

Department for Work and Pensions

Research Report No 457

Achieving good reporting of changes in circumstances

Michelle Boath and Helen Wilkinson

A report of research carried out by RiskSol Consulting Ltd on behalf of the
Department for Work and Pensions

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Summary

Introduction

Department for Work and Pensions (DWP) is moving from an activity-based target for PM10 (numbers of reviews to be completed, numbers of reviews to be carried out by visit) to an output-based target, based on numbers of reductions in benefit processed. For the new PM10, local authorities (LAs) have individual targets, based on their individual caseload profiles. The research reported here seeks to identify how or why some LAs performed well against the new PM10 measure in 2006/07, before it was introduced.

As this is a new target, LAs are unlikely to be managing towards it, unless they have internal targets that align with it. In addition, therefore, this research also aims to explore what LAs are doing to prepare for the new measure, particularly if they have plans to alter their operational models and ways of working.

During March to June 2007 we visited 21 LAs with a range of performance against the new PM10 for 2006/07, to discuss what they did in 2006/07 that helped them to achieve the numbers of downwards changes in circumstances that they did, and what they were planning to do, in response to the new measure.

Findings

Some LAs we visited broadly welcomed the new PM10 measure, recognising that it focused more on output measures and gave them increased flexibility to decide how to allocate resources and what activities to undertake to achieve the desired outcome. Some others were concerned about how to meet the new target and believed their individual targets would be difficult to meet.

The conclusions drawn should be treated with care; research of this nature is necessarily subjective and there was no evidence that any of the activities we found had been subject to formal evaluation.

We have proposed a decision model to explain self-reporting of changes of circumstances, based on barriers to reporting from the claimant perspective and a

model for the identification of changes of circumstances from the LA perspective. From these we conclude that LAs should reduce the barriers to self-reporting of changes of circumstances by claimants, mitigate the effects of barriers to reporting and review the value for money and effectiveness of measures. We also outline broad categories of approaches that might achieve these aims.

Using these together with evidence from interviews with 21 LAs we have identified shared characteristics of LAs that performed well in 2006/07 compared with their notional targets for downwards reductions in benefits. We find that the highest performing LAs, in general, pay particular attention to educating claimants. They appear to do more than other LAs to make new claimants aware of their responsibility to report changes and take advantage of a range of customer contact opportunities to remind claimants of this responsibility.

They also work with third parties such as landlords to encourage them to report changes and to educate their tenants to report changes.

These LAs also use Electronic Transfer Documents (ETDs) and Housing Benefit Matching Service (HBMS) matches to identify unreported changes. They use reviews to identify any further unreported changes but most are planning to carry out fewer, targeted reviews and in particular fewer visits, in 2007/08.

Looking ahead, the main plans appear to be continued use of reviews but with fewer visits, an increased focus on the highest risk cases as defined by local risk assessment, and using more proactive questioning. In addition, several LAs plan to predict as many future changes as they can and to use their document management and diary systems to ensure that changes are identified and assessed in a timely manner.

We find that few of the poorer performing LAs in the sample are planning to introduce or change activities related to educating claimants and working with partners. However, most recognised claimant confusion as a significant barrier to self-reporting of changes and all LAs would welcome advice from DWP on how to meet the new PM10 targets, including those already performing well.

Many LAs recognised several ways in which other agencies can help or hinder them in identifying changes of circumstances. For example, HBMS is a useful source of unreported changes, while the differing rules that apply to different benefits and tax and pension credits lead to claimant confusion which hinders identification of changes.

We found a number of good practice ideas for LAs, some from existing practices and some from activities that LAs were planning to introduce. We have also identified one or two ideas that follow from the suggested models for identifying changes. We have also made a number of recommendations, some relating to use of this research and some relating to further work that would be useful.

1 Introduction

At the national level, one of DWP's desired outcomes is to reduce the level of overpayments to claimants, including overpayments of Housing Benefit (HB) and Council Tax Benefit (CTB). To achieve this, it is considered necessary to identify changes of circumstances promptly and then to process them efficiently. The Department is moving from an activity-based target for PM10 (numbers of reviews to be completed, numbers of reviews to be by visit) to an output-based target, based on numbers of reductions in benefit processed. Numbers of downward reductions in benefits are considered to be more directly linked to the desired outcome of reducing the level of overpayments. In addition, the nature of the target allows LAs more freedom to determine how best to meet it.

For the new PM10, LAs will be set individual targets, based on their individual caseload profiles. DWP research has estimated the numbers of expected changes of circumstances for each of six claimant groups and used this 'risk' profile to determine the targets. This project seeks to identify tools, methods and approaches used by LAs already performing well against the new PM10. During March to June 2007, we visited 21 LAs achieving a range of performance levels in 2006/07 against the new metric.

As this is a new target, LAs are unlikely to be managing towards it, unless they have internal targets that align with it. In addition, therefore, this research also aims to explore what LAs are doing to prepare for the new measure, particularly if they have plans to alter their operational models and ways of working.

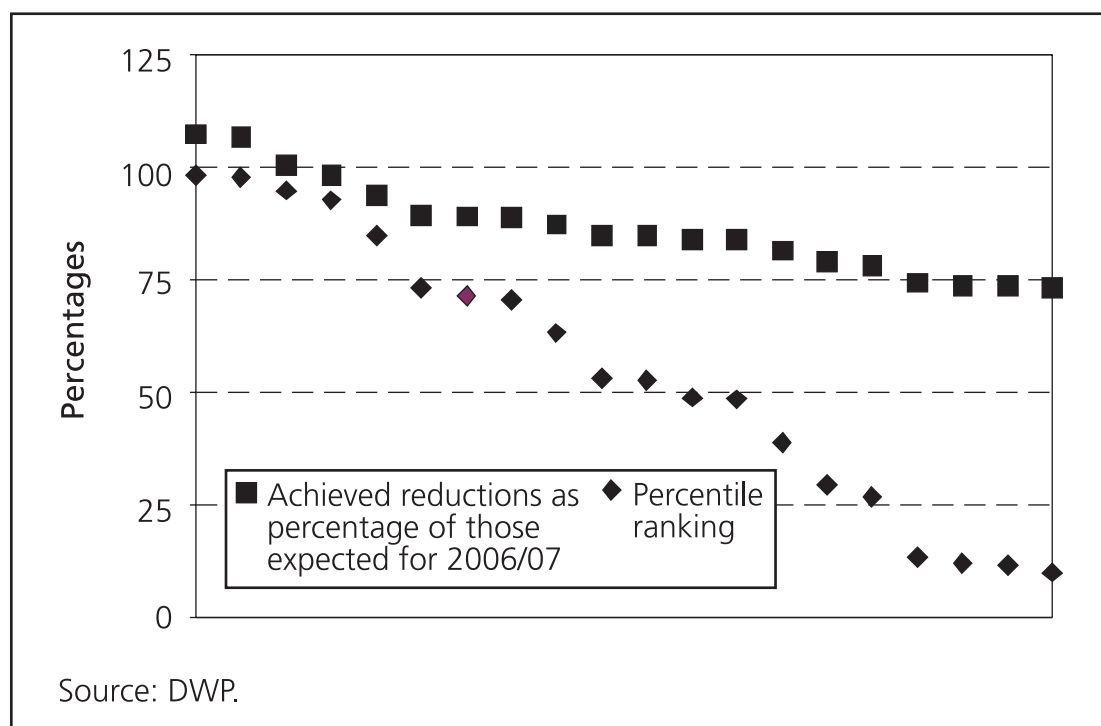
This report presents our findings from discussions with the LAs we have visited. Chapter 2 outlines the research methods used, while Chapter 3 looks at models for identifying changes of circumstances, their implications and potential solutions. Chapter 4 describes what we found, what high-performing LAs do that helps them to achieve against the new PM10 and lists good ideas. Chapter 5 looks at what LAs were planning to do in 2007/08. Chapter 6 asks how other agencies can help, while Chapter 7 draws conclusions from the work and Chapter 8 lists our recommendations for use of this research and for further work that might be useful.

2 Research methods

2.1 Sample of local authorities

Local authorities were invited to participate in the research by the DWP; some of the LAs we visited were selected because they are already performing well against the new metric, while the remainder of the LAs in the research have been selected for other characteristics. This provided a sample including LAs performing at a range of levels – during 2006/07 – against the new metric, at a time when they were not targeting the measure. Figure 2.1 shows two items of information for each of the sample LAs. The square markers show the number of reductions achieved in 2006/07 as a percentage of the expected number of reductions.

Figure 2.1 Reductions in benefit for 2006/07



The diamond-shaped markers show where the LAs in the sample sit in the rankings for all LAs for which we found data for 2006/07. It can be seen that even those LAs in the sample performing less well in comparative terms – those in the lower quartile nationally – were still achieving nearly 75 per cent of a target that was not explicit and so not something we would necessarily expect LAs to have focused on.

2.2 Methods

We sent a letter written by DWP to named contacts (generally the Benefits Manager) by email. All LAs invited, agreed to take part; they comprised a large City Council, a Metropolitan Borough Council, a London Borough and a District Council. The researcher who was scheduled to visit the LA then telephoned prior to the visit to confirm arrangements, answer any queries and clarify which officers the researcher would like to speak to. The number of officers we spoke to varied, in part, due to the size of the authority and the consequent management hierarchy. In general, we spoke to:

- Head of Service for Benefits;
- Benefits Manager;
- Fraud Manager;
- Interventions/reviews manager;
- any officer with particular responsibility for encouraging reporting of changes in circumstances;
- two team leaders or assessors.

At the first visit, we spoke to individuals separately. At the second, the LA arranged for us to discuss issues with managers as a group, followed by a separate discussion with two team leaders. This worked well and we offered subsequent LAs the choice of individual or group discussions. This flexibility appeared to be welcomed and allowed LAs to tailor a timetable according to the availability of those we wished to talk with.

The Appendix shows the questions we used to guide our discussions. We began with a very open question, asking officers for their views on how they achieved timely reporting and processing of changes of circumstances. Issues raised were then discussed, to allow ideas and explanations not anticipated to be explored. There are a number of questions on the list included in the Appendix included as a 'checklist', to try to ensure that certain issues were addressed at all LAs.

2.3 Caveats

Fraud and error performance should not be viewed in isolation from other areas of HB and CTB administration performance. It should be recognised that a number of factors may affect this, not all of which have been addressed here.

3 Models for identifying changes

We have looked at the issues related to identifying changes from two perspectives: From the claimant's perspective, there are clearly a number of points at which some barrier may cause them to fail to report a change of circumstances (or 'push' the information) to their LA. From the LAs perspective there are clearly a number of ways in which the LA can find out about the changes claimants do not report and therefore, mitigate the effects of barriers to self-reporting ('pull' the information to the LA, or have other parties 'push' information to the LA).

3.1 Barriers

A number of barriers to reporting of changes were mentioned by those we talked to. Interestingly, a small number of the 21 LAs we visited thought there were no real barriers to claimants reporting changes, citing the number of different ways in which claimants could report, e.g. claimants can telephone the LA if they cannot visit the LA one stop shop.

Clearly, one barrier, one reason why claimants might not report changes is that they do not want to see their benefit reduced; all LAs recognised this. Other barriers cited were:

- claimant confusion;
- multiple agencies;
- timing issues;
- internal LA communications;
- passive claimants – including issues associated with paying benefit to landlords;
- forgetful claimants;
- previous experience;
- language.

These are discussed in the following sections, followed by a summary of barriers and a suggested model for barriers to reporting changes of circumstances.

3.1.1 Claimant confusion

A common theme mentioned by almost all LAs was confusion. Two types of confusion were noted firstly, that claimants sometimes did not understand which changes they ought to report and secondly (and mentioned by most LAs) confusion because of differences in rules for different benefits and for tax credits. LAs believe that the differences in rules relating to the type and magnitude of changes that should be reported to, for example, Jobcentre Plus, LAs, Her Majesty's Revenue and Customs (HMRC) (with respect to tax credits) and The Pension Service, leads to considerable confusion for claimants. Differences in when changes need to be reported may also lead to confusion. Benefits rules are complex and not straightforward to understand. Some claimants might also believe that landlords would pass on information about certain changes of circumstances, e.g. rent changes (particularly for Large Scale Voluntary Transfer (LSVT) housing stock).

All the LAs we spoke to suggested that other Government agencies could help by including additional information on communications to their customers. For example, Jobcentre Plus could remind claimants that if they were also claiming HB or CTB from their LA they should make sure that they also informed the LA of their change of circumstances. Another LA noted that advertisements encouraging take-up of tax credits could remind claimants that if they are claiming benefits then changes in tax credits should be reported.

3.1.2 Multiple agencies

More than half of the LAs we visited said that claimants appeared to expect public sector agencies to share information, so that if they tell one agency of a change, they expect all other agencies to be aware of the change. For example, claimants who tell Jobcentre Plus that they have found work may expect Jobcentre Plus to tell the LA. In particular, several LAs thought that Customer Management System (CMS) led to some confusion; those claiming HB or CTB via Jobcentre Plus, so the claim is forwarded to the LA via CMS, may then perceive that because they made their claim at Jobcentre Plus, they need only tell Jobcentre Plus of any subsequent changes of circumstances. We understand that future developments may mean that CMS pushes data directly to assessment systems; this may, potentially, worsen this issue.

'There are so many people to tell it gets confusing for claimants.'

'...people often say to us "I thought JCP would tell you about it".'

'Claimants who claimed HB via JCP often think they only need to tell JCP when they find a job.'

3.1.3 Timing issues

Several LAs recognised timing issues as a barrier to reporting changes. They felt that claimants might fail to report a change immediately to help their personal cash flow; for example, a claimant who had started work might not wish to report the change until they had received their first pay packet. Most LAs who noted this barrier believed that in most such cases, the change would be reported, but after a delay, thus leading to an overpayment of HB and or CTB. This issue of timing may be linked to claimant confusion; for HB, changes take account of the entitlement period, whereas for other benefits, the receipt period is important.

'Sometimes claimants delay reporting changes to help with cash flow.'

'[failing to report changes of circumstances] is often a timing issue – people tell us about changes, but not until some time after it's happened, for example when they get their first pay packet, they tell us – but then they have a 4 week overpayment straight away.'

However, a few LAs noted that claimants who did not report straight away can drift towards potentially fraudulent failure to report changes.

'Our claimants are quite poor – they are in a difficult situation – if you can do something that isn't quite fraud and the worse that happens is that it will get clawed back later, then there is a strong incentive not to tell. They usually own up when we approach them.'

'Some fall into [dishonesty], they don't tell, they get away with it, they get more and more scared to tell us. Or they get scared and then sign off.'

3.1.4 Internal local authority communications

Several LAs – including one LA towards the upper end of the rankings shown in Figure 2.1 – told us that claimants expect that if they tell any part of the LA of a change in their circumstances, the LA as a whole will know about that change. These (mostly larger) LAs recognised that the LA had some control over this and could take steps to improve communication and information sharing within the LA.

'...they assume if they tell someone in housing that housing will tell everyone.'

'Some people think that if they tell one part of the council then we all know (we recognise that) the customer should not have to tell everyone and that we should do more – do we provide our services in the best way?'

3.1.5 Passive claimants

Several LAs believed that some long-term claimants were accustomed to reporting changes on renewal of claims, and at reviews, and that such claimants had not yet realised that reporting changes as soon as they occurred was their responsibility. Such claimants tell the LA about changes, but only if they are asked directly.

'People are waiting for a review form to arrive, but since the end of renewals they may not get one for a long time, so people don't think to report changes.'

'Some think they don't have to tell us until we ask. Some still haven't got their heads round the fact that we don't do renewals anymore. They expect someone to knock on the door and ask, or for us to send them a form. There is a danger that people expect us to ask regularly.'

'...they are too used to reviews.'

A few LAs believed that where claimants do not receive payments from the council this makes them less likely to think of themselves as in receipt of payments and so less likely to report changes of circumstances. CTB only claimants may see their benefit as a discount, rather than a benefit. Similarly, LA tenants and others where payment is made directly to the landlord, may see HB as a discount on their rent.

3.1.6 Previous experience

A few LAs thought that previous experience of reporting changes – both to the LA and to other agencies – might deter claimants from reporting future changes. One told us that historically, processing times had been longer, so that claimants reporting changes of circumstances incurred relatively large overpayments even when reporting promptly. The LA believed this may have deterred some claimants from reporting subsequent changes of circumstances. Another LA suggested that customers who found reporting a change to Jobcentre Plus difficult, might be less likely to report changes to LAs.

Work on benefits processing shows that some LAs 'promise' to process new claims within a certain period of time where the claim is complete with all information and evidence. It may be that a similar promise relating to Change of Circumstance (CoC) processing may restore confidence.

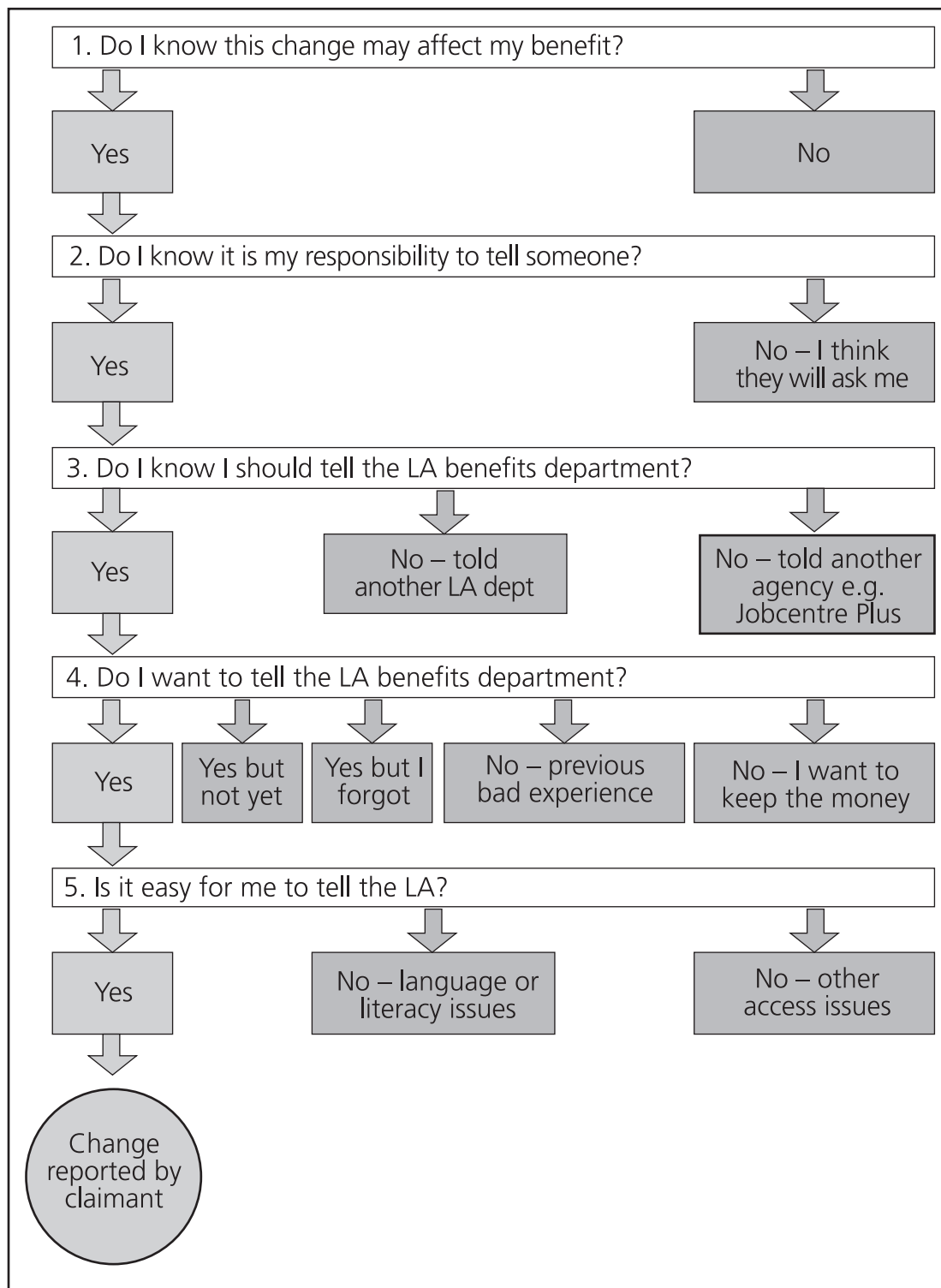
3.1.7 Other barriers

A number of LAs believed that sometimes claimants simply forget to tell the LA of changes in circumstances. A few LAs noted that for claimants for whom English was not their mother tongue, language can act as a barrier to reporting changes of circumstances and one noted that physical access to the building was difficult, and this may have deterred some claimants.

3.1.8 Barriers – a summary

There are a number of barriers to claimants reporting changes of circumstance, from not knowing that a change might affect HB or CTB, to being fully aware but not wanting to report the change. The barriers identified in the sections above can be understood in terms of the decision model, shown in Figure 3.1: they are summarised below Figure 3.1.

Figure 3.1 Claimant perspective – barriers to reporting



Do I know this change may affect my benefit?

Clearly, claimants who do not know that a change might affect their HB or CTB will be unlikely to report it. The key barrier here is confusion, discussed in Section 3.1.1, relating to being unaware of which changes should be reported, and confusion owing to differences in rules for different benefits and for tax and pension credits.

Do I know it is my responsibility to tell someone?

The key barrier here is passive claimants, who have become accustomed to being asked about changes rather than reporting them (Section 3.1.5). Claimants who do not receive payments (i.e. those whose landlords receive payment directly or who receive HB as a rent rebate) may be more likely to be passive – although this is not robust, being based on a small number of responses.

Do I know I should tell the LA benefits department?

Reasons for not knowing include claimants believing that another agency will tell the LA of the change, e.g. Jobcentre Plus¹ (i.e. dealing with multiple agencies – see Section 3.1.2), believing that telling one department of the council is sufficient (internal LA communications, Section 3.1.4), and also believing that another third party, perhaps a landlord, will inform the LA of the change.

Do I want to tell the LA benefits department?

Some individuals will be fully aware that a change has occurred that should be reported and will deliberately and knowingly fail to report it, because they do not wish to see their benefit reduced. However, others may be deterred from reporting changes for other reasons. They may know they have to report but think they do not have to report immediately – this is linked to confusion (Section 3.1.1) caused by differences in rules for different benefits and tax and pension credits. They may delay telling the LA to help their personal cashflow, they may simply forget to tell the LA. It is also possible that in some cases, previous bad experience of reporting a change may act as a deterrent (Sections 3.1.6 and 3.1.7).

Is it easy for me to tell the LA?

Relevant barriers here include language issues (see Section 3.1.7). In addition, literacy issues might affect some claimants and vulnerable claimants may find it less easy than others to report changes. Those with mobility issues will find visiting an HB office or one stop shop difficult, as may working claimants if, say, opening hours were restricted. Where a number of means of reporting changes exist in addition to reporting in person or by post – e.g. telephone, e-mail, internet submission – this may make it easier for a wider range of claimants to report changes.

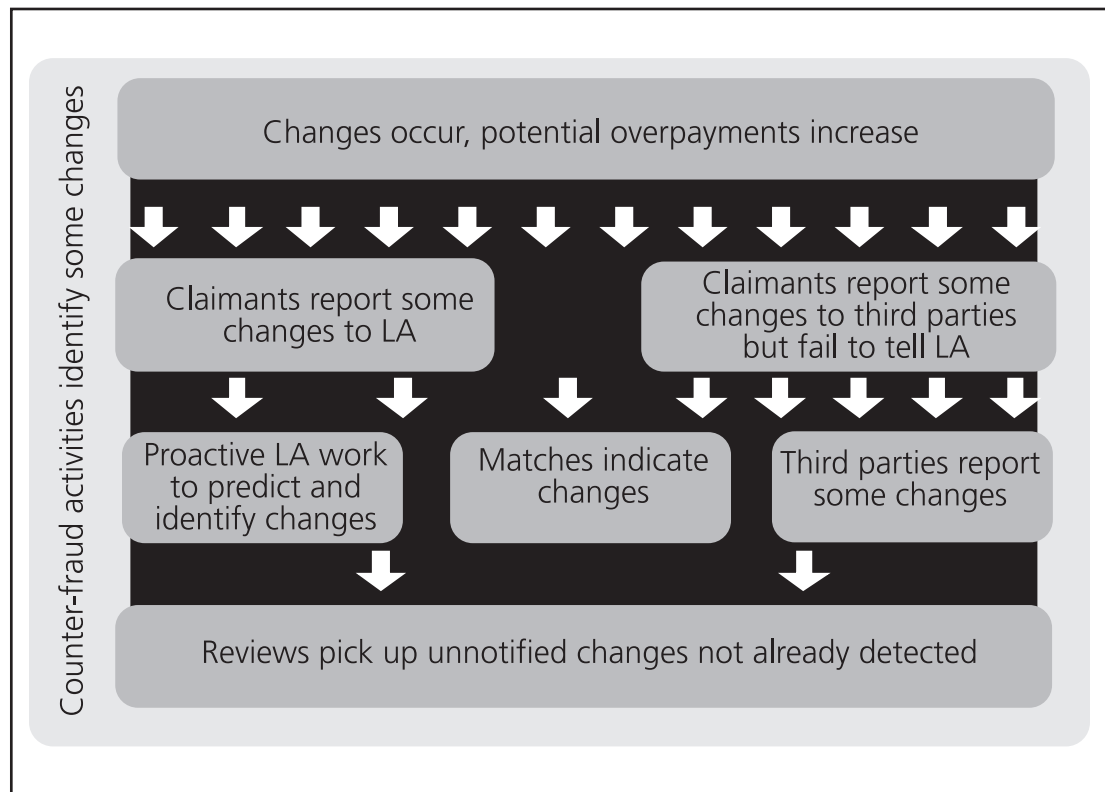
3.2 A model for identifying changes

Figure 3.2 shows a model for identifying changes of circumstances, from an LA perspective. In this model, the yellow block arrows represent changes of circumstances that the LA is unaware of. Changes occur, and so potential

¹ Jobcentre Plus does inform LAs of many changes, via ETDs, but the premise here is that claimants should take responsibility for reporting all relevant changes.

overpayments increase. Barriers exist that prevent some claimants from reporting those changes but others do report changes to the LA. Some claimants report changes to a third party, e.g. Jobcentre Plus, but fail to tell the LA. Thus, some changes are identified through self-reporting by the claimant but some remain unidentified.

Figure 3.2 Changes of circumstances – a model



For changes that claimants do not report to the LA, there are a number of ways in which the LA may find out about them – a number of ways in which the effects of barriers to self-reporting can be mitigated. These can be considered to fall into three broad categories:

- 1 proactive work by the LA to predict and identify changes of circumstances;
- 2 matches, notable those provided through HBMS;
- 3 changes reported by third parties – this includes changes reported by, for example, Jobcentre Plus via ETDs (thus, catching some changes notified to Jobcentre Plus but not to the LA) and changes reported by, for example, landlords.

Our assumption is that achieving the desired outcome of reducing overpayments is facilitated by identifying (and processing promptly) as many changes as possible at an early a stage in the model, because this is likely to result in a shorter time between the change occurring and the LA processing the change. We, therefore, assume that reviews should act as a 'backstop', identifying changes that have

not been identified through the routes described above and should not be relied on as a primary means of detecting changes. Reviews may also serve to identify changes that are about to occur, and provide an additional opportunity to remind the claimant of their responsibility for reporting changes.

It follows that an LA's first aim should be to address barriers to self-reporting so that as many claimants as possible report changes of circumstances themselves, in a timely manner. However, as this cannot be relied upon to identify all relevant changes, LAs also need to consider an appropriate mix of:

- encouraging and making good use of reports by third parties;
- proactive work to predict and identify changes;
- making effective use of data matching.

Effective reviews can then focus on the highest risk cases – those most likely to have unreported changes of circumstances. Counter-fraud activities are also necessary and may also lead to the identification of unreported changes.

It should be noted that the model suggests that LAs achieving well against the new PM10 measure in 2006/07 (and indeed during 2007/08) may do so for a variety of reasons, as changes will be picked up by many different routes and their performance represents the sum of these different routes. High-performing LAs may have claimants with a high propensity to report changes of circumstances, with moderate levels of activity in other areas to find remaining unidentified changes, or they may identify a high number of changes via information provided through ETDs, matches and by carrying out a high number of reviews, or particularly effective reviews.

3.3 Implications

Based on the models outlined in Sections 3.1 and 3.2, we suggest that to achieve good scores against the new PM10 measure, i.e. to identify a high proportion of changes of circumstances, LAs need to look at the issue from two perspectives – reducing the barriers and mitigating their effects. In addition, some LAs have suggested that government, particularly the DWP, could help to reduce some of the barriers. It should also be noted that DWP already has systems and processes in place to mitigate the effects of some of the barriers (e.g. ETDs, and the Housing Benefit Matching Service (HBMS)).

Therefore, LAs should seek to reduce or remove barriers, so that it is more likely that more claimants will move through the green ('yes') route in the model shown in Figure 3.1, and report changes themselves. However, it must be recognised that this may take some time to achieve, and cannot, in any case, be relied upon to reveal all changes of circumstances and so LAs also need to mitigate the effects of the barriers. As indicated in the model outlined in Figure 3.2, this requires an appropriate mix of proactive initiatives to predict and identify changes, and

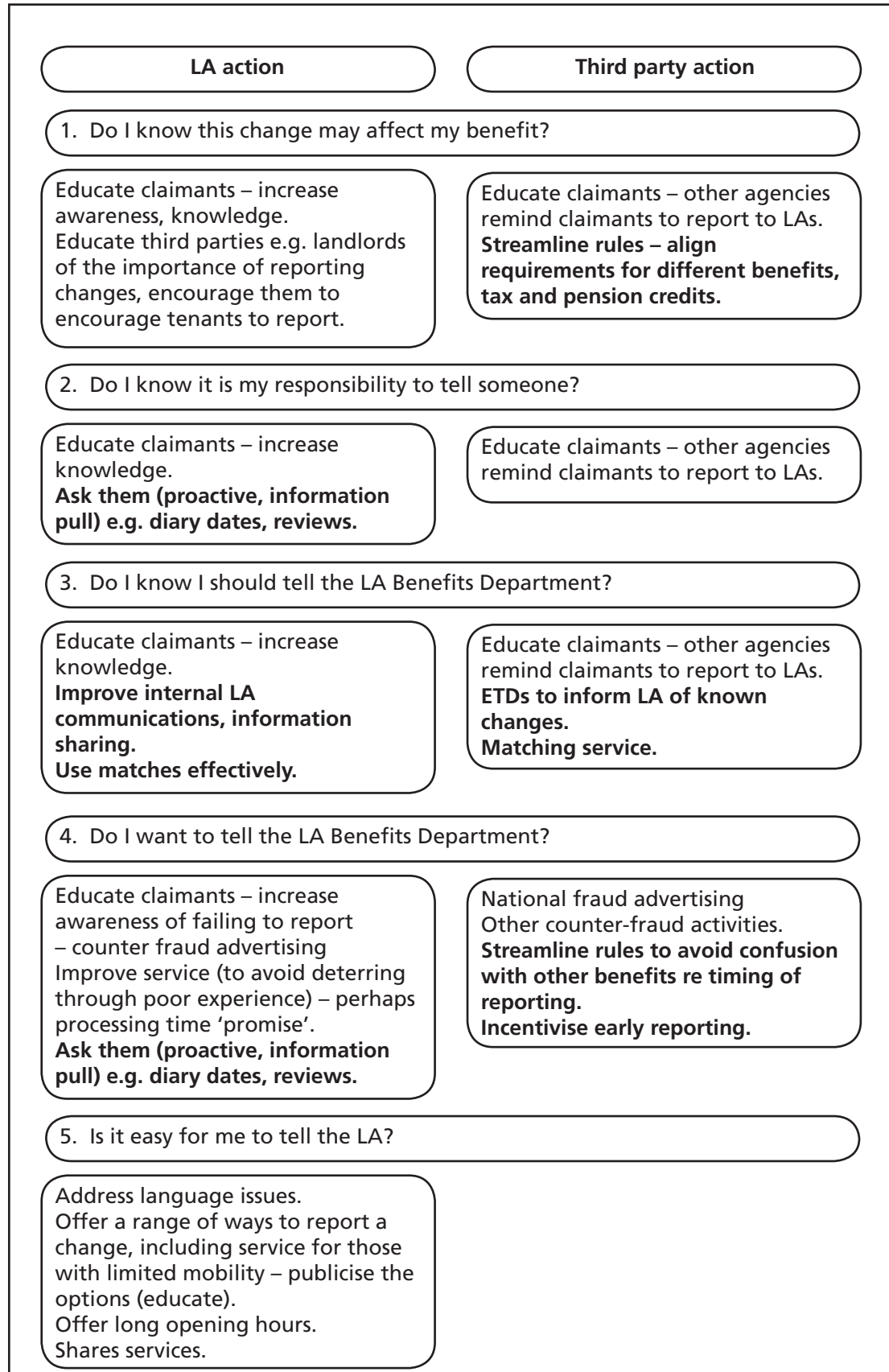
effective use of information provided by third parties, including data matches. As noted earlier, effective, focused reviews can then act as a further measure to identify any changes that remain undetected. Visible counter-fraud activities and publicity may also help to reinforce a culture of self-reporting.

3.4 Potential solutions

Clearly there are a number of solutions that might be termed 'changing the model'. For example, rather than expect claimants to have primary responsibility for reporting changes of circumstances to the LA, one might propose a model where changes in benefits from other agencies, and changes in tax and pension credits were routinely notified to the LA by the relevant agencies, with the claimant not expected to tell the LA. However, such solutions may have wide-reaching implications such as effects on subsidy for LAs. Detailed consideration of such solutions is outside the scope of this study.

What initiatives, activities or processes address the barriers discussed above? Looking at the barriers to self-reporting, and particularly the reasons why people may fail to follow the green 'yes' route through the model, we can identify broad categories of activities to reduce or mitigate the effects of the barriers. Figure 3.3 shows the results of this process. The yellow shaded boxes on the right-hand side show items where a third party – typically DWP or an agency such as Jobcentre Plus – does, or could, act. The items underlined would require policy change but have been suggested by one or more LAs. The boxes on the left-hand side show categories of activities that LAs can implement. Items shown in normal text aim to reduce the barrier, while items in bold text are intended to mitigate the effects – to catch unreported changes. As the figure shows, claimant education may help to reduce a number of barriers to reporting, focusing on knowledge of their responsibilities for the early stages of the model, moving to knowledge of the potential adverse consequences of not reporting at Step 4 of the model.

Figure 3.3 Reducing and mitigating the effects of barriers to self-reporting of changes of circumstances



Practical methods of implementing these measures are described in the following section. In addition, it will be important for LAs to review the effectiveness and value for money of measures and amend and develop them accordingly. Activities would include:

- reviewing the results of proactive activities such as predicting changes by reviewing income types and using diary dates to determine which activities are most successful in identifying unreported changes.

Note that proactively contacting claimants may cause claimants to avoid taking responsibility for self-reporting changes and so may require careful implementation. This might mean allowing a little time to pass before contacting the claimant, and using careful wording in a letter or a carefully worded script to help educate the claimant that it was their responsibility to report the change. Including a notice on the importance of reporting changes and a change of circumstances form, might help to reinforce the message.

- for matches provided by HBMS, reviewing the results to identify which matches identify most unreported changes would help to inform claimant education or activities such as targeted mailshots.
- analysing the results of reviews to determine, if possible, the types of claimant most likely to fail to report changes, or the type of change most likely to be reported. For example, if such analysis demonstrated that claimants failed to report interest on capital, this might indicate that it would be useful to target claimants with capital via a mailshot.

4 Practical initiatives

Chapter 3 outlined broad categories of approaches that might help LAs to reduce barriers to self reporting of changes of circumstances by claimants and mitigate the effects of barriers to reporting. There are examples of good ideas that fall within these categories that are already in place in LAs. This chapter seeks to identify examples that might be potentially good ideas. In particular, it seeks to identify whether those LAs performing well against PM10 in 2006/07 had any particular measures in place not seen elsewhere or any particular combinations of measures or initiatives. That is – do the models outlined in Chapter 3 appear to explain the observed performance of LAs against their notional ‘new PM10’ targets for 2006/07.

It should be noted that while in some areas, some analysis has been carried out by the LAs, e.g. relating to return rates for postal reviews and the number of reviews by visit completed first time, we found no formal evaluation of the effectiveness of any methods for identifying or encouraging reporting of changes of circumstances. However, as the new PM10 measure and associated target were not applicable during 2006/07, this is not surprising.

4.1 Shared characteristics of good performers

The key shared characteristics of the top performing LAs in the sample appear to be a combination of educating claimants and working with partners.

Most of the high-performing LAs in the sample appear to pay more attention to educating claimants than other LAs, and a few of these appear to place more emphasis on working with partners than most, while one works with partners but to a lesser extent. One high-performing LA in the sample does not appear to place particular emphasis on educating claimants or working with partners. It does, however, send out targeted mailshots². It also carried out more reviews (and more interventions in total) per 1,000 claimants than the other high-performing LAs and more reviews as a percentage of expected downwards reductions.

² For example, writing to pensioners with occupational pensions who had not reported changes within a certain period of time.

A few LAs further down the rankings in the sample also seemed to pay more attention than average to educating claimants. However, none of these appeared to place significant emphasis on working with partners.

4.2 Educating claimants

Many of the barriers to self-reporting can be addressed by educating claimants and some by educating third parties (e.g. private landlords), or indeed other departments in the LA. Here, education is closely linked with communication. Most of the high-performing LAs in the sample mentioned several activities that might be termed 'claimant education' when asked open questions about how they had achieved good performance against the new metric. Interestingly, one high-performing LA mentioned only one such activity (targeted mailshots – see below), while a small number of LAs further down the ranking in the sample did talk about such activities.

4.2.1 Using written communications

All the LAs we visited include statements on notices of determination informing claimants of the need to report changes of circumstances and describing the types of changes that need to be reported. A smaller number told us that they included a separate sheet on changes of circumstances. Communications theory suggests that if a communication tries to impart too many messages then not all will be received; there is a danger that messages are lost because of 'noise'. Viewed in this context, the primary purpose of a determination letter is to tell the claimant whether their claim has been successful and how much benefit they will receive. It may be that secondary messages in the same letter – e.g. the importance of reporting changes of circumstances – are not communicated as effectively.

There is some evidence that including a separate flyer improves the likelihood that the message will be received successfully. Most of the top performing LAs in the sample told us that they include a separate flyer on changes of circumstances in communications with claimants – typically with any notification letter. One of these noted that the flyer was printed on different coloured paper to stand out from the other enclosures. A small number of the remaining LAs told us they used separate flyers.

4.2.2 Using customer contact to increase awareness

Most of the top performing LAs in the sample said that they tried to use as many opportunities as possible to remind claimants that they should report changes of circumstances as soon as they occurred. One of them noted that their claimant population was fairly stable, which facilitates efforts to educate.

'We drum into claimants the need to report changes for their own benefit... to avoid overpayments.'

'Residency checks are a useful opportunity to remind people of the importance of reporting changes, and we leave a change of circumstances form with them.'

The LAs spoke of pointing out to claimants the benefits to them of reporting changes as soon as they occurred, to avoid incurring an overpayment that they would have to pay back. One LA believed that reporting changes was part of the 'claimant culture'.

'Our customer services staff constantly remind people of the need to report changes – it's long-embedded.'

'Mostly the customers have got used to reporting changes themselves.'

These local authorities also said that they used review visits as a further opportunity to remind claimants that they should report any change of circumstances as soon as possible, as did several other LAs.

'...our notification letters tell people (that they need to report changes). We include a separate sheet on changes. We educate our claimants – the application form tells them, the notification letter tells them, the separate flyer tells them.'

4.2.3 Using initial customer contact to increase awareness

One LA in the sample (in the lower half) visits all new claimants and uses the opportunity to remind them verbally of their responsibilities with respect to changes of circumstances. This LA focuses on getting the claim 'right first time' and expressed some concern that because they do this, they reduce the number of subsequent changes of circumstances due to LA error and will suffer against the new PM10 as a result.

Another LA (in the lower half of the sample) has recently introduced a statement relating to changes (in place for only six weeks when we visited the LA), which new claimants are taken through and asked to sign, which defines their responsibilities for reporting changes of circumstances.

4.2.4 Advertising

Advertising is a potential tool in seeking to improve the awareness of claimants with regard to reporting changes of circumstances. All of the LAs we spoke to use advertising in relation to HB and CTB, using a wide range of media, but most advertising is aimed at encouraging take-up and deterring fraud. One LA had provided material to a Housing Association (HA) for inclusion in a tenants handbook about the importance of reporting changes of circumstances, and had provided an article on the consequences of not reporting changes of circumstances for inclusion in a newsletter for the HA's tenants. Another LA included information about reporting changes of circumstances in some of the leaflets available in

locations such as libraries. This LA also noted that some of the advertising relating to fraud might encourage reporting of changes in circumstances but that this was difficult to evaluate.

Most national anti-fraud advertising focuses on more obvious fraud such as working and claiming; some LAs thought that anti-fraud advertising might help if some of it concentrated on the potential adverse consequences of not reporting changes of circumstances.

Several LAs noted that advertising was expensive, would be competing with lots of other messages and would probably have little impact. One of the top performing LAs pointed out that publicity budgets are fairly small, and that their belief was that it was better spent on take-up and fraud, with other methods used to improve identification of changes of circumstances, as these can be targeted effectively on the small percentage of the population for which changes of circumstances is likely to be an issue.

4.2.5 Targeted mailshots

This might be considered a proactive means of 'pulling' information from customers, but also acts to educate and inform, increasing awareness and, as mailshots form part of a communications strategy, they sit well with other activities in this category. Only a small number of the LAs we visited had used targeted mailshots prior to the new PM10. Interestingly, one of these was one of the most successful LAs in terms of the notional new PM10 measure in 2006/07 in the sample. This LA did not talk about other claimant education issues to the same extent as the other top LAs in the sample. This LA told us that they had, for example, written out to pensioners with private pensions, as this group were believed likely to have changes that had not been reported and were less likely than some other claimant groups to be picked up in reviews.

We note that the DWP has worked with LAs to carry out and evaluate a number of targeted mailshots at the beginning of 2007/08; data from these evaluations may yield useful information about the effectiveness of different targeting strategies.

Potential good ideas**From LAs**

- Consider how your LA can educate claimants about what changes should be reported and how to make them aware that they are responsible for reporting changes.
- Include a separate sheet on the need to report changes of circumstances with notification letters. Consider including a change of circumstances form separately or combining these two. Use colour to differentiate these from other materials in the letter. Include examples of changes that must be reported but make it clear that the list is not exhaustive. Include details of how to report changes, including addresses, opening hours, phone numbers, URLs.
- Take advantage of customer contacts – particularly face-to-face or by phone – to remind customers of the need to report changes.
- Consider using targeted mailshots to remind particular claimant groups of the importance of reporting changes and their responsibility to report changes. Plan to evaluate the success of mailshots to inform future communications plans.

From other sources

- Consider taking customers through a separate statement on the importance of reporting changes of circumstances, including the potential consequences of not doing so, when they first make their claim and have them sign the statement to confirm their understanding and agreement.
- Consider including information in anti-fraud advertising on the potential adverse consequences of failing to report changes of circumstances.
- Have a communications strategy. Ensure you understand the barriers to reporting and also where most problems arise. Plan to evaluate the success of different communications measures to inform future communications plans. Include how you will work with partners.

4.3 Educating third parties

This can also be thought of as working with partners. LAs work with a number of partners including HAs, private landlords, other government agencies such as The Pension Service and voluntary agencies. LAs can work with landlords to encourage them to report changes and also to encourage them to help encourage tenants to report changes.

Of the top LAs in the sample, most talked – in response to open questions – about working with partners to encourage reporting of changes. One of these had no LA housing stock, while a small number managed this stock through an At Length Management Organisation (ALMO). No other LAs identified working with partners as an important activity for identifying changes. Working with partners

included both encouraging the partners themselves to report changes and those partners encouraging their tenants to report changes. The LA with no housing stock informs the Registered Social Landlord (RSL) when reviews are carried out for its tenants and the RSL encourages tenants to return the review forms in a timely manner. In addition, the LA has worked to improve third party reporting by the RSL (and by private landlords, using a landlord forum) and has seen improved reporting by landlords of property being vacated by claimants. In many cases, overpayments are then recovered from the landlord, and so the LA has been able to point out to landlords the benefits to them of helping the LA by notifying them of known changes.

'We work with RSLs and other landlords, educate them to encourage their tenants to report changes to us. We have worked with landlords, including RSLs, to get them to notify us of changes they know about.'

'We always work with our partners, encouraging them to promote reporting of changes of circumstances – housing office, rent office, one stop shops, private landlords, RSLs, housing associations. We use our SLAs to help promote it.'

One LA told us that they maintained a publicity register to help them contact partners quickly if they need to 'get information out there quickly'.

'We have a publicity register – it has contact details for stakeholders such as landlords and RSLs. We can use it to target people to let them know what's happening in the system.'

Work with other agencies, such as The Pension Service or voluntary agencies, often focuses on take-up and welfare. However, some LAs noted that they also used such work as an opportunity to remind claimants and potential claimants of the need to report changes.

Outside of benefits administration, we have found that people try to make best use of their publicity budgets by running campaigns. For example, they choose a time of year and work with partners on a particular topic for that year, based on reviews of the previous year. This approach relies on having a communications strategy that is reviewed and refreshed annually on the basis of a review of the previous year's experience.

Potential good ideas

- Encourage partners – both within the LA and outside it – to inform the LA benefits department of known changes.
- Encourage landlords (including LA housing, RSLs, private landlords) to educate their tenants to report changes of circumstances.
- Where joint working with other agencies is undertaken focusing on welfare and take-up, use contact with claimants as an opportunity to educate claimants – to remind them of their responsibility.

4.4 Make it easy to report changes

It seems intuitive that making it easy and straightforward to report changes will help self-reporting by claimants. There are many ways in which claimants can report changes. All of the LAs in the sample allowed claimants to report by post, and in person at a one stop shop or HB customer services desk. Many allow reporting online, or by email, although those LAs also said that at present these routes were used by very few claimants. Some also allow changes to be reported to RSLs and at 'one stop' facilities at LA libraries. Many LAs also take some reports by telephone; some changes (e.g. cancellations) are dealt with immediately by telephone, while in some cases, other changes are dealt with by sending the claimant a form. One of the top performing LAs sends out a prepaid envelope with the form to help to speed return of the form; this LA, like others, also tells claimants they may visit the one stop shop to report the change. Another potentially good idea from the same LA relates to its changes of circumstances form, which includes, on the back cover, details of all the ways in which claimants can report a change, including phone numbers, addresses and opening hours. Some LAs will take details of changes over the telephone but require that the claimant send or bring to an office any necessary evidence relating to the change.

There is limited evidence that providing longer opening hours helps³. We have defined longer opening hours as having a walk-in facility opening until 5.30pm or later on at least one evening during the week, and/or opening on a Saturday morning. Several LAs in the sample offer this; however, we note that almost all of these are larger metropolitan or unitary authorities, where demand is more likely to be higher. In addition, it is easier (and more efficient) to offer extended opening hours where facilities are shared with other council departments. The benefit to be gained from this may depend on the claimant profile; where there is a high proportion of working claimants this may be more useful – some evaluation of this may be helpful. The quote below is from one of the high-performing LAs in the sample.

'Our main one stop shop is open from 8am to 6pm so offers reasonable access. People can phone in then we ask them to follow up by letter or to come in to an office. If someone said they wanted to cancel because they'd come off IS we would check on CIS and accept it. They can report CoCs at one of the community offices and soon they will be able to report at libraries as well. They can send us an email but few do – we think there is more work to be done on online submission – we're looking into it.'

A small number of LAs believed that language issues were a barrier for some claimants. These LAs had translation facilities, notices in different languages on

³ It may be that the location of these offices is important, however, we have insufficient information to assess this. Most of the LAs in the sample offering longer opening hours do so at central locations, where footfall tends to be highest.

their forms and, in some cases, speakers of some minority languages on their staff. One LA recognised that access to its building should be improved and was addressing this. All LAs appear to have welfare officers (and some have joint visiting teams for older claimants). When we asked about how claimants could report a change, one LA told us that claimants could request a welfare visit to report a claim. However, we did not ask specifically about such groups and few mentioned this as a barrier; we know that welfare work is widespread and so many LAs may offer such a service.

4.4.1 Customer service

Many of the good ideas can be thought of as improvements to customer service. Improved customer service may also mean addressing the length of time it takes to process changes – poor previous experience of reporting a change, such as incurring a large overpayment even when reporting promptly, because of long processing times, may deter claimants from reporting future changes.

Potential good ideas

- Review the range of ways in which claimants can report a change – consider offering an appropriate mix, including taking reports by telephone where IT systems support this, e.g. by allowing electronic memos to be raised regarding changes.
- Consider whether it is appropriate to offer extended opening hours for walk-in facilities or telephone lines.
- Review the design of changes of circumstances reporting forms; consider whether it would be cost-effective to include details of all means of reporting changes including addresses, telephone numbers and opening hours.
- Consider whether any other means would be appropriate to publicise how to report a change (perhaps as part of an education-communications plan).
- Consider appropriate means of addressing language barriers, if these are an issue.
- Consider whether there is a need to offer any additional access routes (in the broadest sense) for vulnerable claimants and those with limited mobility.

4.5 Predicting changes

The sections above dealt with reducing barriers to self-reporting. Predicting changes moves to proactive work by the LA.

Previous work with local authorities suggests that many use diary dates for significant birthdays. Many of the LAs whose experiences are reported here made limited use of diary dates during 2006/07, for example, to identify when children become non-dependants, but only a few saw this as a significant source of identifying changes of circumstances. Several of the LAs in the sample, including most of the top performers, saw increased use of the ability to predict changes ahead of time as a useful plan moving forwards. They felt that they could do more to identify expected changes before they occurred.

A small number of LAs told us that they already carried out a lot of work to predict changes; these LAs were in the lower half of the sample with respect to performance against the notional 2006/07 'new PM10' measure.

'We carry out lots of work on predicted changes. We run reports – once a week someone runs a schedule of reports on predicted changes eg significant birthdays, claimants with no income change for more than two years, then one of our officers focuses on those in more detail – if she feels there has probably been a change she arranges an intervention, otherwise we would write to them and ask.'

'We use diary dates to flag predicted changes, e.g. if someone has an increase in pay on a certain date, we put that date the following year in as a diary date.'

Other LAs spoke of large local employers (or former employers' pension schemes) with known pay increase dates, for example. One of the top performers spoke of the ability to flag an individual claimant's case details; if a pay rise is reported on a particular date one year, then a change is likely to occur at the same time the following year. One of the top performing LAs had held a workshop to identify the various types of changes that it should be able to predict (some of which might lead to upward, rather than downwards changes in circumstances) and identified around 35 such changes. These include:

- pay increases;
- significant birthdays;
- rent changes;
- benefits changes;
- tax credits changes.

The LA planned to make increased use of its document management system with diary dates to write to claimants when expected changes were due. Another LA was planning to review individual claimants as the cases were reviewed for other reasons, to highlight expected changes using diary dates.

4.5.1 A potential disadvantage

A few LAs noted their concern that predicting changes and writing to claimants ahead of the predicted change might lead claimants to believe (or claim to believe) that the LA knew when changes of circumstances would occur and would contact the claimant when it wanted to know about them. They were concerned that their action might 'send out the wrong message' and counteract attempts to educate claimants to take responsibility for reporting changes themselves.

This highlights an interesting issue with respect to timing. While overpayments might be minimised by writing to claimants ahead of an expected change of circumstances, this might lead to extinction of the desired behaviour – self-reporting of changes. Behaviourally, it might be more effective to write to claimants some time after the expected change, although this might be less effective at minimising the amounts of overpayments incurred.

Another alternative, being considered by several of the LAs in the sample, is increased use of outbound telephone calls rather than formal letters. It might be that this more informal communication channel would be more likely to leave claimants with the impression that reporting changes remains their responsibility, with the LA providing a helpful but seemingly informal role in reminding the claimant that they might have a change to report.

In either case – it may be necessary to consider the approach carefully, so that changes are identified but the LA uses the customer contact not simply to find out about the change but as an additional opportunity to educate the claimant.

Potential good ideas

- Consider using diary dates to flag up predicted future changes.
- Consider how existing IT systems can be used to produce reports.
- Consider proactively contacting claimants when known changes occur, giving careful thought to the timing of contact, and whether contact should be by letter or telephone.

4.6 Data matching

Using data matching is a means of identifying changes that have not been reported, or in some cases have been reported to another agency but not to the LA. All LAs had used HBMS data matches to identify changes of circumstances and most also mentioned the National Fraud Initiative. All found HBMS useful and many had asked for additional rules to be run at some point – a small number of the top performing LAs and many of the others. When we asked LAs what types of matches had been most useful, a wide range of rules were mentioned, with no particular pattern relating to performance against the new PM10.

Potential good ideas

- Analyse the results of reviews to identify whether any particular rules would be most likely to generate unreported changes. Ask HBMS to run them for you. (In addition to feeding results into claimant education and communication initiatives.)

4.7 Reviews

In the models we have suggested for identifying changes of circumstances, reviews act as a final 'catch-all'. However, during 2006/07 LAs had targets for the numbers of reviews they were expected to undertake, and the numbers of those reviews that were to be completed by visit. Research on targets has demonstrated that where targets are set, they can act to show organisations where they should focus their efforts, what they should prioritise. Understandably, therefore, during 2006/07 all LAs had used reviews to a considerable extent. Many LAs spent considerable time filtering risk lists to find those that required some intervention.

4.7.1 Types of reviews

All the LAs said that reviews were useful and helped them to identify changes. Most of the LAs we visited used postal reviews and visits but one used some telephone reviews. While most LAs told us that they used visits for the highest risk claimants, mostly identified using DWP risk lists, one high-performing LA told us that they visited mostly passported claimants, as these review visits could be completed more quickly, to help them achieve the current target with less effort. They told us that they had discussed the matter with other LAs, most of whom said they did the same. A further few LAs in the sample did not choose highest risk claimants to visit.

Most of the LAs in the top half of the sample expressed a view on which types of claimants they found most changes from on review and in most cases this was working claimants. Many of those who visited highest risk claimants felt that visits were more effective than postal reviews, because they allowed for more proactive questioning. Some told us that they knew of other LAs who used pre-populated review forms and simply asked claimants to check and sign them, because this was quicker than starting with a blank form and asking for evidence of everything. The LA that used telephone reviews carried out only a small percentage of total reviews by telephone, but said these were most effective, because 'they catch people off guard'.

4.7.2 Numbers of reviews

Several of the LAs we visited felt that they were required to carry out too many reviews under the 2006/07 target regime; while all felt that reviews were a useful way of identifying changes of circumstances, most of the top performing LAs noted that only 20 to 30 per cent of the reviews they carried out identified changes

of circumstances; one of these stating the situation more negatively, noting that 70 per cent of visits resulted in no changes to the information recorded. All the LAs were aware of DWP advice that postal reviews were as effective as visits and would review their mix of reviews going forward. One of the LAs noted specifically that prior to training provided by DWP (see below), visitors were so driven by targets on the numbers of visits to be completed that the main aim was to complete visits quickly. This demonstrates a well-known tension in the use of targets; between volume and quality and the value of considering what perverse incentives a target may introduce and looking for ways, including education and the setting of complementary targets, of addressing these.

We looked at the numbers of full reviews carried out per 1,000 claimants during 2006/07. This measure varies in the sample from about 70 to about 550; a factor of almost eight. Interestingly, the top performing LA that appears to carry out fewer claimant education activities than other high-performers, carries out more full reviews than others. This may be linked to caseload mix but might help to explain its good performance against the new PM10 in 2006/07. We also look briefly at full reviews carried out as a percentage of the total number of downwards reductions 'expected' in 2006/07 and found that this LA scored more highly on this measure than others in the top high-performers.

4.7.3 How reviews are carried out

A small number of the LAs told us of the positive effect of visits training provided by DWP; the LAs believed it had helped improve the quality of the reviews carried out by visit. They said that after the training, visitors carried out fewer, longer visits but that the visits completed were of more value. Visitors now looked more closely at the claim in advance of the visit to identify expected changes and used more proactive questions to elicit information on changes.

Potential good ideas

- Use reviews as a final 'catch-all' not as a primary means of finding changes.
- Carry out fewer, targeted reviews, and use proactive questioning for visits and postal reviews, based on DWP/Benefit Fraud Investigators (BFI) recommendations.
- Review highest risk claimants – use DWP information, Aspiren or other local risk scoring to select claimants most likely to have unreported changes.
- Consider how to automate the process of filtering risk review lists to find those that require intervention.
- Analyse the results of different types of reviews and use an appropriate best value mix.

4.8 Processing of changes of circumstances

Once changes have been identified, overpayments can be minimised through prompt and rapid processing of downwards changes of circumstances. Several of the LAs we visited had counter-scanning so that documents found their way onto the Document Image Processing System (DIPS) quickly. Several LAs had used performance standards funding to introduce DIPS, one had used funding specifically to introduce counter scanning. This LA had a number of one stop shops and estimated that the introduction of counter scanning (rather than copying originals, transferring them to the back office by council courier and then scanning) saved three days on the processing of changes of circumstances. When we asked about how work was prioritised, several LAs mentioned prioritising downwards changes of circumstances; some said that prioritisation was reviewed on a regular basis to address any particular issues. Some did not prioritise to any great extent, because they did not need to. These LAs had no backlog, were 'on top of' their workload and so simply dealt with work as it arrived.

For LAs using DIPS (most of the sample) the extent to which it is possible to prioritise downwards changes of circumstances depends on how documents are indexed. Recognising new claims is relatively straightforward for all staff, recognising changes of circumstances or cancellations is also relatively straightforward. However, recognising a downwards change of circumstances is not straightforward and relies on a higher level of knowledge and training.

A small number of LAs told us that their scanning team scans documents but does not index them – benefits officers index them, allowing for more detailed and sophisticated indexing. Most LAs use scanning staff to index documents and do not try to identify downwards changes of circumstances as distinct from other changes of circumstances. Another small number of LAs told us that they had provided their scanning teams with additional training in how to recognise different types of documents, including downwards changes. These LAs reviewed indexing from time to time and provided refresher training as required. Generally, where the scanning team are unsure they are advised to treat a change as downwards in the indexing system.

Potential good ideas

- Given the LAs particular circumstances – workload, backlog, staffing – consider the best value approach to indexing – what level of detail is required and who should do it.
- Review scanning arrangements and processes to identify whether it acts as a 'bottleneck'. If so, identify means of removing barriers to swifter scanning.
- Consider whether there is particular value in working to reduce backlogs.

5 Looking ahead

All the LAs we spoke to had given some consideration to how to meet the new PM10 target in 2007/08. We asked LAs what they planned to do; whether they would introduce new activities, modify existing activities or cease any existing activities. The following list describes what LAs said they were considering. Reviews are discussed separately, below.

- **Predicting changes:** Several LAs planned to introduce or extend the use of diary dates to flag predicted changes for claimants.
- **Outbound telephony:** A few LAs said that they were exploring using outbound telephony to look for changes of circumstances. One LA was looking at software designed to detect stress in callers' voices, to identify claimants to visit.
- **Educating claimants:** One LA – already a high performer – was planning to add a changes in circumstances campaign to its planned programme using a mobile advice centre.
- **Increase access:** The same LA was reviewing its access routes and exploring self-service routes – online submission from home and from council one stop shops.
- **Use tailored matches:** One LA was planning to work with the DWP to use HBMS to complement its plans. The LA had compiled a list of additional rules that it would find useful; following discussion with DWP it found that the capacity for additional rules would be limited and was working with DWP to agree a programme of rules to be run. The LA expected to submit one additional rule per month. Note that another LA said that it would be useful to know what match rules other LAs asked for, in case it revealed any useful ideas.
- **Other plans:** Many LAs were still reviewing their plans. Some planned to seek good ideas from practitioner groups they attended, some were planning to analyse results as the year progressed and review what they were doing in response to performance. One was considering mailshots to promote self-reporting if the numbers of changes reported to it dropped. One LA was planning to use advertising based primarily on 'good news' stories of reporting changes of circumstances, i.e. changes resulting in increase HB or CTB, to highlight the importance of reporting all changes of circumstances to the LA.

5.1 Reviews

The removal of a specific target for the numbers of reviews and visits means that LAs can now use them only where they think they will add most value. Training provided by DWP has helped some of the LAs we spoke with to improve the quality of the visits they carry out; looking ahead, these LAs plan to continue to use visits in a more proactive manner, reviewing the case more carefully to identify predicted changes and using questions designed to elicit more information on more changes. A high-performing LA expressed some concern that if it reduced the numbers of review visits and lost visiting expertise, it might then find that 'the goalposts move' and be expected to carry out more visits again. While it recognised the benefits of the increased flexibility the new PM10 offered, it felt that guidance on a good mix of activities would be useful.

- Fewer visits – Many LAs felt that too many visits had been unproductive and that they could use the visiting resource more productively. Most said they would do fewer, better quality visits, using more proactive questioning. Most of the top performing LAs were planning to reduce the number of visits they carried out. One LA was planning to reduce the number of reviews completed by visit by up to 50 per cent. These few LAs noted that visits were an expensive use of resource and so they planned only to continue using them where they were considered most effective. For example, one LA planned to use visits where it considered that observation was required but where the task was to collect evidence, it would use postal reviews.
- Fewer reviews – Many LAs felt that many reviews had resulted in no changes and so planned to carry out fewer, better targeted reviews.
- Use own risk categories – Several LAs thought they were likely to use locally generated risk categories or make use of, for example, Aspiren to help target reviews. Several LAs noted that the risk-based approach following the end of renewals meant that some claimants had not been reviewed for a considerable length of time and they now planned to review such cases. One planned to specify a minimum review period for different claimant groups, another planned to review those claimants identified as high risk every six months, while another specifically planned to review all claimants who had not reported a change in the last twelve months and had not been reviewed in that time.
- More partial reviews – A small number of LAs told us they would carry out more partial reviews looking for particular types of changes.
- Target pensioners – Several LAs suggested they might need to target pensioners with occupational pensions and those with capital, at regular intervals, to identify changes.

6 How can other agencies help?

We asked LAs how other agencies could help to reduce or remove the barriers to reporting changes of circumstances. They mentioned several issues, described below. They vary in scope considerably – some would probably require relatively little effort to achieve, while others are wide-reaching and would require policy change. Note that in addition to the suggestions here, LAs receive information on changes from, for example, Jobcentre Plus and The Pension Service via ETDs and also receive information from HBMS on potentially unreported changes.

6.1 Risk lists

One LA suggested that some additional, specific information be included on the DWP risk lists. The LA would find the risk lists much more useful if they included the date of the last reported change of circumstances, the date that the case was last assessed and the date of the last review.

6.2 Provide local authority-level information

One LA suggested that DWP return LA-level information from data extracts, in particular where changes of circumstances had come from – which groups of claimants had reported most changes, which had generated overpayments, etc.

6.3 Information for claimants through other agencies

As noted earlier, LAs viewed confusion among claimants over who they needed to report changes to as a significant barrier to reporting of changes of circumstances. LAs suggested that DWP could help by encouraging Jobcentre Plus to add information to its letters warning claimants that if they also claimed HB or CTB they should report changes to their LA. LAs were not clear whether decision letters from Jobcentre Plus on, for example, Jobseeker's Allowance (JSA) warned claimants (who might have claimed HB and CTB at the same time, through CMS)

that as well as reporting any subsequent changes of circumstances to Jobcentre Plus they should also report them to their local authority, if they were in receipt of HB or CTB.

Another LA believed that meeting the target would be helped if The Pension Service and Jobcentre Plus had a better understanding of what the LA does in respect to benefits. This LA believed that television advertising on fraud could remind people to report changes – and not just to Jobcentre Plus – by warning of the adverse consequences of not reporting changes when they occurred. One LA felt that tax credits advertising should include information on the need for those in receipt of HB or CTB to report tax credits changes to LAs.

6.4 Streamline rules

A small number of LAs suggested that aligning the rules for different benefits would help claimants as there would be less confusion over what to report to whom.

6.5 Incentivise early reporting

One LA suggested that those claimants who report changes, but later than they should, might report in a more timely fashion if they had some incentive to do so, such as calculating the change only from four weeks after it occurred, as long as it was reported within that four-week period.

6.6 Other issues

One LA, as noted earlier, planned to reduce its visiting capacity but was concerned that rules on numbers of visits might be reintroduced. This LA would find 'assurance that things won't change over the next two to three years' helpful.

Several LAs were concerned that it might prove difficult to meet their new PM10 targets and would welcome ideas and tools from DWP to help.

7 Conclusions

We have developed a model for self-reporting of changes of circumstances and identification of changes not reported to the LA. Using this, together with evidence from interviews with 21 LAs, we have identified shared characteristics of LAs that performed well in 2006/07 compared with their notional targets for downwards reductions in benefits.

We find that the highest performing LAs, in general, pay particular attention to educating claimants. They do more than other LAs to make new claimants aware of their responsibility to report changes and take advantage of a range of customer contact opportunities to remind claimants of this responsibility, including notices with notification letters, contact with customer services staff both in person and by telephone and contact with visiting officers. However, general advertising does not seem to be a key factor in the current performance of these LAs against the new metric, although it may be that general fraud advertising has some effect.

They also work with third parties such as RSLs and private landlords to encourage them to report changes they know of and to educate their tenants to report changes. Several of the top-performing LAs in 2006/07 also offer extended opening hours at one or more of their walk-in offices – opening beyond 5.30pm on at least one evening and/or on a Saturday morning; however, we note that these are larger LAs with shared facilities.

These LAs also use ETDs and HBMS matches to identify unreported changes. They use reviews to identify any further unreported changes, but most are planning to carry out fewer, targeted reviews and in particular fewer visits, in 2007/08.

Looking ahead, the main plans appear to be continued use of reviews, but with fewer visits, an increased focus on the highest risk cases as defined by local risk assessment and using more proactive questioning. In addition, several LAs plan to predict as many future changes as they can and to use their document management and diary systems to ensure that changes are identified and assessed in a timely manner.

There is some concern relating to contacting claimants when predicted changes are expected, relating to the potential for this to damage any self-reporting culture that might already exist. Any good practice examples should consider how to avoid this.

We find that few of the poorer performing LAs in the sample are planning to introduce or change activities related to educating claimants and working with partners. However, most recognised claimant confusion as a significant barrier to self-reporting of changes and all LAs would welcome advice from the DWP on how to meet the new PM10 targets, including those already performing well.

We found that many LAs recognised several ways in which other agencies can help or hinder them in identifying changes of circumstances. For example, HBMS is a useful source of unreported changes, while the differing rules that apply to different benefits and tax and pension credits lead to claimant confusion which hinders identification of changes.

We found a number of good practice ideas for LAs, some from existing practices and some from activities that LAs were planning to introduce. We have also identified one or two ideas that follow from the suggested models for identifying changes. These are shown below; those in bold are from ideas suggested by LAs but not implemented at the time of our visit, or follow from the models referred to earlier.

Educating claimants

- Have a communications strategy – ensure you understand the barriers to reporting and also where most problems arise. Plan to evaluate the success of different communications measures to inform future communications plans. Include how you will work with partners.
- Consider how your LA can educate claimants about what changes should be reported and how to make them aware that they are responsible for reporting changes.
- Include a separate sheet on the need to report changes of circumstances with notification letters. Consider including a change of circumstances form separately or combining these two. Include examples of changes that must be reported but make it clear that the list is not exhaustive. Include details of how to report changes, including addresses, opening hours, phone numbers, URLs.
- Take advantage of customer contacts – particularly face-to-face or by phone – to remind customers of the need to report changes.
- Consider using targeted mailshots to remind particular claimant groups of the importance of reporting changes and their responsibility to report changes.

Continued

- Consider taking customers through a separate statement on the importance of reporting changes of circumstances, including the potential consequences of not doing so, when they first make their claim, and have them sign the statement to confirm their understanding and agreement.
- Consider including information in anti-fraud advertising on the potential adverse consequences of failing to report changes of circumstances.

Working with partners

- Encourage partners – both within the LA and outside it – to inform the LA benefits department of known changes.
- Encourage landlords (including LA housing, RSLs, private landlords) to educate their tenants to report changes of circumstances.
- Where joint working with other agencies is undertaken focusing on welfare and take-up, use contact with claimants as an opportunity to educate claimants – to remind them of their responsibility.

Making reporting changes easier

- Review the range of ways in which claimants can report a change – consider offering an appropriate mix, including taking reports by telephone where IT systems support this, e.g. by allowing electronic memos to be raised regarding changes.
- Consider whether it is appropriate to offer extended opening hours for walk-in facilities or for telephone help lines.
- Review the design of changes of circumstances reporting forms; consider whether it would be cost-effective to include details of all means of reporting changes including addresses, telephone numbers and opening hours.
- Consider whether any other means would be appropriate to publicise how to report a change (perhaps as part of an education-communications plan).
- Consider appropriate means of addressing language barriers, if these are an issue.
- Consider whether there is a need to offer any additional access routes (in the broadest sense) for vulnerable claimants and those with limited mobility.

Continued

Predicting changes

- Consider making greater use of diary dates to flag up predicted future changes but be aware of the potential danger of leading claimants to believe they do not have to report changes.
- Consider how existing IT systems can be used to produce reports to assist with predicting changes.

Data matches

- Analyse the results of reviews to identify whether any particular rules would be most likely to generate unreported changes. Ask HBMS to run them for you. (In addition to feeding results into claimant education and communication initiatives.)
- Consider how to automate the process of filtering HBMS matches to find those that require intervention.

Reviews

- Use reviews as a final 'catch-all' not as a primary means of finding changes.
- Carry out fewer, targeted reviews and use proactive questioning for visits and postal reviews, based on DWP/BFI recommendations.
- Review highest risk claimants – use DWP information, Aspiren or other local risk scoring to select claimants most likely to have unreported changes.
- Consider how to automate the process of filtering risk review lists to find those that require intervention.
- Analyse the results of different types of reviews and use an appropriate best value mix.

8 Recommendations

- 1** It would be useful to review the experiences of LAs at some point during the year to assess whether the models suggested here still seem to apply. If so, consider developing the models into a self-assessment guide, with accompanying 'good ideas'.
- 2** Consider using the models outlined to allow individual LAs to assess whether they have activities and initiatives in place to encourage self-reporting and to identify unreported changes.
- 3** In particular, LAs should consider paying more attention to educating claimants, looking at what they do and how they do it. It may be helpful to think about a formal communications plan, looking at the communications process to:
 - determine the messages that need to be conveyed;
 - choose appropriate media to convey them;
 - consider the ways in which messages may be lost or distorted; and hence
 - consider the best channels to use.
- 4** LAs should also consider reviewing how they work with partners, including landlords and other departments within the LA. This should aim to help, for example, landlords to educate and encourage their tenants to report changes and to report them promptly, and should also address processes and systems by which partners can inform the LA of changes they know about that might not be reported by customers.
- 5** The research reported here has not addressed the costs of any of these initiatives and is not based on formal evaluation of any of the initiatives. It would be useful to identify whether any LAs have introduced new measures and planned to evaluate them, to provide more evidence about what works and to provide evidence about the efficiency of different approaches. The latter would inform selection of a best value mix of activities.

- 6 Consider whether there is any scope for changing the models of how changes are identified to remove some of the barriers.
- 7 As this is a new target, evaluate its effectiveness and the cost or cost savings accrued. Look at the effect of the target on desired outcomes. Assess the target against good practice guides, looking in particular at whether it has driven appropriate behaviours and whether any unexpected consequences have occurred.

Appendix

Topic guide – new PM10

A Methods currently used to ensure timely identification and processing of changes of circumstances

Why do you think you achieve good reporting and processing of CoCs?

What methods/tools/approaches have you tried?

For each method/tool/technique mentioned, explore:

How effective do you think it is?

Why?

For which claimant groups does it work well?

For which claimant groups does it not work well?

Have you used Mailshots/Reminders to clients?

How? Targeted?

How effective do you think it is?

Why?

Have you used this together with diary dates?

What type of contact? (visit, phone, post, other)

For which claimant groups does it work well?

Why?

For which claimant groups does it not work well?

Why?

Have you included/do you include a change of circumstance form with all postal communication?

How effective do you think it is?

Why?

For which claimant groups does it work well?

Why?

For which claimant groups does it not work well?

Why?

What types of intervention/review have you used?

Visits – notified – full review

Visits – notified – partial review

Visits – un-notified – full review

Visits – un-notified – partial review

Phone – notified – full review

Phone – notified – partial review

Phone – un-notified – full review

Phone – un-notified – partial review

Postal – full review

Postal – partial review

For each type of review used, explore:

How effective do you think they are?

Why?

How do you select cases to review in this way? (e.g. risk scoring from DWP, risk scoring internal, data matches?)

Which claimant groups does it work best for?

Why?

Which claimant groups does it not work well for?

Why?

Have you used advertising?

Have you used:

Local newspapers – purchased

Local newspapers – free

Local authority newsletter/newspaper – annual

Local authority newsletter – quarterly

Other publications? (please specify)

Posters in one-stop shops

Posters in surestart centres?

Posters in libraries

Posters in CABs

Posters in doctors surgeries

Posters in other locations? (where?)

Other types of advertising?

For each type of advertisement/poster, explore:

Content of advertising

e.g. Telling claimants what changes they need to report? Consequences of failure to report?

Is the content specific to changes of circumstance or combined with other messages (e.g. take-up campaigns)? Which is the main message?

How effective do you think it is?

Which claimant groups do you think it works well with?

Explore whether there is evidence or this is their perception

Why do think that is?

Have you tried to formally evaluate the effectiveness of any of these methods?

If YES – Discuss results of any evaluation

IF NO – Explore which approaches they think are best value for money and why

Do you have any examples of adverts, posters or other materials that we can take away? *(especially any that they think are particularly effective – mark on back type of publication(s) it was in or location(s) poster was displayed in.*

Would you be happy to have your LA name associated with this as good practice?

What data matching have you used?

(e.g. HBMS, Audit Commission's National Fraud Initiative)

What types of matches do you think are most effective for identifying potential overpayments?

Why?

Have you ever asked for additional data match rules?

Have you ever sought any specific data e.g. for a large local employer?

How do decide what approach to use for different customer groups?

(e.g. reviews, reminder letters, phone calls etc, risk lists used?)

Are you planning to use these approaches, or use them differently after April?

How?

Do you think CIS and IT flow affect Fraud and error performance?

How? How do you use them?

Do you allow claimants to report CoCs by telephone?

Do you allow claimants to report CoCs online?

For each of these, if used:

Explore what is meant by 'reporting of change' – e.g. by telephone, does this mean simply requesting a CoC form? How is verification carried out?

How effective?

For which claimant groups does it work well?

For which claimant groups does it not work well?

Have you joined the "Do Not Redirect Post" service?

Why? (Why not?)

Decision notices/notices of determination

Do you include information on requirement to report CoCs?

How effective do you think it is?

Why?

For which claimant groups does it work well?

For which claimant groups does it not work well?

B Management of reporting of changes of circumstances

Do you analyse the results of any of the things you do to encourage reporting of changes of circumstances?

Do you review your methods and processes on the basis of the results?

Have you made any changes following such review?

(E.g. to the mix of methods used to encourage reporting of CoCs)

Do you identify which groups of claimants you get most CoCs from as a result of different methods e.g. reviews?

For reviews, do you use/have you used this to change how you select claimants for review?

C Barriers to clients reporting changes of circumstances

What barriers do you believe exist that stop people reporting changes of circumstances? (or “Why do you think clients fail to report changes of circumstance, or fail to report them promptly?”)

For each barrier identified, explore:

Why?

What do you think your LA could do to remove/reduce these barriers?

What do you think the DWP (Government) could do to remove/reduce these barriers?

Is anything stopping you from implementing this change? What?

Historically, do you think delays in processing CoCs might have made customers less likely to report them in future?

Do you think there is anything about the customer experience of reporting a change of circumstances that might make them less likely to report a future change?

D New performance metric

Are you planning to introduce anything new, or do anything differently to meet the new performance indicator for fraud and error?

If not mentioned: Are you planning to stop doing anything that you currently do?

Why? Why not?

Potential prompts:

What difference do you think this will make? Why?

Is this aimed at particular claimant groups? Why?

For each new activity or change, explore:

What difference do you think this will make? Why?

How effective do you think this will be? Why?

What scale of activity are you planning? Why?

What level of resource will it require?

Would any information/advice from DWP help you?

Can you currently monitor:

Numbers of CoCs

Numbers of CoCs resulting in changes to bens?

Number so CoCs resulting in reductions in benefits?

Do you have any plans to monitor these from April?

