

Law and Governance

Direct Line: 01865 252402

E-mail: adubberley@oxford.gov.uk

Town Hall

St. Aldate's
Oxford OX1 1BX

www.oxford.gov.uk



Central Number: 01865 249811

To Members of the Value and
Performance Scrutiny Committee

11 November 2011

Our ref:

Your ref:

Dear Councillor

**VALUE AND PERFORMANCE SCRUTINY COMMITTEE - MONDAY 21 NOVEMBER
2011**

I attach the following report which was not available when the main agenda was
dispatched. Please bring this document to the meeting

Agenda No Item

4. **Benefits Fundamental Service Review (Pages 1 - 32)**

Yours sincerely

Alec Dubberley, Democratic Services Officer
Democratic Services Officer
Encs

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To: City Executive Board

Date: 7th December 2011

Report of: Head of Customer Services

Title of Report: Benefits Fundamental Service Review

Summary and Recommendations

Purpose of report: To review the current outputs and the potential design principles and concepts from the Benefits Fundamental Service Review. To agree the Benefits service standards as informed by the customer and stakeholder consultation.

Key decision? Yes

Executive lead member: Councillor Val Smith

Policy Framework:

Recommendation(s):

- 1. To approve the Benefits performance standards as follows:
 To process new benefit claims within 14 days
 To process changes in circumstance within 10 days**
- 2. To note the proposed reconfiguration of the service to achieve the efficiency savings in the budget and meet customers reasonable expectations.**

Appendix Numbers

1. Current improvement update to Audit Commission and their response
2. Benefits Fundamental Service Review Milestone Chart
3. Risk register
4. Equalities Impact Assessment

Name and contact details of author:-

Name Helen Bishop
Job title Head of Customer Services
Service Area Customer Services
Tel: 01865 252233 e-mail: hbishop@oxford.gov.uk

Background

1. The Benefits Service has been identified by the Council as a service that is delivering a reasonable service at relatively high cost when compared with the best performers nationally. The results of an Audit Commission Inspection carried out in the summer of 2010 suggested that there were a number of areas where improvements to the service were required.
2. The Council updates the Audit Commission on a quarterly basis regarding progress against the agreed improvement plan. The latest update and the Audit Commission's response to our submission are attached at Appendix 1.
3. To date, the service has taken on the challenge of successfully managing its own performance and has reduced the time taken to process benefits claims, both new and revisions to existing claims, significantly. The intention is to deliver a robust service that achieves upper quartile performance in terms of the time taken to process all claims, reducing the overall cost to the local tax payer, reducing the unit cost of the process and improving the quality of the service to the end user.

Current Performance

4. As at 30th September 2011, the cumulative performance to date for processing new claims is 17.1 days. This is comparable to the final result for 2010/11 which was 17.2 days. It should be noted that nationally this is equivalent to top quartile performance. The target for new claims is 14 days, and the year end projection is to meet this target.
5. The cumulative performance as at 30th September for processing changes in circumstance is 10.7 days, compared to the final result for 2010/11 which was 11 days. The target for changes in circumstance this year is 10 days, and the year end projection is to meet this target.
6. The average length of a telephone call handled by the Council's contact centre is 7 minutes, and currently over 90% of telephone calls are getting through first time on the Council's main service lines.
7. Sickness issues have been tackled for the service area as a whole. The end of year projected number of sickness days per employee has reduced from 20 days for the month of April 2011, to 10.2 days for September, only just above the Council target of 9.5 days by the end of the year. Last year for Customer Services the number of sickness days out turned at 12.75 sickness days per employee.

Service Review Progress

8. Please refer to Appendix 2 which details the Review's milestones. This chart shows that progress is currently running to time. In summary, the financial overview, review of current processes and consultation are all completed.
9. The review of potential process improvements, their financial impact and associated benchmarking are on track to be completed by December.
10. The proposed new service requirement, and proposed new structure to deliver this will follow between November 2011 and January 2012, with consultation on the structure proposals in February and March 2012.

Consultation Feedback

11. Around 200 benefits customers were surveyed both face-to-face and over the telephone during September.
12. The feedback showed a good level of satisfaction, with 82% rating the service as above average with 25% giving a top score. However, customers felt that the main areas for improvement were answering the telephones more quickly and making swifter decisions on claims.
13. The current dip in benefit processing performance has been due to a number of factors. One of which is that the Department for Work and Pension (DWP) has increased the amount of information that is sent automatically to local authorities. This started in July 2011 and meant a significantly increased workload for the service to process, which has now stabilised. At the same time, we have taken the opportunity to re-tender the resilience contract that we use to help us meet our performance levels during peaks in workload, and this contract commenced in October. With a concentration of resources during October and November we are confident that this dip in performance will be rectified. However, it should be noted that phase 2 of the DWP release of information is scheduled for release in January 2012, and we have already made provision for our resilience contractors to provide extra support to us at this time.
14. Benefits customers demonstrated a high propensity to use new technology, with 86% having some access to the internet, 75% happy to use a self-service terminal and 64% who would consider making a claim on-line.

15. In terms of service standards, 35% would consider it reasonable to process a new claim between 11 and 15 days whilst 27% would prefer a new claim to be determined between 6 and 10 days. For changes in circumstance, 35% considered between 6 and 10 days acceptable and 27% thought that between 11 and 15 days would be reasonable.
16. In addition, two focus groups were held with voluntary groups and housing associations to gather their input.
17. Again, the view was that performance had taken a dip lately in terms of speed of getting through to our contact centre and for processing claims. They found the service better than those of other authorities where the service had been outsourced. All wanted easy access to expert information when required, although there were mixed views on electronic access in terms of how their client base would adopt to using the internet. However, all felt that they would be willing to assist their clients access our services on-line and would be willing to house self-service terminals.

Benefits Service – Potential Future Design Principles

18. The work reviewing potential service improvements is not yet complete, but the team has already agreed some design principles which include:

- Processes
 - Get it right first time
 - Reduce overpayments
 - Pre-empt changes in circumstance wherever possible
 - Include mechanisms to check for fraud
- Technology
 - Ensure options for automated methods are available
 - Use assisted claiming
 - Use flexible web forms rather than long scripts for customer service to read through
 - Re-use existing information already held by the Council on customers
- Organisation
 - Ensure the right people are doing the right tasks
- Customers
 - Use customer-preferred contact methods
 - Do not reduce choice but encourage customers to move to other channels
 - Provide positive feedback to customers

Benefits Service Standards

19. The feedback from this round of customer consultation supports the previous view, also based on consultation and benchmarking, that the service standards for processing new claims and changes in circumstance should remain as they are for the current year as 14 and 10 days respectively.

Benefits Service – Potential Design Concepts

20. The initial output from the staff work groups suggests initial design concepts for the Benefits Service to deliver the agreed savings as follows:

- Move to electronic capture of claims at source, which means
 - No paper application forms
 - Assisted claiming for customers in the customer service centre, via telephone by the contact centre, by visiting officers and by third parties (e.g. housing associations)
 - Self service via the web to check eligibility, to make a claim and to book appointments
 - Customer access to their claim information using E-citizen

Benefits include reduced scanning, no double handling of data, greater customer choice, improved accuracy of claim, and a 'right first time' approach

- Introduce risk based verification on new claims, this means
 - Up to 58% of claims could be treated as “low risk”, and would require no additional evidence documentation to put into payment
 - Quicker processing times

Benefits include reduced scanning, reduced overall time to assess a claim, increased potential for a claim to be put through to payment in one day, reduced errors and increased fraud detection

- Identify potential changes in circumstances at every opportunity, this means
 - Pro active reminders to claimants on predictable changes

Benefits include fewer errors, less overpayments and a more predictable workload

21. These changes would meet customer expectations in terms of service speed, deliver the required savings and be in line with industry and DWP best practice.

Risk

22. An evaluation of the risks associated with the implementation of this policy has been carried out. A detailed risk register is at Appendix 3.

Climate Change/Environmental Impact

23. Through better and shared use of technology, customers will be able to self-serve on the web, telephone the Council or visit potentially more conveniently placed third parties in order to access the Benefits Service. This will contribute to a reduced carbon footprint for the service

Equalities Impact Assessment

24. A Screening exercise has been carried out and is at Appendix 4. No undue, adverse impacts have been identified.

Financial Implications

25. The budget saving in 2012-13 expected from the Benefits Fundamental Service Review is £69k.

26. The technology required to deliver access for customers to their claims (E-citizen), to enable customers to self serve and to enable others to assist claimants has already been procured by the organisation as part of the new Capita contract agreed at the start of the current year.

27. Provision has also been made in the budget for 2012/13 should additional software be required. This is on an invest to save basis.

Legal Implications

28. None.

List of background papers: None
Version number: 1.1

Update for Audit Commission on Implementation of their Inspection Recommendations – 16 September 2011

From Helen Bishop – Head of Customer Services

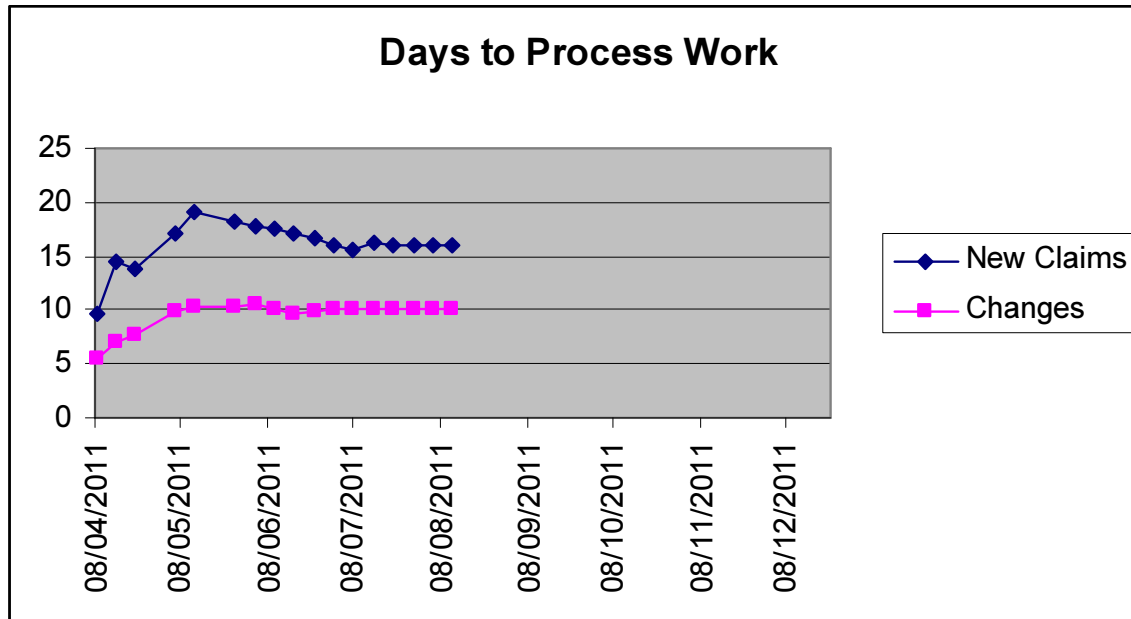
1.0 Introduction

- 1.1 This report is intended as an update to Oxford City Council's response to the recommendations made by the Audit Commission in their Inspection Report published on 24 March 2011.
- 1.2 This update follows the format of the response made by the City Council on 21 April 2011, focussing on the specific actions recommended by the Audit Commission.

2.0 Performance

- 2.1 Following the publication of the 2011/12 Housing Benefit Right Time performance data by the DWP, it was pleasing to see that Oxford City Council was in the top quartile for its New Claims performance. We were within a day of the median figure for Changes performance. This is much better than was anticipated by the Inspection report
- 2.2 Performance has continued to improve as the graph below shows. At the end of August our processing times were 16.2 days for new claims and 10.3 days for changes. We anticipate performance improving further as currently a number of staff are engaged in the Fundamental Service Review which reduces the time they are spending on benefit assessment work.

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2.3 The performance framework that was introduced a year ago and detailed in our April report has continued to deliver improved performance. The one to one meetings staff have, which focus on their performance is now ingrained into the culture of the office.

3.0 Fundamental Service Review

3.1 Our April report explained that the Benefits Service was about to embark on a Fundamental Service Review. At the time this was just underway. It is now more than halfway through and on target to meet its December completion date. Shortly after submitting our report in April it was decided to merge some of the work streams to facilitate better management of the process. The Overpayments stream was merged into the Process Group, and the Partnership work has been included with the Customer Interface group.

- 3.2 The Process Group have mapped 147 separate processes which are conducted by the Council in relation to the processing of Benefits. During this process various efficiencies have been identified. These are being drawn together in the next stage of its work in mapping potential “To Be” processes. This will form the basis of recommendations as to the future shape of the Service.
- 3.3 The Customer Interface Group are conducting a survey of Benefit Customers to find out what they think of the Service, how they would like to interact with the service, and what expectations they have in relation to service delivery. They are also conducting seminars with various stakeholders and partners to get their view of the same issues. This information will be used to fine tune future service delivery.
- 3.4 The Finance Group has modelled our current costs, so that they can estimate the effect on the Services Costs of the various proposals made by the Processing Group. They have also been conducting detailed benchmarking of both performance and costs in relation to other Local Authorities.

4.0 Improvements to Customer Service Centre

- 4.1 A number of negative observations were made in relation to our Customer Service Areas, and the level of service received by our Customers. At the time that the Inspection was made we were already well under way with transforming the Council’s approach to dealing with Customers.
- 4.2 Since the April report, the two contact centres that existed have been brought together into one. Customers can now access all Council Services from a single number. There is an ongoing program to up-skill the contact centre so it is able to respond to enquiries across the whole range of Council Services. Recent call stats from our merged contact centre are attached with this document. The Council’s web site is also being developed in parallel with the services that are being provided face-to-face and via our contact centre.
- 4.3 As part of our Offices for the Future program which is modernising all Council offices, we have refurbished our Service Shop in the city centre. It has expanded to be able to deal with enquiries in relation to Planning and Environmental issues, in addition to the Services it was already dealing with. The modern design makes it more welcoming to customers rather than creating barriers between employees and customers which was a feature of the old layout.

4.4 We have invested in a brand new queuing system which amalgamates the ability to book online appointments with drop in requests taken in the Service Shop. This is not a feature which is available in the market leading products. We also have a touch screen survey which allows people to provide straight forward feedback about their visit, available on their way out. In addition we have set up self service PCs so we can encourage our customers to access our web services for themselves.

4.5 The latest highlight report from our Customer First Program is available but not detailed here.

5.0 **Response to Recommendations**

The responses provided in the last report are copied below in italics, followed by a progress update.

5.1 **R1 – Improve the Speed and Accuracy of the Service**

5.2 *An analysis of both new claims over 30 days and changes over 7 days will be undertaken. The top 10 reasons will then be addressed. The Processing work group in the Fundamental Service Review are best placed to deliver this work. Completion is therefore scheduled for Quarter 2 of 2011.*

As mentioned in Section 3 above, this is on track to be delivered.

5.3 *Staff will be encouraged to chase evidence by phone where it is appropriate to do so. This will be done prior to sending a letter. Visiting officers will be used to assist in obtaining evidence for vulnerable claimants, or cases where we have difficulty in obtaining it by the usual means. Again this will be carried out by the Processing work group in the FSR and fully implemented by the end of Quarter 4 of 2011.*

The FSR is on track to deliver this. Team leaders of the assessment teams also encourage this way of working in team meetings and in 121's.

5.4 *The recommendation to ensure sufficient resources are allocated to processing has been carried out, and can be seen in the improved processing times in Section 3 above. Resources for each processing team are checked weekly. Where necessary one team will support another one which is light on resources. A resilience contract is also in place which can be called on as necessary.*

This is completed

5.5 *The recommendation to analyse defective claims has also been carried out. The analysis highlighted the main reasons for claims being made defective, which was linked to the lack of evidence supplied by the customer. Subsequently this analysis has led to*

the addition of an insert being sent with our application forms. This details the most common reasons for a claim being made defective, and encourages claimants to provide the right information with their claim. This will be an ongoing piece of work, with defective claims being analysed throughout the year.

This has been completed but is also ongoing work.

- 5.6. *Currently interventions are carried out by personal visits. Our intervention work will be increased however, as we will use our SHBE data and fraud statistics to identify the type of cases we wish to review. An annual intervention program will then be designed, with reviews being conducted by post and phone as well. The Processing work group in the FSR will design this, and it will be in place by the end of Quarter 4 of 2011.*

Training was delivered in August to allow interrogation of our SHBE file in MS Excel. This recommendation will then be fully implemented following completion of the FSR.

- 5.7 *A risk based approach to Quality has already been implemented. Using data provided by our subsidy team, half of all checks made are in respect of claims where there are a higher incidence of errors. There is still more work to be done in improving our Quality Assurance process and this will be delivered by the FSR in Quarter 4 of 2011.*

We continue to update our Quality process according to risk. This work is still dispersed throughout the team, and it is intended that the FSR will result in this being focussed in one team.

- 5.8 *The time taken to deal with requests and reviews has fallen dramatically. This process has been re-engineered, and also subject to external review, see Appendix C. As such we consider this recommendation to be implemented.*

This has been completed

6.0 **R2 - Improve access to the Service and make sure the Service is meeting the needs of all of its customers**

- 6.1. *An extensive analysis of the enquiry volumes has been undertaken. This has been used to produce the draft structure for the new Customer Contact team that is presently out for consultation. In addition service level agreements with back office providers will be put in place by the summer, providing service information that will help to identify demand. This recommendation will be implemented by the end of Quarter 2 of 2011. Also we have an agreement to employ additional staff in the meantime to ensure that during implementation call volumes do not suffer. Please see Appendices D & E for details of the call analysis, and example of a Service Level Agreement with an internal department.*

Delivery of the new Customer Contact structure has taken a little longer than expected. This has pushed back some of the deliverables mentioned above into Quarter 3. However during this period we have made use of staff employed on fixed term contracts and temporary workers to ensure we maintain a reasonable service.

- 6.2 *As part of the work identified above, staff work patterns will be reviewed once the new structure is in place. A copy of this structure is at Appendix F. The Customer First programme is on track to deliver a new walk in Customer Service Centre, and single contact centre. The Programme Manager's contract has been extended to February 2012. Appendix G shows the latest highlight report of the Customer First Programme.*

Due to a contractor being liquidated the new Customer Service Centre was delayed by two months. It is now open, and vastly improves the Customer experience, as referred to in Section 4 above.

- 6.3 *Work has been undertaken to improve the form and layout of our letters. This is in its final stages and has been undertaken by a consultant from XL Print. Further work will be carried out as part of the FSR which will examine the content of letters. The 20 most common letters will be identified for this work. This will be completed by Quarter 4 of 2011.*

This is on track for completion.

- 6.4 *The Customer Interface Group will conduct a formal review of all leaflets as part of the FSR, including the consideration of whether it is cost effective to produce our own. Our demographic information will be analysed to ensure we are including the right languages on our leaflets. In addition as current stocks require replenishment, leaflets will be updated to ensure language information is included. This item will be completed by Quarter 4 of 2011.*

This is on track for completion

- 6.5 *A limited customer needs survey was carried out last year. This year we will conduct a fuller piece of work as part of the FSR. Individuals will be interviewed about their requirements from the Benefits Service. These interviews will then be used to design a fuller survey. To be completed by Quarter 2 of 2011.*

As referred to in Section 3, this is being conducted this month.

- 6.6 *The above recommendation will inform the service standards we need to set, along with input from the Member Advisory Group and other stakeholders. To be completed by end of Quarter 3 of 2011.*

This is on track for completion.

- 6.7 *Currently performance is not communicated to customers. The Customer Interface Group will determine the most appropriate way to communicate our performance to all customer groups. This will be delivered by the end of Quarter 4 of 2011.*
This is dependent on 6.5 above and is on track for completion.
- 6.8 We have also procured from Capita the self service/e-citizen modules for revenues and benefits which are presently being developed for implementation later this financial year. This will enable customers to view their account on-line and make certain adjustments.
- 7.0 R3 The Service should ensure Value for Money**
- 7.1 *The FSR has commenced. Please see Section 8 below for further details on this item.*
An update was provided in Section 3 above in relation to this item.
- 7.2 *The offsite processing contract is currently being monitored. It is due to be reviewed in June with a decision to be taken as to whether this is extended for another year. Performance of this contract will be compared against in house and agency resources. We decided not to extend this contract for another year. Instead we sought new quotes based on an amended specification. This contract has been awarded to Mouchel plc, but has not yet commenced.*
- 7.3 *Collection of overpayment debt has been subject to analysis by an external consultant and found to be sound, See Appendix H for the detail of this report. Benchmarking of this data shows that our collection rate is very good. Further consideration will be given to how overpayments are dealt with by the FSR. This will be completed by the end of Quarter 3 of 2011.*
This is on track for completion
- 7.4 *Recommendation R3.4 has been completed. Our write off policy has been reviewed, and uncollectable debts have been submitted for write off.*
This has already been completed
- 8.0 R4 Improve Performance Management**
- 8.1 *Service Planning will be developed to include medium and longer term plans, and will be based on the requirements of internal and external partners and service users. This will be delivered by the end of Quarter 4 of 2011.*

This is on track for completion, and will be shown in the Customer Services plan for next year. We will be able to provide you a copy of this at the time.

8.2 *Workforce plans have been strengthened by the development of individual plans for teams which are reviewed during one-to ones with staff. This recommendation has been completed.*

This has already been completed

8.3 *All staff have received appraisals which are reviewed at the mid year point. Regular one-to-ones are also held. Appraisal objectives feed directly from the corporate and service plan. This recommendation is also complete.*

This has already been completed

8.4 *Since introducing our new performance framework last year, staff receive regular feedback on their performance. This is done at least six weekly, and more frequently if required. Team leaders also meet with the Benefits Manager and Head of Service to explain what they are doing to improve performance within their teams. This recommendation has been completed.*

This has already been completed.

8.5 *Following the restructure of our Customer Contact team, a new Training Officer will be appointed who will conduct an evaluation of training in line with corporate guidelines, and produce a new training policy as a result of this work. This will be delivered by the end of Quarter 3 of 2011.*

A new Training Manager started this month, and this recommendation is on track for completion.

8.6 *Staff and Management training need will be identified from appraisals. This will be recorded on a matrix which will inform a training plan for the whole service. This will be completed by the end of Quarter 3 of 2011.*

As with the above, this is on track for completion

From: Stone Alby WWG HOUSING COSTS [mailto:ALBY.STONE@DWP.GSI.GOV.UK]

Sent: 27 September 2011 15:30

To: WILDING Paul

Subject: RE: Audit Commission inspection report

Hi Paul,

Many thanks for providing this update. We're pleased with the overall progress you're making and especially with the improvement in new claim and change of circumstances processing times.

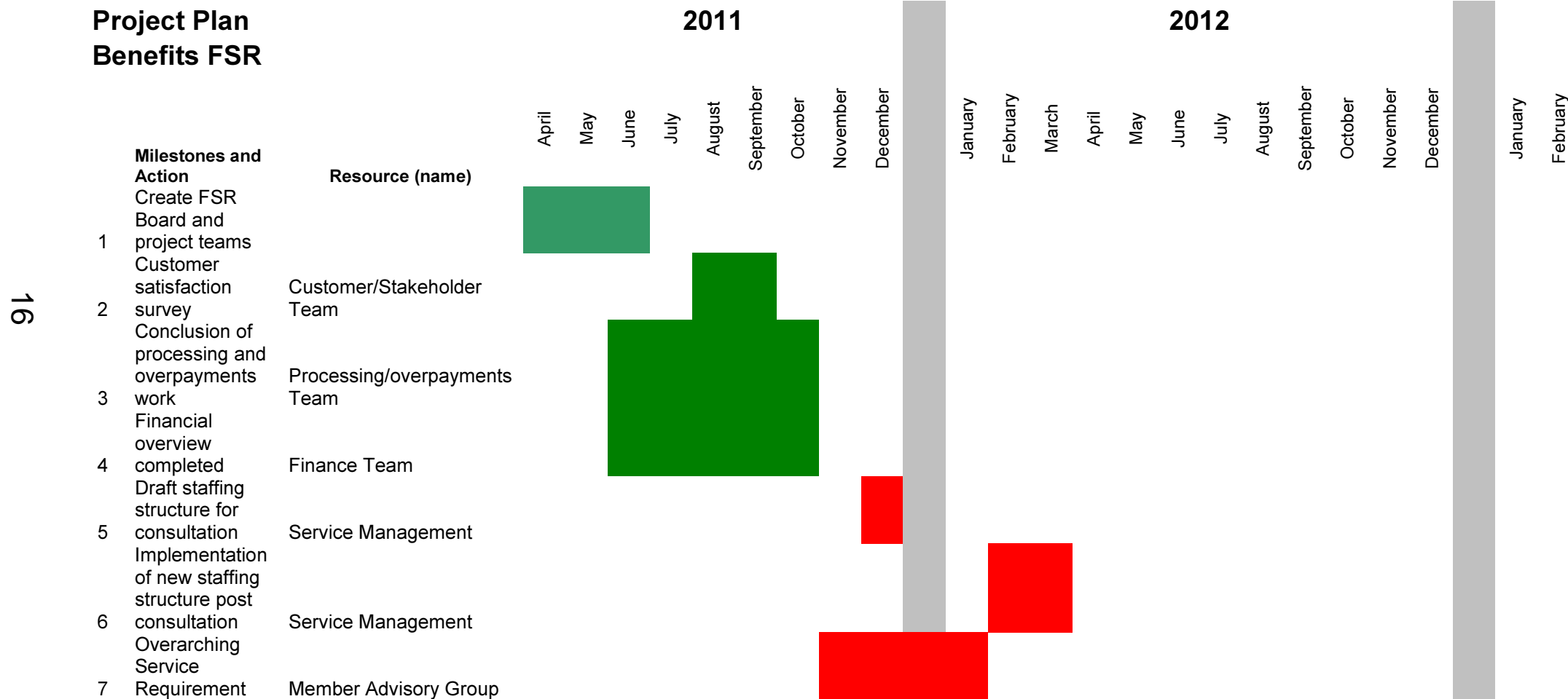
We'd like a similar update in January, for quarter 3 processing times and progress against the Audit Commission recommendations; and the outcome of the Fundamental Service Review. I'll drop you a reminder in mid-January.

In the meantime, if you need anything from us, please let me know.

Thanks again,

Alby

Benefits Fundamental Service Review Milestone Chart

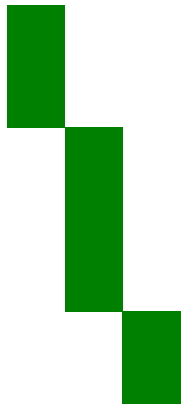
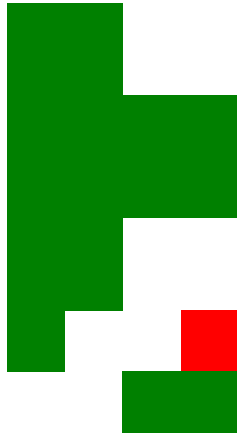


Processing and Overpayment Team

- 8 Review of current processes Dave Cavill
- 9 Review of potential process improvements Dave Cavill
- 10 Analysis of overpayment causes Dave Cavill
- 11 Integration of ATLAS Service Management
- 12 Write new processes Dave Cavill

Customer and stakeholder interface team

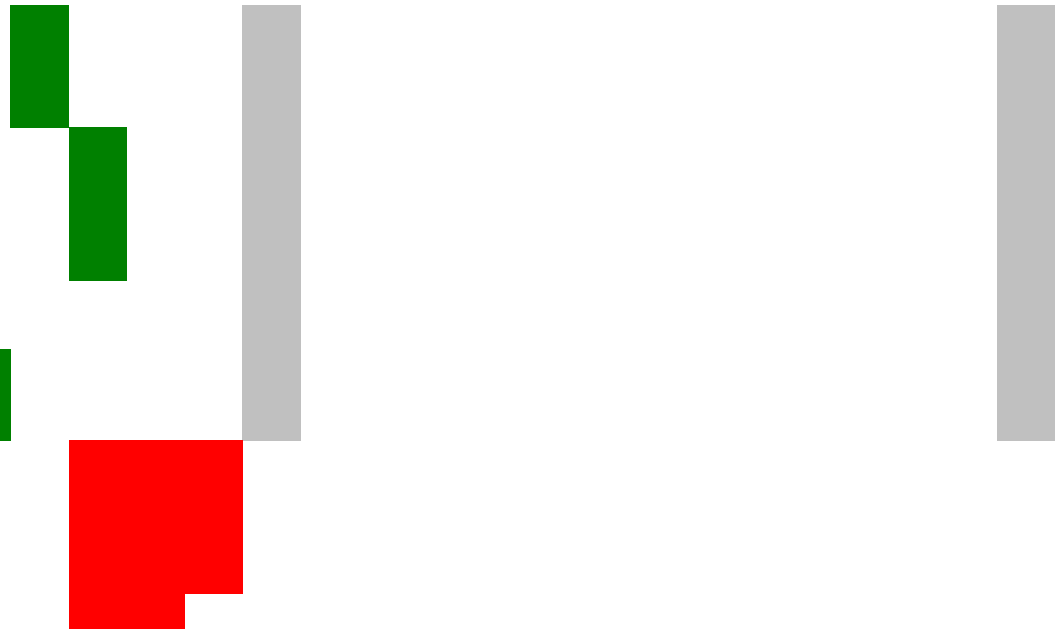
- 13 Determine who all stakeholders are Clare Taylor
- 14 Draft consultation documentation Clare Taylor
- 15 Sign off of draft consultation by FSR Board Clare Taylor
- 16 Release consultation documentation Clare Taylor



- 17 Organise focus group session with external stakeholders Clare Taylor
- 18 Analysis of consultation responses Clare Taylor
- 19 Feed in to service design Clare Taylor

Finance Team

- 20 Analysis of current cost base David Weston
- 21 Review financial impact of processing options David Weston
- 22 Benchmarking David Weston



Appendix 3

Risk Register

Raised by	Date Raised	Probability	Impact	Gross Risk Score	Proximity	Description	Mitigation	Owner	Target Date	Revised Probability	Revised Impact	Revised Risk Score
PW	20/06/2011	4	4	16	Short term	Day to day processing suffers due to lack of resource	Make business case to obtain sufficient funding to support staff taken off front line processing to carry out FSR work	PW	31/07/2011	3	2	6
TS	20/06/2011	3	3	9	Long term	Increase in claims alters cost base	Make use of contractual arrangements	PW	31/12/2011	2	2	4
TS	20/06/2011	2	3	6	Short term	Staff don't engage in project due to the way it is managed when BIP hand over	Ensure that BIP is briefed as to progress to date and how it has been achieved	PW	01/09/2011	1	2	2
HB	20/06/2011	1	2	2	Short term	Impact on the service due to the staff not engaging in the process	Ensure that BIP is briefed as to progress to date and how it has been achieved	PW	01/09/2011	1	2	2
TS	20/06/2011	3	3	9	Short term	Impact of external industrial relations on resources	Dependent upon the nature of the industrial relations dispute, make use of contract to fill the void	PW	31/12/2011	2	3	6

MH	20/06/2011	2	3	6	Short term	Sickness levels rise/annual leave summer peak	Maintain the Council's approach to sickness monitoring and cover where appropriate/plan and manage leave sensitively with the needs of the service in mind	PW	30/09/2011	2	2	4
DW	20/06/2011	3	3	9	Short term	Customer expectations following consultation are unrealistically high	Ensure that when redesigning the service there is a balance made between what is affordable and delivers the best outcome for end users	PW	31/10/2011	1	2	2
TS	20/06/2011	2	2	4	Long term	Competing priorities within the organisation	Balance as far as is practical any competing priorities through discussion at Management Team	TS	31/12/2011	1	2	2
MH	20/06/2011	2	4	8	Long term	Stakeholders unable to continue to operate and support the service	Maintain contact with stakeholders to ensure that if there is any risk of them being unable to operate, the Council can plan early for any increased workloads	MH	31/12/2011	2	2	4

TS	20/06/2011	2	4	8	Long term	Welfare Reform Bill enactment may minimise the benefits of improved technological solutions due to payback times being foreshortened	Ensure that a thorough cost benefit analysis of any new technology solutions is carried out before making a purchasing decision	PW	31/12/2011	2	2	4
Dweston	13/07/2011	1	3	3	Short term	Potential negative impact of scriptflow changes being incorrect or not fit for purpose when switching to new contact centre arrangements in September 2011	Ensure that when the scriptflows are being written the input of one or more of the front line assessment officers is utilised	PW	30/09/2011	2	2	4
HB	19/07/2011	2	2	4	Short term	If staff are not kept well informed about the link between budget the planning process and the FSR there is a risk that any published draft budgetary information may be viewed as a fait accompli	Ensure that staff are communicated with effectively via newsletter, team briefs to make clear progress on FSR and how it may impact on the budget setting process for 2012-13	PW	31/12/2011	1	1	1
PW	01/11/2011	3	4	12	Short Term	If eClaims module fails to work as required it will impact adversely on the revised new claims process, allowing more fraud and error into the system and impacting on our subsidy	Carry out intensive testing prior to implementation, ensure adequate resources are allocated to development and implementation	HB	31/03/2012	2	4	8

Equalities Impact Assessment

Initial screening EqIA template

1. Which group (s) of people has been identified as being disadvantaged by your proposals? What are the equality impacts?

None – it is anticipated that there will be no negative equality impacts from the changes in process, rather that there will be positive impacts for our customers.

2. In brief, what changes are you planning to make to your current or proposed new or changed policy, strategy, procedure, project or service to minimise or eliminate the adverse equality impacts?

Please provide further details of the proposed actions, timetable for making the changes and the person(s) responsible for making the changes on the resultant action plan

Key design concepts for the Benefits Service are based on the following concepts:

1. A move to abandon paper-based application forms to electronic capture of claims at the first point of contact along with improvements to our web-based information systems which will mean;
 - No paper application forms (feedback from consultation has shown these are difficult to follow for claimants)
 - Assisted claiming for customers in person (by appointment) in the customer service centre, via telephone through the contact centre, by visiting officers where access is an issue, and by third parties (e.g. housing associations)
 - Self service via the web to check eligibility, to make a claim and to book appointments
 - Customer access to their claim information using E-citizen

This will mean faster decision times for claimants, a greater choice in ways to access the service to make a claim, assistance for those that require it and the ability to 'self serve' if preferred.

2. Introduce risk based verification on new claims to arrive at a risk rating for claimants. Analysis shows that up to 58% of claims could be treated as “low risk”, and would require no additional evidence documentation to put their claim into payment

Benefits include a reduced requirement to bring in evidence to support a claim, reduced overall time to assess a claim, reduced errors and increased fraud detection

3. Identify potential changes in circumstances at every opportunity, with automatic reminders issued to claimants around the time of anticipated changes.

Benefits include fewer errors by claimants in notification leading to reduced overpayments, mitigating the need to repay these

Changes are to be introduced in 2012/13. A variety of personnel will be responsible for actioning the various elements, but these will be identified in the Improvement Plan arising from the Review.

3. Please provide details of whom you will consult on the proposed changes and if you do not plan to consult, please provide the rationale behind that decision.

Please note that you are required to involve disabled people in decisions that impact on them

Consultation has already been carried out with around 200 benefits customers who were surveyed both face-to-face and over the telephone during September 2011.

Benefits customers demonstrated a high propensity to use new technology, with 86% having some access to the internet, 75% happy to use a self-service terminal and 64% who would consider making a claim on-line.

In addition, two focus groups were held with voluntary groups and housing associations to gather their input. All wanted easy access to expert information when required, although there were mixed views on electronic access in terms of how their client base would adopt to using the internet. However, all felt that they would be willing to assist their clients access our services on-line and would be willing to house self-service terminals.

4. Can the adverse impacts you identified during the initial screening be justified without making any adjustments to the existing or new policy, strategy, procedure, project or service?

Please set out the basis on which you justify making no adjustments

N/A – no adverse impacts have been identified.

5. You are legally required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts.

Please provide details of how you will monitor/evaluate or review your proposals and when the review will take place

Ongoing monitoring will take place as part of routine satisfaction surveys of benefits customers and customer services in general.

A formal review of the impact of the changes will take place after 6 months of operation of the revised service to assess if its anticipated benefits have been realised and if there are changes required to improve the service.

It should be highlighted that there will be national changes to the way that housing benefit is administered over the next two years that may result in local councils losing this function.

Lead officer responsible for signing off the EqIA: Neil Lawrence

Role: Project Manager, Housing Benefits Fundamental Service Review

Date: 1 November 2011

Note, please consider & include the following areas:

- Summary of the impacts of any individual policies
- Specific impact tests (e.g. statutory equality duties, socio-economic, social, regeneration and sustainability)
- Post implementation review plan (consider the basis for the review, objectives and how these will be measured, impacts and outcomes including the “unknown”)
- Potential data sources

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Benefits Fundamental Service Review

Response to Scrutiny Questions on Presentation 13th October to the Member Advisory Group

1. Can you show what has been included from the budgeted figures to arrive at the £111 per claim starting point and are we using net or gross of Administration Grant

The last two years' calculations for the cost per claim are set out below.

This follows the CIPFA Benchmarking Club calculation methodology in order to enable us to compare our performance with the other members of the benchmark club. This calculation comprises the following outturn costs, with the gross cost divided by the weighted caseload giving the benchmark figure of £108.94 per claim for 2010/11 and £111.30 for 2009/10. Gross cost is used rather than net costs, so the administration grant is not included in the calculation.

	2009/10	2010/11
Total Benefits Staff cost*	£1,894,000	£1,809,000
Total CSO costs (annual recharge figure)	£ 803,000	£ 845,000
External processing costs (use of external consultants)	No separate figure**	£ 93,000
IT (annual recharge figure)	£ 143,000	£ 144,000
Running costs	£ 238,000	£ 343,000
Accommodation (annual recharge figure)	£ 99,000	£ 94,000
Central charges (annual recharge figure)	£ 219,000	£ 228,000
Total (gross cost)	£ 3,396,000	£ 3,556,000
Total weighted caseload ***	30,504	32,641
Cost per claim	£111.33	£108.94

* The staffing costs include all those staff involved in dealing with Benefits claims, including managers, assessment officers, fraud team, appeals staff, scanning and indexing team etc

** No separate figure for external processing was requested by the benchmark club in 2009/10

*** The costs per claim methodology uses a weighted caseload rather than actual claim numbers, and is based on DWP's calculation for subsidy payments which only includes new claims (i.e. the larger change of circumstance workload is not included). The intention of this calculation is to reflect that different claim types require differing amounts of work. For 2010/11 the weighted caseload calculation was as follows;

Calculation of Weighted Caseload			
Type	Number	Weight	Weighted Caseload
New Claims:			
Rent Rebate (Non-IS etc.)	508 x	1.56	792
Rent Rebate (IS etc.)	428 x	1.09	467
CTB (Non-IS etc.)	1,938 x	1.47	2,849
CTB (IS etc.)	1,380 x	1.00	1,380
Rent Allowance - HA (Non-IS etc.)	457 x	1.60	731
Rent Allowance - HA (IS etc.)	827 x	1.13	935
Rent Allowance - Other (Non-IS etc.)	1,206 x	1.72	2,074
Rent Allowance - Other (IS etc.)	1,103 x	1.23	1,357
Live Claims:			
CTB Only* (CTB - HB&CTB)	1,547 x	1.52	2,351
Rent Rebates	4,572 x	1.51	6,904
Rent Allowance - HA	2,915 x	2.00	5,830
Rent Allowance - Other	3,273 x	2.13	6,971
Total :			32,641
* CTB Only refers to the average number of live CTB cases minus the average number of live CTB cases also receiving HB.			

(extract from 2010/11 CIPFA benchmark report showing calculation used)

2. Can you detail which and how much of central support costs have been reallocated to get to the £80 bench mark projected, who is bearing them now and which have been deleted. (the central support costs shown above are taken from the budget book and include the reductions expected in customer services costs this year)

The *estimated* costs of providing the service in 2011/12 have been set out below. These are based on 2011/12 budget figures rather than actual expenditure (as is used in the benchmark exercise) and are really only for illustrative purposes. The same weighted caseload figure has been used as 2011/12 figures are not yet available.

	2011/12 Budget
Total Benefits Staff cost	£1,729,000
Total CSO costs (annual recharge figure)	£ 280,000
External processing costs (use of external consultants)	£ 40,000
IT (annual recharge figure)	£ 159,000
Running costs	£ 99,000
Accommodation (annual recharge figure)	£ 85,000
Central charges (annual recharge figure)	£ 239,000
Total (gross cost)	£2,631,000
Weighted caseload	32,641
Cost per claim	£80.60

An overall reduction of £925,000 is estimated in the gross costs of the Service between 2010/11 and 2011/12. Key reductions contributing to this difference are;

- Benefits staff cost (£80k reduction); this reflects the reduction in staff levels and the non-filling of vacant posts

- CSO Costs (£565k reduction); this is based on a change in the recharge calculation methodology to the number of transactions dealt with per service, and also the general reduction in overall costs of Customer Services due to the creation of a single customer service & contact centre. Reductions in the Benefits recharge due to the change in calculation methodology will be balanced by increased charges to those council services that receive a greater proportion of CSO service.
- Running costs (£244k reduction); key changes within this category of spending are reduction in the use of consultants, reductions from the centralisation of ICT, lower office costs (postage, printing, miscellaneous expenditure) and lower depreciation charges.
- External processing (£53,000); this reflects a reduced use of external processing and the move to a new call-off contract

3. What is the benchmark data used to arrive at this range (£70 - £80 cost per claim)

There wasn't any hard data to calculate it. The precursor to the FSR Board was the Benefit Inspection Board, which monitored the work related to our Audit Commission Inspection. At one of the last meetings of this Board, an appropriate target for the cost per claim was discussed. The Board felt that the cost of running a Benefits Service in Oxford was above the national average due to higher staff costs and so on. As such the Director suggested that £70 - £80 would be a reasonable cost to achieve provided that good performance was also being achieved.

4. Given that the range represents a significant cash difference what is the target

The target savings reduction is for £185,000 rather than achieving the benchmark average for cost per claim. This is to ensure the service achieves the savings required of it as part of the Medium Term Financial Strategy, and represents 'real' savings, in terms of a reduced budget allocation. As has been shown from the difference between 2010/11 and 2011/12, it is possible to achieve a reduced cost per claim without significantly reducing actual costs.

5. From the bench mark data available what would be the high medium and low cost per claim for a group of urban authorities, with similar case loads to ours and including a face to face customer service element

It is difficult to provide a comprehensive response to this question as the Council does not 'own' all the benchmark data and so cannot manipulate it easily to arrive at this information. Data for 2010/11 is still provisional and has not been provided to the Council in full. However, some illustrative data was produced using 2009/10 benchmark data and choosing 'similar' authorities, although it should be stressed that this is fairly out of date and does not include workload assessments;

Costs per claim (£000) using 2009/10 benchmark data

	Oxford	Cambridge	Crawley	Lincoln
Gross Cost	111	88	65	53
Staff costs	62	43	26	30
Contact Centre costs	26	21	9	6
IT costs	5	7	5	5
Running Costs	8	4	4	3

6. How much per claim are we charged for external processing within the contract discussed

£8.84 per change processed.

7. Are the costs for external processing included in the current and projected cost per claim

Yes, please see details in the answer to question 1.

8. What type of work is in the backlog being handled externally? Is it new claims or changes in circumstances or a mixture of both

The work comprises Changes in Circumstances, but a variety of case types.

9. Given that backlogs have been a regular feature in the service over time are we aiming to budget within the cost per claim to regularly externalise some of our case management or are we building resilience so that all processing is done in house

The intention is to carry out as much work as possible in house as this gives us greater control and ensures service standards are kept. Planned improvements to claims processes should enable work to be carried out in a shorter time and so prevent backlogs. However, it is prudent to maintain a resilience contract on a call-off basis to deal with any unanticipated peaks in workload to keep processing times. As the contract operates on a call-off basis we do not incur any charge for having the facility available to us but not used.

10. What is the top quartile bench marked performance for as many of the elements listed above as possible

The CIPFA Benchmark report deals with a large number of performance metrics relating to benefits claims, but expresses these in terms of average performance rather than top or bottom quartile. Since the coalition government came to power it has relaxed the performance reporting regime for local authorities which has meant that comparable performance is not now as easily accessible as it was previously against national indicators. The DWP are supposed to publish quarterly benefits performance but this is not kept up to date, and there is nothing available for the current year yet.

Oxford's performance against the 2010/11 CIPFA benchmark average for a range of indicators is set out in the table below. The full benchmark report can be made available to members should they wish to examine the full range in more detail.

Performance Measures		2009/10		2010/11		Changes	
		Value	Avg	Value	Avg	Value	Avg*
PM1	Speed of processing claims	19.7	24.5	17.2	21.9	-2.5	-2.6
PM2	% New claims outstanding over 50 days	5.8%	10.1%	0.5%	11.2%	-5.4%	0.4%
PM3	% New claims decided within 14 days	80.4%	84.5%	83.6%	86.6%	3.2%	2.6%
PM4	% RA paid on time or within 7 days	89.0%	92.2%	89.7%	90.7%	0.6%	-0.4%
PM5	Speed of processing C. of Circumstances (days)	10.0	9.3	10.9	9.3	0.9	-0.1
PM7	Overpayments recovered as % identified	82.3%	68.2%	83.0%	67.7%	0.7%	-0.7%
PM8	Overpayments recovered as % outstanding	36.4%	30.8%	40.8%	31.3%	4.4%	0.1%
PM9	Overpayments written off as % outstanding	4.0%	4.9%	6.8%	5.3%	2.8%	0.4%
PM11	% Data-matches resolved within 2 months	na	94.0%	na	90.5%	na	-2.8%
PM16	Successful sanctions per 1,000 caseload	7.1	5.0	6.8	5.1	-0.3	0.1
PM17	% Applications for reconsideration/revision	na	77.1%	na	80.8%	na	2.1%
PM18	% Appeals submitted in 4 weeks	na	58.4%	na	61.6%	na	2.3%
PM19	% Appeals submitted in 3 months	na	85.3%	na	88.2%	na	3.0%

The benchmark report does not cover customer service performance (queuing times, telephone response times, satisfaction with staff attitude) or benefits take up. This is being established as part of a separate exercise using the GovMetric system.

11. For those without quartile data how have we set our aspiration

Targets for speed of processing have been based on previous consultation on service standards to reflect local requirements. We do not set targets against each of the performance measures listed in the Benchmark report, focusing instead on those that are of the highest importance to customers.

12. How are performing currently

Our September performance 2011 against key indicators within Customer Service (including Housing Benefit) is set out below;

Indicator	Performance	Target
CS001: The % of customers satisfied at their first point of contact across all access channels (web, telephone, face to face)	0.00%*	90.00%
CS002: Time to process changes in circumstances	10.67 Days	10.00 Days
CS003: Customers getting through first time on Councils Main Service lines	87.13%	90.00%
CS004: Enquiries resolved by customer service centre without hand off	0.00%*	80.00%
CS005: Time to process new benefits claims	17.06 days	14.00 days

* Reporting is due to commence Oct 2011, subject to appropriate data quality and systems in place.

13. What elements are in place to stabilise performance within budget

The aspiration is to improve performance rather than stabilise it. The process improvements arising from the Fundamental Service Review will provide the mechanisms to achieve this.

14. Can we articulate and financially calculate what the added value of our proposed service will be compared to other similar authorities

The best mechanism to compare our service with other authorities is to continue to participate in the CIPFA Benchmarking club as it will enable us to establish our direction of travel against others. In terms of 'added value' we will be able to use the performance metrics within the benchmark reports to see what any difference in cost achieves. For example, our current costs are well above the benchmark average for 2010/11, but our speed of processing new claims was well above average.

It is currently too early in the Review to provide firm data on the improvements in processing times and cost as the process improvement workshops are still ongoing during November and will be subject to further scrutiny and reality checks by others. Detailed analysis will then be required to calculate the differences in processing time provided by the new process over current processes, which can be equated into a savings figure. This is scheduled to be completed by the end of December 2011.