

To: Audit and Governance Committee
Date: 28th February 2013
Report of: Head of Customer Services
Title of Report: Performance of Benefits Service

Summary and Recommendations

Purpose of report: To provide an update on the performance of the Benefits Service

Key decision: No

Executive lead member: Councillor Van Coulter

Policy Framework:

Recommendation(s): Members are recommended to:

1. Note the performance of the Benefits Team, the work being undertaken to improve performance, and the challenges around delivering the Benefits Service.

Appendix Numbers

- 1 – National Comparison of Benefits Processing Performance
- 2 – Benefits Fundamental Service Review Recommendations
- 3 – Examples of Performance Data
- 4 – Customer Satisfaction Survey

Introduction

1. The purpose of this report is to provide an update on performance of the Benefit team in Customer Services. It also sets out where the Team is in regard to implementing the recommendations of the Fundamental Service Review (FSR) which was carried out in 2011-12.
2. The Benefit Team's key performance measures are the time taken to assess new claims for Housing Benefit and Council Tax Benefit, and the time taken to process changes in circumstances to claims already in the caseload. The targets for these measures are 14 and 10 days

respectively. These targets were set following a consultation exercise carried out in 2010. The target for new claims is a particularly stretching one, though is considered to be achievable.

Current Performance

3. Performance for 2012/13 as at the end of December 2012, was 24 days for new claims and 12 days for changes in circumstance. The last quarter of the year sees a lot of rent increases processed. These high volume, quick to process transactions see the performance in changes in circumstance turnaround improve considerably at the end of the year. As such, it is anticipated that the target for this measure will be met on a cumulative basis.
4. Performance for the last two full years has been as follows:
2010/11, New Claims – 17 days, Changes – 11 days
2011/12, New Claims – 19 days, Changes – 12 days
5. A table at Appendix A compares the performance of Oxford City Council with national performance. This shows that although we are closer to achieving our target for Changes work than for New Claims, our New Claims performance is much better from a comparative perspective. New Claims performance for the last two years has been in the top quartile nationally, where as for Changes we have been slightly below average. In the current year we continue to be above average for new claims.
6. The table also shows a decline in performance both nationally, and at Oxford since 2010. This comes despite a decade of continual improvement in the assessment of benefit claims. The reasons for this are outlined at paragraph 17 below.
7. There is a range of other work carried out by the Benefits Team which has no specific performance measures attached, but which is nevertheless important in delivering the service. Until a couple of years ago, we had a perpetual backlog of reconsiderations and appeals against benefit decisions. We worked hard to clear this and ever since have remained up to date in this area. This year we have dealt with 62 appeals and 493 reconsiderations to date. Our decision making is robust, we have only lost three cases at appeal in the last 30 months.
8. Awards of Housing Benefit and Council Tax Benefit are claimed back from central government via subsidy arrangements. The Department of Work & Pensions (DWP) audits all Local Authorities to ensure benefit is being paid correctly, and that the maximum amount of subsidy can be paid. In 2001, the City Council lost £1.5 million of subsidy due to the amount of error found in its subsidy audit. Since then the team has worked hard to reduce the amount of subsidy loss. In 2011/12 the loss was £800 against a claim for approximately £70 million. This improvement has been achieved by focussing on the quality of work, and the elimination of error.

9. The service also performs well in terms of Customer Satisfaction. Our last survey was carried out in September 2011. This showed that 82% of those surveyed thought we were above average, and 25% of respondents rated the service 7 out of 7. A summary of the survey is attached at Appendix 4.

Fundamental Service Review (FSR) Implementation

10. The recommendations of the Benefits FSR can be seen in Appendix 2. The aims of the FSR were to both improve performance and reduce the cost of the service. Due to the need to make savings, £115,000 was taken out of the service in 2010/11. This was done by deleting vacant posts. The FSR needed to deliver an additional £70,000 for 2011/12, and to also deliver an improved service. Savings of £110,000 were identified by the FSR. However only £70,000 was taken, as the costs had to be removed from the budget, before all the necessary improvements could be delivered. The difference of £40,000 was used to provide additional support to the service whilst the changes were implemented. As it transpired, it took longer than anticipated to deliver the recommendations of the FSR which has had an impact on performance.
11. A restructure of the Benefits service was carried out in the spring of 2012 which enabled the £70,000 saving to be realised. Completion of the restructure meant that all the recommendations except those under Item B (Appendix 2) had been implemented. Item B includes a number of process improvements which are still being implemented.
12. The key process improvements which will enable higher performance are the implementation of Risk Based Verification (RBV) and electronic benefit claim forms (eClaim). RBV is a way of determining what evidence we require from customers before assessing a new claim. We used to ask everyone to evidence all aspects of a claim before putting it into payment. RBV is a technical solution which assesses the risk of information in a claim being incorrect. This allows low risk claims to be assessed without any evidence, and high risk claims to have additional resources put in to verify their accuracy. Low risk claims comprise 60% of the caseload so result in a significant time saving. It is chasing the evidence that takes up most of the time in assessing new benefit claims, so RBV should lead to significant improvements in the time taken to assess new claims.
13. Risk Based Verification and eClaim went live in January 2013, although in the case of eClaim we are only taking a small number of claims in this way initially, in order to iron out any technical issues.
14. EClaim allows information from benefit claims to be automatically loaded into the Benefits system saving assessors time inputting the information from the 24 page form. It will also eliminate errors incurred in transposing data.

15. The outstanding items still to be implemented in relation to process improvement are as follows:
- a. Item 9: The Risk Based Verification solution needs to be integrated with the eClaim to deliver this improvement. Work will begin on this once the live pilot of eClaim has been completed which is anticipated to be in April.
 - b. Items 10 and 12: These are both cultural changes which are ongoing pieces of work, to be addressed through one-to-ones and appraisals.

Challenges

16. Benefit caseloads have been at increased levels for the last four years. The caseload at Oxford increased by approximately 20% three years ago. All authorities have received additional funding from the Department of Work and Pensions (DWP) to cope with this increased caseload, so this alone should not have too negative an impact on performance.
17. A more significant impact on work has been caused by the DWP's ATLAS project which began 18 months ago. ATLAS stands for the Automated Transfers to Local Authority Systems. This involves the transfer of data in relation to changes to Welfare Benefits claimed from DWP, and Tax Credits claimed from Her Majesty's Revenue and Customs. This has resulted in a substantial increase in workload. Although some of these notifications were already being received in a different format, the old information is still being received in the same way which adds to the time taken in processing the work. On average we receive about 700 notifications a week, which requires two full time equivalents (FTE) per day to deal with this workload. With just 16 FTE assessors, this is a considerable additional resource requirement. This is replicated across the country which is why national performance in assessment of Benefit claims has worsened.

Measures to deliver performance improvement

18. The Benefits team has undertaken a number of measures to improve assessment performance as outlined below in paragraphs 20-28.
19. Performance data is based on the dates assessors enter into the Benefits system. There is a complex set of rules governing these dates, and errors are often found in this area when checking work. Focussed checking of this work, along side additional training has been carried out to ensure this data is accurate.
20. Although there has been a strong performance culture in benefits for the last three years, the focus of this has been changed. Instead of just focussing on volume of work processed, we also now measure staff on

the level of delay they add to the processing times. They now receive a richer analysis of their performance, which is also compared to the team performance. An example of this is shown at Appendix 3.

21. This new performance information represents the second phase of performance management in benefits. The first phase began three years ago and resulted in improved performance across the whole assessment team. Phase One focussed on volume of work, which was managed through one-to-ones with assessors to understand reasons for below average performance. Meetings were also held with individual team leaders, the Benefits Manager and the Head of Service to ensure robust performance management was being carried out, and to understand the issues that were being found.
22. Significant work has been undertaken across Customer Services to increase attendance. In April 2011 we were forecast to lose 20 days attendance per employee. We are now down to the Council target this year of 8 days. This enables us to deliver improved performance as this improvement is the equivalent of employing an extra full time benefits assessor.
23. We have a resilience contract in place with an external provider to help deal with increased workloads. This is funded partly by savings identified in our FSR, and partly from additional Administration Subsidy provided by the DWP.
24. During our restructure last year, we set demanding criteria for people who wanted to be considered for team leader roles. This resulted in some difficult decisions which led to some staff leaving the authority. However, we now have high calibre people in these key roles, which is helping deliver our performance framework.
25. For the last three years there have been two assessment teams, split by function. One deals with new claims, and the other deals with changes in circumstances. During this period the number of changes has increased significantly, while the amount of new claims has remained constant. This has meant an imbalance in the amount of work, and so we are removing this distinction from the teams. By having all assessors working on all types of work, we create better resilience, and enable team leaders to move resources around to cope with increases in one area or another.
26. Staff are encouraged to make prompt decisions and stick rigidly to time limits in the Regulations. This is an ongoing piece of work which is picked up through the appraisal and one-to-one process.
27. The Benefits Team is working with the Customer Contact Team to ensure that a consistent message is provided to customers regarding time limits for provision of information. This will become easier now we have introduced RBV, as most customers will not need to provide evidence in support of their claim.

28. Additionally, we have implemented two pilot projects in conjunction with the DWP to help inform the government's ambitious program of welfare reform, and the design of the new Universal Credit benefit. The City Council is recognised as being a leader in this area which is good for the Council's reputation, but does take time away from service delivery issues. This has been recognised in the recently revised Customer Services Management structure, where additional capacity has been added to oversee the development of the Service.

29. The work of these two pilots is also vital to informing how services in support of Universal Credit will be delivered locally. This month the government published a framework document to set out its vision for the provision of these services. Our work on the pilots will inform how such services are designed, and assist in the task of workforce planning.

Financial Implications

30. None

Legal Implications

31. None

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List of background papers: None

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National Comparison of Benefits Processing Performance

The figures in the table below show the average national performance in the assessment of new claims and changes in circumstances, followed by the equivalent performance in Oxford. The figures represent the average number of days to assess the claim in each case.

Period	National		Oxford	
	New Claims	Changes	New Claims	Changes
2012/13 Q2	25	12	22	10
2012/13 Q1	26	10	24	14
2011/12 Q4	24	7	21	12
2011/12 Q3	23	11	23	20
2011/12 Q2	24	11	18	11
2011/12 Q1	25	12	16	10
2010/11 Q4	22	6	11	5
2010/11 Q3	22	11	14	9
2010/11 Q2	22	11	19	15
2010/11 Q1	23	11	25	17

Benefits Fundamental Service Review Recommendations

The Fundamental Service Review Board is recommended to;

- a) Note the findings of the Review, in that the Service has;
 - i. Reduced its costs by £115,000 during 2010/11 and so achieved an £80 cost per claim, and seeks to further improve towards the benchmark average of £59 per claim
 - ii. Improved its performance in its call handling
 - iii. To date not yet improved processing times for new claims and changes in circumstance to the targets set by the Review
- b) Approve the process changes and service redesign as summarised in 5c i) to xiv) and in full in Appendix 4
- c) Agree that the savings to be taken as a result of the Review changes be £109,710, comprising;
 - i. Removal of 3 FTE Assessment Officer posts (saving £94,938)
 - ii. An additional £4,500 resource within the Pre-Assessment team as a result of the predicted increase in workload
 - iii. Savings in general postage and printing (£7,247)
 - iv. Savings in postage from no longer sending remittance slips (£26,325)
- d) Agree that no additional CSO savings other than already in the budget be taken as part of the outcomes of this Review
- e) Approve the following changes in staff structure as set out in 5d, namely
 - i. Reduce the number of teams overall in Housing Benefits to 4, comprising 2 generic assessment teams, pre-assessment team and a single team covering all other support functions. Organise the generic assessment teams by either geographic area or surname
 - ii. Reduce Team Leader posts from 4.14 FTE to 4.0 FTE to reflect the new team structure
 - iii. Create an additional Senior Office post to enhance the quality function and lead on training and legislation updates
 - iv. Increase the Pre-Assessment team establishment by 1.3 FTE to provide additional capacity to support the process changes arising from the Review
- f) Use the £40k headroom in savings above the £70k target to fund the resilience contract if required, given the assumptions made in the savings model

- g) Commence a consultation exercise with affected staff, with a view to its introduction as soon after 1 April 2012 as possible;
- h) Request the Head of Customer Service prepare a detailed implementation plan to enact the review changes for implementation as early as possible.

Further to item b above, the process changes referred to are as follows:

- i. Move to electronic capture of claims data at first point of contact
Currently Assessment Officers are required to interpret hand-written claim forms and carry out data entry as part of their assessment activities, which is expensive and duplicates effort. Electronic capture at the first point of contact will ensure that data is more accurate, and that the data entry work is carried out either by the customer or third party (at no cost to the council) or customer service staff (at a lower cost to the council).
- ii. Eliminate paper forms
A proliferation of different Housing Benefit forms exists at present, which all require printing, distribution and maintenance. Consultation has revealed that these forms are not considered easy to interpret by some claimants. Also, their use requires duplication of effort in capturing and entering data. The use of Capita's eClaims module, already procured as part of a recent contract renewal, would allow for replacement of paper forms. eClaims forms provide context-specific questions that eliminate unnecessary sections depending on the claimants response to earlier questions, making form completion easier. The replacement of paper forms also reduced the volume of scanning and indexing required.
- iii. Promote self-service for claimants
The introduction of an eClaim form means that claimants will be able to make claims online. Further enhancements planned through eCitizen will allow them to check the progress of their claims and book appointments with customer service officers online as well. In addition, claimants will be able to use the online benefits calculator to assess their eligibility prior to contacting the council. All such activities reduce contact with the council and the associated costs of dealing with it.

The consultation exercise indicated a propensity for online claiming and a relatively high access to the internet for claimants. The availability of self service terminals in the contact centre will assist this.
- iv. Extend the use of assisted claiming
As well as self-service, the introduction of eClaims gives rise to the opportunity to extend the use of assisted claiming, where claimants can have hands-on help from council staff to complete their claim form. This is currently carried out using paper forms at appointments, but will be able to be extended to telephone claiming, and the utilisation of third parties such as housing associations and advice centres. Benefits of this approach include better understanding of claims questions (as staff

are on hand to explain them further), more accurate completion of claims forms and a reduction in nil qualifying claims (reducing associated processing and assessing costs).

v. Introduce Risk Based Verification (RBV) on new claims

The introduction of electronic capture of data at the first point of contact enables the use of RBV as part of the service redesign. The financial benefits RBV have been set out in 3a above. Estimates show that there could be a 59.6% reduction in the volume of scanning and indexing as a result of its introduction in Oxford. The identification of claims as 'low risk' will also enable a greater proportion of claims to proceed to payment on the day they are assessed (currently only 3-4% of claims are paid this quickly).

The proposal is to have the Pre-Assessment Team undertake RBV work as part of their revised duties for all eClaims submitted by claimants, via third parties or through assisted claiming by Customer Service Officers.

vi. Introduce a 'Fast Track' process for providing supporting evidence

Currently claimants visiting the customer service centre with no appointment either have wait in order to hand in documentation associated with their claims, or to use a 'drop box' to leave it with the council. The former creates queuing and frustration for claimants, whilst the latter leads to extra handling issues for the council, particularly for sensitive documents such as passports. The proposed change will introduce a 'fast track' process where benefits staff are on hand to accept, scan and return documentation to customers in a timelier manner, leading to faster processing times and keeping appointment slots free for other customers.

vii. Remove nil qualifying applicants as early as possible

Of the 7,500 annual new claims for housing benefit, around 760 are assessed as not qualifying for benefit. However, before being declined they will have been right through the assessment process. The intention is to remove as many nil qualifiers as possible from making an application in order to reduce cost. This approach was used by Colchester to remove 26% of their claim volume. This will be achieved through promotion of the online benefits calculator (for self service claims) and through Customer Service Officers carrying out an initial check when processing an assisted claim.

viii. Identify potential changes in circumstance at the earliest opportunity

A large proportion of changes in circumstance are predictable as they relate to pay increases. Despite this, the onus is on the claimant to inform the council of these changes in order that a new assessment can be made, and often these are not reported in a timely way. Delays in notification lead to overpayments requiring recovery activity.

As new claims or changes in circumstance are dealt with, officers will move to make enquiries about likely dates for future changes, and these will be programmed in to the Academy system to prompt action.

Where applicable, appointments can be made with a customer service officer for the date in question so that the change can be processed.

ix. Introduce a 'right first time' approach to claims assessment

Currently, in around 49% of cases, assessment officers are required to write to claimants for additional evidence to support their claim. The proposed change is to ensure that sufficient evidence for assessment is obtained by customer service and pre-assessment team staff before claims are considered by assessment officers in order that decisions can be made as swiftly as possible. This will also transfer the majority of evidence requests to lower paid staff, creating a financial saving.

An exception to this will be those claims identified as 'high risk' through risk based verification, which will be considered in full by assessment officers given the fraud risk.

x. Determine claims on minimum evidence received after one calendar month

Currently there is a practice of waiting for all evidence to be submitted with a claim before making an assessment. There are two issues with this; firstly, it is not always necessary to have every item of evidence before making a determination (i.e. 3 payslips instead of 5 may be sufficient). Secondly, this places the onus on the Council to take action in sending reminders and await action by the claimant with no consequence for their delays. The proposed changes are to move to accepting minimum evidence in determining a claim, and to wait no longer than one calendar month before doing so. In this way processing times will improve and the onus will move to the claimant to act swiftly in order to have their claim determined with the correct information.

xi. Cease sending routine remittance advice slips automatically

For a large number of claims, a BACS payment is made and a remittance slip sent to the claimant every two weeks, regardless of payments remaining the same. This incurs a postage cost for no appreciable benefit. The proposal is to discontinue this practice for relevant claimants and make a large financial saving in postage.

xii. Send fewer letters, use more immediate forms of communication

For many assessment staff there is a preference to use written communication with claimants to verify information or request new information. This incurs a cost in terms of postage, and also a delay in letters going both ways through the postal system. A cultural change is proposed where assessment officers will be encouraged to telephone claimants, or email them, to verify information or discuss their claim with them rather than write.

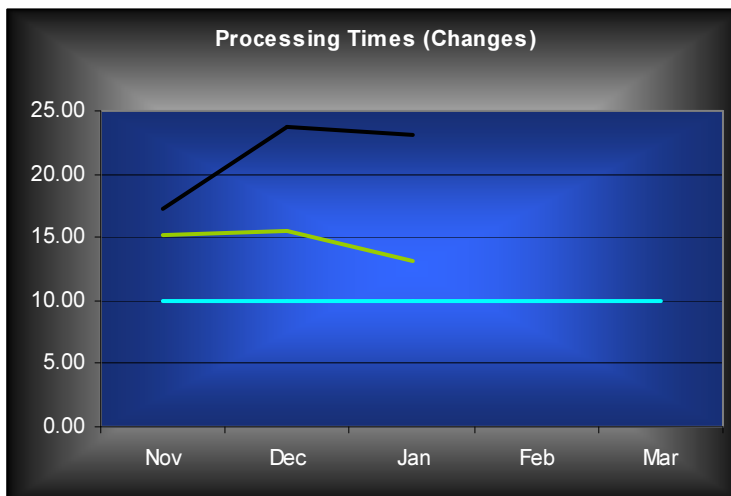
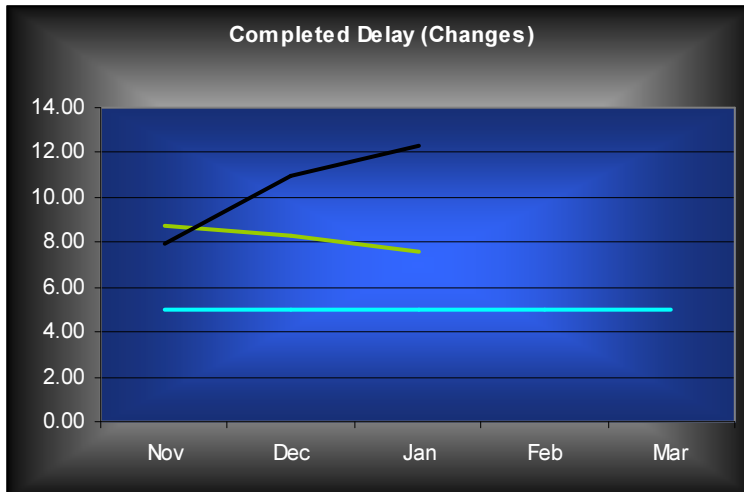
In addition, a letter is sent currently every time a change in circumstances is made to a claim. The proposal is that only a first notification letter and end of year letter need go to the physical address (as required by regulations), with other communication following more informal channels.

xiii. Introduce expert support for Customer Service Officers

In the proposed service changes, greater emphasis will be placed on getting claims correct the first time, and for Customer Service Officers to play more of a role in assisting with claims as well as eliminating nil qualifiers. For the large majority of claims and claims enquiries their training will be sufficient to cover the types of issues that may be raised. However, for a small number of claims it would be beneficial for expert advice to be on hand from Assessment Officers. This will be achieved via a rota system to ensure that an experienced Assessment Officer is available to take calls from CSOs, and monitored to check the volume and nature of queries for future CSO training.

Examples of Performance Data

All assessors receive graphs like the ones below which show their performance in dealing with Changes in Circumstances. They receive similar charts for their performance in dealing with New Claims. The key has been deleted to anonymise the data. However the black (top) line represents the team's average performance, the green (middle) line represents the individual's performance, and the pale blue (bottom) line is the target.





Customer Satisfaction Survey

SUMMARY

In summary of the Customer & Partnership Interface Report the following factors and issues have been highlighted and deemed to be important to customer interests and satisfaction:

Positives

- Customer satisfaction is high – 82 % rating us above average with 25% giving us full marks as a service. Housing Associations (HA), customers and Voluntary Groups (VG) also cited how helpful and friendly our staff are.
- Current targets in line with customer expectation - Most customers would expect new claims to be assessed within 11-15 days (34%) and changes within 6-10 days (36%).
- Better than franchised services – HA/VG confirmed that service is better than neighbouring councils who have such services.
- Survey generally representative of caseload

Negatives

- Repeat contact – 60% of those asked had contacted us between 1-6 times, this may indicate that we are not dealing with matters at the first point of contact and has been highlighted in further comments. However, may be a consequence of multiple changes of circumstance.
- Phones – Waiting too long as confirmed by 26 of our respondents. HA/VG also raised this problem, along with being unsure of what buttons to press, lack of knowledge of staff on the phone and the apparent nature of staff reading from scripts.
- Who do I contact? – Joint highest response (26) that claimant's didn't know who they were meant to contact within the service.
- What benefits are available? – 19 of our respondents were unclear of what benefits they may be entitled to.
- English a barrier – 18 of our respondents raised this as an issue
- Forms too complicated – 18 of our respondents raised this as a concern. This was also raised by HA.
- Communication – with HA/VG has declined, no direct quick response as in the past. A lack of consistency in service was also highlighted. Several suggestions made included making things simpler, such as the letters we send to our customers.
- Waiting – HA stated that this was an issue when coming in to see us face to face.

Technology – The way forward?

- Eclaim – 65 % of respondents would be happy to use online claim form, with 11% being happy to claim over the phone. 50% have access to the internet at home, with a further 36% having access to it outside of their households. HA/VG confirmed how people had adapted to the electronic nature of Choice Based Lettings.
- Self Service terminals – Support from HA/VG and would be willing to have them at their offices.

- Acceptable for most but inappropriate for significant minority – This was the general consensus by HA/VG, who voiced concerns at electronic forms and communication for those who are vulnerable in society.
- How people prefer to contact us – 48% face to face, be it by appointment (25%) or no appointment (23%) and 35% by phone. However, customers may have gone for more familiar options through not experiencing other methods.
- Improvement - Suggestions included making service quicker, continuity of dealing with the same person, more advice on other benefits, claiming online and putting more information on the website regarding the service.