

**BABERGH DISTRICT COUNCIL**

**FROM: HEAD OF REVENUES**

**REPORT NUMBER    **E304****

**TO: OVERVIEW & SCRUTINY  
(STEWARDSHIP) COMMITTEE**

**DATE OF MEETING    21 March 2006**

**BENEFITS SERVICE – PERFORMANCE AND SERVICE DEVELOPMENTS**  
**1 OCTOBER 2005 – 31 MARCH 2006**

1.    **SUMMARY**

Strategic development work necessary to support an improved Benefits service is now complete. New processes for handling benefit claims and subsequent changes in circumstances are being implemented. As a result savings of around £30,000 should be achieved during 2006/07 and £56,000 each subsequent year.

Performance has inevitably dipped slightly while the development work has been undertaken and some minor projects have been put on hold temporarily.

More detail on those issues and the measures in place to recover and improve performance are contained within the main body of the report. Appendix (a) provides monthly performance snapshots of the performance of the Benefit service over the course of the year. Appendix (b) “Delivering the Vision” sets out the progress made in developing and improving the service.

2.    **RECOMMENDATION**

- 2.1    That the performance of the Benefits Service and the developments completed during the period 1 October 2005 to 31 March 2006 be noted together with any comments the Committee may wish to add having considered the report.

The Committee is able to resolve this matter

3.    **FINANCIAL IMPLICATIONS**

- 3.1    The work and projects described in the report will lead to reductions in the overall cost of the Benefit Service. The Document Image Processing/Workflow project is now complete and will create savings of around £20,000 during 2006/07 and £35,000 in subsequent years when full year savings take effect.
- 3.2    Further savings of around £10,000 are anticipated for the second half of 2006/07 when the new processes for handling Benefit claims and subsequent changes in circumstances are fully implemented. That figure will increase to £21,000 in subsequent years when full year savings take effect.
- 3.3    Temporary additional resources are necessary to support the implementation of the new process and recovering performance. Provision has been made in 2005/06 and 2006/07 budgets to deal with those issues. No financial decisions are required in the context of this report.

#### 4. KEY INFORMATION

- 4.1 **Document Image Processing and Workflow Software has been in live use within the Revenues Division since 16 January.** At this stage incoming work will be a mix of images and paper. The paper element is however, declining rapidly and as a result **the existing staffing structure will be reduced by two posts during 2006/07.** One member of staff being released on 30 June 2006 followed by a similar reduction currently anticipated on 30 September 2006.
- 4.2 While the immediate and most obvious benefit is the cost saving, the software also delivers other advantages:-
- **All documents are now totally secure, protected against physical damage and can be retrieved at any desktop for processing or to answer enquiries.**
  - Files can no longer go missing or be misplaced
  - Marking information available for sampling prior to the certification of Housing and Council Tax Benefit subsidy claim by the District Auditor will no longer be a major manual task
  - Future development in terms of the delivery of work items to remote office locations is now possible
- 4.3 **Business Process Re-engineering of the new claims and change of circumstances processes was completed in early February.** In future staff will capture information directly from claimants over the telephone using the online claim form which has been available on the website since November 2005. This will guarantee that all information is captured at the outset, removing the current problem of incomplete claims and the significant amount of re-work that creates.
- 4.4 The new process however has to be validated before roll out, and for that reason is the first phase of the implementation plan currently being drawn up. The actual **implementation will commence in April but in the meantime a number of simple, easily achievable improvements identified during the project (Quick Wins) are being put in place. It is anticipated that a further reduction of one post will be achieved in September 2006 once the new process has been validated and rolled out across the Revenues Division.**
- 4.5 It is still necessary for claimants to physically sign an application at the present time, which means that a form has to be returned to the household concerned but that action has been linked to the evidence which must be supplied in support of a claim. That and the ease of the new process should ensure a prompt return of the form and evidence.
- 4.6 The Department for Work and Pensions (DWP) have recognised that issue and are now researching the possibility of removing the need for signatures when an application is submitted electronically.
- 4.7 Ultimately it is intended that information captured within the on-line claim form will feed directly into our IT systems and update automatically. Our software suppliers, IBS Open Systems, are currently working on that aspect of their system and are aiming to have completed that work by December 2006.
- 4.8 Once that change has been implemented manual involvement in the claims process will be more about the quality of claims rather than the transfer of information which occurs at the moment. This should increase overall efficiency further.

- 4.9 **BPR skills are now embedded in the culture of the Division and further work will be undertaken in 2006/07.** Either to refine the new process and implement lessons learnt during the implementation or to begin picking up associated processes.
- 4.10 **Performance has suffered slightly as a result of the focus on the BPR and DIP/Workflow projects between October 2005 and March 2006 but not to the extent some may have felt inevitable given that two major projects were running concurrently.**
- 4.11 **The average time to process a new claim for 2006/07 should come out at 27 days.** Although that is 2 days short of our target which in some respects is a disappointment it is nevertheless **a 3 day improvement on 2004/05 (30 days).** The percentage of Rent allowances paid on time at 77% ( 69% 2004/05) has improved. That is attributable to payments now being made twice weekly.
- 4.12 **Some key areas of performance have however fallen back. The average time to process changes of circumstances in 2005/06 looks likely to come out at around 12/13 days (6 days 2004/05)** and claims processed with 14 days of receiving full information has dropped to 81% (86% 2004/05).
- 4.13 The area of **greatest concern is undoubtedly processing changes in circumstances.** In the main however, **that variation is due to clarification of the BVPI definition issued by the DWP in February 2005** which required authorities to wait for a specific period before closing work on a claim where information was incomplete. The immediate effect was to push processing times up to around 10/11 days. Performance remained at that level for the first six months of the year but slipped away in the following 6 months to 13 days (3<sup>rd</sup> quarter) 15 days (4<sup>th</sup> quarter). Action has been taken to address that situation and performance will return to normal levels in April.
- 4.14 In August 2005 Committee reviewed, and approved, a revised plan for improving the Benefits Service - "Delivering the Vision". An updated copy of that plan is attached as Appendix (b). Progress is still being made but some actions have been deferred because of the BPR and DIP/Workflow projects. Members are invited to review the current position and raise any issues or make comments as felt to be appropriate.

## 5. APPENDICES

- (a) Benefits Service – Performance 1 October 2005 – 31 March 2006
- (b) "Delivering the Vision" Benefits service improvement plan

## 6. BACKGROUND PAPERS REFERRED TO:

None.

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APPENDIX (a) Benefits Service report - Overview Scrutiny Committee (Stewardship) 21/03/2006

BENEFITS PERFORMANCE 2005-2006														
	2004/05	2005/06 target	April	May	June	July	August	September	October	November	December	January	February	March
<b>Process Performance</b>														
Days to process (Current month)			27	27	26	29	25	30	29	25	26	32	23	
Days to process (Year to date)	30	25	27	27	27	27	27	27	27	28	27	27	28	27
Change of circumstances(Current month)			11	9	11	11	9	13	15	13	10	15	16	
Change of circumstances(Year to date)	6	9	11	11	11	10	10	10	11	11	11	11	12	
% within 14 days (Current month)			70%	79%	88%	88%	92%	70%	80%	83%	81%	77%	81%	
% within 14 days (Year to date)	86%	90%	70%	74%	78%	81%	83%	84%	81%	81%	81%	81%	81%	
New RA claims on time(Current month)			66%	71%	73%	58%	86%	83%	83%	87%	81%	83%	87%	
New RA claims on time(Year to date)	72%	90%	66%	69%	70%	67%	69%	69%	69%	68%	70%	71%	77%	
<b>Benefit Overpayments Outstanding</b>														
			£169,153	£151,618	£150,737	£154,797	£160,043	£176,544	£182,382	£198,728	£218,902	£209,289	£192,368	
<b>Local Authority Error Overpayments</b>														
LA error - Rent rebates	£ 8,736		£82	£516	£1,488	£2,526	£3,600	£4,778	£6,250	£8,990	£9,482	£10,259	£10,321	
LA error - Rent allowances	£ 6,999		£1,159	£2,264	£1,993	£2,761	£3,386	£4,643	£7,003	£12,048	£13,306	£14,020	£14,756	
LA error - CTB	£ 8,848		£460	£1,640	£2,562	£3,569	£4,712	£6,283	£8,016	£10,597	£10,992	£13,099	£13,857	
Total	£ 24,583		£1,701	£4,420	£6,043	£8,856	£11,698	£15,704	£21,269	£31,635	£33,780	£37,378	£38,934	
<b>Outstanding Work Items</b>														
			335	318	364	265	308	330	390	343	493	419	589	
<b>Discretionary Housing Payments</b>														
Committed balance(£'s)	£13,705.00		£5,020	£9,803	£12,635	£11,115	£15,404	£16,330	£17,265	£17,504	£19,867	£20,314	£22,415	
Un-committed balance(£'s)	£10,301.00		£18,986	£14,203	£11,371	£12,891	£8,602	£8,130	£7,195	£6,956	£4,593	£4,146	£2,045	
<b>Benefit Customers Seen At HQ</b>														
			315	276	277	337	283	287	299	259	155	280	228	
<b>Benefit Takeup</b>														
<b>Magic 400</b> (Benefit takeup)-Completed cases						117	117	117	<b>Project closed by the DWP</b>					
New claims as a result						44	44	44						
Total Paid						£30,642.00	£30,642.00	£30,642.00						
<b>Complaints</b>														
Well founded			0	0	0	0	0	0	0	0	0	0	1	
Ongoing			0	0	0	0	0	0	0	0	0	0	0	
Dismissed			0	0	0	1	0	0	0	0	0	0	0	
<b>Appeals</b>														
			0	0	0	0	0	0	0	0	0	0	0	
<b>Investigations &amp; Sanctions</b>														
Investigations in progress			36	44	32	26	19	22	20	19	22	18	29	
Cautions issued					8	9	11	13	18	20	20	22	24	
Laid before the Court					10	10	10	10	11	11	19	19	19	
Guilty pleas					8	10	10	10	10	12	17	19	21	
Admin Penalties					0	0	0	0	0	0	0	0	0	
Reward total					£37,600	£42,800	£43,200	£47,600	£54,800	£61,200	£80,800	£87,200	£93,600	
Postal interventions		1490	0	0	419	0	200	193	195	136	0	190	0	
Intervention visits		990	117	96	146	106	30	103	129	65	45	76	129	

**APPENDIX (b) - Benefits performance report Overview & Scrutiny Committee (Stewardship) 21/03/2006.**

**Babergh D.C. Revenues Division “Delivering the Vision”- Building a better Benefits Service (Version 1.3 – 21/03/2006)**

Items in bold represent milestones used to measure progress.

<b>Date</b>	<b>Event/Action</b>	<b>Status/Anticipated completion date</b>	<b>Outcome /Current position/Risk issues</b>	<b>Performance</b>
<b>May 2004</b>	<b>O &amp; S Committee</b> <ul style="list-style-type: none"> <li>• <b>Agreement of “Vision”</b></li> <li>• <b>Discretionary Housing Policy</b></li> </ul>	<b>Complete</b>	-	-
June 2004	CPA-Benefits Self Assessment	Complete	Current service: Fair towards Good Capacity to improve: Good	Highest rating in Suffolk
6 <sup>th</sup> July 2004	O & S Committee <ul style="list-style-type: none"> <li>• “Delivering the Vision”- Progress</li> <li>• Overpayments Policy</li> <li>• Home Visit Policy</li> <li>• BFI Report 2002 – Update</li> <li>• Current performance</li> </ul>	Complete	-	-
<b>July 2004</b>	<b>CAST project ( Previously evaluation of service development opportunity offered by Suffolk CC &amp; Mid Suffolk DC) At outline Business Case stage. Business process re-engineering emerging as a necessary prerequisite for subsequent work.</b>	<b>Live – 30/09/06</b>	<b>BPR Pilot completed February 2006. Validation and implementation commencing April 2006.</b>	<b>Anticipated saving of 1FTE from the new process.</b>
July 2004	Meeting with Suffolk Coastal – Possible joint working.	Complete	Respective positions known. No further work, if necessary until CAST project outcomes clear.	-
July 2004	Meeting with Anglia Revenues Partnership	Complete	Respective positions known. No further work, if necessary until CAST project outcomes clear.	-
<b>July 2004</b>	<b>Training &amp; Improvement Officer Bid for DWP funding. Joint bid(With Mid Suffolk) submitted November 2004.£53K funding awarded January 2005. Project to run to June 2006. February 2006 DWP confirm project can be extended to September 2006.</b>	<b>Live project – 30/09/06</b>	<b>Post will be come vacant on 2<sup>nd</sup> April. Alternative arrangements being considered for the remaining six months of the project.</b>	
<b>September 2004</b>	<b>Revenue Division reorganisation</b>	<b>Live project-30/09/06</b>	<b>Physical reorganisation complete July 2005. Training Officer to roll out regular schedule of training from September 2005. On hold until January 2006 whilst</b>	-

			<b>BPR work undertaken. To be progressed from April 2006 and linked in to the BPR implementation and the corporate organisation.</b>	
27 <sup>th</sup> September 2004	O & S Committee <ul style="list-style-type: none"> <li>• “Delivering the Vision” –Progress</li> <li>• Revised Prosecution Policy</li> <li>• Cost of Benefits Service</li> <li>• Current Performance</li> </ul>	Complete	Slippage on cost of service information. Finally provided in May 2005. Policy approved.	-
30 <sup>th</sup> September 2004	<b>DWP Quarterly Return Targets</b> <ul style="list-style-type: none"> <li>• <b>BVPI 78C – 82%</b></li> <li>• <b>14 Days – 85%</b></li> </ul>	<b>Complete</b>	-	<b>Targets achieved</b> <ul style="list-style-type: none"> <li>• <b>78C – 88%</b></li> <li>• <b>14 days – 91%</b></li> </ul>
1 <sup>st</sup> February 2005	O & S Committee <ul style="list-style-type: none"> <li>• Current Performance</li> </ul>	Complete	No Comments	On Target
<b>February 2005</b>	<b>Introduction of online claim form following visit to Chiltern DC</b>	<b>Live project-installation complete November 2005. Now in the development phase.</b>	<b>Initially slippage because of conflict between established and developing software issues. Resolved following direction from O &amp; S to EGSG. Form ready for launch 15/08/05. Further work still to be completed regarding form handling, evidence collation and signatures. Some initial teething troubles around installation on XP workstations. Resolved and installed in all interview rooms October 2005. Confidence training for Sudbury Advice Centre staff January 2006. additional hardware now being installed at SAC to support new process more effectively.</b>	<b>Some use online - 16 claims received as at 10/03/06.</b>
31 <sup>st</sup> March 2005	<b>DWP – Quarterly return</b>	<b>Complete</b>	<b>2004/05 Yearly outturn</b> <ul style="list-style-type: none"> <li>• <b>New Claims-30 days</b></li> <li>• <b>Cof C-6 days</b></li> <li>• <b>Accuracy-100%</b></li> <li>• <b>14 Days-86%</b></li> <li>• <b>RA's on time- 69%</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>New Claims-26 days(TQ)</b></li> <li>• <b>Cof C-7 days(2Q)</b></li> <li>• <b>Accuracy-100%(TQ)</b></li> <li>• <b>14 Days-85%(3Q)</b></li> <li>• <b>RA's on time- 63%(4Q)</b></li> </ul>
April 2005	Finalise VICTER interface to the Rent Service.(Enables online exchange of	Live project/01/09/05	Authentication routines not secure. No progress at 22/11/05	-

	information)		No further progress at 21/03/06	
17 <sup>th</sup> May 2005	O & S Committee <ul style="list-style-type: none"> <li>Current Performance</li> </ul>	Complete	No comments of Performance. Issue of online claim resolved. Basic service costs provided (Carry over from September 2004)	-
18 <sup>th</sup> May 2005	"Getting it Right first Time" Business Strategy.	Live project-31/3/05	Launched at Divisional Meeting 18 <sup>th</sup> May for incorporation into staff/team targets.	
May 2005	<b>Introduce SPRINT(Business Process Re-engineering methodology) in the Revenues Division.</b>	<b>Complete</b>	<b>Slight initial delay because of Officer/Course availability. Completed training 6/7 July. First process to be reviewed – New Claims.</b>	<b>Work merged into BPR pilot.</b>
May 2005	Simplify Benefit notifications by including supplemental information.	Live project – Nov 05	On hold as IBS updating and improving the production of notifications. Software release date November 2005. Software installed	New style and more concise annual benefit notification letters issued March 2006 with accompanying sheet of frequently asked questions and answers(FAQ's)
June 2005	Revenues Division – Final workshop with Member Working Group	Live project	On hold in order to create capacity for CAST work. To be rescheduled as soon a practicable.	Cancelled- Work now superseded by BPR project.
30 <sup>th</sup> June 2005	DWP Quarterly return	Complete	Rent Allowance claims paid on time now measured over 7 days as opposed to 14 days previously. Two payment runs per week to be put in place to recover situation.	<ul style="list-style-type: none"> <li>New Claims-27 days</li> <li>C of C-10 days</li> <li>Accuracy-99.2%</li> <li>14 Days-78%</li> <li>R.A Claims - 58%</li> </ul>
July 2005	Increase use of Sudbury Advice Centre to improve service in the west of the district.	Live project - ongoing	Linked to use of online claim form. On partial hold until form launched. Training now scheduled for December 2005.	Advice centre staff now trained in the online form and additional hardware being installed to facilitate its use.
July 2005	<b>Introduction of DIP/Workflow technology in the Revenues Division.</b>	<b>Complete 16/01/06</b>	<b>Software ordered from IBS. Project on target and scheduled for completion January 2006.</b>	<b>Project completed to schedule. 2FTE saving to be delivered in 2006/07as a result.</b>
August 2005	Move to paying Rent Allowances twice weekly.	Complete		Rent allowances paid on time increased from 58% to 68% 2 <sup>nd</sup> Quarter.
August 2005	<b>Review of New Claims process</b>	<b>Live project-30/09/06</b>	<b>Original project superseded by BPR project.(Pilot) BPR project underway and scheduled for completion January</b>	<b>New process designed and ready for validation February 2006.</b>

			<b>2006.</b>	
August 2005	5 Day guarantee for new claims(Complete on receipt)	Live project 30/09/06	New claims now streamed to designated officers. Training of new staff creating temporary pressure on that arrangement. Risk on publicity aspect at the moment. New staff coming online from October/November. Full productivity from December.	15% of new claims are completed within 5 days, 65% within 27 days.
<b>30<sup>th</sup> September 2005</b>	<b>DWP Quarterly return</b>	<b>Performance milestone</b>		<ul style="list-style-type: none"> <li>• <b>New Claims-28 days</b></li> <li>• <b>C of C-11 days</b></li> <li>• <b>Accuracy-99.2%</b></li> <li>• <b>14 Days-84%</b></li> <li>• <b>R.A Claims - 68%</b></li> </ul>
14 <sup>th</sup> November 2005*	DWP Quarterly Return National Performance Standards compliance assessment Performance measures only) Target: " Good" rating	Progress check.	Software issue has delayed return. DWP have extended deadline to 25 <sup>th</sup> November because of this.	"Good" rating achieved
<b>31<sup>st</sup> December 2005</b>	<b>DWP Quarterly Return</b>	<b>Performance milestone</b>		<ul style="list-style-type: none"> <li>• <b>New Claims-26 days</b></li> <li>• <b>C of C-13 days</b></li> <li>• <b>Accuracy-99.2%</b></li> <li>• <b>14 Days-82%</b></li> <li>• <b>R.A Claims - 80%</b></li> </ul>
31 <sup>st</sup> December 2005	National Performance Standards (BDC intermediate assessment)	Progress check		Intermediate check - Still achieving a rating of good
<b>31<sup>st</sup> March 2006</b>	<b>DWP Quarterly Return Targets</b> <ul style="list-style-type: none"> <li>• <b>New Claims-25 days</b></li> <li>• <b>Cof C- 9 days</b></li> <li>• <b>Accuracy-100%</b></li> <li>• <b>14 days-90%</b></li> </ul> <b>Full National Performance Standards compliance assessment.</b> Target: "Excellent" rating	<b>Performance milestone</b>		<b>Estimated outcomes</b> <ul style="list-style-type: none"> <li>• <b>New Claims-27 days</b></li> <li>• <b>C of C-13 days</b></li> <li>• <b>Accuracy-99.2%</b></li> <li>• <b>14 Days-81%</b></li> <li>• <b>R.A Claims - 82%</b></li> </ul> <b>National Performance Standard Rating - " Good"</b>
<b>1<sup>st</sup> March 2006</b>	<b>Implementation of new processes for new claims and change of circumstances</b>	<b>Live project- 30/09/06</b>	<b>"Quick wins" identified in as is process being implemented. Detailed implementation plan being drawn up. Launch date for the new processes April 2006,</b>	

2006/07 Exact dates to be determined	<b>Benefits satisfaction survey(BVPI 80)</b> Target – 88% Overall satisfaction	<b>Performance milestone</b>	<b>Two surveys of successful and unsuccessful benefit claimants to be undertaken for specified periods. Results are combined to produce an overall satisfaction rating.</b>	
31 <sup>st</sup> March 2007	<b>Targets</b> <ul style="list-style-type: none"> <li>• <b>New Claims-20 days</b></li> <li>• <b>Cof C- 7 days</b></li> <li>• <b>Accuracy-100%</b></li> <li>• <b>14 days-100%</b></li> <li>• <b>RA's on time 95%</b></li> </ul>	<b>Performance milestone</b>		
January 2008	Local Housing allowance	Potential strategic issue.	Earliest national rollout date is April 2008	
31 <sup>st</sup> March 2008	<b>Targets</b> <ul style="list-style-type: none"> <li>• <b>New Claims-14 days</b></li> <li>• <b>Cof C- 7 days</b></li> <li>• <b>Accuracy-100%</b></li> <li>• <b>14 days-100%</b></li> <li>• <b>RA's on time 95%</b></li> </ul>	<b>Performance milestone</b>		

Version 1.1 – Document Owner: Benefits Manager – 160805

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