

**To:** Value and Performance Scrutiny Committee  
**Date:** 26 March 2012  
**Report of:** Business Improvement and Customer Services  
**Title of Report:** Benefits Fundamental Service Review

## Summary and Recommendations

**Purpose of report:** To present the outcomes of the Benefits Fundamental Service Review

**Key decision?** No

**Scrutiny Lead Member:** Councillor Brown

**Executive lead member:** Councillor Smith

**Policy Framework:** Efficient, Effective Council

**Recommendation(s):**

**For the Scrutiny Committee to note and comment on the outcomes from the fundamental service review of the benefits service**

## Introduction

This report details the outcomes from the benefits fundamental service review matched against the original lines of inquiry set by the scrutiny committee.

## Economy

How the overall cost of the service to the local tax payer is being reduced.

Cost reduction is being achieved through the following means;

- On direct costs through process improvements identified in the Review, reductions in external processing, staff reductions and improvements in productivity (e.g. reduced staff sickness rates)
- On overhead costs through reductions in Customer Services recharges. This is being achieved through improved economies of scale (more services accommodated leading to reduced proportion of recharges for existing services), channel migration (less contact dealt with leading to reduced demand for staff), quality improvements (improved processes leading to reduced demand for staff)

- On overhead costs through other Council initiatives; reduced office accommodation, energy savings, centralisation of ICT etc which result in reductions in other recharges

What the reduction target is, over what period, and how we are performing against this?

The target cost reduction for the review was £185,000 over two years (2011/12 and 2012/13). £115,000 has been achieved in 2011/12, and a further £109,710 identified for achievement within 2012/13.

An overall reduction of £925,000 has been estimated in the gross costs of the Service between 2010/11 and 2011/12.

In considering this, to see the full effect on our accounts split between subsidy, administration and debt provision

The costs of subsidy (shown as external income) and administration are set out in pages 14 & 15. Latest estimates are shown below

	01/04/2011
Gross Benefit Expenditure	£72,233,535
Estimated Subsidy Entitlement	-£68,698,315
CTB - Technical Overpayments	-£1,968,239
"Cost"	£1,566,981
Current Year Overpayments recovered	-£2,262,525
Collection rate	64.25%
Est. figure feeding into Local Cost of Benefits	-£695,544

## Efficiency

The target for the unit costs of the various processes (new claims, changes in circumstance) over what period and how we are performing against this.

The Review has used direct costs only (i.e. staff cost and time) to calculate the differences between current (As Is) processes and new (To Be) processes. The current and target unit costs identified in the costing model are as follows;

- New Claims (current £16.70, target £9.35 - a 44% reduction)
- Changes in Circumstance (current £9.32, target £7.03 - a 25% reduction)

A more comparable measure that includes all aspects of cost is the CIFPA benchmark, which deals only with new claims and uses a weighted model to account for difficulty levels of different claim types. The benchmark costs per claim are set out below;

- 2010/11 - £108.94 per claim
- 2011/12 - £80.60 per claim (using budget estimates)
- 2012/13 - £77.24 per claim (using 2011/12 budget and Review savings)

An aspiration for the service is to achieve the (2010/11) benchmark average cost per claim of £59

## Effectiveness

The 'output' measures, but the Committee would also like to see additions to the normal internal measures and include others at customers might see as a "whole service"

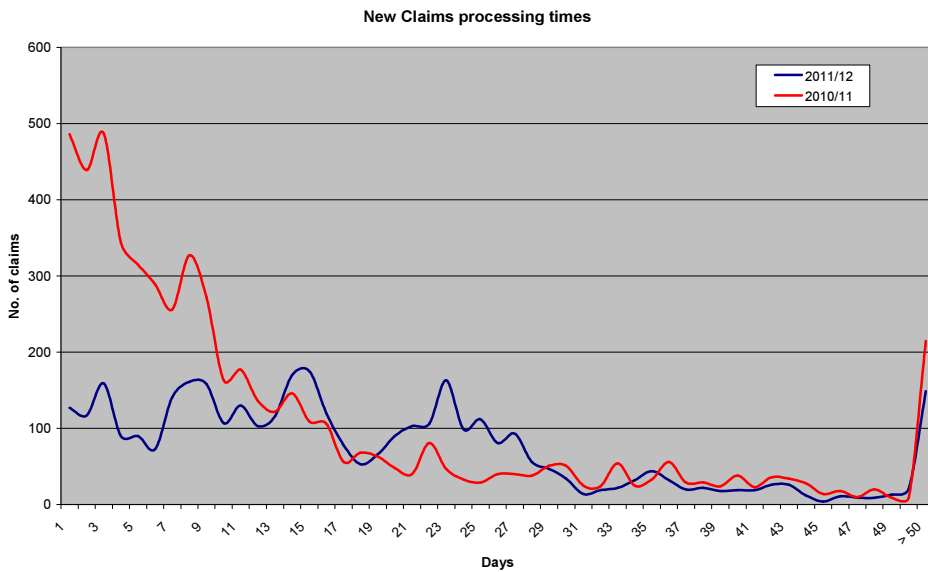
- **Time taken to process new claims**

The latest national comparative data available from the DWP is for Q2 2011/12 which showed the national average processing time to be 24 days compared to Oxford's performance of 17 days (at that time).

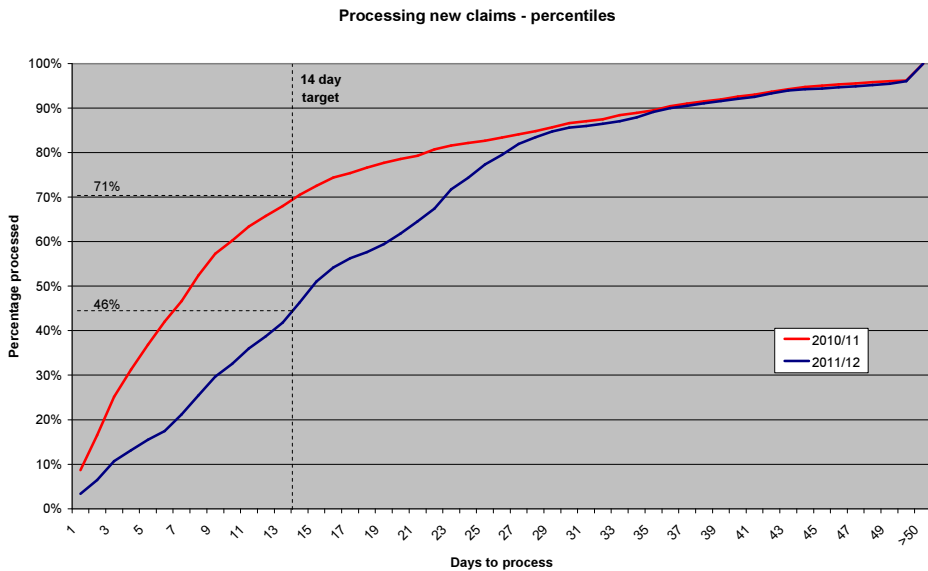
An analysis was undertaken on data from 2010/11 (July 2010 to March 2011) and 2011/12 (April 2011 to November 2011) to identify trends and issues.

Processing times for new claims are distributed over a wide range, with performance slower in 2011/12 and with greater variance in the time taken to process;

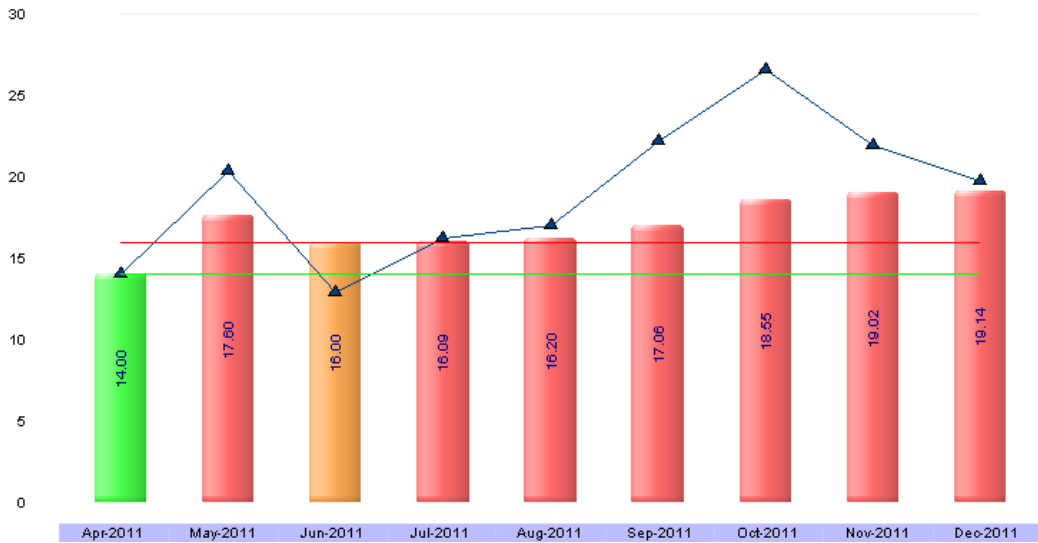
- 2010/11 - 14.9 days processing (standard deviation of 19.32 days).
- 2011/12 – 19.7 days processing (standard deviation of 36.6 days).



The proportion of new claims determined early has deteriorated in 2011/12. Using the 14 day processing time target for 2011/12 as a benchmark just 46% of claims were determined within this time compared to 71% in 2010/11.



After a promising start, average processing times for new claims during 2011/12 have shown a steady deterioration up to October 2011 when an improvement in monthly processing times were observed. The cumulative effect of backlogs has impacted on the measure overall.



- **Time taken to process changes in circumstance**

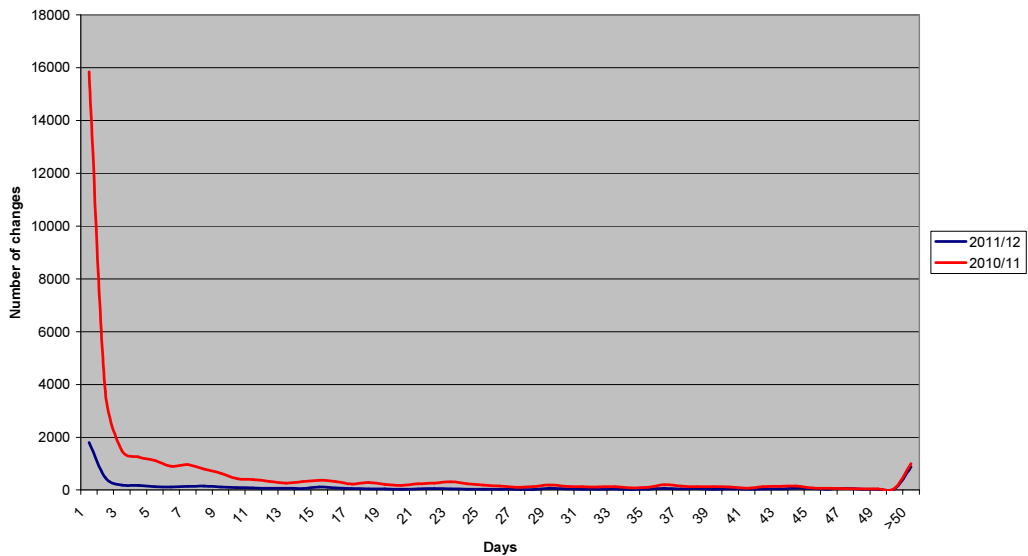
The latest national comparative data available from the DWP is for Q2 2011/12 which showed the national average processing time to be 11 days, which matched Oxford's performance at that time

Processing times for changes are distributed over a narrow range, with performance slower in 2011/12 and with greater variance in the time taken to process;

- 2010/11 – 9.05 days processing (standard deviation of 16.5 days).
- 2011/12 – 20.8 days processing (standard deviation of 27.9 days).

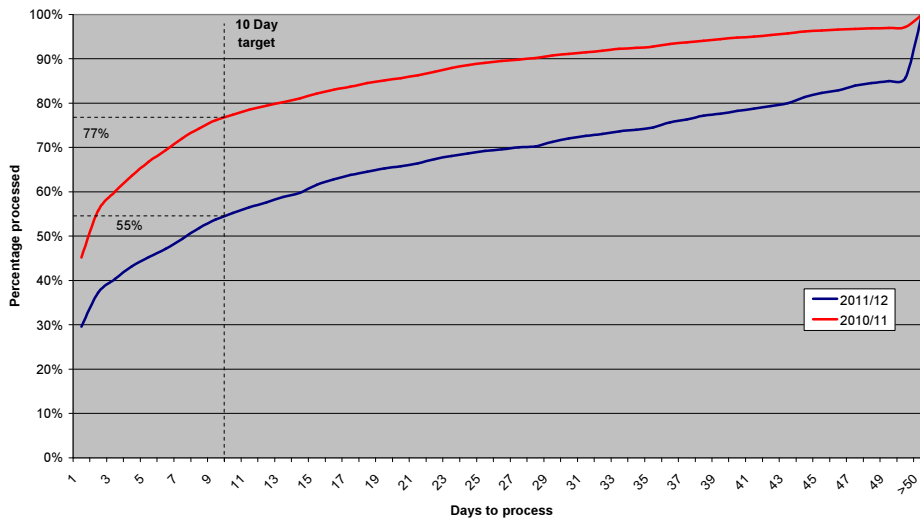
Processing times for changes in circumstance show a marked difference from those for new claims, with a high numbers determined within the first few days;

Changes in circumstance processing times

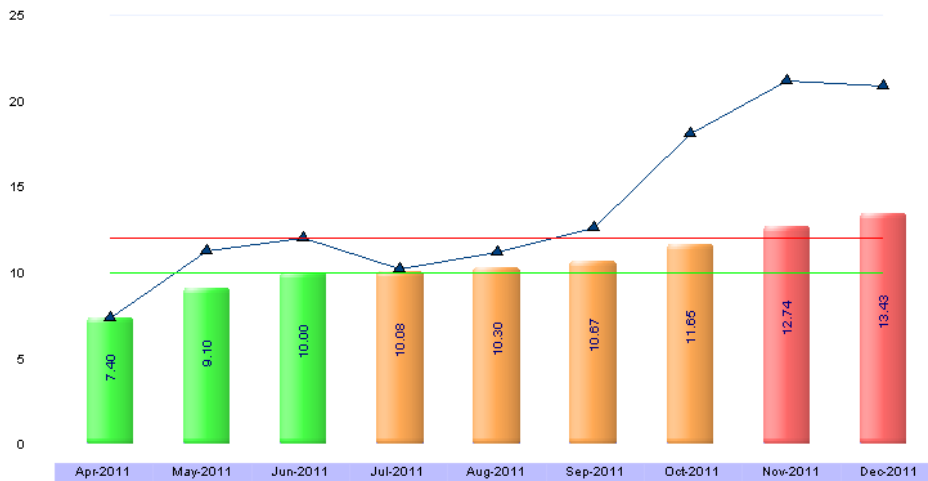


The proportion of changes determined early has deteriorated in 2011/12. Using the 10 day processing time target for 2011/12 as a benchmark just 55% of claims were determined within this time compared to 77% in 2010/11.

Changes in Circumstance - percentiles



After a promising start, average processing times for changes in circumstance during 2011/12 have shown a steady deterioration through the year up to November 2011 when the impact of the resilience contract can be seen to take effect.



- **The number of appeals and success rates**

In the last year we have taken 47 appeals to a hearing, and 3 of those have resulted in a change being made to our original decision (a 94% success rate)

- **Accuracy levels**

Quality for 2010/11 was 83.1%, and for 2011/12 it is currently 78.9%

- **Queuing times**

Data for February 2012;

Templar Square Office

- New Housing Benefit Claims: 107 appointments with an average wait of 2 minutes 30 seconds
- Change of Circumstances for Housing Benefit: 287 appointments with an average wait of 3 minutes 12 seconds

St Aldate's Chambers Office

- New Housing Benefit Claims: 203 appointments with an average wait of 2 minutes 54 seconds
- Change of Circumstances for Housing Benefit: 397 appointments with an average wait of 2 minutes 48 seconds

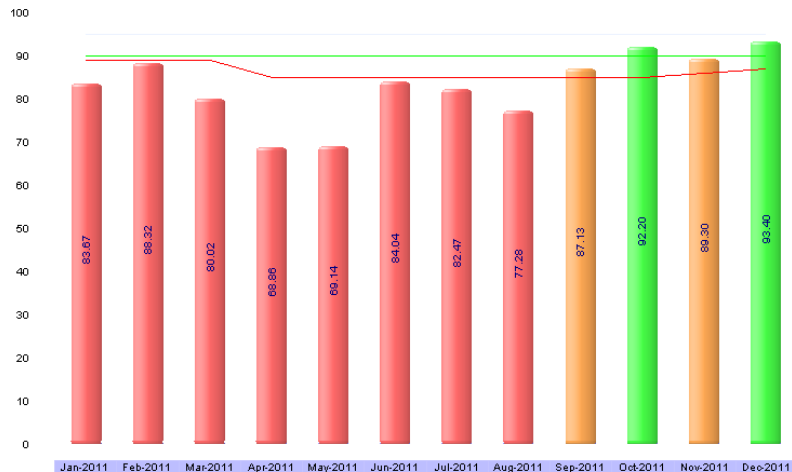
The overall average wait time for face to face shows as 21 minutes 42 seconds - but this reflects the housing needs average wait times which tend to be drop-in visits and therefore wait longer to be seen.

- **Telephone response times**

Data for February 2012 shows that the average answered wait time for Housing Benefit callers was 2mins 39 seconds

- **Abandoned call rate**

Performance has shown a marked improvement since the establishment of a single contact centre, with 93.4% of all customers now able to get through first time. The recruitment of additional staff and the establishment of a multi-skilled team that can move between front of house and telephone work as demand requires has assisted this improved performance.



- **Customer feedback on quality and attitudes of staff**

### Customer consultation

The consultation survey identified that there was a good level of satisfaction with the benefits service, but with room to improve;

- 82% rated the service they received as above average, with 25% giving a maximum score
- 60% had contacted the service between 1-6 times in the last 6 months, with 14% more than 6 times.
- 12% believed they currently waited too long for the phone to be answered, to get an appointment and waited past their appointment time.
- 8% were unsure of whom to contact within the service or what benefits may be available to them.
- Where English was not a first language this was seen to be a barrier.
- Forms and letters used by the service were identified as being too complicated.

Current targets for making decisions are largely in line with the customers' views;

- 34% said 11- 15 days for a new claim was acceptable
- 36% said 6-10 days for processing a change in circumstance was a reasonable time scale.

Main priorities for improvements (in order of priority) were;

- Improve the speed of the service (answering telephones and making decisions)



- Staff being more helpful/ courteous
- Make forms and letters simpler/shorter
- Deal with same person each time they contact the service
- Provide more advice on other benefits/entitlements
- Introduce the ability to make claims on-line
- More money being available for claimants
- Put more info on the council's website/ on-line

### **Voluntary Sector and Housing Association consultation**

It was perceived that there had been a recent deterioration in the quality of the Benefits service. Six months ago Oxford City Council had a "very good" Benefits Service but the service had "gone downhill" – particularly over the last 3 months. Specific areas cited were:

- Call waiting times have increased. Tenants can't afford the credit on their phones to wait for this long.
- There were issues with the automated phone system. It was not clear which button to press. There was a dislike of the music and when reaching the end of the queue and it goes dead/cuts off.
- It is apparent that staff are reading from scripts to deal with queries.
- The lack of an ability to build a personal relationship with a council staff member was missed. Advantages included quick responses to queries on the phone and by email
- There have been delays to appointments.
- Some clients had waited 2-3 weeks for a response.
- Council staff were perceived as being very helpful and friendly. Customer service staff in Templars Square were cited as being very good.
- There was a lack of consistency on the way claims were processed. Verbal advice may be incorrect and there is no proof of the advice when given in this way.
- The system finds it difficult to cope with transitions (changes in circumstances) where good communications are essential.

There was a perception however that Oxford City Council's service is much better than a franchised service; Cherwell and South Oxfordshire were given as examples. Friendly and helpful staff were also cited as assets to the service.

### **GovMetric Data**

General satisfaction data for Customer Services is collected via GovMetric on a monthly basis and reported as a corporate target. January 2012 data shows 85.2% satisfaction overall (using a weighted model to account for low response rates).

Latest data from GovMetric for Benefits (14/2/12 – 14/3/12) shows the following;

- |                |               |                |
|----------------|---------------|----------------|
| ▫ Face to Face | 65% satisfied | 34 respondents |
| ▫ Telephone    | 80% satisfied | 74 respondents |

- **Benefit take up measures with monetary targets**

This was not within the scope of the Review

Which service elements or outputs within the proposed service design are different from those generally delivered, why and the extra cost of these

It is not possible to give a comprehensive answer to this question because;

- Available benchmarking does not cover differences in process, only in performance and cost
- It is not possible to subdivide accurately the cost of delivering individual aspects of the service in a way that would produce comparable cost data.
- The configuration of services between councils will vary; some will carry out their own customer interface and others will use a centralised service like Oxford

We are aware that 16 authorities currently use risk based verification, and that now the DWP have issued guidance on its use many more are seeking to implement it. We have no data on how many authorities use eClaims.

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