

EATA consultation – delays in processing DWP payments

Introduction

EATA during the summer of 2008 carried out a consultation among its members on DWP payments following reports that DWP delays in processing benefit claims (housing, unemployment, etc) for clients in residential care were leaving providers out of pocket and unable to claim the costs back. This problem may be occurring when individuals complete treatment or when they leave treatment early as claims are rarely resolved by this time.

A number of our members responded with their comments on this issue with all who responded explaining that they had experienced problems. All except one confirmed that these problems were still continuing to affect them now.

Below are the main points that these providers raised with EATA, grouped into headings for easy reference.

About EATA

EATA works to contribute to the debate on issues that relate to drug and alcohol treatment. In this role we respond to consultations and reports from government departments and agencies and other bodies.

We welcome the views of our members in the sector and a full list of open consultations to which the Institute is considering its response can be seen at www.eata.org.uk/policy. On the same webpage you can find our responses to previous consultations.

For further information about this summary or our other policy activities, please contact:

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Comments

Q: Please explain what problems you have had

Many of the providers who responded were based in the South West, while others were scattered throughout the country in London, the North West, Yorkshire and the Midlands. Most of the problems seem to be caused by long delays by DWP in processing new claims (including those of clients who come straight from prison) or changes in circumstances within an appropriate time scale. Other issues such as inconsistent practice and if a client leaves treatment before completion also compound the delays and loss of financial income. Many

clients have complex benefit claims which can take several weeks to process. Examples are given below:

- Several providers highlighted frequent problems with clients making new benefit claims but then either leaving or being discharged before the claim has been processed. But these providers are then unable or find it extremely difficult to claim the money for the time the client was in treatment or any weekly allowances that have been paid out by the provider to the client.
- Requests to transfer claims often leads to the payments being stopped, while not putting something as simple as a post office on a change of address form also results in payments being stopped. Several weeks can lapse before the issue is sorted out and payments resume again.
- One provider highlighted that if an Income Support (IS) /Incapacity Benefit (IB) claim is delayed it can be difficult to claim other benefits such as Housing Benefit or Council Tax Benefit which has further consequences for successful reintegration into society.
- Main carers entering residential treatment is a particular problem say providers. Child Benefit / lone parent premium / child tax credits may all have to be transferred while a new claim for IS / IB needs to be made. It can take two to three months to get through all the forms and correspondence which isn't made easier by an unreliable system of getting the information required to the DWP processing office.
- Clients may also leave before service provider has been able to submit the proof of income for housing benefits and before they are able to get a signature from the client for the housing benefit query letter.
- Clients have left treatment against advice, gone to the local DWP office and claimed immediate payments, making them extremely vulnerable to relapse. One client was paid more than £1500 in this way but fortunately he chose to come back to the community.
- Late fees and splitting client contributions force services to get the money directly from clients via a member of staff accompanying them to a post office. Often clients are "craving" and are reluctant to pay what are by this time large sums that have suddenly been paid into their accounts because of fear for the future and the "novelty" of having this amount of money in their possession.
- Providers have highlighted cases where existing claims were suspended for non-attendance of medicals and interviews, despite writing and phoning to explain the current situation.
- Documents often have to be re-sent several times as they get lost in the post/processing department. Faxes will not be accepted and for new medical certificates the client has to go back to the doctor.
- One provider explained that the DWP office in their area is four to six weeks behind, which contributes to the loss of several back claims.
- One Gloucestershire-based provider explained that it takes their DWP (based in St Austell) six to 12 weeks to process a change in benefit details when a client enters residential treatment. On top of that, they've experienced several cases of lost sick notes, application forms and other identification, but faxed copies are not accepted. The provider tried to solve the problem by sending all paperwork recorded delivery but this made no difference as they were informed that it takes approximately four weeks to open the post, let alone deal with the paperwork.

- Confusion caused by inconsistent practice between different DWP staff within same office. For example, if clients do not have proof of income and they go in person to obtain this proof, some staff will provide it straight away and others won't.
- Co-ordinating what is needed by two different areas in order to get claims transferred is confusing for staff members and clients.

Q: Have you managed to recover the full costs and if so, how?

Recovering full costs requires staff working with service providers to devote a considerable amount of their time on phone calls, letters and chasing up DWP contacts. Apart from being time consuming and distracting staff from treating their clients, many providers explain that they are not always successful in recovering the money owed to them. However, on a positive note, one provider explained that they managed to sort out their problems by contacting their local DWP and going through some of the issues they faced. But not everyone has been so fortunate. Some of their experiences are raised below.

- Providers have to maintain a constant barrage of phone calls and letters to DWP offices and they highlighted cases where DWP refused to accept that services have been authorised to act on clients' behalf, even after a letter of appointment has been signed and sent to DWP.
- One service provider highlighted that on occasion, they have not been able to receive rent from housing benefit for the time clients have been living in the property.
- Another provider explained if there are problems with DWP claims, they usually manage to cover the costs from the agency referring the client in the first place and can only recall a couple of times when they have actually lost money.
- Another said that they have resorted to billing the funders the full cost because they haven't received the contributions owed to them out of DWP payments.
- However, funders may still deduct the benefit contribution they were supposed to receive from funding regardless of whether the service providers actually receive it or not.

Q: What happened when you discussed these problems with the DWP or the local area partnership?

DWP offices have told service providers that claims are processed as early as possible but some providers have learned that there is a massive backlog (of up three or four months in some areas). The closure of local offices, alongside a lack of continuity in customer service or advice, appears to contribute to the problems experienced. Suggestions by providers that clients are fully funded before entering the project or that contributions should be extracted at source were rejected by DWP offices.

- Providers are told to keep phoning the relevant processing centre, which has proved difficult and inconvenient as they no longer had a local office that deal with claims.
- For example, one provider explained that when they dealt directly with their local office in Oxford the service was far more efficient as they understood the provider and its client base. They also had named representatives who they could rely on to solve their problems. They now deal with DWP Cosham where instead of contacting an individual member of staff directly they work through a call centre. A turnover in staff and a lack of continuity in customer service or advice make it difficult to resolve issues. A recent question posed by the provider, "What do we do when a resident is already claiming and

he comes into the community from a different DWP area” received four different pieces of advice which obviously did not help them at all.

- One provider has been told that everything now has to be dealt with by telephone which has led them to experience more delays.
- DWP have told a service provider that they work towards certain quarterly dates when processing claims and in many cases they are not given the correct details from the keyworker or assessor. DWP also informed them that they cannot interfere with claims paid directly to clients. These come from a different benefit department and that they have no authority to intervene.
- Providers have also been told that it is the provider’s problem as they pay net and the provider’s responsibility to collect the money from clients. This may be true but doesn’t solve the problem. Due to the closure of local offices in West super Mare, everything is sent to Bristol and ultimately everything gets “lost” and the provider gets no opportunity to collect anything. But isn’t there an agreement under the Local Compact for full cost recovery?
- One provider worked with their local area DWP system to find a solution. They attend a quarterly liaison meeting to communicate concerns to managers within the local area DWP system (Bristol) and to obtain contacts. However recent moves towards a central processing office has caused lots of problems, although the provider has been reassured that these are teething problems.

Q: How have delays in processing benefits claims for clients affected your service (or treatment)?

The delays are causing not only severe financial difficulties for service providers but also a great deal of anxiety to their clients at a time when they should be focusing on engaging fully in the treatment process. Many providers have reported examples of clients have left early because of financial pressures.

- One provider revealed that small sums were advanced on the surmise that they would claim this money back out of pending benefits which does not affect them personally. However it causes a great deal of anxiety, especially when housing and council tax benefit has been suspended, which is non-therapeutic and has on occasion led to the clients leaving before completion to sort things out before they lose their homes.
- Another provider explained that delays did have a severe effect on their cash flow especially if several residents are admitted during a short space of time. While waiting for claims to be sorted, money is allocated for incidentals (bus fare, tuck, phone calls) which can amount to hundreds of pounds if they leave the community against advice.
- Residents become resentful and frustrated because they cannot buy things other residents take for granted, i.e. haircuts, clothing, alternative therapies, birthday cards
- The delays can affect clients’ personal health. A client on incapacity benefit is ineligible for free dentistry, glasses, etc until a HC2 form is produced. But the provider has to wait until it is informed by DWP which benefit the client is entitled to, and this effects whether they can get a HC2 form. As is often the case with drug abuse, residents need a significant amount of work as part of the recovery journey and in these cases, a management decision has been taken on whether providers take on this extra financial risk.
- One provider highlighted cases where it took 18 months to be paid. As a result, they admitted that they discriminate in preference to clients who pay private fees on

admission. Local Authority (LA) funded clients are already on a vastly reduced fee and it is not financially viable to have many of them despite staff wanting to treat them.

- The same provider explained that the financial impact was so great that they were unable to pay their own bills in the past. Last year, they were owed £75,000 due to this problem (by one LA area via DWP) which nearly resulted in closure and did result in staff redundancies. A decision was made to reconsider how many LA funded placements the provider could afford to support.
- Another provider said that they are losing approximately £500-£900 for each client accessing the service who completes the programme. Clients that leave early rarely get their claims sorted out by the time they leave, which results in more money being lost. During one month period (July 08), the service lost £1800 due to DWP delays. This could amount to a loss of £21,600 over the course of a year, a situation which is unsustainable for the service.

Other comments

While delays in processing benefits are not new, they are a major problem that needs to be resolved for the benefit of the treatment sector and, more importantly, for the benefit of vulnerable clients who attend. Below are further comments from providers who responded to the consultation.

- “DWP have neither the resources nor staff with the relevant experience to deal with the existing system. There is no consistent policy between call centres and one rule for one isn’t necessarily adhered to by another.”
- Delays make new residents extremely vulnerable and they get “hung up” on the fact that their claim is taking a long time, taking it very personally.
- “Currently we have one resident who is owed 25 weeks benefit despite numerous phone calls. He also owes us for incidentals and if he was to leave today then just that one resident would result in a loss of approx. £1300.00.”
- “The owners of this service provider and many of the staff are in recovery themselves. Part of their recovery has been to ‘give something back’. We have tried to maintain this but it is very difficult when we have to pay our own bills and keep some kind of positive reputation for the services we use.”
- “The majority of clients’ benefits claims are complex so we have to put a lot of time and effort into dealing with them.”