# MEDIA RELEASE

Northern Ireland Audit Office

**N I A O**

**Modernising Benefit Delivery in the Social Security Agency’s local office network**

*Future programmes to modernise benefit administration in Northern Ireland must seek to make the system more efficient.*

A report published today by the Comptroller and Auditor General highlights areas in which savings could be made in the administration of benefits in Northern Ireland. In 2012-13 the Social Security Agency (SSA) spent £196 million on benefits administration. Mr Donnelly said ***“Whilst the Social Security Agency has implemented a number of Welfare Reform and Modernisation Programmes in recent years, the primary focus of these have been meeting the requirements of legislative and policy change, not the efficiency of benefit administration. In the future, it is important that efficiency considerations are to the fore.”***

Social security benefits paid to claimants in Northern Ireland are not funded from the Northern Ireland block grant. Therefore changes to the demand for benefits do not directly impact on the funding available for other services. The cost of processing these benefits is funded from the Northern Ireland block grant. Any reduction in these costs would generate savings which could be used to improve other services in Northern Ireland.

**Key findings**

* The Jobs and Benefits Office Project (2001-2011) co-located 27 Social Security Offices (from the SSA) and 27 Jobcentres (from the Department for Employment and Learning). The report found that the project closed prematurely in 2011, having completed 27 out of a planned 35 Jobs and Benefits Offices. The total capital cost for the 27 completed Offices was £60 million, £17 million more than the £43 million originally estimated to complete all 35 Offices.
* The Customer First Project (2006-2013) consolidated back office benefit processing into 16 Benefit Processing Centres. The report concludes, however, that fewer processing centres could have enabled further administrative efficiencies to be achieved through greater economies of scale.
* The Belfast Benefit Delivery Centre, run by SSA but providing benefit processing services for benefit claimants in London, already processes benefit claims more efficiently than the current local office network. The report concludes that SSA use this to benchmark their processing of Northern Ireland benefits.
* The report considers how the implementation of Universal Credit, which consolidates six existing benefits into a single benefit, would offer SSA a significant opportunity to focus on improving the efficiency of their benefit administration and to make significant savings in the administration of benefits over the longer term. These savings will arise from a reduction in the numbers of staff required to administer Universal Credit.
* The introduction of Universal Credit would also offer SSA the opportunity to reassess the size of its office network. The use of online and telephony delivery models for Universal Credit may allow SSA to reduce the size of the estate by co-locating offices with other public services or relocating to smaller offices, whilst still maintaining the same number of offices for claimants who need to attend.

**NOTES FOR EDITORS:**

* Universal Credit is one part of Welfare Reform. It will consolidate six existing working age benefits into one. These are: income-based Jobseeker’s Allowance; income related Employment and Support Allowance; Income Support; Housing Benefit; Working Tax Credits; and Child Tax Credits.
* The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He and the NIAO are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources.
* This report is available on the Audit Office website at www.niauditoffice.gov.uk. The report is **embargoed until 00.01 hrs on 11 November 2014.**
* Background briefing can be obtained from the Audit Office by contacting Denver Lynn (028 9025 1063) or Roger McCance (028 9025 4312).