

# **PROGRESS REPORT ON REVENUES AND BENEFITS BEST VALUE IMPROVEMENT PLAN AND HOUSING BENEFITS UPDATE**

**Report By: County Treasurer**

## **Wards Affected**

County-wide

## **Purpose**

1. To update members on progress to date with the Revenues and Benefits Improvement Plan, and to advise members of current performance and activity in Benefits, including information on planned areas for improvement and to outline changes that will have an impact on future service delivery.

## **Financial Implications**

2. An overspend of £40,000 is predicted by the end of the financial year.

## **Background**

3. Since the last report to the Committee in February, the Benefits Section has been involved in a considerable amount of activity over and above that included in the Best Value Improvement Plan. This includes effecting significant changes to the way housing and council tax benefits are administered as a result of the implementation of tax and pension credits. We have also been working with the Service Improvement Team (SIP) looking at how we can re-engineer our processes to improve service delivery. Recently, we carried out a further self-assessment of our compliance with the Department of Work and Pensions (DWP) Performance Standards to enable a review of our Comprehensive Performance Assessment (CPA) score. Further changes to the way housing and council tax benefits are to be administered have also been announced by the Government for implementation by April 2004. Although full details are not known at this stage, this report provides further information about how these changes will have a direct impact on service delivery and performance in the coming months.

## **Best Value Improvement Plan**

4. The table provided at Appendix 1 provides an overall assessment of progress on the achievement of tasks within the eight activity areas of the Improvement Plan. The number of actions due to have been completed by the above date have been identified, as have the number of actions that have been completed. Where an action has not been completed by the due date, taking previously revised dates into account, a brief explanation is given.

## Current Performance

5. We have not been able to deliver the expected improvement in performance to date in relation to the speed of processing new or renewal claims, or changes in circumstances. The implementation of both tax and pension credits did have a significant effect on our ability to improve the speed of processing claims during the first two quarters of 2003/04. This was further hampered by the fact that for the majority of that time the section did not have a full complement of staff in post.
6. Late notifications of tax credit changes from the Inland Revenue resulted in higher workloads of changes of circumstances from April to July. Also, problems with obtaining accurate pension credit information from the DWP in early October resulted in a build up-of pensioner claims waiting to be re-assessed. It is also fair to say that although staff have received training on the new credits, they are still feeling their way with these new benefits and as a result it is taking them longer to assess these claims at present.

|  | <b>Performance For Year to date –Apr-Oct 2003</b> | <b>Target 2003/04</b> | <b>Actual 2002/03 Apr-Oct 02</b> |
|--|---|-----------------------|----------------------------------|
| Speed of processing – average time for processing new claims                               | 55 days   | 35 days               | 35.26 days                       |
| Speed of processing – average time for processing notifications of changes of circumstance | 13 days   | 9 days                | 21.69days                        |
| Speed of processing – percentage of renewal claims processed on time                       | 29%   | 83%                   | 20.18%                           |

7. Although performance has been well below target to date, we are confident that there will be a considerable improvement by the start of 2004. Appointment to key posts have been made and additional agency staff recruited to cover for new staff whilst they are being trained. We expect to be at target for changes in circumstances by December, and although the percentage of renewal claims processed on time is low, this is because we have been catching up on a backlog of renewal cases. During the period April to October 2003, we have dealt with 4,583 renewal cases (this equates to an average of 655 cases per month). We currently have 1,316 renewal claims outstanding and are receiving around 400 per month. This reduction is owing to the fact that we are no longer required to send pensioner renewal claims from 6th October 2003. During the first three weeks in November we have processed 712 renewal claims.
8. Once these cases have been cleared we expect to be able to process a significant majority of renewals on time. It is also worth emphasising that whilst only a small percentage of renewal claims are being dealt with on time at present, this is not having a detrimental effect in terms of customers anxiety or complaints. This is because claimants still continue to receive their current levels of benefit until we re-

assess the claim based on information provided on the renewal form. We will no longer be required to issue renewal claims for any cases from April 2004.

## **Planning for Improved Performance and Future Service Delivery**

9. In order to deliver a benefit service that meets performance standards and customer expectations, it is vital that we have a full complement of fully trained staff. To help us achieve this, we now have a Training and Development Officer and System and Support Officer in post. These posts have been partly funded by the DWP for 2003/04 and 2004/05. The section currently has a high number of staff without full benefit knowledge and a training plan is now in place to ensure that both new and existing staff receive the required amount of training.
10. One of the major factors affecting processing capabilities at present is the existing outdated in-house software system. We are currently going through the process of procuring a new fully integrated software system, which will be partly funded by the DWP. However, as the conversion and implementation process will be time consuming, we do not expect the new system to be operational before Autumn 2004. Implementing a new benefits system is a major project and this will inevitably have an impact on management and staffing resources. To ensure that this project does not have an adverse effect on our processing times, we intend to recruit additional agency staff to assist with claim processing whilst we carry out the conversion of data and train staff on the new system. Under the current arrangements in place, a business case for the recruitment of agency staff will be submitted as we will be requiring these additional resources for a period exceeding three months.
11. Last year the DWP set up a pilot scheme to enable Registered Social Landlords (RSLs) to verify original documents for benefit claims on behalf of local authorities. This is now being rolled out nationally to any local authorities and RSLs that wish to adopt the scheme. We successfully submitted a bid for funding to work in partnership with the largest RSLs in our area. We are now working in partnership with neighbouring authorities that come into contact with the same RSLs to ensure that we deliver consistent training and use economies of scale to secure IT equipment and training resources with the funds available. Funding is dependent on the scheme being adopted within six months of receipt of funds so we have to ensure that systems and procedures are in place by April 2004.
12. The SIP Team has been looking at re-engineering our existing processes to see how we can improve on our service delivery. It has come up with a recommendation that a new front-ended process is implemented for dealing with new claims for benefit. Basically this will involve appointments being made with all customers who wish to make a new claim for benefit so that a benefits specialist can deal with their claim on a face-to-face basis, either in their home or in the office. However, this process cannot be implemented in full until a number of constraints are addressed: the main ones being the lack of suitable confidential interview facilities, the outdated benefits software and the current backlog of work. Various options for tackling these constraints are being looked into and some solutions have already been identified. Further details will be incorporated into the next update report.

13. The DWP has announced that further significant changes to the way that benefits are to be administered is planned for implementation from April 2004. These are being introduced in place of the requirement to obtain renewal applications from claimants. Every month we will be required to send the DWP full details of our existing caseload. They will then match our data with information held about these claimants with other agencies, like the Pensions Service, Inland Revenue etc. and send us details of those cases that they feel are most at risk of being overpaid owing to fraud or error. We will then have to undertake some form of intervention with these cases to ensure that the correct levels of benefit are being paid. This can be undertaken by a visit to the claimant's home, or by post or telephone. The DWP will inform us of the number of visits and other interventions that we will be required to undertake. Unfortunately, at the time of writing, this information is still not yet available so we are not in a position to consider in detail the effect on the staffing structure. However, we have enough information to enable us to start considering the type of roles that will be required, and as these are likely to change significantly, we will need to discuss any organisational requirements with the staff at the earliest opportunity. This process will also require involving the Unions. We are planning to meet with both staff and the Unions to discuss the resulting changes to the current roles and responsibilities within the Benefits structure.

### **Comprehensive Performance Assessment (CPA) of the Service**

14. As part of the Comprehensive Performance Assessment (CPA), the Benefit Fraud Inspectorate (BFI) has recently considered our improvement report for Benefits Services and has undertaken a re-assessment of our Housing and Council Tax Benefit service. The re-assessment is based on improvement since the initial assessment in 2002, which measured compliance and achievement against the BFI/DWP Performance Standards and took account of Best Value Performance Indicators and other performance factors. Overall the BFI found that our Benefits service is providing a fair towards good level of performance compared to a fair score in 2002 and, using the Audit Commission 4 point scale, a maximum score of 4 was achieved compared to 2 in 2002.
15. Although we have achieved the maximum CPA score, it is acknowledged that we still have to improve our processing times for claims significantly; we are also not meeting the DWP standard for dealing with customers and this is mainly owing to the constraints of our present accommodation.

### **Conclusion**

16. Frustratingly, improvement in performance has been hampered by difficulties in implementing the new tax and pension credits within six months of each other, and we are still struggling to maintain a fully trained complement of staff. Further substantial changes to the benefit system planned from April 2004 will inevitably have an impact on our performance in the short term. However, the result from the Benefit Fraud Inspectorate assessment is encouraging, particularly in the light of the problems this service has continued to face since the original assessment was carried out last year. It confirms our ability to make improvements to the service whilst implementing significant changes to systems and procedures. However, the priority now must be to make considerable improvements in performance in the speed of processing applications. It is, therefore, vital that the existing volume of claims outstanding is cleared by March so that we can implement the new

intervention regime, the SIP team recommendations and install the new computer system.

## **RECOMMENDATION**

**THAT the content of this report be noted.**

## **BACKGROUND PAPERS**

- None identified.