if it:

- set criteria for when it would consider a prosecution
- set realistic targets for the number of prosecutions it intended to carry out in a year
- used a variety of sources of legal support for taking prosecutions forward.

Recommendations

We recommend that London Borough of Harrow:

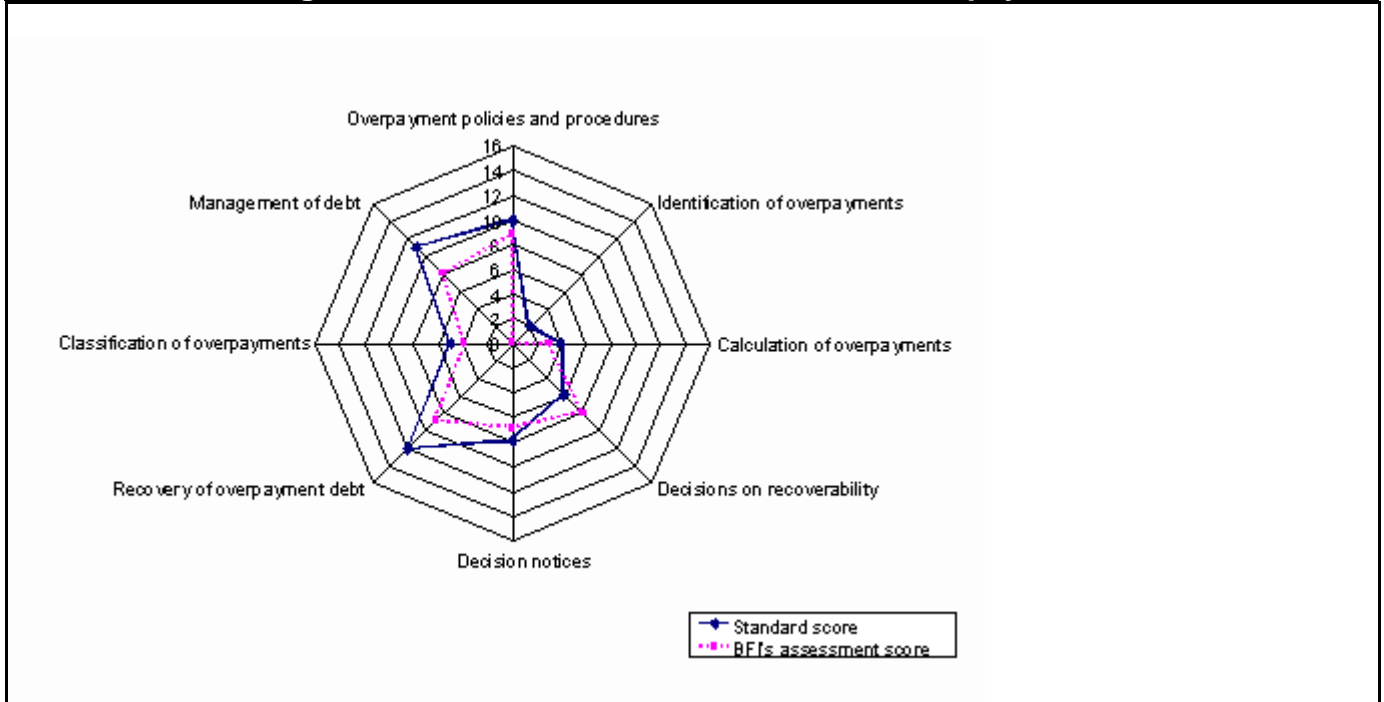
· sets criteria for when a prosecution should be considered

· sets realistic targets for the number of prosecutions to be carried out in a year

· uses in-house facilities and the Department's Solicitor's Branch to carry out prosecutions.

Overpayments

Fig. 8.1: Results of BFI's assessment for Overpayments



Source: BFI inspection assessment

For an explanation about how to read this radar chart see Strategic Management.

8.1 This section covers London Borough of Harrow's efforts to reduce the loss to public funds from fraud and error in the benefits system.

8.2 When we first inspected London Borough of Harrow we were concerned at the inadequate resources for overpayment recovery. The council responded to a recommendation in our first report by setting up an overpayment team of 6 officers. We have reported on this in more detail in Strategic Management.

Overpayment policies and procedures

8.3 Local authorities should link their overpayment policies to the strategic vision for housing benefits administration, and underpin this by performance targets that give:

- a clear view of the desired outcome
- accountability for providing effective and efficient debt recovery.

8.4 London Borough of Harrow was not at Standard in this element as it did not:

- identify fraudulent overpayments as a priority for recovery
- include the use of blameless tenant legislation in its overpayments policy and strategy.

8.5 The authority had a comprehensive overpayments policy and strategy that:

- had been endorsed by Members
- summarised the legislation
- reflected the Department's guidance on overpayments
- set out the service standards the authority expected in the administration of overpayments
- emphasised the need to maximise recovery while seeking to minimise hardship and respecting customers' rights.

8.6 The overpayments policy and strategy was complemented by a set of procedures that explained how staff should identify, classify, notify and recover overpayments. Each member of staff had their own copy of these and staff involved in identifying and recovering overpayments had received effective training in all aspects of the overpayments process. Customer Advisors had also received comprehensive training on how to make arrangements for overpayment recovery and give advice on overpayment issues. However, the policy did not emphasise the need to prioritise the recovery of fraudulent overpayments.

8.7 In our first report we recommended that the council prioritises all fraud overpayments and seeks maximum recovery of fraud overpayments as quickly as possible. We were therefore disappointed that London Borough of Harrow did not prioritise the recovery of fraud overpayments as this can act as a deterrent against fraud.

8.8 The policy did not set out the use of blameless tenant legislation under the Social Security Administration Act 1992. This enables authorities to recover overpaid Rent Allowance from a landlord by making a deduction from HB paid to them in respect of another tenant. London Borough of Harrow told us that it had not used this method of recovery because its own research suggested that it was unworkable. Although we asked the council to provide us with evidence of its research, none was provided.

8.9 London Borough of Harrow would achieve Standard in this element if it:

- prioritised the recovery of fraudulent overpayments
- included the blameless tenant provisions in the overpayments policy and strategy and implemented its use.

Recommendations
We recommend that London Borough of Harrow:
· prioritises the recovery of fraudulent overpayments
· includes the use of blameless tenant legislation in its overpayment policy and strategy and ensures staff implement its use.

Identification of overpayments

8.10 The accurate and timely identification of overpayments is important as it:

- ensures the incorrect payment of benefit does not continue
- enhances the prospect of a successful recovery of the overpayment
- reduces the number of complaints and appeals.

8.11 London Borough of Harrow told us that it was not at Standard in this element because it did not process changes of circumstances and stop overpayments continuing, on average within 7 calendar days of receiving sufficient information to act on the error or changes of circumstances.

8.12 To achieve Standard, London Borough of Harrow must identify changes of circumstances quickly and stop any resulting overpayment. It must also identify any changes of circumstances that have been received and are still outstanding after 7 calendar days so that these can be dealt with. This is also covered earlier in the report under Processing of Claims.

8.13 From our sample of 10 claims that involved a change of circumstances we found that 43% took longer than 7 days to process.

8.14 If London Borough of Harrow regularly analysed all those cases that failed the target, it would be able to identify where there were delays in its processes, or where procedures were not being followed.

8.15 To achieve Standard in this element, London Borough of Harrow should:

- take action to stop overpayments continuing, on average, within 7 calendar days of it receiving sufficient information to act on changes of circumstances
- analyse changes of circumstances that take longer than 7 calendar days to process.

Recommendations

We recommend that London Borough of Harrow:

- stops overpayments continuing, on average, within 7 calendar days of it receiving sufficient information to act on a change of circumstances
- undertakes an analysis of changes of circumstances that take longer than 7 days to process to establish reasons for the delays and take action accordingly.

Calculation of overpayments

8.16 The accurate and timely calculation of overpayments is important to:

- provide a quality service to customers and landlords
- meet regulatory requirements
- give accurate management information on the value of the overpayment debt
- ensure that only the correct overpaid amount is recovered from the debtor
- enable the correct calculation of subsidy claims and avoid subsidy loss.

8.17 London Borough of Harrow was not at Standard in this element as it did not process the calculation of an overpayment, on average, within 14 calendar days of receipt of written notification of a change of circumstances. But there was evidence of good performance:

- Benefit Assessors used the correct effective date of change in every case in our sample when calculating the overpayment
- customers were always invited to supply evidence to establish if there was underlying entitlement to benefit
- uncashed cheques were always taken into account in all appropriate cases in our sample when calculating the overpayment.

8.18 Before an overpayment of benefit is calculated the authority must have first established if there was any underlying entitlement to benefit during the period of the overpayment. If there is any underlying entitlement, it will affect the final amount of the overpayment.

8.19 All benefit staff had been made aware of the requirement to assess underlying entitlement when calculating an overpayment of benefit. London Borough of Harrow invited customers to provide information about their circumstances during the overpayment period. We saw several letters to customers asking them to supply evidence in support of a further claim for benefit.

8.20 An overpayment must be reduced by the value of any uncashed cheques. London Borough of Harrow had procedures in place for identifying uncashed cheques and reduced overpayments by the value of these. It also had procedures for referring cases to the Investigations team where cheques were not being cashed regularly. This is good practice. An uncashed cheque suggests that the customer may no longer be living at the address or may have undeclared income or capital. Both conditions should trigger a referral to the Investigations team.

8.21 To achieve Standard, London Borough of Harrow should process the calculation of an overpayment, on average, within 14 calendar days of receipt of written notification of a change

of circumstances. From our sample of 30 cases we established that the average time taken to process the calculation of an overpayment was 78 days.

Recommendations

We recommend that London Borough of Harrow:

- Processes the calculation of an overpayment, on average, within 14 calendar days of receipt of written notification of the change.

Decisions on recoverability

8.22 Regulations 98 and 99 of the Housing Benefit (General) Regulations 1987 and regulations 83 and 84 of the Council Tax Benefit (General) Regulations 1992, are crucial because they:

- govern the classification and recovery of overpayments
- affect customers and the finances of the authority
- affect subsidy claims under the Security Against Fraud and Error scheme.

8.23 London Borough of Harrow was above Standard in this element. The authority always considered whether an overpayment was caused or contributed to by an official error and assessed the recoverability of official error overpayments in accordance with the Regulations. Our sampling found that decisions on the recoverability of the overpayment and whether the overpayment should be recovered were recorded on file.

8.24 When a Benefit Assessor decided that an overpayment was non-recoverable it was submitted for write-off. Performance Standards requires local authorities to refer to the Department's guidance when making decisions on recoverability and from whom it should seek recovery. Staff told us that they did this by using internal documents and procedures. The Benefit Assessors recorded their considerations and decisions within the notes section of the benefits IT system and when the overpayment decision letters were generated they were passed to the Overpayments team who checked the following:

- compliance with Schedule 6 of the Housing Benefit (General) Regulations 1987 and Council Tax Benefit (General) Regulations 1992
- factual correctness of the assessment
- that the debt was recoverable
- that no appeal was outstanding
- the mental or physical health of the customer to ensure that the customer would be able to understand and deal with the overpayment letter
- the customer's financial circumstances
- that it was going to be cost-effective to pursue recovery of the overpayment
- if the customer had died, that the customer's estate had sufficient funds available to repay the overpayment.

8.25 If the Overpayments Team Leader decided that the decision to recover the overpayment required further reconsideration, the overpayment was referred back to the Assessment team through one of the Assistant Benefit Managers (Assessment).

8.26 Any overpayment that the authority decided not to recover or considered non-recoverable was submitted for write-off.

8.27 London Borough of Harrow had a procedure to reopen debts that had previously been written off. An example of this is where an overpayment had been classified as local authority error and written off as unrecoverable. If subsequently the overpayment were found to be the

result of fraud, the authority would reopen the debt and record it on the sundry debtors system to pursue recovery.

Decision notices

8.28 Regulation 77(1) of the Housing Benefit (General) Regulations 1987 prescribes that local authorities shall notify in writing any person affected by a decision made by it under these Regulations. Decision notices must contain a statement of the matters as set out in regulation 77(1) and Schedule 6 to the Housing Benefit (General) Regulations 1987. Regulation 67 and Schedule 6 to the Council Tax Benefit (General) Regulations 1992 has like provisions in respect of CTB decision notices.

8.29 London Borough of Harrow was not at Standard in this element, because it did not always issue overpayment decision notices to persons affected by its decision.

8.30 The overpayment decision letters generated by the benefits IT system did not always record the reason for the overpayment correctly. To rectify this, overpayment decision letters were suspended and recreated on the document image processing system so that they included the correct reason for the overpayment. In 5 of the 30 cases we sampled no overpayment decision letter was sent to either the customer or the landlord. The letter from the benefits IT system had been suspended but the replacement letter had not been issued.>

8.31 London Borough of Harrow would achieve Standard in this element if it ensured that overpayment decision letters were sent to persons affected by the decision.

Recommendations

We recommend that London Borough of Harrow:

- ensures that decision letters are issued to persons affected by the decision.

Recovery of overpayment debt

8.32 The efficient and effective recovery of overpayments is important as it:

- deters fraud and error
- reduces losses to public funds
- is a visible demonstration of the local authority's commitment to accuracy and propriety
- is a source of revenue for the local authority.

8.33 London Borough of Harrow was not at Standard in this element because it did not:

- set a budget to achieve upper quartile performance against other English authorities
- use all available recovery methods
- actively pursue recovery of debts.

8.34 Staff told us that the Overpayments team always negotiated recovery rates based on the individual circumstances of the customer and took account of potential hardship.

8.35 Rent Rebate overpayments were only transferred to the rent account if there was a credit on the account.

8.36 The Department's guidance for calculating performance for the Best Value Performance Indicator 79b, is found in HB/CTB adjudication circular

A3/2002, the guidance says that:

This indicator measures the value of cash recovered during the period being reported on as a percentage of the value of recoverable overpayments identified by the local authority on or after 1st April 2000.

8.37 In 2000/01 London Borough of Harrow did not report on performance for Best Value Performance Indicator 79b because it believed that the information its benefit IT system produced was unreliable. For 2001/02 the authority agreed with its external auditor that it could

calculate performance against this indicator in a different way to that specified in the Department's guidance. For 2001/02 London Borough of Harrow recorded that it had recovered 29% of the overpayments that had been created since April 2000.

8.38 We were provided with a copy of the December 2002 monthly service plan monitoring report. This report stated that 52% of overpayments had been recovered since April 2000 and that 62% of overpayments created since April 2002 had been recovered.

8.39 While we were on-site we asked London Borough of Harrow to supply us with the information it used to calculate the percentage of recoverable overpayments recovered. The authority told us that it had recently acquired another report for extracting overpayment information from its benefits IT system. Figure 8.2 provides details of the new information.

Fig. 8.2: Calculation of Best Value Performance Indicator 79b			
Category	2000/01 £	2001/02 £	2002 – 16 February 2003 £
Overpayments identified in the year	1,362,226	982,864	1,238,296
Overpayments not recovered in previous year	Not Applicable	760,364	1,037,153
Total	1,362,226	1,743,228	2,275,449
Recovered in current year	601,862	706,075	804,886
Recovery as a % of total	44.2	40.5	35.4

Source: London Borough of Harrow

8.40 Figure 8.2 shows that in 2001/02 the London Borough of Harrow recovered 40.5% of its recoverable overpayments that had been created since April 2000 against a previously reported figure of 29%.

8.41 The overpayments policy and strategy stated that all possible means of recovery should be used. In practice the only methods that were being used prior to our on-site inspection were:

- recovery from ongoing benefit
- recovery by sundry debtors invoice
- limited recovery from other social security benefits
- recovery from the rent account.

8.42 When we arrived on-site the authority showed us detailed procedures for referring a debt to the County Court. They also had 3 overpayments that had been prepared to refer to the court. These were subsequently referred and accepted by the court. London Borough of Harrow told us that this method of recovery would be introduced and form part of its recovery procedures.

8.43 Figure 8.3 shows the amount of HB overpayments recovered by each method available. Since the authority only began using legal proceedings under section 75 of the Social Security Act 1992 when we arrived on-site, no overpayments had been recovered using this method.

Fig. 8.3: Methods of overpayment recovery used

Recovery method	Used Yes/No	Total amount recovered (£)		
		2000/01	2001/02	2002/03 – 16 February 2003
From ongoing HB	Yes	372,986	428,512	378,513
Sundry debtor invoice	Yes	188,678	233,724	380,567
From ongoing social security benefit	Yes	2,706	3,427	5,036
From payments to landlords (section 75 of Social Security Act 1992)	No	Nil	Nil	Nil
Legal proceedings (section 75 of Social Security Act 1992)	Yes	Nil	Nil	Nil
Legal proceedings in full	No	Nil	Nil	Nil
Recovery by Housing Management after transfer to rent account	Yes	37,492	40,412	40,770
Debt collection agency	No	Nil	Nil	Nil
Total debt collected		601,862	706,075	804,886

Source: London Borough of Harrow

8.44 In our first report we recommended that London Borough of Harrow should pursue the recovery of overpaid HB after the customer had been issued with an invoice and final reminder. The authority implemented this recommendation while we were on-site.

8.45 Staff told us that recovery from payments to landlords, under section 75 of the Social Security Act 1992, would be investigated during 2003/04. While we saw this as a positive step we were disappointed that:

- recovery using debt collectors had not been considered
- no overpayments had been referred for legal action prior to County Court action
- only 25 overpayments were being recovered from other social security benefits.

8.46 All outstanding overpayments were recorded on the benefits IT system if the customer continued to receive benefit or the sundry debtors IT system if the customer no longer had a claim for benefit. Individual debt accounts were held on the sundry debtors IT system and were easily identifiable from other debts to the authority. There was a direct interface between the benefits IT and the sundry debtors IT systems with accounts updated overnight. There was a procedure for monitoring debtor accounts and this was documented.

8.47 When an overpayment of CTB was calculated by the benefits IT system it was transferred to the Council Tax system and automatically recovered through adjustments to the Council Tax account. An overpayment decision letter was generated from the benefits IT system the following day.

8.48 The recovery of all recoverable overpayments should be actively pursued, providing it is economical to do so. We identified some good working practices by the Overpayments team who monitored debts either on a weekly or monthly basis depending on the type of arrangement the debtor had made. There were good procedures and work routines to ensure that debtors were contacted within 3 days of a payment date if a payment was missed. Figure 8.4 provides details of the authority's outstanding HB debt.

Fig. 8.4: Level of outstanding HB debt

	2000/01 £	2001/02 £	2002/03 – 16 February 2003 £
Rent Allowance on benefits IT system	518,853	488,044	595,270
Rent Rebate on benefits IT system	204,491	268,908	299,940
HB on sundry debtors system	1,700,000	1,949,967	2,116,388
Total	2,423,344	2,706,919	3,011,598

Source: London Borough of Harrow

8.49 Overpayments staff told us that the higher rate of recovery was used to recover overpayments caused by fraud. Our sampling confirmed that recovery rates were applied in line with legislation and guidance.

8.50 To achieve Standard in this element, London Borough of Harrow should:

- set a budget to achieve upper quartile performance against other English authorities
- use all available recovery methods
- actively pursue recovery of debts.

Recommendations

We recommend that London Borough of Harrow:

- sets a budget to achieve upper quartile performance
- employs all possible methods of recovery including registering the debt at the County Court under section 75 of the Social Security Administration Act 1992
- prioritises and actively pursues all debt including old debt where it is economical to do so.

Classification of overpayments

8.51 The correct classification of overpayments is important as it:

- affects the level of subsidy attracted on HB and CTB payments
- can affect the level at which the recovery rate is set
- provides an indication of levels of fraud and error
- affects claims under the Security Against Fraud and Error scheme.

8.52 London Borough of Harrow was not at Standard in this element because it did not correctly classify overpayments. From our sample of overpayments, 35% had been incorrectly classified as claimant or other error, when they should have been classified as local authority error. As local authority error overpayments attract no subsidy and customer and other error overpayments attract subsidy of 40%, these errors meant that London Borough of Harrow had over claimed subsidy. While we were on-site we brought our findings to the attention of the authority who agreed with our findings and corrected the claims accordingly.

8.53 Figure 8.5 provides details of the classification of HB overpayments as provided by the London Borough of Harrow.

Fig. 8.5: Classification of HB overpayments in the last 3 financial years to 16 February 2003

Category	2000/01 £	2001/02 £	2002/03 – 16 February 2003 £
Claimant error/other	949,142	816,675	1,030,464
Departmental error	0	0	0
Local authority error	224,337	93,387	144,700
Fraud	331,696	99,429	74,349
Total	1,505,175	1,009,491	1,249,513

Source: London Borough of Harrow

8.54 London Borough of Harrow's delay in dealing with notified changes of circumstances contributed to a 35% increase in local authority error overpayments between 2001/02 and 2002/03. Our sampling identified that 35% of the overpayments that had been incorrectly classified as claimant error should have been classified as local authority error. This means that the increase in local authority error overpayments was higher than the 35% reported by the authority.

8.55 A high proportion of overpayments had been incorrectly classified. The level of incorrect classification of overpayments should have been identified and corrected by London Borough of Harrow. Its failure to identify these errors can be attributed to the insufficient level of management checks that the authority performed. We have already made recommendations relating to management checks in Strategic Management and Processing of Claims.

8.56 To achieve Standard in this element, London Borough of Harrow should ensure that all overpayments are classified correctly.

Recommendations
We recommend that London Borough of Harrow:
· ensures that all overpayments are classified correctly.

Management of debt

8.57 Local authorities should attempt to recover all recoverable overpayments as quickly as possible to manage debt effectively. Managers should:

- ensure that recovery action is taken wherever possible
- monitor the amount of outstanding debt

- seek to keep the amount of outstanding debt as low as possible
- review working practices for continued efficiency.

8.58 London Borough of Harrow was not at Standard in this element. It had procedures in place to collect overpayments but it had no strategy in place to reduce the level of outstanding debt or reduce the age of the debt and it did not regularly report its performance in recovering overpayments to Members. We have already made recommendations about reporting to Members in Strategic Management.

8.59 Figure 8.6 provides an analysis of the aged debt on the sundry debtors system IT system for London Borough of Harrow.

Fig. 8.6: Analysis of aged debt on sundry debtors IT system		
Year	Number of overpayments	Amount £
Pre-June 1998	383	236,799
June 1998 – March 1999	407	156,136
April 1999 – March 2000	412	226,416
April 2000 – March 2001	497	427,932
April 2001 – March 2002	463	344,896
April 2002 – 16 February 2003	794	724,209
Total	2,956	2,116,388

Source: London Borough of Harrow

8.60 Although London Borough of Harrow regularly produced this information it did not use it to manage or reduce its aged debt.

8.61 In our first report we recommended that resources be applied to the design and development of management information to show the level of overpayments created and the amount being recovered. While we were on-site we requested this information which was eventually provided after some considerable work by London Borough of Harrow staff. This type of information should be readily available so that management can make informed decisions to improve recovery.

8.62 London Borough of Harrow had a comprehensive write-off policy with appropriate delegations. The overpayment policy and strategy stated that the authority recognised that where a recoverable overpayment was deemed to be unrecoverable, the regular write-off of debts was good business practice.

8.63 London Borough of Harrow's overpayment policy and strategy stated that the authority would:

seek to minimise the cost of write-offs to local Council Taxpayers (sic) by taking all necessary actions to ensure that debts are proven and actively pursued.

8.64 London Borough of Harrow did not take all necessary action to recover overpayments of HB. However, all proven, recoverable debts, which were considered appropriate for write-off, were agreed and authorised in accordance with the council's corporate governance rules which were as follows:

- debts below £3,500 had to be supported for write-off by the Housing Benefits Manager and the Head of Financial and Exchequer services and then after consideration of an outline report on each debt, authorised by the Chief Financial Officer
- debts between £3,501 and £6,999 had to be supported for write-off by the Housing Benefits Manager and the Head of Financial and Exchequer services and then after consideration of a detailed report on each debt, authorised by the Chief Financial Officer
- debts of £7,000 and over had to be supported for write-off by the Housing Benefits Manager and the Head of Financial and Exchequer services followed by the Chief Financial Officer after consideration of a detailed report on each debt by the Chair of the council's Scrutiny Committee.

8.65 Senior officers told us that recoverable overpayments were only recommended for write-off in exceptional circumstances and often only after a period of 6 years had passed since the debt was raised.

8.66 London Borough of Harrow would achieve Standard in this element if it:

- developed a strategy and set targets to reduce the level and age of its debt.

Recommendations

We recommend that London Borough of Harrow:

- develops a strategy and sets a target to reduce both:
 - the level of debt
 - the age of debt.

Appendix A: Progress against recommendations 2000

We document in Figure A.1 a summary of the recommendations made in our first report together with London Borough of Harrow's response to the Secretary of State in October 2000. We then provide the outcomes of this inspection, identifying whether London Borough of Harrow had implemented the original recommendation.

Fig. A.1: Progress against previous recommendations

We recommended in our 2000 report that London Borough of Harrow	London Borough of Harrow's response to Secretary of State	Met by London Borough of Harrow? Y /N /Partial	BFI observation in 2003
Revised its claim forms to reflect our comments.	· Claim forms revised in August 2001.	Y	· Claim forms revised to include elements of BFI's model.
Nominated an officer with responsibility for managing the backlog.	· Housing Benefits Manager is the nominated officer with responsibility for managing the backlog.	Y	· Housing Benefits Manager was responsible for managing the backlog.
Drew up an action plan to clear the backlog, identifying key target dates.	· Action plan drawn up with target of clearing backlog by March 2001.	Partial	· A number of action plans to clear the backlog had existed until the summer of 2001. · Current plan to clear the backlog not documented and no key target dates set.
Ring-fenced the backlog.	· Backlog ring-fenced in	Y	· Backlog had been ring-fenced in June

	June 2000.		2000 and again in 2001. · Backlog not ring-fenced since summer 2001.
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We recommended in our 2000 report that London Borough of Harrow	London Borough of Harrow's response to Secretary of State	Met by London Borough of Harrow? Y /N /Partial	BFI observation in 2003
Formed a dedicated team to work on the backlog without interruptions.	· Backlog teams established in June 2000. Team members work without interruptions.	Y	· Dedicated team to work on backlog formed and ring-fenced work cleared. · No current dedicated team to deal with the backlog. · Assessment Team dealing with both new and old work.
Dealt with new incoming work on a daily basis to prevent future backlogs developing.	· New incoming work is dealt with by Assessment Team during normal working hours, in overtime and by temporary staff.	N	· Delays in dealing with new work and backlog of claims rising.
Produced regular management reports monitoring progress	· Regular reports produced	Partial	· Management reports produced

<p>against the plan.</p>	<p>and reviewed regularly by Housing Benefits Manager and Head of Financial and Exchequer services.</p>		<p>weekly but backlog of claims not managed proactively.</p> <ul style="list-style-type: none"> · Managers were not able to define the amount of work that had to be processed weekly to stop the backlog increasing.
<p>Reviewed, and where necessary, revised the staffing resources to reflect the needs of the Verification Framework and the use of document image processing.</p>	<ul style="list-style-type: none"> · Pre-report not a valid recommendation. 	<p>Y</p>	<ul style="list-style-type: none"> · Staffing structure had been reviewed and additional assessment staff employed. · 3 additional staff due to start work in April 2003.
<p>Ensured that all private tenant claims held in the backlog were considered for determination and, where necessary, payments on account were made.</p>	<ul style="list-style-type: none"> · Private tenants are being considered at all times for claims in the backlog. 	<p>N</p>	<ul style="list-style-type: none"> · Claims requiring a payment on account were not being identified. · Payments on account were not being made in all appropriate cases.
<p>Reminded all assessment staff of the criteria for making payments on account.</p>	<ul style="list-style-type: none"> · Assessment staff have understood the criteria for making payments on account for many 	<p>Y</p>	<ul style="list-style-type: none"> · Assessment staff were aware of criteria for making payments on account but they were not making them in all appropriate

	years.		cases.
Developed a range of security and management checks to ensure greater security of the gateway to benefits.	<ul style="list-style-type: none"> · Not a valid recommendation – done pre-inspection. 	Partial	<ul style="list-style-type: none"> · Limited management checks were being performed. · Management checks performed were after decision letter was issued. · Management checks did not include residency or the fit and proper person test.

We recommended in our 2000 report that London Borough of Harrow	London Borough of Harrow's response to Secretary of State	Met by London Borough of Harrow? Y /N /Partial	BFI observation in 2003
Developed a process for management checks on security and on quality issues.	<ul style="list-style-type: none"> · Not agreed, we already have in place a programme of management checks. 	Partial	<ul style="list-style-type: none"> · Management checks covered most areas of claims processing.
Used management checks to identify work trends and feed into training needs.	<ul style="list-style-type: none"> · These checks are used to identify work trends and feed into training plans. 	N	<ul style="list-style-type: none"> · The results of management checks were not used to identify work trends and they are not fed into training needs.
Worked with housing associations to agree and	<ul style="list-style-type: none"> · Not 	Y	<ul style="list-style-type: none"> · Working relationships

formalise working relationships.	agreed.		<p>had been formalised with a working practices protocol.</p> <ul style="list-style-type: none"> · Positive feedback from landlords about working relationship.
Agreed performance targets with Registered Social Landlords.	<ul style="list-style-type: none"> · Performance targets are set out clearly in the service plan and Best Value performance plan. 	Y	<ul style="list-style-type: none"> · Performance targets were communicated to Registered Social Landlords.
The agreement with housing associations included a mechanism for measuring performance against targets.	<ul style="list-style-type: none"> · Monthly monitoring reports are sent to all staff, the Head of Financial and Exchequer services and the Chief Executive. 	Y	<ul style="list-style-type: none"> · Performance against targets was discussed at regular meetings.
Agreed with the Rent Service a mechanism for measuring performance against the targets contained in the service level agreement.	<ul style="list-style-type: none"> · Agreed – in place January 2001. 	N	<ul style="list-style-type: none"> · No mechanism was in place for measuring performance targets. · Performance against the targets in the service level agreement were not measured.
Formalised arrangements to meet regularly with the Rent Service so that	<ul style="list-style-type: none"> · Agreed. Schedule 	Y	<ul style="list-style-type: none"> · Regular meetings with

effective communication takes place.	of meetings agreed in November 2000.		the Rent Service took place.
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We recommended in our 2000 report that London Borough of Harrow	London Borough of Harrow's response to Secretary of State	Met by London Borough of Harrow? Y /N /Partial	BFI observation in 2003
Agreed a mechanism for measuring performance against the targets contained in the service level agreement with Jobcentre Plus.	<ul style="list-style-type: none"> · We meet monthly, not quarterly as prescribed in the service level agreement , which we believe underlines our commitment to the working relationship we have with Jobcentre Plus · Performance against targets is measured as per the service level agreement mechanism. 	N	<ul style="list-style-type: none"> · Targets in the service level agreement were not monitored.
Established joint training sessions with Jobcentre Plus, for example on awareness of HB and CTB.	<ul style="list-style-type: none"> · Both we and the Jobcentre 	N	<ul style="list-style-type: none"> · There had been no joint training

	<p>Plus have backlogs of respective claims, consequently we have had neither the time nor staff to deliver awareness training for each other.</p>		<p>sessions with Jobcentre Plus and none were planned.</p>
<p>Reminded Jobcentre Plus staff of the importance of setting the HB and CTB indicators correctly.</p>	<p>. Jobcentre Plus staff reminded.</p>	<p>Partial</p>	<p>. A procedure existed but evidence of its use was limited.</p>
<p>Considered alternative arrangements for daily contact with Jobcentre Plus, such as faxed requests or a dedicated phone line.</p>	<p>. We each have a very long list of telephone numbers and names. We ring direct to the relevant section.</p>	<p>Y</p>	<p>. Contact was made via liaison officer. . Liaison officer visited the Benefits section each week to resolve individual claim queries.</p>
<p>Worked with its IT supplier to develop a solution so that the data received through Electronic Transfer of Data from Jobcentre Plus could be directed straight to the document image processing system.</p>	<p>. Functionality released to us in November 2000.</p>	<p>Y</p>	<p>. Electronic forms were fed into the document image processing system.</p>
<p>Reviewed its notices of determination against Schedule 6 and made the necessary amendments to ensure that all fully comply with the requirements.</p>	<p>. Action removed in January 2002 as outwith Harrow control. Waiting for benefits IT system</p>	<p>Y</p>	<p>. Decision notices complied with Schedule 6. . Overpayment decision letters were rewritten to comply with Schedule 6 but</p>

	provider to update software.		some letters were not issued.
We recommended in our 2000 report that London Borough of Harrow	London Borough of Harrow's response to Secretary of State	Met by London Borough of Harrow? Y /N /Partial	BFI observation in 2003
Applied benefit periods to HB and CTB claims which take account of Verification Framework risk groups and the individual circumstances of each claim.	<ul style="list-style-type: none"> · We have taken account of risk groups since we implemented Verification Framework · We have procedures to determine which circumstances are likely to affect the ultimate benefit period set for a claim. These are applied after the risk group determination has been made. 	Y	<ul style="list-style-type: none"> · Verification Framework risk groups were applied correctly. · Anticipated changes of circumstances were taken into account when benefit periods were set.
Brought verification standards up to those required by the Verification Framework.	<ul style="list-style-type: none"> · Technical training developed which focuses on evidence verification 	Y	<ul style="list-style-type: none"> · Verification Framework standards were applied to all claims after October 2002.

	, cross-checking the recording of decisions made. This was delivered in November 2000.		
Ensured that all appropriate cases were referred to the Rent Service.	<ul style="list-style-type: none"> - An instruction was issued within days of BFI's visit to instruct staff to refer all relevant referrals to the Rent Service. All cases not referred have been identified and are in the process of being referred. 	Partial	<ul style="list-style-type: none"> - Our sampling identified that not all housing association cases were considered for referral.
Included renewal claims in management quality checks.	<ul style="list-style-type: none"> - All management quality checks by staff on any aspect of benefits administration does not discriminate between types of claim. 	Y	<ul style="list-style-type: none"> - Management checks included renewal claims.
Identified and prioritised all requests for reconsideration and	<ul style="list-style-type: none"> - We have a document 	N	<ul style="list-style-type: none"> - Requests for reconsideration and appeals

<p>appeals on receipt to ensure customers were accorded proper service standards.</p>	<p>image processing system, which records all incoming work by process type. All requests for reconsiderations are identified as the 'Appeal' process type, and given a high priority workflow rating.</p>		<p>were identified but were not prioritised.</p> <ul style="list-style-type: none"> - A backlog of requests for reconsideration and appeals existed. - Notifications of changes of circumstances were not separately identified in requests for reconsideration and appeals.
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<p>We recommended in our 2000 report that London Borough of Harrow</p>	<p>London Borough of Harrow's response to Secretary of State</p>	<p>Met by London Borough of Harrow? Y /N /Partial</p>	<p>BFI observation in 2003</p>
<p>Established a management reporting system to ensure proper control and supervision of requests for reviews, including the time taken to arrange and conduct the hearing.</p>	<ul style="list-style-type: none"> - Requests for review board hearings are fast-tracked to benefits management staff and since August all reviews have been dealt with within our service standard. 	<p>N</p>	<ul style="list-style-type: none"> - No management reporting system was in place. - Backlog of requests for reconsideration of a decision dated back to November 2002 and appeals dated back to August 2001.
<p>Adjusted the cheque dispatch process to ensure</p>	<ul style="list-style-type: none"> - Procedure 	<p>Partial</p>	<ul style="list-style-type: none"> - Record of accompanying

<p>maximum security measures for benefit cheques. In particular a record of the accompanying officer must be maintained for audit trail purposes.</p>	<p>s were revised in August 2000.</p>		<p>officer was maintained.</p> <ul style="list-style-type: none"> · XXXX XXXX XXXX XXXX XX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXX XXXX XXXX XXXX X
<p>Transported the cheques that the payment dispatch officer has signed for in sealed boxes.</p>	<p>· Procedure s were revised in August 2000.</p>	<p>N</p>	<ul style="list-style-type: none"> · XXXX XXXX XXXX XXXX X XXXX XXXX XXXX XXXX XX XXXX XXXX XXXX XXXX XX XXXX XXXX XXXX
<p>Restricted access to the cheques held in Support services to the payment dispatch officer.</p>	<p>· Procedure s were revised in August 2000.</p>	<p>N</p>	<ul style="list-style-type: none"> · XXXX XXXX XXXX XXXX XX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX · XXXX XXXX XXXX X XXXX XXXX XXXX XXXX XXXX XX
<p>Identified and investigated un-presented cheques.</p>	<ul style="list-style-type: none"> · Software package used every day to identify presented and un-presented cheques. · Returned cheques are passed to the Fraud Section for investigation. In the meantime 	<p>Y</p>	<ul style="list-style-type: none"> · Un-presented cheques were monitored and investigated. · Un-presented cheques were cancelled 6 months after issue. · There were delays in commencing investigations on suspended claims.

	<p>the claims are suspended until the outcome of the investigation is known. This has happened since July 1999.</p> <p>.</p> <p>Procedures revised to action cheques unrepresented at the bank, which are more than 6 months old.</p>		
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<p>We recommended in our 2000 report that London Borough of Harrow</p>	<p>London Borough of Harrow's response to Secretary of State</p>	<p>Met by London Borough of Harrow?</p> <p>Y /N /Partial</p>	<p>BFI observation in 2003</p>
<p>Adopted the draft anti-fraud and corruption strategy immediately and a plan and timetable should be drawn up to implement the strategy.</p>	<ul style="list-style-type: none"> - Strategy approved by Cabinet in April 2000 and circulated to all staff. - A corporate anti-fraud and corruption group has been established to aid in the 	<p>Y</p>	<ul style="list-style-type: none"> - Anti-fraud and corruption policy adopted and published. - Staff were aware of the anti-fraud and corruption policy.

	promotion of an anti-fraud culture.		
Issued revised guidance on whistle blowing to all staff, to comply with the provisions of the Public Interest Disclosure Act.	<ul style="list-style-type: none"> - Policy agreed and revised guidance issued in March 2001. 	Y	<ul style="list-style-type: none"> - Revised guidance on whistleblowing had been issued to all staff.
Reconsidered internal audit activity in HB and CTB and established an appropriate minimum annual resource allocation.	<ul style="list-style-type: none"> - A minimum resource allocation already exists and is an integral part of the agreed internal audit and District Audit protocol on core financial systems. 	Partial	<ul style="list-style-type: none"> - Internal audit coverage of HB and CTB had increased since the last BFI inspection but it was still limited. - Increase in resource allocated to audit of HB and CTB recognised but in practice London Borough of Harrow had not been able to provide it.
Set up procedures to ensure that internal audit recommendations were properly considered and implemented and progress was reported to the Chief Executive and Members.	<ul style="list-style-type: none"> - Formal reporting arrangements are in place, and comprise 6-monthly reports to the Chief Executive's Board and the Scrutiny Committee. These reports show progress with 	Partial	<ul style="list-style-type: none"> - Procedures were in place for proper consideration of internal audit recommendations. - Lack of progress in implementing recommendations was reported to senior officers and Members. - Members did not receive

	<p>implementation and highlight outstanding recommendations in areas of high risk. They are compiled from detailed progress reports submitted by departmental managers.</p>		<p>copies of internal audit reports and did not monitor progress in implementing recommendations.</p>
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<p>We recommended in our 2000 report that London Borough of Harrow</p>	<p>London Borough of Harrow's response to Secretary of State</p>	<p>Met by London Borough of Harrow?</p> <p>Y /N /Partial</p>	<p>BFI observation in 2003</p>
<p>Internal audit, external audit and HB management considered the arrangements for implementation of audit recommendations. A formal process of agreement and implementation timescales should be agreed.</p>	<p>· Formal arrangements for agreeing recommendations and implementation timescales have been in place for several years and are an integral part of the audit process. Action plans are incorporated into final audit reports and</p>	<p>Y</p>	<p>· Formal process for agreeing and implementing recommendations made by internal audit in place.</p> <p>· Agreed action plans are monitored by senior officers and internal audit.</p>

	show the response from management, the officer responsible for taking action and the timescale for implementation.		
Reinstated a programme of management checks to cover accuracy, quality and security of HB and CTB determinations and payments.	<ul style="list-style-type: none"> Quality checking programme in place covering accuracy, quality and security. 	Y	<ul style="list-style-type: none"> A programme of management checks was in place. Management checking did not meet recommended minimum. Timing of management checks was post notification.
Prioritised all fraud overpayments.	<ul style="list-style-type: none"> No comment. 	N	<ul style="list-style-type: none"> Fraud overpayments were not prioritised for recovery.
Sought maximum recovery of fraud overpayments as quickly as possible.	<ul style="list-style-type: none"> No comment. 	Y	<ul style="list-style-type: none"> Maximum recovery rate for fraud overpayments was used.
Put in place management checks for overpayment cases to ensure overpayments were raised and classified properly.	<ul style="list-style-type: none"> Management checks in place. 	Partial	<ul style="list-style-type: none"> Management checks covered overpayments but coverage was limited.
Addressed the inadequate staffing allocation within the sundry debtors team.	<ul style="list-style-type: none"> Additional staff employed 	Y	<ul style="list-style-type: none"> Additional staff had been

	to deal with overpayments.		employed.
Introduced appropriate and effective sundry debtors recovery methods as soon as possible. Positive control of cases must be re-established and recovery by all possible means introduced.	<ul style="list-style-type: none"> Staff trained on sundry debtors system. Research of recovery methods not used undertaken. 	Partial	<ul style="list-style-type: none"> Overpayment cases were monitored. New methods of recovery introduced but further methods needed to be employed. There was limited use of recovery from social security benefits.

We recommended in our 2000 report that London Borough of Harrow	London Borough of Harrow's response to Secretary of State	Met by London Borough of Harrow? Y /N /Partial	BFI observation in 2003
Introduced referrals to the County Court.	<ul style="list-style-type: none"> No comment 	Y	<ul style="list-style-type: none"> Sample of overpayments had been referred to the County Court.
Applied resources to the design and production of management information for the use of sundry debtors staff and management. In particular information was required to progress recovery after the issue of final notice. Information on the amount of debt and recovered amounts was also necessary.	<ul style="list-style-type: none"> Management information developed and being used. 	Partial	<ul style="list-style-type: none"> New management information reports for staff and managers designed and produced but not for identifying cases requiring further action after the issue of a final

			<p>notice.</p> <ul style="list-style-type: none"> - Additional benefits IT system reports had been obtained from other London boroughs to complement existing reports. - Problems still existed in obtaining accurate management information from benefits IT system - No reports produced to progress recovery after the issue of a final notice.
<p>Considered the reasons for non-return of renewal claims and where appropriate referred for investigation.</p>	<ul style="list-style-type: none"> - Introduced a risk assessment procedure for all referrals, to enable prioritising of referrals based on a cost-benefit analysis of any investigation. 	<p>Partial</p>	<ul style="list-style-type: none"> - Report was produced to identify renewal claims that had not been renewed - Incorrect use of legislation on non-returned renewals used to calculate large overpayments of benefit.
<p>Urgently reviewed the staffing requirements of the fraud team and ensured that it had sufficient resources available to counter-fraud within the borough.</p>	<ul style="list-style-type: none"> - Staffing requirements reviewed. 	<p>Partial</p>	<ul style="list-style-type: none"> - one additional member of staff employed but not yet in post.

			<ul style="list-style-type: none"> Investigations team relied on temporary agency staff. Some Visiting Officers were temporary staff.
Immediately cleared the existing interview room of all clutter.	<ul style="list-style-type: none"> Interview room cleared of clutter. 	N	<ul style="list-style-type: none"> Interview room was cluttered and untidy.
Introduced a tailored fraud referral form that included prompts to capture all information necessary and relevant to an investigation.	<ul style="list-style-type: none"> Tailored referral form being developed. 	Partial	<ul style="list-style-type: none"> New referral form introduced but had not been made available to appropriate staff.
Introduced a thorough management checking and monitoring regime for fraud work.	<ul style="list-style-type: none"> Started designing procedure in March 2002. 	N	<ul style="list-style-type: none"> Systematic range of management checks was not in place.

We recommended in our 2000 report that London Borough of Harrow	London Borough of Harrow's response to Secretary of State	Met by London Borough of Harrow? Y /N /Partial	BFI observation in 2003
Introduced an annual fraud plan.	<ul style="list-style-type: none"> Annual fraud plan produced in March 2001 and March 2002. 	Partial	<ul style="list-style-type: none"> The fraud plan that existed was not comprehensive and did not include specific targets for the Investigations team.
Reviewed the training provision for Fraud Investigators by carrying	<ul style="list-style-type: none"> Skills audit 	Y	<ul style="list-style-type: none"> Skills audit undertaken

out a skills audit to identify training needs.	undertaken .		and appropriate training had been delivered or planned.
Developed a formal training plan and programme, which provided the appropriate level of training for both existing and new fraud staff.	. Training programme for fraud staff developed and delivered.	Y	. Training plan had been developed and published. . Individual training plans were in place.
Introduced monitoring of all performance targets in the Counter-Fraud Investigation Service service level agreement, with feedback provided at quarterly liaison meetings.	. Monitoring performed at quarterly liaison meetings.	N	. There was limited monitoring of service level agreement targets. . Feedback was not provided at quarterly liaison meetings.
Completed an annual certificate of performance of the Counter-Fraud Investigation Service service level agreement.	. Certificate of performance completed annually.	Partial	. Annual certificate of performance completed but this did not reflect concerns about delays in responding to referrals.
Developed a detailed annual action plan to support the service level agreement.	. Action plan monitored at quarterly liaison meeting.	N	. No action plan developed.
Adopted a co-ordinated programme of closer working with Counter-Fraud Investigation Service incorporating a commitment towards regular meetings to discuss and plan closer	. This is done quarterly via service level agreement monitoring.	N	. Regular meetings were taking place but there was an absence of any commitment to

working.			closer working. <ul style="list-style-type: none"> No programme of closer working in place.
Discussed and planned a joint fraud strategy with Counter-Fraud Investigation Service to include joint initiatives and pooling of resources.	<ul style="list-style-type: none"> This is done quarterly via service level agreement monitoring. 	N	<ul style="list-style-type: none"> There had been no joint initiatives and none were planned. Resources had not been pooled.
Discussed and planned joint prosecutions with Counter-Fraud Investigation Service.	<ul style="list-style-type: none"> This is done quarterly via service level agreement monitoring. 	N	<ul style="list-style-type: none"> There had been no joint investigations or prosecutions with Counter-Fraud Investigation Service.

We recommended in our 2000 report that London Borough of Harrow	London Borough of Harrow's response to Secretary of State	Met by London Borough of Harrow? Y /N /Partial	BFI observation in 2003
Used forms as detailed in the Counter-Fraud Investigation Service service level agreement.	<ul style="list-style-type: none"> Forms being used. 	Y	<ul style="list-style-type: none"> Standard forms were in use.
Periodically looked through the cases overloaded by Counter-Fraud Investigation Service, and investigated the more promising cases.	<ul style="list-style-type: none"> No comment 	Partial	<ul style="list-style-type: none"> Overloaded cases were not looked at. There had been no investigations of any overloaded cases.
Used the Counter-Fraud Investigation Service liaison meetings to ensure	<ul style="list-style-type: none"> Quarterly liaison meetings 	Partial	<ul style="list-style-type: none"> Evidence of closer working was limited.

<p>that information and good practice is shared.</p>	<p>used to share information and good practice</p>		<p>There had been no joint working initiatives and no joint prosecutions.</p>
<p>Conducted interviews under caution in all appropriate cases.</p>	<p>· Interviews under caution being conducted in appropriate cases.</p>	<p>N</p>	<p>· Interviews under caution had not been conducted in all appropriate cases.</p>
<p>Ensured that all fraud investigations met the standards of Criminal Procedures Investigation Act 1996 and related code of practice, to ensure sanctions and penalties could be applied in appropriate cases.</p>	<p>· No comment.</p>	<p>N</p>	<p>· Criminal Procedures Investigation Act 1996 not followed and sanctions applied incorrectly.</p>
<p>Considered creating a dedicated fraud interview room.</p>	<p>· We do not believe this to be the best use of finite resources.</p>	<p>Y</p>	<p>· An interview room was available to the Investigation team to conduct fraud interviews.</p>
<p>Ensured that interviewing facilities were always available.</p>	<p>· We have never cancelled an interview with a customer for lack of interviewing facilities.</p> <p>· In the event that all interview rooms are full we have a range of</p>	<p>Y</p>	<p>· There were no reports of difficulties obtaining interviewing facilities.</p>

	suitable meeting rooms and managers' offices which are used.		
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Source: London Borough of Harrow and BFI

Appendix B: Summary of recommendations

Strategic Management

Recommendations	
We recommend that London Borough of Harrow:	Paragraph
<ul style="list-style-type: none">· includes a commitment in the Benefits service policy and strategy to provide a service that minimises the barriers to work and identifies ways of promoting this aim.	2.9
<ul style="list-style-type: none">· sets interim targets for the following service delivery objectives:<ul style="list-style-type: none">- the average number of days taken to process a new claim for benefit- the percentage of renewal claims processed on time- the average number of days taken to process changes of circumstances.	2.15
<ul style="list-style-type: none">· develops a documented plan to clear the backlog of claims, with key milestone dates, and monitors the plan to ensure that the backlog is cleared within agreed timescales	>2.35
<ul style="list-style-type: none">· reviews the use of its resources to enable it to achieve a step change approach and clear the backlog of work	
<ul style="list-style-type: none">· communicates the contents of the service plan to all stakeholders	
<ul style="list-style-type: none">· develops a documented business continuity plan which:<ul style="list-style-type: none">- states how London Borough of Harrow will respond to disruptions that impact on normal HB and CTB delivery- is tested, at least, annually- staff know where to find, know who is responsible for which actions, and know what their role is within it.	
<ul style="list-style-type: none">· sets service delivery objectives that are achievable and realistic	2.44
<ul style="list-style-type: none">· includes in the service plan a service delivery objective of clearing the backlog of claims	
<ul style="list-style-type: none">· links its service delivery objectives to the corporate objective of <i>promoting social inclusion and seeking to</i>	

eradicate poverty.

We recommend that London Borough of Harrow:	Paragraph
· reviews its current method of calculating its performance in processing new and renewal claims and works with the provider of its benefits IT system to collect accurate data	<u>2.57</u>
· ensures that monthly reports of performance against service delivery objectives are made to Members and senior officers	
· reviews the information needs of Members and amends reports to include the following: <ul style="list-style-type: none">- the level of outstanding work- the outcome of management checks- the numbers of requests for reconsideration and appeals outstanding- the time taken to deal with requests for reconsideration and appeals- the level of overpayments created- the percentage of overpayments recovered.	
· reviews all job descriptions and removes the generic element so that job descriptions clearly define roles and responsibilities which accurately reflect the responsibilities of the post	<u>2.72</u>
· reviews the use of staffing resources on the Investigations team and re-evaluates the grading of the posts to assist with the recruitment and retention of experienced staff.	
· makes available to all benefit staff, a comprehensive procedural guide, which includes reference to regulations, circulars, office practice and local policies	<u>2.76</u>
· ensures that a formal change control process is in place for the implementation of changes to procedural guidance.	
· reports the findings from management checks of benefit assessments regularly to Members	<u>2.80</u>
· ensures that the results of management checks are fed into staff training and development plans.	

<ul style="list-style-type: none"> - develops and uses a range of management information to: <ul style="list-style-type: none"> - predict trends - identify risks - establish areas of procedural weakness - identify areas of low take-up 	<u>2.89</u>
<ul style="list-style-type: none"> - ensures that information about individual performance is fed back into training and development plans. 	
<ul style="list-style-type: none"> - provides a dedicated resource for training new and existing benefit staff. 	<u>2.103</u>

We recommend that London Borough of Harrow:	Paragraph
<ul style="list-style-type: none"> - develops and documents its IT recovery plans 	<u>2.116</u>
<ul style="list-style-type: none"> - develops an interface between the benefits IT system and the council's financial system. 	
<ul style="list-style-type: none"> - reviews and revises the number of audit days allocated to benefits administration so that it more accurately reflects: <ul style="list-style-type: none"> - the risks associated with HB and CTB - expenditure on other council services - the monetary value of HB and CTB payments 	<u>2.134</u>
<ul style="list-style-type: none"> - makes arrangements for summaries of all internal audit reports to be made available to Members 	
<ul style="list-style-type: none"> - enables Members to monitor action taken in response to internal audit recommendations. 	
<ul style="list-style-type: none"> - arranges for Members to be provided with copies of action plans arising from external audit reports and that Members are asked to endorse these plans 	<u>2.141</u>
<ul style="list-style-type: none"> - provides Members with reports to monitor progress against these action plans. 	
<ul style="list-style-type: none"> - documents the internal communication channels that are used between the Benefits section and internal stakeholders 	<u>2.153</u>
<ul style="list-style-type: none"> - regularly monitors and reviews the effectiveness of internal working arrangements 	

<ul style="list-style-type: none"> · publishes the results of the monitoring. 	
<ul style="list-style-type: none"> · produces quarterly monitoring reports for each service level agreement so that it can assess performance against the service level agreements and discuss these reports at regular liaison meetings. 	2.166

Customer Services

Recommendations	
We recommend that London Borough of Harrow:	Paragraph
<ul style="list-style-type: none"> · ceases to use separate renewal claim forms 	3.9
<ul style="list-style-type: none"> · ensures that claim forms are available in the Financial and Exchequer services reception area and all council enquiry points. 	
<ul style="list-style-type: none"> · reviews its telephone service to ensure that telephone lines are open to customers a minimum of 36 hours a week 	3.28
<ul style="list-style-type: none"> · introduces formal procedures, targets and monitoring for the handling of telephone calls 	
<ul style="list-style-type: none"> · ensures that 80% of all telephone calls to the Benefits section are answered within 10 rings. 	
<ul style="list-style-type: none"> · ensures that the Financial and Exchequer services reception is open and staffed a minimum of 36 hours each week 	3.49
<ul style="list-style-type: none"> · monitors its performance to ensure that it sees customers arriving at Financial and Exchequer services reception within 15 minutes of their arrival. 	
<ul style="list-style-type: none"> · reports the results of monitoring to senior officers and Members 	
<ul style="list-style-type: none"> · introduces procedures to ensure that customers are provided with confirmation at Financial and Exchequer services reception of what verification documentation they need to provide before their claim can be decided 	
<ul style="list-style-type: none"> · introduces procedures to ensure that appointments are allocated within 14 days of the request for an appointment being made 	
<ul style="list-style-type: none"> · introduces procedures to ensure that 80% of customers arriving for an appointment are seen within 15 minutes of their appointment time 	
<ul style="list-style-type: none"> · ensures that sufficient stocks of the leaflets specified in the Standard are made available in the Financial and Exchequer services reception area and that an annual 	

check on the availability of these leaflets is completed and recorded	
· analyses the data from customer surveys and identifies areas for improvement	
· publishes the results of customer surveys.	
· introduces a target for responding substantively to 80% of written correspondence within 14 calendar days	3.53
· reports performance against this target to senior officers.	

We recommend that London Borough of Harrow:	Paragraph
· makes representations to its software supplier to ensure that all decision letters produced by the benefits IT system comply with Schedule 6 of the HB (General) Regulations 1987 and the similar provisions in the CTB (General) Regulations 1992.	3.63
· analyses the communication needs of ethnic minority groups in the area	3.75
· establishes procedures to ensure that customers are made aware of information that is in a suitable format for their needs for example audio cassette, text phone facilities, large print or computer disk	
· carries out an annual review of the availability and usage of facilities for the disabled.	
· consults with all customer representative groups, to assess the effectiveness of the service provided	3.83
· analyses the results of the consultation and develops an action plan to improve service.	
· assesses the access needs of customers who work and develops an action plan to ensure any shortfalls are addressed.	3.89
· develops a strategy for benefits take-up that: <ul style="list-style-type: none"> - targets information at particular groups, for example under-claiming groups, groups with a high chance of a successful claim or people on low incomes - includes joint working initiatives with internal and external stakeholders - advertises the availability of HB and CTB to tenants on low incomes at all 	3.93

<p>council reception points and provides information leaflets about extended payments or fast tracking</p> <p>- routinely offers advice to customers who intend starting work.</p>	
<p>· formally documents the complaints procedure and makes the procedure available to all staff.</p>	3.102
<p>· produces and delivers a plan to clear the outstanding requests for reconsideration and appeals and ensures that it does not recur</p>	3.116
<p>· sets targets for dealing with requests for reconsideration and appeals</p>	
<p>· takes action to ensure that requests for reconsideration and appeals are identified and given a high priority</p>	

We recommend that London Borough of Harrow:	Paragraph
<p>· produces management information to monitor the progress of requests for reconsideration and appeals</p>	3.116
<p>· ensures that it has systems in place to comply with the regulatory components of the decision making and appeals guidance in the Department's <i>circulars A11/2001</i> and <i>A18/2001</i>.</p>	

Processing of Claims

Recommendations	
We recommend that London Borough of Harrow:	Paragraph
<p>· introduces and monitors procedures to ensure that it meets the 14-day and 36-day processing Standards</p>	4.22
<p>· develops an exception report that identifies claims not reaching the 36-day Standard and investigates the length and reason for the delay.</p>	
<p>· introduces procedures that ensure that appropriate payment on account cases are quickly identified and payments made, where appropriate.</p>	4.30
<p>· introduces procedures to identify and prioritise reported changes of circumstances and monitors action taken to ensure that it meets the 9-day changes of circumstances Standard.</p>	4.41
<p>· sends to direct payment landlords a copy of the</p>	4.61

invitation to renew the claim	
· ceases the practice of extending benefit periods beyond 60 weeks unless permitted by the regulations	
· introduces and monitors procedures to ensure that it meets renewal claims clearance time Standard	
· introduces an exception report for renewal claims that are not decided before the end of the current benefit period and investigates the length and reasons for the delay.	
· re-introduces the stamping and certification of photocopy documents to show that original documents have been seen	4.82
· XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX	
· revises and extends the scope of its management check of HB assessments to include residency.	4.99
· ensures that income and capital is verified to, at least, the standard required by the Verification Framework in all appropriate cases.	4.111
· increases the level of management checks of HB and CTB assessments to 10% to meet Standard	4.131
· introduces procedures to select and carry out management checks of HB and CTB assessments before decision letters are issued	
· reviews its quality checking procedures to ensure that the checks are made to confirm application of the fit and proper person test	

We recommend that London Borough of Harrow:	Paragraph
· uses the trends and patterns from the results of management checks to inform changes in working practices and corrective training for individuals and groups of assessment staff.	4.131
· ensures that it conducts checks on customers' circumstances in accordance with the requirements of the Verification Framework.	4.147
· reviews and implements changes, as necessary, to its monitoring arrangements to ensure that action on Rent Officer determinations is taken as soon as practicable after receipt	4.159
· ensures that referrals are made to the Rent Officer in	

all appropriate cases including housing association properties	
· ensures that the service level agreement with the Rent Service is monitored and incorporates the statutory requirements.	

Working with Landlords

Recommendations	
We recommend that London Borough of Harrow:	Paragraph
· writes to all landlords with customers in the area, at least once a year, providing them with up-to-date information about their responsibilities	5.11
· makes available help-sheets and information leaflets for landlords	
· sends to direct payment landlords, where consent has been agreed with the customer, a copy of all correspondence issued, to specifically include: <ul style="list-style-type: none"> - a copy of the invitation to renew a claim - a copy of subsequent reminder letters. 	
· has systems in place to ensure direct payments are made to landlords in accordance with regulations 93 and 94 of the Housing Benefit (General) Regulations 1987	5.18
· provides staff with a policy statement and written procedures so that staff can apply the fit and proper test to decide against or end direct payments to landlords	
· encourages all landlords to make direct contact before taking court action.	

Internal Security

Recommendations	
We recommend that London Borough of Harrow:	Paragraph
· ensures its post opening procedures align with Performance Standards and regular management checks are undertaken to confirm compliance	6.5
· XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXX XXXX XXXX XXXX XXXX XXXX	
· reviews and revises its recruitment and selection policy and that the revised policy is endorsed by Members	6.14

<ul style="list-style-type: none"> · requires all staff to complete a declaration of interest, including a nil return, and reviews these annually 	
<ul style="list-style-type: none"> · ensures that contractors are subjected to recruitment checks similar to the authority's checks. 	
<ul style="list-style-type: none"> · ensures its recruitment and vetting procedures are reviewed annually by internal audit or another independent body. 	6.20
<ul style="list-style-type: none"> · XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XX <ul style="list-style-type: none"> - XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX - XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX - XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX 	6.40

Counter-fraud

Recommendations	
We recommend that London Borough of Harrow:	Paragraph
<ul style="list-style-type: none"> · communicates the contents of the counter-fraud policy and strategy to all Benefits service and housing staff 	7.13
<ul style="list-style-type: none"> · promotes awareness of the counter-fraud policy and strategy to all other authority staff and external stakeholders 	
<ul style="list-style-type: none"> · defines the financial criteria to determine what sanction is the most likely to apply if fraud is proven 	
<ul style="list-style-type: none"> · introduces a separate business plan for the Investigations team that identifies: <ul style="list-style-type: none"> - resource allocation - planned activities - work profile - targets. 	
<ul style="list-style-type: none"> · makes the referral form available to all benefit and housing staff 	7.25
<ul style="list-style-type: none"> · simplifies its sifting process and removes subjective judgements from the process 	

· provides written guidance to benefit and housing staff on making a fraud referral	
· provides fraud awareness training to all staff that are likely to come into contact with benefit customers in the course of their duties, this training to be refreshed at least annually	
· introduces a system of individual feedback to staff to both acknowledge the referral and inform of the outcome	
· gives quarterly feedback on the outcome of investigations to benefit and housing staff	
· publicises the existence of its fraud hotline by means of posters, leaflets, claim forms, letters and Council Tax bills	
· monitors referrals and outcomes by source to establish its most profitable sources and identify the reasons for the less profitable sources.	
· sifts all data matching referrals in line with its own procedures	7.33
· takes action on all data matching referrals within 14 days of their receipt	
· assesses matches to identify if weaknesses in benefit administration led to the error.	
· fully implements the Do Not Redirect scheme by sending all benefits post to customers in the Do Not Redirect envelopes.	7.38

We recommend that London Borough of Harrow:	Paragraph
· appoints an authorised individual at the earliest opportunity then monitors the use of these powers.	7.44
· introduces a code of conduct for investigators	7.60
· commences activity on referrals within 5 working days of the case being sifted	
· keeps adequate record keeping and file construction on investigations	
· improves the quality and quantity of evidence obtained to support logical conclusions	
· interviews under caution when suspicion of an offence arises	

<ul style="list-style-type: none"> · XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX XXXX 	
<ul style="list-style-type: none"> · adjusts the overpayments and notify the customers in those cases where legislation has been incorrectly applied 	
<ul style="list-style-type: none"> · uses an official notebook such as a QB50. 	
<ul style="list-style-type: none"> · introduces a quality and management checking regime as a priority 	7.66
<ul style="list-style-type: none"> · XXXX XXXX XXXX XXXX XXXX XXXX XXX 	
<ul style="list-style-type: none"> · introduces specific, measurable and achievable targets for Investigations team members. 	7.72
<ul style="list-style-type: none"> · closely monitors the Fraud Partnership Agreement and identifies where there is a need for improvement taking appropriate action to bring about improvement 	7.81
<ul style="list-style-type: none"> · identifies opportunities for joint working with the Counter-Fraud Investigation Service 	
<ul style="list-style-type: none"> · attends Joint Regional and Operational Boards. 	
<ul style="list-style-type: none"> · sets criteria for when an official caution should be offered 	7.87
<ul style="list-style-type: none"> · sets and achieves realistic targets for the number of official cautions it intends to offer in the year. 	
<ul style="list-style-type: none"> · sets criteria for when an administrative penalty should be offered 	7.91
<ul style="list-style-type: none"> · sets a target for the number of administrative penalties it intends to offer during a year 	
<ul style="list-style-type: none"> · ensures that administrative penalties are issued against the correct amount of overpayment. 	

We recommend that London Borough of Harrow:	Paragraph
<ul style="list-style-type: none"> · sets criteria for when a prosecution should be considered 	7.95
<ul style="list-style-type: none"> · sets realistic targets for the number of prosecutions to be carried out in a year 	
<ul style="list-style-type: none"> · considers using in-house facilities and the Department's Solicitor's Branch to carry out prosecutions. 	

Overpayments

Recommendations

We recommend that London Borough of Harrow:	Paragraph
<ul style="list-style-type: none"> - prioritises the recovery of fraudulent overpayments 	<u>8.9</u>
<ul style="list-style-type: none"> - includes the use of blameless tenant legislation in its overpayment policy and strategy and ensures staff implement its use. 	
<ul style="list-style-type: none"> - stops overpayments continuing, on average, within 7 calendar days of it receiving sufficient information to act on a change of circumstances 	<u>8.15</u>
<ul style="list-style-type: none"> - undertakes an analysis of changes of circumstances that take longer than 7 days to process to establish reasons for the delays and take action accordingly. 	
<ul style="list-style-type: none"> - processes the calculation of an overpayment, on average, within 14 calendar days of receipt of written notification of the change. 	<u>8.21</u>
<ul style="list-style-type: none"> - ensures that decision letters are issued to persons affected by the decision. 	<u>8.31</u>
<ul style="list-style-type: none"> - sets a budget to achieve upper quartile performance 	<u>8.50</u>
<ul style="list-style-type: none"> - employs all possible methods of recovery including registering the debt at the County Court under section 75 of the Social Security Administration Act 1992 	
<ul style="list-style-type: none"> - prioritises and actively pursues all debt including old debt where it is economical to do so. 	
<ul style="list-style-type: none"> - ensures that all overpayments are classified correctly. 	<u>8.56</u>
<ul style="list-style-type: none"> - develops a strategy and sets a target to reduce both: <ul style="list-style-type: none"> - the level of debt - the age of debt. 	<u>8.66</u>

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 2.9 Includes a commitment in the Benefits Service Policy and Strategy to provide a service that minimises the barriers to work and identifies ways of promoting this aim.	Director of Business Connections	Include commitment in Policy. Identify ways to minimise barriers to work	HB Mgr	L	Sep03	- Commitment now included in Policy Member approval	Aug03 Sep03	Copy of policy
Para 2.15 Sets interim targets for the following service delivery objectives: - the average number of days taken to process a new claim for benefit. - the percentage of renewal claims processed on time. - the average number of days taken to process changes of circumstances.	Director of Business Connections	Set interim targets for BVPI 78a, 78b and 78c	HF&ES HB Mgr	H	Achieved	Targets set as part of improvement project undertaken with Fujitsu- see para 2.35	Aug03	Fujitsu plan
Para 2.35 Develops a documented plan to clear the backlog of claims, with key milestone dates and monitors the plan to ensure that the backlog is cleared	Director of Business Connections	Develop backlog plan to bring incoming work up to date. Plan to include milestone dates. Plan to include monitoring mechanism against targeted timescale.	HF&ES HB Mgr Dep HB Mgr	H	Achieved	- Using the change management experience of external consultants from Fujitsu : - performance has been reviewed - processes have been mapped and improved - individual staff performance has been analysed - areas for improvement identified - performance management tools introduced - timescale with milestones identified to clear outstanding work - monitoring mechanism implemented for clearance of outstanding work reporting of progress Oct 03	1 July 03 1 Aug 03 1 Aug 03 1 Aug 03 1 Aug03 1 Aug03 1 Aug03 1 Aug03	Fujitsu Plan
Para 2.35.1 Review the use of its resources to enable it to achieve a step change approach and clear the backlog of work.	Director of Business Connections	Analyse HB Section organisational structure. Consider if claim maintenance tasks are actioned by most appropriate teams.	HF&ES HB Mgr Dep HB Mgr SS Mgr	H	Achieved	Please see 2.35 above	1 Aug03	Fujitsu plan
Para 2.35.2 Communicates the contents of the Service Plan to all stakeholders.	Director of Business Connections	Identify relevant stakeholders. Distribute Service Plan to identified stakeholders	HF&ES HB Mgr	L	Mar04	Stakeholders have been identified and will receive a copy of the next Service Plan when prepared in Mar04.		

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
<p>Para 2.35.3 Develops a documented business continuity plan which:</p> <ul style="list-style-type: none"> - states how London Borough of Harrow will respond to disruptions that impact on normal HB and CTB delivery. - is tested, at least annually. - staff know where to find, know who is responsible for which actions, and know what their role is within it. 	Director of Business Connections	Write a business continuity plan to include how the HB Service will respond to disruptions to the service, test it annually and ensure staff are aware of their and other staff's responsibilities relating to it.	HF&ES HB Mgr SS Mgr QSD Mgr	M	Oct04	<ul style="list-style-type: none"> - please see 2.116 below - identify potential disruptions by Mar04 - develop responses to each category of disruption by Mar04 - write a business continuity plan showing how the disruptions will be actioned, including the identity of responsible staff by Mar04 - provide access to the plan for all staff, and an opportunity for them to understand its contents and their role within it by Mar04 		
<p>Para 2.44 Sets service delivery objectives that are achievable and realistic.</p>	Director of Business Connections	Develop achievable and realistic service delivery objective targets.	HF&ES HB Mgr SS Mgr QSD Mgr	H	Achieved	<ul style="list-style-type: none"> - please see 2.35 above - all future delivery objectives to be set will be achievable and realistic. 	August 03	Fujitsu plan
<p>Para 2.44.1 includes a service delivery objective in the Service Plan of clearing the backlog of claims.</p>	Director of Business Connections	Identify achievable and realistic service delivery objectives. Set achievable and realistic service delivery objectives	HF&ES. HB Mgr QSD Mgr	M	Achieved Apr04	<ul style="list-style-type: none"> - Please see 2.35 above - The next service plan expected Mar04 will cover 2004/5 .It is anticipated that there will be no backlog of work and the plan will include work plans to ensure the work is managed and no future backlogs arise. 	August 03	Fujitsu plan
<p>Para 2.44.2 Links its service delivery objectives to the corporate objective of promoting social inclusion and seeking to eradicate poverty.</p>	Director of Business Connections	Include a service delivery objective n the Service Plan that will promote social inclusion. Include a service delivery objective in the Service Plan that will help eradicate poverty	HF&ES HB Mgr Dep HB Mgr	M	April 04	<ul style="list-style-type: none"> - A service delivery objective that is linked to the corporate objective of promoting social inclusion and seeking to eradicate poverty has been adopted and will be included in the next service plan for 2004/5 due in Mar 2004 	Aug03	Copy of policy
<p>Para 2.57 Reviews its current method of calculating its performance in processing new and renewal claims and works with the provider of its benefits IT system to collect accurate data.</p>	Director of Business Connections	Secure software from the IT provider to accurately measure performance relating to new and renewal claims.	HF&ES HB Mgr Dep HB Mgr	M	Achieved	<ul style="list-style-type: none"> - Software obtained that accurately measures performance. - Current method of calculating performance has been revised 	Aug03	System report
<p>Para 2.57.1 Ensures that monthly reports of performance against service delivery objectives are made to Members and senior officers.</p>	Director of Business Connections	Provide Members and senior officers with monthly Service Plan performance monitoring reports.	HF&ES HB Mgr SS Mgr QSD Mgr	M	Oct03	<ul style="list-style-type: none"> - With effect from October 03 Performance against objectives is to be reported monthly to lead Members for Housing Benefit and Senior Officers and quarterly to Cabinet Members. Standard report covering all areas of performance to be developed. 		

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
<p>Para 2.57.2 Reviews the information needs of Members and amends reports to include the following:</p> <ul style="list-style-type: none"> - the level of outstanding work. - the outcome of management checks - the numbers of requests for a reconsideration of a decision and appeals outstanding. - the time taken to deal with requests for reconsideration of a decision and appeals. - the level of overpayments created. - the percentage of overpayments recovered. 	Director of Business Connections	Develop a periodic report to inform Members about key performance issues which do not already comprise the monthly Service Plan performance monitoring report.	HF&ES HB Mgr Dep HB Mgr	M	April 04	<ul style="list-style-type: none"> - With effect from October 03 Performance to be reported monthly to lead Members for Housing Benefit and Senior Officers and quarterly to Cabinet Members. - Review members needs for additional information for inclusion in reports from April 04. 		
<p>Para 2.72 Reviews all job descriptions and removes the generic element so that job descriptions clearly define roles and responsibilities which accurately reflect the responsibilities of the post.</p>	Director of Business Connections	Rewrite job descriptions to remove generic roles and responsibilities, and to more clearly define the responsibilities of the job.	HF&ES HB Mgr SS Mgr QSD Mgr	L	NOT APPLICABLE	. We believe the existing job descriptions meet the Performance Standards as they reflect the work the jobholders actually do and that their personal work objectives reflect higher level departmental and corporate objectives.	N/A	N/A

<p>Para 2.72.1 Reviews the use of staffing resources on the Investigations Team and re-evaluates the grading of the posts to assist with the recruitment and retention of experienced staff.</p>	<p>Director of Business Connections</p>	<p>Analyse structure of Investigations Team. Consider if Investigations Teams tasks are best supported by that or any other structure. Research salary grades for Investigations Officers and consider if current grades are adequate to secure and keep experienced staff.</p>	<p>HF&ES HB Mgr Asst Benefits Mgr (Invest)</p>	<p>H</p>	<p>Achieved</p>	<p>The appointment of the Senior investigation Officer in April 2003 brought the team to full permanent establishment for the first time since the last review of the establishment in 2000 .If the number and use of resources in accordance with that review is incorrect a further review will be undertaken. The post of A. B .Manager (invest) is presently subject to re-evaluation and will then be subject to the recruitment process. Retention of staff in this area due to grade has not previously been a problem although it was necessary to revise the grade of the SIO in order to recruit to the post. Whist the grading of all the posts is comparable with other local authorities where recruitment proves difficult as with the SIO the grading of the post will be reviewed. The changes to review periods and more use of Data matching such as HBMS may require a further review in this area once guidance is received.</p>	<p>Sep03 Sep03</p>	<p>Appointment of S.I.O Revised Job Evaluation</p>
<p>Para 2.76 Makes available a comprehensive procedural guide, which includes reference to regulations, circulars, office practice and local policies to all benefits staff.</p>	<p>Director of Business Connections</p>	<p>Identify all tasks for which procedural guidance is required. Write procedural guidance including references to regulations, circulars, office practice and local policies. Make procedural guidance available to all staff in appropriate format.</p>	<p>HF&ES HB Mgr Dep HB Mgr Asst HB Mgrs Snr HB Officer (Over Payments) SS Mgr Asst Cust Svs Mgr Cust Recep Mgr QSD Mgr</p>	<p>M</p>	<p>Apr04</p>	<p>The report acknowledges that Harrow" provides a wide range of good quality guidance and training notes that are available to staff on the shared computer." The implementation of "I world" expected Jan04 and the ongoing review of business processes as part of the joint working with Fujitsu are having a significant impact on revising procedures. The revised procedural guide will therefore become available together with a formal change control process as part of the " I world " implementation and the Fujitsu project.</p>		
<p>Para 2.76.1 Ensures that a formal change control process is in place for the implementation of changes to procedural guidance.</p>	<p>Director of Business Connections</p>	<p>Research change control methods. Implement change control method to keep procedural guidance up to date</p>	<p>HF&ES HB Mgr</p>	<p>M</p>	<p>Apr04</p>	<p>Please see 2.76</p>		
<p>Para 2.80 Reports the findings from management checks of benefit assessments regularly to Members.</p>	<p>Director of Business Connections</p>			<p>M</p>	<p>Apr04</p>	<p>- Please see 2.571</p>		

<p>Para 2.80.1 Ensures that the results of management checks are fed into staff training and development plans.</p>	<p>Director of Business Connections</p>	<p>Feed results of management checks into staff training and development plans</p>	<p>HF&ES HB Mgr Dep HB Mgr</p>	<p>M</p>	<p>Achieved</p>	<p>- Since June 03 the results of management checks have been reported to the ABMs and individuals Retraining has been arranged where necessary</p>	<p>Jun03</p>	<p>QSD report</p>
<p>Para 2.89 Develops and uses a range of management information to: - predict trends - identify risks - establish areas of procedural weakness - identify areas of low take-up</p>	<p>Director of Business Connections</p>	<p>Review mgmt info to identify that with the potential to predict trends, identify risks, establish areas of procedural weakness and identify areas of low take-up. Develop mgmt info sources where they do not exist to meet the recommendation. Establish how the mgmt info can be used to meet the recommendation. Use the mgmt info for the purposes described by the recommendation.</p>	<p>HE&FS HB Mgr Dep HB Mgr</p>	<p>L</p>	<p>Oct04</p>	<p>- review management information to identify that which is appropriate by Jan04. - identify and develop ways to secure management information for any aspects missing by Mar04. - establish analysis methods for management information by Jan04 - use the management information by Apr04</p>		
<p>Para 2.89.1 Ensures that information about individual performance is fed back into training and development plans.</p>	<p>Director of Business Connections</p>	<p>Decide which performance aspects are fed back into staff training and development plans. Develop method to include feedback into staff training and development plans.</p>	<p>HF&ES HB Mgr Dep HB Mgr SS Mgr QSD Mgr</p>	<p>M</p>	<p>Achieved</p>	<p>Please see 2.80.1 above also 2.35 above particularly regarding performance management. Information on individual performance now being fed back into training and development plans</p>	<p>Jun03</p>	<p>QSD report</p>
<p>Para 2.103 Provides a dedicated resource for training new and existing benefits staff.</p>	<p>Director of Business Connections</p>	<p>Provide a dedicated resource to train new and existing benefits staff.</p>	<p>HF&ES HB Mgr</p>	<p>H</p>	<p>NOT APPLICABLE</p>	<p>- Harrow is satisfied that the training of new and existing Harrow Benefits staff fully satisfies the requirements of 2.103 for an authority performing at standard. - The training of new and existing staff is considered a line management responsibility and when required management resources are provided to supply the necessary training. -</p>	<p>N/A</p>	<p>N/A</p>
<p>Para 2.116 Develops and documents its IT recovery plans.</p>	<p>Director of Business Connections</p>	<p>Provide an IT recovery plan.</p>	<p>HF&ES HB Mgr Dep HB Mgr SS Mgr QSD Mgr</p>	<p>M</p>	<p>Oct04</p>	<p>- This is to be included by Harrow in its review of its ICT strategy as part of the 2004/5 Budget preparations from October 03 to Mar04. Any decision by members to implement an IT recovery plan for Revenues and Benefits will be included in any implementation timetable.</p>		

<p>Para 2.116.1 Develops an interface between the benefits IT system and the council's financial system.</p>	<p>Director of Business Connections</p>	<p>Identify what data needs to transfer between the benefits IT system and council's financial system. Specify the data. conduct a feasibility study into the interface potential between the benefits IT system and council's financial system. Develop an interface between the benefits IT system and the council's financial system.</p>	<p>HF&ES HB Mgr ICT Mgr QSD Mgr</p>	<p>M</p>	<p>Oct04</p>	<ul style="list-style-type: none"> - To be considered after implementation of" I world "expected Jan04 and upgrading of Cedar Financials. - identify the data for transfer between the benefits IT system and the council's financial system by Jan04. - conduct a feasibility study into the technicalities of transferring data between the benefits IT system and the council's financial system by Mar04. - conduct cost benefit analysis to decide if electronic transfer is cost effective by Apr04. - write a requirements specification to transfer the identified data between the benefits IT system and the council's financial system by Jun04. - develop the software by Oct04. - transfer the data by Oct04. 		
<p>Para 2.134 Review and revises the number of audit days allocated to benefits administration so that it more accurately reflects:</p> <ul style="list-style-type: none"> - the risks associated with HB and CTB. - expenditure on other council services. - the monetary value of HB and CTB payments. 	<p>Director of Business Connections</p>	<p>Work on claims processing has been included in the 2003/04 Audit Plan. Resources required for HB work to be reassessed annually using a risk-based process. A key control review to be undertaken each year and supplemented by coverage of the DWP standards over a 3-year period.</p>	<p>Chief Internal Auditor</p>	<p>H</p>	<p>Achieved</p>	<ul style="list-style-type: none"> - coverage of claims processing included within 2003/04 Audit Plan. - schedule coverage of DWP standards over 3 years from 2003/04 to 2005/06. 	<p>1 Apr 03 Aug 03</p>	<p>Internal Audit Plan 2003/04 Internal Audit Plan 2003/04</p>
<p>Para 2.134.1 Make arrangements for summaries of all internal audit reports to be made available to Members.</p>	<p>Director of Business Connections</p>	<p>Summaries of audit reports to be included in Chief Internal Auditor's annual report to the Overview and Scrutiny Committee</p>	<p>Chief Internal Auditor</p>	<p>M</p>	<p>Achieved</p>	<ul style="list-style-type: none"> - summarise results of 2002/03 audits within year-end report by 1 July each year. 	<p>1 Jul 03</p>	<p>Report to Overview and Scrutiny Committee 10 Jul 03.</p>
<p>Para 2.134.2 Enables Members to monitor action taken in response to internal audit recommendations.</p>	<p>Director of Business Connections</p>	<p>Overview of progress to be included in the Chief Internal Auditor's annual report to the Overview and Scrutiny Committee highlighting high-risk recommendations not implemented.</p>	<p>Chief Internal Auditor</p>	<p>M</p>	<p>July 04</p>	<ul style="list-style-type: none"> - Chief Internal Auditor to review service action taken to implement recommendations by June 04 - CIA annual report July04 		

Action Plan - Strategic Management Recommendations

Appendix 2

<p>Para 2.141 Arranges for Members to be provided with copies of action plans arising from External Audit reports and that Members are asked to endorse these plans.</p>	<p>Asst to chief Executive (dev) Executive Dirs (rollout)</p>	<p>Develop procedure for directors to report action plans arising from external audit and Inspections to the executive for endorsement</p>	<p>Asst to Chief Executive (dev) Executive Dirs (rollout)</p>	<p>H</p>	<p>Achieved</p>	<p>- Procedures developed to report action plans to executive arising from External Audits and Inspections. Full roll out to be implemented by Directors by end of year.1ST report scheduled to Cabinet Sept 03</p>	<p>Sep03</p>	<p>Report to cabinet</p>
<p>Para 2.141.1 Provides Members with reports to monitor progress against these action plans.</p>	<p>Executive Director Organisation development</p>	<p>Formalise the procedure for the monitoring of progress against action plan on an exception basis by Overview and Scrutiny Committee and its sub-committee</p>	<p>Scrutiny Support Officer</p>	<p>M</p>	<p>Apr04</p>	<p>Procedure for Directors to report progress on Action Plans on issues identified by Overview and Scrutiny Committee and its Sub-committee on an exception basis to be formalised by year end.1st action plan to be considered by Lifelong Learning sub-committee in October 03 when timescale for progress Monitoring will be met</p>		
<p>Para 2.153 Documents the internal communication channels that are used between the Benefits Section and internal stakeholders.</p>	<p>Director of Business Connections</p>	<p>Document the internal communications channels that exist between the HB Section and internal stakeholders.</p>	<p>HF&ES HB Mgr</p>	<p>L</p>	<p>Oct04.</p>	<p>- identify internal stakeholders of the HB Service by Mar04. - document, in the Benefits Service Policy and Strategy document what the channels of communication are, including frequency of meeting, scope of issues discussed, level of management represented, by Apr04.</p>		
<p>Para 2.153.1 Regularly monitors and reviews the effectiveness of internal working arrangements.</p>	<p>Director of Business Connections</p>	<p>Include a standing item on all meeting agendas to confirm they are effective at meeting both the HB Service and the internal stakeholders objectives.</p>	<p>HF&ES HB Mgr</p>	<p>L</p>	<p>Oct04</p>	<p>- all communication channels are face to face meetings. - identify all regular meetings with internal stakeholders by Dec03 - instruct all meetings to include an item on the March agenda to confirm they are effective at meeting by HB Service and internal stakeholders' objectives by Jun04.</p>		
<p>Para 2.152.2 Publishes the results of the monitoring.</p>	<p>Director of Business Connections</p>	<p>Publish the results of monitoring whether meetings between the HB Service and internal stakeholders are effective.</p>	<p>HF&ES HB Mgr</p>	<p>L</p>	<p>Oct04</p>	<p>- identify appropriate methods of publishing results of monitoring whether meetings between HB Service and internal stakeholders are effective by Apr04. - Start publishing by October 04.</p>		
<p>Para 2.166 Produces quarterly monitoring reports for each service level agreement so that it can assess performance against the service level agreements and discuss these reports at regular liaison meetings.</p>	<p>Director of Business Connections</p>	<p>Produce quarterly reports about performance against service level agreements. Discuss the reports at the regular liaison meetings.</p>	<p>HF&ES HB Mgr</p>	<p>M</p>	<p>April 04</p>	<p>- identify service level agreements containing performance items by Dec03 - develop methods to monitor performance for any performance items not monitored by Jan04. - produce 1st quarterly report on liaison meeting agendas by Jun04.</p>		

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 3.9 Ceases to use separate renewal claim forms.	Director of Business Connections	None. Renewal claims for HB/CTB for pensioners are abolished from 6 Oct 03. It is anticipated that renewal claims for all other claimants will be abolished from Apr 04.	HF&ES		Achieved	None	Aug03	
Para 3.9.1 Ensures that claim forms are available in the Financial & Exchequer Services reception area.	Director of Business Connections	. Ensure that Claim Forms freely available in the HB Service reception area at all times.	HF&ES HB Mgr Dep HB Mgr SS Mgr	M	NOT APPLICABLE	- As Claim forms are readily available on request in the Financial and Exchequer Services reception area we believe we meet the Performance Standard in this respect.	N/A	N/A
Para 3.9.2 Ensures that claim forms are available at all council enquiry points.	Director of Business Connections	Ensure that Claim Forms are available at council enquiry points at all times.	HF&ES SS Mgr	M	Achieved Apr04 Apr04	- Claim forms available from RSLs. advice agencies, Housing Services identify the most appropriate council enquiry points for additional outlets by Apr04 - make Claim Forms available in additional council enquiry points by Apr04. - start recording number of Claim Forms provided via council enquiry points to inform future print orders and monitoring purposes by Apr04.	Aug03	
Para 3.28 Reviews its telephone service to ensure that telephone lines are open to customers a minimum of 36 hours a week.	Director of Business Connections	Calculate new telephone opening hours. Provide for resources to service telephone enquiries for the revised opening hours.	HF&ES HB Mgr Dep HB Mgr	M	April 04	- Harrow is reviewing the way it provides services and part of this review is the introduction of new telephony technology. This is in effect Call Centre technology. The Revenues and Benefits Service are to be included as a pilot for the introduction of this telephony commencing October03 and the results will be considered by members as part of the 2004/5 Budget Process.		

Customer Service Recommendations

Appendix 2

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 3.28.1 Introduces formal procedures, targets and monitoring for the handling of telephone calls.	Director of Business Connections	Develop formal procedures for handling telephone enquiries of different types. Set targets for the number of telephone calls responded to in a given period. Monitor the number of calls received compared with the number attempting to reach the HB Section telephone team.	HF&ES HB Mgr	M	April04	- please see 3.28 above		
Para 3.28.2 Ensures that 80% of all telephone calls to the Benefits Section answered within 10 rings.	Director of Business Connections	Provide resources to answer 80% of all telephone calls to the HB Service within 10 rings.	HF&ES	M	by Apr04	- please see 3.28 above		
Para 3.49 Ensures that the Financial & Exchequer Services reception is open and staffed a minimum of 36 hours each week.	Director of Business Connections	Open and staff FES reception for a minimum of 36 hours weekly.	HF&ES HB Mgr SS Mgr	M	By Apr05	- An increase in opening hours to 36 hours will be considered by members as part of the 2004/5 budget process together with the introduction of "one stop shop " facilities for all Council services expected Mar05.		
Para 3.49.1 Monitors its performance to ensure that it sees customers arriving at Financial & Exchequer Services reception within 15 minutes of their arrival.	Director of Business Connections	LJ	HF&ES SS Mgr	M	Achieved	Revised management system introduced July and monitoring commenced	July 03	report
Para 3.49.2 Reports the results of monitoring to senior officers and Members.				M		- please see 2.572 above		
Para 3.49.3 Introduces procedures to ensure that customers are provided with confirmation at Financial & Exchequer Services reception of what verification documentation they need to provide before their claim can be decided.	Director of Business Connections	Ensure that customers are provided with confirmation at Financial & Exchequer services reception of what verification documentation to provide before their claim can be decided.	HF&ES HB Mgr SS Mgr	H	Achieved	- Please see 2.35 above	1 Jul 03	Fujitsu plan
Para 3.49.4 introduces procedures to ensure that appointments are allocated within 14 days of the request for an appointment being made.	Director of Business Connections	LJ	HF&ES SS Mgr	L	Achieved	Procedures introduced	Aug03	Appointment book

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 3.49.5 introduces procedures to ensure that 80% of customers arriving for an appointment are seen within 15 minutes of their appointment time.	Director of Business Connections	LJ	HF&ES SS Mgr	L	Achieved	Procedures introduced	Aug03	
Para 3.49.6 Ensures that sufficient stocks of the leaflets specified in the Standard are made available in the Financial & Exchequer Services reception area and that an annual check on the availability of these leaflets is completed and recorded.	Director of Business Connections	Identify those leaflets not available via FES reception. Design and produce any missing leaflets. Print stocks of the leaflets. Make each leaflet available in FES reception. Keep records of leaflets distributed via FES reception.	HF&ES HB Mgr SS Mgr	L	by Sep03	<ul style="list-style-type: none"> - identify any missing leaflets by dec03. - produce any missing leaflets by Dec03 - print stocks of all leaflets by Dec03 - make all leaflets available in FES reception by Dec03. - start monitoring distribution of leaflets via FES reception from Sep03. 		
Para 3.49.7 Analyses the data from customer surveys and identifies areas for improvement.	Director of Business Connections	Analyse data from customer surveys. Identify areas for improvement. maintain permanent improvement plan to respond to customer comments.	HF&ES HB Mgr SS Mgr	M	Apr04	<ul style="list-style-type: none"> - MORI are currently undertaking a customer survey for Harrow in order to satisfy the requirements of the Audit Commissions BVPI. - The data will be analysed, areas for improvement identified and improvement plans developed. 	Sep03	
Para 3.49.8 Publishes the results of customer surveys	Director of Business Connections	see 3.49.8 Decide most effective way to publish results of customer surveys. Publish results after each customer survey.	HF&ES HB Mgr SS Mgr	M	by Apr04	<ul style="list-style-type: none"> - Please see 3.49.7 above - The results will be published in the most effective way 		
Para 3.53 Introduces a target for responding substantively to 80% of written correspondence within 14 calendar days.	Director of Business Connections	Establish the current time taken to respond to written correspondence. consider ways to improve this target time taken. Identify either new procedures or resources to respond to 80% of written correspondence within 14 calendar days.	HF&ES HB Mgr Dep HB Mgr	M	by Dec03	<ul style="list-style-type: none"> - please see 2.35 above - Following clearance of outstanding work in accordance with plan agreed with Fujitsu it is expected that all correspondence will be responded to within 14 calendar. 		Fujitsu plan
Para 3.53.1 Reports performance against this target to senior officers.	Director of Business Connections	Report performance against a target to respond to 80% written correspondence within 14 days to Senior Officers.	HF&ES HB Mgr Dep HB Mgr	M	by Mar04	<ul style="list-style-type: none"> - Please see 2.85 above. Performance will be included in this report 		

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 3.63 Makes representations to its software supplier to ensure that all decision letters produced by the benefits IT system comply with Schedule 6 of the HB (General) Regulations 1987 and the similar provisions in the CTB (General) Regulations 1992.	Director of Business Connections	Identify in what ways decision letters produced by the Benefits IT system comply with Schedule 6 of the JB (General) Regulations 1987 and the similar provisions in the CTB (General) Regulations 1992. Make representations to the IT provider to make decision letters produced by the Benefits IT system comply with Schedule 6 of the HB (General) Regulations 1987 and the similar provisions in the CTB (General) Regulations 1992.	HF&ES HB Mgr	H	Achieved	- Representations have been made to the IT provider to make decision letters produced by the Benefits IT system comply with Schedule 6 of the HB (General) Regulations 1987 and the similar provisions in the CTB (General) Regulations 1992 .The implementation of "iworld "is expected to overcome this problem .In the meantime manual intervention will ensure that the decision letters comply with legislation	Aug03	Decision letter
Para 3.75 Analyses the communication needs of black and minority ethnic groups in the area.	Director of Business Connections	Discover the communication needs of black and ethnic groups in the LB Harrow area. Develop communication methods for black and ethnic groups in the LB Harrow area that are appropriate to the needs identified.	HF&ES HB Mgr Race Relations Unit Mgr	L	Oct 04	- identify the best method for consulting black and ethnic groups in the LB Harrow area on their communication needs with the HB Service by Mar 04. - consult black and ethnic groups in the LB Harrow area by Jun04. - implement the findings of the consultation by Oct04.		
Para 3.75.1 Establishes procedures to ensure that customers are made aware of information that is in a suitable format for their needs for example audio cassette, text phone facilities, large print or computer disk.	Director of Business Connections	Research how information requests can be responded to via audiocassette, text phone, large print or computer disk. Develop procedures for production of information in these formats. make staff aware of the procedures. Publicise that these formats are available.	HF&ES SS Mgr	L	Achieved	- As part of Harrows First Contact Initiative every manager was issued "A Manager's Guide to Reaching Everyone". - Corporate procedures are in place for ensuring customers are aware of additional help that is available to the visually or hearing impaired or where English is not the first language. This included the issue of leaflets to every Household in the Borough. -	Jul03	Guide and leaflet
Para 3.75.2 Nominates an officer to carry out an annual review of the availability and usage of facilities for the disabled.	Director of Business Connections	Nominate an officer to carry out an annual review of the availability and usage of facilities for the disabled.	HF&ES SS Mgr	H	Achieved	- Carol Sensky nominated as officer to carry out an annual review of the availability and usage of facilities for the disabled.	1 Jul 03	Nominated officer and initial report on First Contact

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 3.83 Consults with all customer representative groups, to assess the effectiveness of the service provided.	Director of Business Connections	Identify all customer groups with whom to consult about the effectiveness of the HB Service. Design and implement programme to consult with identified groups about effectiveness of HB Service.	HF&ES HB Mgr SS Mgr	L	Oct 04	<ul style="list-style-type: none"> - Meetings arranged with CABs and advice agencies and RSLs for October. - programme of consultation with other representative groups by Mar04. Programme to include consultation method, timescale, frequency and analytical method. - implement programme by Apr04. 		
Para 3.83.1 Analyse the results of the consultation and develop an action plan to improve service.	Director of Business Connections	Following consultation programme write action plan to improve service in line with findings.	HF&ES HB Mgr SS Mgr	L	by Oct04	<ul style="list-style-type: none"> - write action plan to respond to points raised during consultation programme by Jun04. Action plan to identify timescale for achievement. 		
Para 3.89 Assesses the access needs of customers who work and develops an action plan to ensure any shortfalls are addressed.	Director of Business Connections	Analyse the access needs of working claimants. Identify any needs not catered for. Develop an action plan to meet the needs.	HF&ES HB Mgr	M	April04	<ul style="list-style-type: none"> - analyse the access needs of working claimants by Jan04. - identify any needs not catered for by Jan04. - develop an action plan to meet the needs by Jan04. - meet the needs of working claimants by Apr04. 		
Para 3.93 Develops a strategy for benefits take-up that: <ul style="list-style-type: none"> - targets information at particular groups, for example under-claiming groups, groups with a high chance of a successful claim or people on low incomes. - includes joint working initiatives with internal and external stakeholders. - advertises the availability of HB and CTB to tenants on low incomes at all council reception points and provides information leaflets about extended payments or fast tracking. - routinely offers advice to customers who intend starting work. 	Director of Business Connections	Identify particular groups for who a take up strategy is appropriate. Develop joint working initiatives with internal and external stakeholders to meet their take up requirements. Advertise the availability of HB/CTB to council tenants at all council reception points and provides information leaflets about extended payments or fast tracking. develop procedures to routinely offer advice to customers who intend starting work.	HF&ES HB Mgr	L	Oct04 March 04	<ul style="list-style-type: none"> - identify particular groups for who a take up strategy is appropriate by Jun04. - develop joint working initiatives with internal and external stakeholders to meet their take up requirements by Jun04 - In addition to existing outlets advertise the availability of HB/CTB to council tenants at all council reception points and provides information leaflets about extended payments or fast tracking by Oct04. - develop procedures to routinely offer advice to customers who intend starting work by Mar04. 		
Para 3.102 Formally documents the complaints procedure and makes the procedure available to all staff.	Director of Business Connections	Formally document the complaints procedure. Make the procedure available to all staff.	HF&ES	H	Achieved	<ul style="list-style-type: none"> - the complaint procedure has been formally documented. - the procedure is available to all staff. 	1 Jul 03 1 Jul 03	Documented procedure

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 3.116 Produces and delivers a plan to clear the outstanding requests for reconsideration and appeals and ensures that it does not recur.	Director of Business Connections	Produce a plan to clear the outstanding requests for reconsideration and appeals. Deliver the plan. Ensure that future appeals and reconsideration requests are dealt with within agreed timescales.	HF&ES HB Mgr Dep HB Mgr	H	Achieved	- please see 2.35 above	Aug03	Appointment of SO1s
Para 3.116.1 Set targets for dealing with requests for reconsideration and appeals	Director of Business Connections	Identify any legal timescale constraints affecting target timescales. Establish length of time taken to deal with individual appeals and reconsideration requests. Set target timescale to deal with appeals and reconsideration requests.	HF&ES HB Mgr Dep HB Mgr	H	Achieved	- see 3.116 above	Aug03	Appointment of SO1s Fujitsu Plan
Para 3.116.2 Takes action to ensure that requests for reconsideration and appeals are identified and given a high priority.	Director of Business Connections	Decide priority rating for appeals and reconsideration requests. Prioritise appeals and reconsideration requests in accordance with priority rating set.	HF&ES HB Mgr Dep HB Mgr	H	Achieved	- see 3.116 above	Aug03	Appointment of SO1s Fujitsu plan
Para 3.116.3 Produces management information to monitor the progress of requests for reconsideration and appeals.	Director of Business Connections	Identify appropriate management information to monitor progress of appeals and reconsideration requests. Produce reports identified.	HF&ES HB Mgr	H	Achieved	- Management information to monitor progress of appeals now produced.	Aug03	reports
Para 3.116.4 Ensures that it has systems in place to comply with the regulatory components of the decision making and appeals guidance in the Department's circulars A11/2001 and A18/2001.	Director of Business Connections	Develop systems to respond to requests for revisions and supersessions.	HF&ES HB Mgr Dep HB Mgr ABMs	H	Achieved	- see 3.116 above	Aug03	

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 4.22 Introduces and monitors procedures to ensure that it meets the 14-day and 36-day processing Standard.	Director of Business Connections	Develop procedures to meet the 14 and 36-day PF standards. Monitor procedures to ensure that claims meet the 14 and 36-day PF standards.	HF&ES HB Mgr Dep HB Mgr	H	Achieved	- please 2.35 above	Aug03	Fujitsu project
Para 4.22.1 Develops an exception report that identifies claims not reaching 36-day Standard and investigates the length and reason for the delay.	Director of Business Connections	Specify an exception report to identify claims not achieving the 36 day PF standard, to show length of delay	HF&ES HB Mgr	H	Achieved	- Exception report produced by First. Reasons for delay known and action underway to reach target. - Please see 2.35 above. - Once work outstanding cleared reports will continue to be produced for investigation on any claim not reaching standard.	August 03	report
Para 4.30 Introduces procedures that ensure that appropriate payment on account cases are quickly identified and payments made, where appropriate.	Director of Business Connections	Write procedures to identify payment on account claims when received. Develop procedures to assess payment on account claims when identified.	HF&ES HB Mgr Dep HB Mgr	M	by Nov03	- As part of the project with Fujitsu procedures have been introduced for dealing with new claims now being received that ensure cases requiring payment on account are identified and payments made where appropriate. Similar cases that form part of the backlog will be actioned as part of the clearance project.		
Para 4.41 Introduces procedures to identify and prioritise reported changes of circumstances and monitors action taken to ensure that it meets the 9-day changes of circumstances Standard.	Director of Business Connections	Develop procedures to identify reported changes of circumstances when they are reported. Prioritise action of reported changes of circumstances. Ensure reported changes of circumstances are actioned within 9 days of receipt.	HF&ES HB Mgr Dep HB Mgr	H	Achieved	- Procedures have been introduced that identify changes in circumstances that may have an adverse effect on benefit entitlement and these are actioned within 9 days. - As part of the project with Fujitsu procedures will be introduced to ensure that once the outstanding work is cleared all change in circumstances will be actioned within 9 days. Where the target is missed it will be reported by the system and investigated. - .	Aug03	
Para 4.61 Sends to direct payment landlords a copy of the invitation to renew the claim.	Director of Business Connections	None. Renewal claims for HB/CTB for pensioners are abolished from 6 Oct 03. It is anticipated that renewal claims for all other claimants will be abolished from Apr 04.	HF&ES HB Mgr SS Mgr QSD Mgr		NOT APPLICABLE	No action due to renewal claims being abolished.	N/A	

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 4.61.1 Ceases the practice of extending benefit periods beyond 60 weeks unless permitted by the regulations.	Director of Business Connections	None. Renewal claims for HB/CTB for pensioners are abolished from 6 Oct 03. It is anticipated that renewal claims for all other claimants will be abolished from Apr 04.	HF&ES HB Mgr SS Mgr QSD Mgr		NOT APPLICABLE	No action due to renewal claims being abolished.	N/A	
Para 4.61.2 Introduces and monitors procedures to ensure that it meets renewal claims clearance time Standard.	Director of Business Connections	None. Renewal claims for HB/CTB for pensioners are abolished from 6 Oct 03. It is anticipated that renewal claims for all other claimants will be abolished from Apr 04.	HF&ES HB Mgr SS Mgr QSD Mgr		NOT APPLICABLE	No action due to renewal claims being abolished.	N/A	
Para 4.61.3 Introduces an exception report for renewal claims that are not decided before the end of the current benefit period and investigates the length and reasons for the delay.	Director of Business Connections	None. Renewal claims for HB/CTB for pensioners are abolished from 6 Oct 03. It is anticipated that renewal claims for all other claimants will be abolished from Apr 04.	HF&ES HB Mgr SS Mgr QSD Mgr		NOT APPLICABLE	No action due to renewal claims being abolished.	N/A	
Para 4.82 Re-introduces the stamping and certification of photocopy documents to show that original documents have been seen.	Director of Business Connections	LJ	HF&ES SS Mgr	H	Achieved	Present procedures satisfy VF in that covering pro-former confirms where original documents seen. As part of Fujitsu project the procedure will be reviewed. Please see 2.35 above	Aug03	Document
Para 4.82.1 Uses the available ultra violet scanners to verify the validity of documents.	Director of Business Connections	LJ	HF&ES SS Mgr	M	Achieved	Ultra violet scanners introduced in support services July 4 th and are used	July4th	
Para 4.99 Revises and extends the scope of its management check of HB assessments to include residency.	Director of Business Connections	LJ	HF&ES WDS Mgr	H	Achieved	Include check on residency in quality checking procedures.	1 Jul 03	Check sheet
Para 4.111 Ensure that income and capital is verified to, at least, the standard required by the Verification Framework in all appropriate cases.	Director of Business Connections	Verify income and capital to VF standard in all appropriate cases.	HF&ES HB Mgr Dep HB Mgr SS Mgr	H	Achieved	<ul style="list-style-type: none"> - all sources of income verified by July 03. - all sources of capital verified by July 03. - refresher training provided to all staff on procedures by July 03. 	1 July 03	VF Check sheet

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 4.131 Increases the level of management checks of HB and CTB assessments to 10% in order to meet Standard.	Director of Business Connections	Increase the level of management checks of HB and CTB assessments to 10% in order to meet Standard	HF&ES QSD Mgr	H	Achieved	<ul style="list-style-type: none"> - see 4.131.2 - introduced methodology to calculate 10% assessments completed each week. - quality-checking procedures reviewed to ensure sufficient resource available to check 10% assessments weekly. - checking 10% assessments weekly commenced June 03 	1 Jun 03 1 Jun 03 16 Jun 03	July check
Para 4.131.1 Introduces procedures to select and carry out management checks of HB and CTB assessments before decision letters are issued.	Director of Business Connections	See 4.131	HF&ES QSD Mgr	H	Achieved	see 4.131	16 Jun 03	
Para 4.131.2 Reviews its quality checking procedures to ensure that the checks are made to confirm application of the “fit and proper person” test.	Director of Business Connections	Ensure that quality-checking procedures include confirming that the “fit and proper test” has been applied.	HF&ES QSD Mgr	H	Achieved	quality-checking procedures include confirming that the “fit and proper test” have been applied.	16 Jun 03	
Para 4.131.3 Uses the trends and patterns from the results of management checks to inform changes in working practices and corrective training for individuals and groups of assessment staff.	Director of Business Connections	Identify the trends and patterns from management checks. Design methods to ensure they inform changes to working practices. Ensure that staff are given corrective training when procedures are changed or errors are found.	HF&ES HB Mgr QSD Mgr	M	Achieved	<ul style="list-style-type: none"> - Management checking reports now used to identify trends and patterns. - As part of project with Fujitsu performance management strengthened and the section reorganised for ABMs to have direct line responsibility for a dedicated group of staff. This responsibility has a specific requirement for performance management and staff development. 	Aug03	Quality report
Para 4.147 Ensures that it conducts checks on customer’s circumstances in accordance with the requirements of the Verification Framework.	Director of Business Connections	Review VF requirements. Provide refresher training to all staff to ensure VF requirements are satisfied for all claims.	HF&ES HB Mgr	H	Achieved	<ul style="list-style-type: none"> - All risk group A identified by software are visited in accordance with the Verification Framework. Discussions are ongoing with software providers to ensure every case is picked up. - With regard to visits to other risk groups revised guidance is awaited as a consequence of abolishing Benefit periods - training provided to all staff on VF changes. 	Aug03	Audit study

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 4.159 Reviews and implements changes, as necessary, to its monitoring arrangements to ensure that action on Rent Officer determinations is taken as soon as practicable after receipt.	Director of Business Connections	Ensure that RO determinations are actioned on receipt.	HF&ES HB Mgr	H	Achieved	<ul style="list-style-type: none"> - procedures designed to action RO determinations on receipt.. - procedures implemented to action RO determinations on receipt. - mechanism designed to monitor how soon after receipt RO determinations are actioned, 	Aug03	New claims procedure
Para 4.159.1 Ensures that referrals are made to the Rent Officer in all appropriate cases including housing association properties.	Director of Business Connections	Identify referrals for the RO within 3 working days of receiving appropriate claims. Contact the claimant for any information preventing referral to the RO within 3 working days of receiving the claim. Refer to the RO as soon as sufficient information is known to make the referral.	HF&ES HB Mgr SS Mgr	H	Achieved	<ul style="list-style-type: none"> - Procedures implemented to identify claims for referral to the RO within 3 working days of receiving appropriate claims. - either refer to the RO, or contact the claimant for more information, - where more information is provided refer to the RO the day the information is received. - referrals are made in all appropriate cases including Housing associations 	Aug03	
Para 4.159.2 Ensures that the service level agreement with the Rent Service incorporates the statutory requirements.	Director of Business Connections	Include the statutory requirements into the Rent Officer SLA	HF&ES HB Mgr	M	Apr04	Revise the Rent Service SLA to include the statutory requirements by Jan04		
Para 4.160? monitors compliance with its written procedures for making referrals to the Rent Officer.	Director of Business Connections	Provide refresher training to all staff re action to be taken if a HA rent exceeds the trigger rent for discussion with an ABM. Ensure these procedures are included in quality checking.	HF&ES HB Mgr QSD Mgr	H	Achieved	<ul style="list-style-type: none"> - Staff have been provided with further training and Rent Officer referrals are now included as part of the checking procedures 	Aug03	Report 581
Para 4.160.1? introduces procedures for monitoring performance against the targets in the service level agreement.	Director of Business Connections	Monitor performance against targets in the Rent Service SLA	HF&ES HB Mgr	M	Achieved	<ul style="list-style-type: none"> - reports now received that identify time taken to process claim including time taken to refer cases to Rent Officer and also time taken to obtain response. 	Aug03	Report 581

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 5.11 Writes to all landlords with customers in the area, at least once a year, providing them with up to date information about their responsibilities.	Director of Business Connections	Decide what the responsibilities of landlords are in relation to HB claims. Bring landlords up to date regularly about their responsibilities.	HF&ES HB Mgr	L	by Apr04	<ul style="list-style-type: none"> - identify the responsibilities of landlords in relation to HB claims, by Dec03. - write to all landlords reminding them of their responsibilities every year, the first correspondence by Mar04. 		
Para 5.11.1 Makes available help sheets and information leaflets for landlords.	Director of Business Connections	Decide what help and information landlords need relating to HB. Make the information and help available in forms and at access points appropriate to landlord's needs.	HF&ES HB Mgr SS Mgr	L	by Oct04	<ul style="list-style-type: none"> - identify what help and information landlords need relating to HB by Apr04. - design appropriate formats for the information and help, by Apr04. - provide the information in all identified formats by Apr04. - develop a mechanism to ensure the information is comprehensive and up to date by Oct04. 		
Para 5.11.2 Sends to direct payment landlords, where consent has been agreed with the customer, a copy of all correspondence issued, to specifically include: <ul style="list-style-type: none"> - a copy of the invitation to renew a claim. - a copy of subsequent reminder letters. 	Director of Business Connections	Make landlords aware of when their tenant's HB claims are due for renewal.	HF&ES HB Mgr SS Mgr	L	Apr04	Renewal claims are abolished for pensioners from Oct 03 and possibly for all claimants from Apr 04. Procedures will be reviewed once guidance is received on the changes.		
Para 5.18 Has systems in place to ensure direct payments are made to landlords in accordance with regulations 93 and 94 of the Housing Benefit (General) Regulations 1987.	Director of Business Connections	Develop systems to identify and provide landlords with direct payments in accordance with HB Regs 93 and 94.	HF&ES HB Mgr	L	Achieved	<ul style="list-style-type: none"> - As part of the project with Fujitsu procedures have been introduced for dealing with new claims now being received that ensure direct payments are made to landlords in accordance with regs. Similar cases that form part of the backlog will be actioned as part of the clearance project. 	Aug03	
Para 5.18.1 Provides staff with a policy statement and written procedures so that staff know/can apply the "fit and proper" test to decide against or end direct payments to landlords.	Director of Business Connections	Provide staff with a policy statement and written procedures so that staff know/can apply the "fit and proper" test to decide against or end direct payments to landlords.	HF&ES HB Mgr	H	Achieved	Staff have been Provided staff with a policy statement and written procedures so that staff know/can apply the "fit and proper" test to decide against or end direct payments to landlords.	1 Jul 03	

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
<p>Para 5.18.2 Encourages all landlords to make direct contact before taking court action.</p>	<p>Director of Business Connections</p>	<p>Encourage all landlords to make direct contact before taking court action.</p>	<p>HF&ES HB Mgr</p>	<p>M</p>	<p>Apr04</p>	<ul style="list-style-type: none"> - decide how landlords are to be encouraged to make contact before taking court action for rent arrears by Nov03. - design appropriate communication formats to encourage landlords to make contact before taking court action for rent arrears by Dec03. - implement formats by Jan04. 		

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 6.5 Ensures its post-opening procedures align with Performance Standards and regular management checks are undertaken to confirm compliance.	Director of Business Connections	Review and revise post opening procedures to ensure they align with Performance Standards. Regularly check they comply at all times.	HF&ES SS Mgr	H	Achieved	Post opening procedure undertaken in secure and controlled area following the fitting of locks	Aug03	Procedure manual
Para 6.5.1 Ensures valuables are recorded on receipt, signed for and a counter signature obtained.	Director of Business Connections	Record valuables on receipt signed for and obtain a counter signature.	HF&ES SS Mgr	H	Achieved	Revised procedures introduced	July	Valuables register
Para 6.14 Reviews and revises its recruitment and selection policy and that the revised policy is endorsed by Members.		Review and revise the recruitment and selection policy. Provide any revisions to Members for endorsement.	C.P.O C.I.A	L	by Oct 04	Review to be carried out by Chief Personnel Officer by Mar04 C.I.A to review policy by Oct04		
Para 6.14.1 Requires all staff to complete a declaration of interest, including a nil return, and reviews these annually.	Director of Business Connections	Require all staff to complete a declaration of interest, including a nil return. Review these annually.	HF&ES HB Mgr SS Mgr QSD Mgr	H	Achieved	Secure a completed declaration of interest every year. The first annual declaration to be made by 8 Aug 03.	Aug03	Documents
Para 6.14.2 Ensures that contractors are subjected to recruitment checks similar to the authority's checks.	Director of Business Connections	Subject contractors to similar recruitment checks made on other staff.	HF&ES HB Mgr SS Mgr QSD Mgr	M	by Jan04	- all contractors staff complete declaration of interest - Once work outstanding cleared use of contractors to be reviewed and any retained will have had the same recruitment checks as Harrows.		
Para 6.20 Ensures its recruitment and vetting procedures are reviewed annually by internal audit or another independent body.		Annually review the authority's recruitment and vetting procedures by internal audit or another independent body.			N/A	Not required to meet performance standard Although recognised it may be Best practice	N/A	
Para 6.40 reviews the cheque dispatch process to ensure that: - cheques are transported securely between council buildings in a sealed container. - the area around the enveloping machine is secure. - cheques are stored securely between enveloping and collection by Royal Mail.	Director of Business Connections	review the cheque dispatch process to ensure that: - cheques are transported securely between council buildings in a sealed container. - the area around the enveloping machine is secure. - cheques are stored securely between enveloping and collection by Royal Mail.	HF&ES SS Mgr	H	Achieved	- cheques have been transported securely in a sealed container between council buildings in a sealed chamber since July3rd. in accordance with procedures agreed with BFI - The area around the enveloping machine is secure by new partitioning when cheques are being enveloped - enveloped cheques before Royal Mail collection securely stored in secure area from Aug	July	Container and procedures Partitions visible

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 7.12 Publicises fraud strategy both externally and internally and ensures all staff are aware of its contents and principles.	Director of Business Connections	Contact Communications Office to arrange for publication of Fraud strategy through whatever medium is available to cover all council departments. Arrange for external publication on internet.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	M	Jan04	- Fraud strategy passed to Communications Office to publicise to all Council departments and arrange for external publication through the Councils WEB site etc by Jan04		WEB site
Para 7.12.1 Defines the financial criteria to determine what sanction is the most likely to apply if a fraud is proven.	Director of Business Connections	Amend prosecution policy to include financial criteria.	HF&ES HB mgr Asst Benefits Mgr (Invest)	H	Achieved Sep03	- financial criteria to determine most appropriate sanction if fraud proved adopted in accordance with Department of Work and Pensions recommended guidelines - Prosecution policy amended - Member approval	September 03	Policy
Para 7.13 Communicates the contents of the Counter Fraud Policy and Strategy to all Benefits Service and Housing Staff.	Director of Business Connections	Provide all Benefits and Housing staff with a copy of the Counter Fraud Policy and Strategy.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- All Benefits and Housing staff have been given access to the revised policy through the "o"drive. Housing Staff been provided with an Hard copy.	September 03	policy
Para 7.13.1 Provides awareness of the Counter Fraud Policy and Strategy to all other authority staff and external stakeholders.	Director of Business Connections	Provide awareness of the Counter Fraud Policy and Strategy to all other LA staff.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	L	Oct04	- Policy circulated by Communications Office through Intranet, newsletter and WEB site. - Seminars to be arranged for other departments of the Council		
Para 7.13.2 Defines the financial criteria to determine what sanction is the most likely to apply if fraud is proven.	Director of Business Connections		HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- Please see 7.12.1	Sep03	policy
Para 7.13.3 Introduces a separate business plan for the Investigations Team that identifies: - resource allocation. - planned activities. - work profile. - targets.	Director of Business Connections	Prepare Business Plan.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	M	by Oct03 Oct03 Jan04	- Activities for Investigations Team for rest of 2003/04 identified - Work and resources profiled for 2003/4 together with revised targets - Business Plans to be prepared in January each year for the following year.		
Para 7.25 Makes the referral form available to all Benefit and Housing Staff.	Director of Business Connections	Circulate fraud referral to all Benefits and Housing staff.	HF&ES HB Mgr Asst Benefits Mfr	H	Achieved	- Form revised and made available to all Benefit and Housing Staff	Aug03	
Para 7.25.1 Simplifies its sifting process and removes subjective judgements from the process.	Director of Business Connections	Remove the criteria relating to the degree of difficulty of investigation. Remove the date of referral as one criterion for consideration.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- risk analysis process to remove complexity revised - subjective judgement removed from process.	Aug03	Documented procedure

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 7.25.2 Provides written guidance to benefit and housing staff on making fraud referral.	Director of Business Connections	Circulate written guidance to all staff on how to make a fraud referral (at the same time as circulating referral form).	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- written guidance provided to staff.	Aug03	guidance
Para 7.25.3 Provides fraud awareness training to all staff that are likely to come into contact with benefit customers in the course of their duties, this training to be refreshed at least annually.	Director of Business Connections	Introduce regular programme of fraud awareness training for benefits staff, possibly conducted at team meetings. Introduce regular programme for other Authority staff particularly Housing Management.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	L	by Oct04	- training to be arranged for fraud awareness training to all staff who come into contact with Benefit customers - standing agenda item on all BH Section Meetings to update HB staff with latest developments in Investigations work by Sep03. - provide annual refresher courses for other LA staff who come into contact either HB customers, e.g. Housing and social Services staff		
Para 7.25.4 Introduces a system of individual feedback to staff to both acknowledge the referral and inform of the outcome.	Director of Business Connections	Implement by way of a hard copy reply being provided to the referee at initial risk analysis stage and at the end of the investigation.	HF&ES HB Mgr Asst HB Mgr	H	Achieved	- referral acknowledgement now in use - outcome response form now in use	Aug03	forms
Para 7.25.5 Gives quarterly feedback on the outcome of investigations to Benefit and Housing Staff.	Director of Business Connections	Issue reports on Investigations activity including details on referrals and analysis, case analysis by source, allegation and results identifying cases of interest and trends in fraud activity.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	M	by Dec03	- standing agenda item on quarterly HB Section Meetings to update HB staff with latest outcomes in investigation work - newsletter to be designed for quarterly publication via e-mail to all LA staff		
Para 7.25.6 Publicises the existence of its fraud hotline by means of posters, leaflets, claim forms, letters and Council Tax bills.	Director of Business Connections	Advertise regularly through external mediums. Use intranet and internet. Advertise in local publications. Introduce dedicated hotline for Investigations Team.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- Ongoing project- Hotline publicised on Environmental Services poster issued to every household in July - Publicised on WEB site - - introduce further hotline in Investigations Team that is NOT one of the normal business telephone lines by Oct04.	Sep03	poster

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 7.25.7 Monitors referrals and outcomes by source in order to establish its most profitable sources and identify the reasons for the less profitable sources.	Director of Business Connections	Regularly run Radius reports to analyse the referrals and outcomes. Compare sources and allegations. Compare sources and outcomes. Identify profitable and less profitable sources.	HF&ES HB Mgr Asst Benefits Mgr (Invest)		by Jan04	<ul style="list-style-type: none"> - start running Radius reports monthly by Jan04 - monitor referrals by source, allegation and outcome by Jan04. - identify more profitable sources, allegations and outcomes by Jan04 - report to all referees the results of the monitoring to encourage improved referrals in future by Jan04. 		
Para 7.33 Sifts all data matching referrals in line with its own procedures.				L	Oct04	Further guidance awaited on replacement of Benefit Periods and more targeted use of HBMS		
Para 7.33.1 Takes action on all HBMS referrals within 14 days of their receipt.	Director of Business Connections	Introduce written procedure for dealing with initial system checks on all files within 14 days of receipt. Prioritise suspension of claims where appropriate. Refer cases for decision-maker action. Identify cases for potential investigation action. Closely monitor progress on files. Secure additional resources to deal with referrals.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	M	Achieved	<ul style="list-style-type: none"> - New procedures introduced with timetable for initial system checks on HBMSdata; for referring for Benefit claim amendment and suspension and referral for fraud investigation where apparent. All investigation officers and decision makers have been issued with revised procedures. - Excel database set up to monitor HBMS 	Aug03	Procedures
Para 7.33.2 Assesses matches to identify if weaknesses in benefit administration led to the error.	Director of Business Connections	Record outcomes of matches to identify weaknesses in benefit admin. Inform HB mgmt of instances where assessment action was incorrect leading to match. Identify and address any weaknesses in assessment procedures. Identify and record for subsidy purposes any LA error overpayments created due to admin error.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	M	Achieved	<ul style="list-style-type: none"> - .Excel database set up to monitor HBMS results - HB managers to be informed of instances where assessment action was incorrect leading to match, from next HBMS referrals received July 03. - start to address any weaknesses in assessment procedures within 10 working days of identifying weaknesses by Jul03 - identify and record for subsidy purposes any LA error overpayments created due to administration error by July03. 		

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 7.38 Fully implements the do not re-direct scheme by sending all benefits post to customers in the do not re-direct envelopes.	Director of Business Connections	Send all HB post out in DNR envelopes. Arrange for existing stocks to be overprinted by DNR for immediate use.	HF&ES SS Mgr	M	Achieved	<ul style="list-style-type: none"> - overprint all existing stocks of envelopes for DNR use by Aug. - order more stocks to account for increase in DNR use by Aug. - start issuing all HB post in DNR envelopes by AUG. 	Aug03	
Para 7.44 Appoints an authorised individual at the earliest opportunity then monitor the use of these powers.	Director of Business Connections	Appoint an AO as soon as possible.	HF&ES HB Mgr Asst Benefits Mgr	M	Nov03	Appointment of Authorised Officer following recruitment to post of Assistant Benefits Manager(invest).Meanwhile LB Hillingdon AO to be used as required		
Para 7.60 Introduces a code of conduct for investigators.	Director of Business Connections	Design and introduce a code of conduct for investigators.	HF&ES HB Mgr Asst HB Mgr (invest)	M	by Apr4	<ul style="list-style-type: none"> - design a code of conduct for investigators by Dec03 - introduce a code of conduct for investigators by Dec03 - develop a mechanism to ensure the code is updated appropriately by Jan04 		
Para 7.60.1 Commences activity on referrals within 5 working days of the case being sifted.	Director of Business Connections	Secure resource to action referrals, if no further resources, redesign allocation criteria between investigation Officers using risk analysis. Action incoming referrals within 5 days of receipt.	HF&ES HB Mgr Asst Benefits Mgr (invest)	M	by Jan04 Oct04	<ul style="list-style-type: none"> - If necessary additional resources to be identified to ensure target is achieved - Allocation criteria between I.Os to be redesigned using risk analysis 		
Para 7.60.2 Keeps adequate record keeping and file construction on investigations.	Director of Business Connections	Introduce measures to improve the quality of record keeping of investigation work. Review file construction format to facilitate follow-up viewing of files.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	M	Achieved	<ul style="list-style-type: none"> - File construction no longer relevant as record keeping is no longer paper based. - Record keeping now considered adequate through the use of Radius-FIMS and revision to closure proceedings to avoid duplication. 	Aug03	
Para 7.60.3 Improves the quality and quantity of evidence obtained to support logical conclusions.	Director of Business Connections	Introduce dedicated meeting between SIO and IOs to discuss casework. Identify weaknesses in quantity and quality of evidence. Include quality and quantity of evidence into quality checking process.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	<ul style="list-style-type: none"> - appropriate stage in investigations for meeting between SIO and IO to review quality and quantity of evidence arranged. - standard recording method of weaknesses found established - refresher training to be arranged for investigators where outcome of monitoring suggests it is appropriate b - quality checking procedures introduced for the quality and quantity of evidence issues in investigations . 	Aug 03	forms

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 7.60.4 Interviews Under Caution (IUC) when suspicion of an offence arises.	Director of Business Connections	Conduct an IUC in every case where suspicion of an offence exists. SIO to attend every IUC with an IO	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- conduct an IUC in every case where fraud is suspected. - SIO to attend every IUC with IO.	1 Jul 03 1 Jul 03	cases
Para 7.60.5 Rescinds the official cautions that have been given incorrectly and notify the customers.	Director of Business Connections	Identify affected cases. Rescind the Formal Cautions. Notify the DWP and the claimant. Decide alternative action given suspicion of fraud.	HF&ES HB Mgr Asst Benefits Mgr	H	Achieved	- Cases identified, Formal Cautions rescinded, claimant notified and Department of Work and Pensions to be notified on next return	Aug03	Department of Work and Pensions return
Para 7.60.6 Adjusts the overpayments and notify the customers in those cases where legislation has been incorrectly applied.	Director of Business Connections	Revise procedures to ensure that overpayments are not created unless a change in circumstances is identified from a date earlier than when claim expired.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	Procedures revised to ensure that overpayments are not created unless a change in circumstances is identified from a date earlier than when claim expired. Overpayments adjusted and claimants notified	1 Jul 03	cases
Para 7.60.7 Uses official notebook such as a QB50.	Director of Business Connections	Introduce use of QB50 notebooks.	HF&ES HB Mgr Asst Benefits Mgr	H	Achieved	Introduce use of QB50 notebooks.	19 Jun 03	QB50
Para 7.60.8 Ensure that notification letters quote the correct legislation.	Director of Business connections	Ensure decision-makers apply correct legislation in appropriate circumstances. Identify weaknesses and report to HB management. Ensure staff know which regulations to use and when. Identify and address any training needs.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- circumstances when decision-makers did not quote correct legislation in decision notices identified by July 03. - refresher training provided to ensure decision-makers know the legal sources for their decisions by July 03 - a check on legislative sources into the quality checking procedures introduced by July 03.	July03	Revised notification letter
Para 7.60.9 Ensure the suspension of benefit does not exceed the legal maximum time.	Director of Business Connections	Revise procedures to ensure suspended cases are actioned at end of suspension period. Diarise claims to ensure action.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- staff diarise end of suspension period, and take appropriate action at that time - suspended Payments report now produced for monitoring purposes.	Jul03	Report 525

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 7.66 Introduces a quality and management-checking regime as a priority.	Directory of Business Connections	Design programme for regular quality checking. Set targets for sample number of cases to be checked. Incorporate some quality checking into SIO/IO meetings.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	M	by Apr4	<ul style="list-style-type: none"> - design and implement programme for regular quality checking by Jan04. - set targets for sample number of cases to be checked by Jan04. - incorporate some quality checking into SIO/IO meetings by Jan04. - start monitoring outcome of quality checking from Jan04. - identify improvements as a result of quality checks by Jan04. - start to inform investigators of performance by Jan04. 		
Para 7.66.1 Secures fraud files to restrict access.	Director of Business Connections	Provide secure cabinets or other furniture to retain investigation files.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	Since Jun 03, officers are using personal pedestals to store files until new furniture is obtained.	Jun03	
Para 7.72 Introduces specific, measurable and achievable targets for Investigations Team.	Director of Business Connections	Introduce targets for work described in Business Plan.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	M	Apr04	<ul style="list-style-type: none"> - identify targets for work described in Business Plan by Jan04. - set SMART targets for each type of output of the Investigations team by Jan04. - start monitoring against these targets by Jan04 		
Para 7.81 Closely monitors the fraud service level agreement and identifies where there is a need for improvement taking appropriate action to bring about improvement.	Director of Business Connections	Ensure minutes of meetings record all items discussed in line with SLA. Raise issues where service level not met. Monitor arrangements for failings to be improved.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	L	by Oct04	<ul style="list-style-type: none"> - start taking detailed minutes of meetings to record all items discussed in line with SLA by Mar04. - start to monitor arrangements for failings to be improved following next BFIS SLA meeting by Mar04. 		
Para 7.81.1 Identifies opportunities for joint working with Counter Fraud Investigation Service.	Director of Business Connections	Identify opportunities for implementing joint working with CFIS	HF&ES HB Mgr Asst Benefits Mgr (Invest)	L	Achieved	Two LA joint working cases presently subject to police prosecution also involved in CFIS lead investigations. Further opportunities identified for implementing joint working with CFIS following appointment of SIO.	Aug	cases
Para 7.81.2 Attends Joint Regional and Operational Boards.	Director of Business Connections	Arrange for HBM and ABM(I) to attend Joint Regional Board meetings and ABM(I) to attend Joint Operational Boards regularly.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	L	by Oct04	<ul style="list-style-type: none"> - arrange for HBM and ABM(I) to attend Joint Regional Board meetings and ABM(I) to attend Joint Operational Boards regularly by Jan04. - Report to HOS following each meeting by Jan04 		

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 7.87 Sets criteria for when an official caution should be offered.	Director of Business Connections	Criteria in Circ F11/2003 to be implemented by IO's. Update training to be provided.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved Sep03 Mar04	<ul style="list-style-type: none"> - Prosecution policy amended to include revised criteria for formal cautions, administrative penalties and prosecutions. Training provided to IO's on revised criteria - Member approval - monitor effectiveness of criteria monthly when providing statistics for Performance Monitoring Mar04. - . - . 	Sep03	Revised WIB/sanction referral sheet for completion by IOs.
Para 7.87.1 Sets and achieves realistic targets for a number of official cautions it is likely to offer in the year.	Director of Business Connections	Set 2003/04 target. Monitor performance throughout year and revise target in line with achievements.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	L	Oct04	<ul style="list-style-type: none"> - The target for 2003/04 was set in March 03 at 18 and although realistic at the time given that no cautions have been issued up to August 31st this may need to be reviewed. - Future targets will be set based on experience and caseload analysis. - . 	1 Mar 03 Monthly since 1 Apr 03	2003/04 Service Plan Monthly Performance Monitoring Reports.
Para 7.91 Sets criteria for when an administrative penalty should be offered.	Director of Business Connections	Criteria in Circ F11/2003 to be implemented by IOs. Update training to be provided.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- See 7.87 above	Sep03	Revised WIB/sanction referral sheet for completion by IOs.
Para 7.91.1 Sets a target for the number of administrative penalties it is likely to offer during a year.	Director of Business Connections	Set 2003/04 target. Monitor performance throughout year and revise target in line with achievements.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	L	by 1 Apr 04	<ul style="list-style-type: none"> - There was no target set in 2003/4 for administrative penalties and given that up to August 31st two administrative penalties have been issued this target will be reviewed. - Future business plan will include a target for Administrative Penalties based on experience and caseload analysis. 		.
Para 7.91.2 Ensures that administrative penalties are issued against the correct amount of overpayment.	Director of Business Connections	Review requirements in accordance with guidance in F11/2003. Monitor cases selected for Ad Pen at every stage to ensure any amendments are taken account of. Ensure 30% penalty is based on correct overpayment amount. Overpayments Section to prioritise monitoring of fraud overpayment action.	HF&ES HB Mgr Asst Benefits Mgr (Invest) Senior Benefits Officer (Over Payments)	M	APR04	<ul style="list-style-type: none"> - requirements reviewed in accordance with guidance in F11/2003 . - Cases monitored where selected for Ad Pen at every stage to ensure any amendments are taken account of by . - ensure 30% penalty is based on correct overpayment amount - Overpayments Section prioritise monitoring of fraud overpayment action .. 	Sep03	case

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 7.96 Sets criteria for when a prosecution should be considered.	Director of Business Connections	Establish the criteria to identify when a prosecution is considered. Issue procedure with criteria. Train IOs to identify appropriate cases.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	H	Achieved	- See 7.87 above	Sep03	Revised WIB/sanction referral sheet for completion by IOs.
Para 7.96.1 Sets realistic targets for the number of prosecutions to be carried out in a year.	Director of Business Connections	Set 2003/04 target. Monitor performance throughout year and revise target in line with achievements.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	L	Achieved	- The target for 2003/4 was set at 4 and we are on track for achieving this number of prosecutions.Future targets will be based on experience and caseload analysis	1 Mar 03 monthly since 1 Apr 03	2003/04 Service Plan Monthly Performance Monitoring Reports.
Para 7.96.2 Considers using in-house facilities and the Department's Solicitor's Branch to carry out prosecutions.	Director of Business Connections	Identify Legal Services resources to deal with HB prosecutions. Agree Service Level arrangements and costings. consider use of DWP Solicitors Branch.	HF&ES HB Mgr Asst Benefits Mgr (Invest)	L	by Oct04	- identify Legal Services resources to deal with HB prosecutions by Mar04. - agree Service Legal arrangements and costings by Mar04. - consider use of DWP Solicitors Branch by Mar04		

RECOMMENDATION	ACCT	ACTIONS	RESP	P	TIME SCALE	MEASURES FOR ACTION	ACH	EVIDENCE/ OUTCOME
Para 8.9 Prioritises the recovery of fraudulent overpayments.	Director of Business Connections	Record all fraud overpayments to regularly monitor recovery. Ensure that maximum recovery is made from ongoing entitlement. Prioritise for Court Action.	HF&ES HB Mgr Snr HB Officer (Over Payments)	H	Achieved Sep03	<ul style="list-style-type: none"> - spreadsheet created on Excel to record fraud overpayments and allocated to specified officer. - adjudication officers informed to ensure overpayment section aware of new fraud overpayments. - report requested for existing fraud overpayments. - overpayment policy to be amended. 	26 Jun 03	Excel spreadsheet shows date fraud overpayments last checked.
Para 8.9.1 Includes the use of blameless tenant legislation in its Overpayment Policy and Strategy and ensures staff implement its use.	Director of Business Connections	Research blameless tenant legislation and implement where appropriate. Amend overpayment policy.	HF&ES HB Mgr Snr HB Officer (Over Payments)	H	Achieved	<ul style="list-style-type: none"> - procedure implemented and monitor to consider effectiveness in relation to cost and impact on affected parties. - Housing Associations contacted to avoid the need to use blameless tenant legislation with RSL's. - Overpayments policy amended. 	SEP03	<u>Revised policy</u>
Para 8.15 Stops overpayments continuing, on average, within 7 calendar days of it receiving sufficient information for it to act on change of circumstances.	Director of Business Connections	Identify changes of circumstances that are likely to cause overpayments to be treated as urgent. Clear backlog of assessment work.	HF&ES HB Mgr Asst HB Mgrs Snr HB Officer (Over Payments)	H	Achieved	<ul style="list-style-type: none"> - additional training to assessment and post sorting staff to identify potential overpayment cases has been provided. These are classed as urgent so they can be identified if not dealt with within 7 days. - assessment staff know how to treat a change of circumstance to avoid overpaying where further information is required, such as using the DMA suspension legislation. 	Aug03	report
Para 8.15.1 Undertakes an analysis of overpayment cases that take longer than 7 days to process to establish reasons for the delays and take action accordingly.	Director of Business Connections	Record overpayments created to establish reasons for delay.	HF&ES HB Mgr Asst HB Mgrs Invest Mgr Snr HB Officer (Over Payments)	M	Apr04	<ul style="list-style-type: none"> - see 2.35 above - using report 246 identify overpayments created as local authority error. - record the reason for the overpayment and resolve the issue relating to the creation. 		

Counter- Fraud Recommendations

Appendix 2

<p>Para 8.21 Processes the calculation of an overpayment, on average, within 14 calendar days of receipt of written notification of the change.</p>	<p>Director of Business Connections</p>	<p>When a change of circumstances is processed the overpayment will be calculated on the same day, assuming all of the information is available. The cheque stop/withdrawal procedure will be amended, to be treated as a priority. A change of circumstances needs to be processed within 7 days.</p>	<p>HF&ES HB Mgr Asst HB Mgrs Snr HB Officer (Over Payments)</p>	<p>H</p>	<p>achieved</p>	<p>- see 2.35 above</p>	<p>Sep03</p>	<p>plan</p>
<p>Para 8.31 Ensures that decision letters are issued to persons affected by the decision.</p>	<p>Director of Business Connections</p>	<p>Check that overpayment decision notices are issued to all persons affected by monitoring overpayments created.</p>	<p>HF&ES HB Mgr Snr HB Officer (Over Payments)</p>	<p>H</p>	<p>achieved</p>	<p>Report RBE015 shows all overpayments created on a daily basis. As stated at 8.24 in the report the decision notices are checked. If a decision notice is not created, the assessor is informed so relevant notices can be issued. The report is checked again to ensure this has been done. This procedure has been implemented and checking reported back to the assessment team since the BFI visited Harrow.</p>	<p>May 03</p>	<p>Checking report RBE015. Decision notice checking procedure amended.</p>
<p>Para 8.50 Sets a budget to achieve upper quartile performance.</p>	<p>Director of Business Connections</p>			<p>H</p>	<p>achieved</p>	<p>The 2003/4 Budget for the Benefits Service has been set to ensure that outstanding work is cleared and that the service achieves continuous improvement .Given the meaningless definition of the Performance Indicator for the recovery of overpayments, achieving upper quartile is more an aspiration than a realistic objective and budgets are set accordingly.</p>	<p>Apr03</p>	<p>2003/4 Budget</p>
<p>Para 8.50.1 Employs all possible methods of recovery including registering the debt at the County Court under section 75 of the Social Security Administration Act 1992.</p>	<p>Director of Business Connections</p>	<p>Consider all available recovery methods to recover the debt. Consider implementing blameless tenant legislation (see 8.9.2 of the Action Plan) and recovery from Housing Benefit in other authorities. Research using debt recovery agencies.</p>	<p>HF&ES HB Mgr Snr HB Officer (Over Payments)</p>	<p>H</p>	<p>Achieved</p>	<p>- All available methods to recover debt are now used including blameless tenant, other local authorities, County court Department of Work and Pensions etc</p>	<p>Sep03</p>	<p>RAT checks are made on every case that reaches Final stage to consider recovery from SS benefits. The number of potential County Court cases has increased.</p>

Counter- Fraud Recommendations

Appendix 2

<p>Para 8.50.2 Prioritises and actively pursues all debt including old debt where it is economical to do so.</p>	<p>Director of Business Connections</p>	<p>Identify all outstanding debts and consider all available recovery methods. Decide if it is economical to continue recovery.</p>	<p>HF&ES HB Mgr Snr HB Officer (Over Payments)</p>	<p>H</p>	<p>Achieved</p>	<ul style="list-style-type: none"> - reports showing all outstanding debts irrelevant of age or size have been obtained. - The reports are being worked on to ensure all appropriate recovery methods is being taken where it is economical to pursue. - use various flagging methods to monitor recovery. 	<p>Aug03</p>	<p>reports</p>
<p>Para 8.50.3 reports to senior officers and Members on a quarterly basis its performance in recovering overpayments.</p>	<p>Director of Business Connections</p>	<p>Provide senior officers and Members with quarterly recovery rates.</p>	<p>HF&ES HB Mgr Snr HB Officer (Over Payments)</p>	<p>H</p>	<p>Achieved</p>	<p>Using data received to calculate Best Value Performance Indicator 79B the overpayment creation and recovery rates are submitted to senior officers and Members each quarter.</p>	<p>Jun 03</p>	<p>reports</p>
<p>Para 8.56 ensures that all overpayments are correctly classified.</p>	<p>Director of Business Connections</p>	<p>Check the classification of overpayments and provide training where required.</p>	<p>HF&ES HB Mgr Snr HB Officer</p>	<p>H</p>	<p>Achieved</p>	<p>Part of the quality checking of 10% of claims includes the classification of overpayments.. The results of the checking are examined by managers and training provided where appropriate.</p>	<p>Feb 03</p>	<p>Quality checking records.</p>
<p>Para 8.66 develops a strategy and sets a target to reduce both: - the level of debt. - the age of debt.</p>	<p>Director of Business Connections</p>	<p>Develop a strategy and set a target to reduce the level and age of the debt.</p>	<p>Over Payments Team Leader</p>	<p>H</p>	<p>Achieved</p>	<p>This strategy is not necessary for an authority to be performing at standard. Staff are presently involved in pursuing all debts in accordance with the policy of the Council and reports are being obtained that will assist in targeting the debt . It is anticipated that a strategy will be developed as part of this exercise</p>		<p><u>See O/p report</u></p>