

<b>REPORT TO THE EXECUTIVE</b>		Report No. 13
<b>Date of Meeting</b>	1 <sup>st</sup> November 2007	
<b>Title of Report</b>	<b>Improvements Achieved within the Housing Benefit and Council Tax Benefit Service</b>	
<b>Portfolio</b>	<b>Housing</b>	
Link to Corporate Priorities	Customer	
Key Decision	No	
Executive Workplan Ref	B364	
Public Report	Yes	

### Summary of Report

The report provides Members with an overview of the significant service improvements achieved within the Housing Benefit and Council Tax Benefit service together with an update on planned future developments.

### Officer Recommendations

1. That service improvements are noted.
2. That the Executive note the proposed actions for further developments.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
None	None	None	None	None

<b>Contact Officers</b>	Julie Higinbotham, Benefits Manager; 01249 706231 jhiginbotham@northwilts.gov.uk
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## **1. Introduction**

1.1 The purpose of this report is to provide Members with an overview of service improvements achieved within the Benefits service and to advise of future planned developments. The report focuses on performance improvements and financial improvements as follows:

- Performance Improvements
  - Best Value Performance Indicators
  - Current performance
  - One day guarantee scheme
  - Transactional processing
  - Local Housing Allowance
  - Fraud Investigations
- Financial Improvements
  - Benefit Overpayments

## **2. Background**

2.1 In March 2005, the Council's new benefit system (SX3) went live. The new system replaced an old in house system that was unable to cope with the demands of a modern benefits function. Due to the exigency of data migration, the Council was without a system and unable to process work for a period of three months, prior to the system going live. This resulted in substantial backlogs of work. The situation was further compounded by staff requiring to familiarise themselves with the new system and at the same time resolve a number of data migration problems.

2.2 In October 2005 a review of the service identified a need to restructure in order to facilitate effective performance management and cope with increased workloads. Despite agreement to increase staffing levels and introduce a new supervisory role, the recruitment process was problematic. Nationally, there is a shortage of experienced benefit staff and it was necessary to recruit largely inexperienced staff and train them in-house.

2.3 Despite facing the aforementioned pressures, staff have demonstrated tremendous commitment to clear mail backlogs and improve processes in order to deliver a service that fully meets customers needs. Over the last 12 months, the Benefit Service has been working closely and in partnership with the Performance Development Team (PDT) of the Department for Works and Pensions to identify barriers to performance improvement, streamline processes and improve the customer experience.

2.4 An action plan is in place, which is monitored by the PDT at regular intervals. The PDT is of the opinion that projected performance levels will be on par with the best performing councils and it is proposed that the Minister will visit early next year to celebrate this turnaround in performance.

2.5 The PDT have reviewed this report and is satisfied that it is an accurate reflection of the situation and significant improvements made. The PDT comments and views can be found in Appendix 1 of this report.

## **3. Performance Improvements**

3.1 The performance improvements achieved by the Benefits service are set out in detail under the appropriate headings:

### 3.1.1 Best Value Performance Indicators

The table below illustrates that the Council has achieved significant improvements in performance in relation to the key national performance indicators. These are BVPI 78a speed of processing new claims, BVPI 78b Speed of processing changes in circumstances and BVPI 79a accuracy of claims. It should be noted that significant improvements have been made across each of these national performance indicators.

<b>BV78a – Speed of Processing New Claims</b>					
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual</b>
<b>2006/07</b>	<b>63.65</b>	<b>60.97</b>	<b>51.48</b>	<b>40.85</b>	<b>53.8</b>
<b>2007/08</b>	<b>34.68</b>	<b>26.48</b>			
<b>Target</b>		<b>32</b>	<b>24.5</b>	<b>24.5</b>	<b>29</b>

<b>BV78b – Speed of Processing Change in Circumstances</b>					
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual</b>
<b>2006/07</b>	<b>42.65</b>	<b>41.81</b>	<b>39.37</b>	<b>7.29</b>	<b>20.6</b>
<b>2007/08</b>	<b>21.89</b>	<b>15</b>			
<b>Target</b>		<b>15</b>	<b>10</b>	<b>3.5</b>	<b>9.5</b>

<b>BV79a – Accuracy of processing</b>					
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Annual</b>
<b>2006/07</b>	<b>93.6</b>	<b>95.2</b>	<b>93.6</b>	<b>96</b>	<b>94.60</b>
<b>2007/08</b>	<b>99.2</b>	<b>99.2</b>			
<b>Target</b>		<b>98</b>	<b>99</b>	<b>99</b>	<b>99</b>

As the table above demonstrates, challenging targets have been set for the remaining three quarters of 2007/08. These targets will place the Council in the top 50% of district councils. However, it should be noted that assumptions have been made as to the exact level of top 50% performance due to the fact that 2006/07 quartile information is still unavailable. The second quarter target for processing change in circumstances has been achieved and targets for processing new claims and accuracy have been exceeded.

### 3.1.2 Current Performance

From April 2007, the backlog of claims has been eliminated and the Benefit Service has been operating at full compliment. The continuous development of new staff and existing staff has eliminated the requirement to utilise costly agency staff to support the service. As of the 18<sup>th</sup> June 2007, new processes have been implemented to improve work flow, to better gather information and to improve the use of management information. This includes sorting mail, processing change in circumstances on receipt and being pro-active in obtaining relevant information, by using the telephone and 3<sup>rd</sup> parties such as the Job Centre Plus. Age analysis of claims is now being conducted, to ensure teams and work are effectively performance managed and that reasons for any delays are escalated to the correct level of authority and dealt with. In collaboration with the PDT, officers have implemented a number of improvements to the document management system. This work received national recognition in the October's edition of the DWP's 'More Direct' publication.

### 3.1.3 One Day Guarantee Scheme

Further initiatives to improve performance and enhance the service provided to customers are currently being piloted. This includes the 'one day guarantee' scheme. The scheme guarantees that the customer will have their claim processed immediately if all the relevant information is provided. The current pilot scheme will be reviewed and evaluated at the end of October, and it is anticipated that the scheme will be developed at that point to include change of circumstances.

### 3.1.4 Transactional Processing

Officers are currently working with software providers to develop transactional processing. The use of intelligent scripting will enable officers to update back office systems at the first point of contact. Transactional processing will allow multiple individual operations on a database to be linked together automatically as a single, indivisible transaction.

### 3.1.5 Local Housing Allowance

Local Housing Allowance (LHA) is a key part of the Government's HB reform programme which aims to simplify Housing Benefit and ensure it supports the wider objectives for welfare reform. LHA is a new way of working out Housing Benefit for private tenants. The new scheme will be rolled out nationally from April 2008, and should facilitate a further improvement in the time taken to process private tenant claims. An implementation plan is in place and a comprehensive communication strategy is currently being developed.

### 3.1.6 Fraud Investigations

Over £20m is paid out annually by the Council in respect of Housing Benefit and Council Tax benefit. Within this level of expenditure there is significant scope for fraud and error. According to the latest estimate from the National Housing Benefit Accuracy Review, the potential for fraud and error at a local level could be in the region of £1m. In 2003/2004, the Government introduced national best value performance indicators in respect of benefit fraud investigations. The Council's Investigations Team performance in 2005/06 was above the national middle quartile at 4.11 sanctions and prosecutions per 1000 caseload. In 2006/07, the figure increased by 45.74% on the previous year to 5.99 prosecutions and sanctions per 1000 caseload.

## **4. Financial Improvements arising from Benefits Overpayments**

- 4.1 The performance improvements achieved by the Benefits service also have an impact on the Council's finances in terms of additional subsidy. Mid year estimates for 2007/08 would suggest the council will realise a significant reduction in the value of local authority error overpayments. Estimates suggest the level of overpaid benefit will fall from £238,000 in 2006/07 to £88,000 in 2007/08. Councils that successfully reduce the level of overpaid benefit below a specified threshold receive additional subsidy from the DWP. The estimated reduction in overpaid benefit for 2007/08 will place the Council below the threshold and will attract an estimated £35,000 additional subsidy.

**5. Risk**

5.1 Staff resource may be diverted to work on other Council priorities such as the Revenues and Customer Focus reviews as well as the unitary transition work.

5.2 The Benefits improvement review will also be impacted if the Council suffers staff retention problems as a result of the unitary decision.

Appendices:	1 – Comments of the Performance Development Team
Background Documents used in the Preparation of this Report:	

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference