

**BABERGH DISTRICT COUNCIL**

**FROM:** Head of Customer Services

**REPORT NUMBER**    **F105**

**TO:**        **OVERVIEW & SCRUTINY  
(STEWARDSHIP) COMMITTEE**

**DATE OF MEETING**    **10 October 2006**

**BENEFITS SERVICE PERFORMANCE AND SERVICE DEVELOPMENTS - 1 JULY  
2006 - 30 SEPTEMBER 2006**

1.        **SUMMARY**

- 1.1        The report covers the performance of the Benefit Service for the period 1 July 2006 to 30 September 2006 and service developments which are being implemented following the work carried out by the Business Process Re-engineering Project. More detail on these issues are contained in the main body of the report.
- 1.2        Appendix (a) provides monthly performance snapshots of the performance of the Benefit Service over the course of the last three months. Appendix (b) "Delivering the Vision" sets out the progress made in developing the service.

2.        **RECOMMENDATION**

- 2.1        That the performance of the Benefit Service and the developments in progress during the period 1 July 2006 to 30 September 2006 be noted.

The Committee is able to resolve this matter.

3.        **FINANCIAL IMPLICATIONS**

- 3.1        There are no direct financial implications arising from this report.

4.        **KEY INFORMATION**

- 4.1        **Performance:** The performance of the Council's Benefit Service is monitored by the Department of Work and Pensions on a quarterly basis. This is now based on 6 performance measures from the Claims Administration theme of the Performance Standards. As a result our performance will no longer be graded in quartiles.

The grades are in a range of 1 to 4. The grades equate to 1 = Poor, 2 = Fair, 3 = Good and 4 = Excellent.

- 4.2        For the current quarter our performance for six measures reported is as follows: -

- **PM1 – Average number of days to process a new claim = 22 days - Grade 4 - Excellent.**

In order to achieve our target of 20 days for the year, performance to date has been reviewed. A target of 18 days per month until the end of the year has been set as a result. It is felt that based on current trends and the success of the new processes due to BPR this target is achievable.

- **PM2 – Percentage of new claims outstanding over 50 days - 3% - Grade 4 - Excellent.**  
The 3% equate to 2 claims outstanding. The delay in those 2 claims was attributable to approved delays in returning information to back up the claim. No action required.
- **PM3 – Percentage of new claims decided within 14 days of receiving all information - 93% - Grade 4 - Excellent.**  
No action required.
- **PM4 – Percentage of rent allowance claims paid on time or within seven days of the decision being made - 86% - Grade 3 - Good.**  
To attain a score of 4 performance needs to be between 90% and 100%. The main reason for not attaining a score of 4 is due to having to wait for completed payment authorisations from landlords. Landlord authorisations are needed to ensure the system is secure and overpayment of benefit is kept to a minimum. In order to remedy this a more robust reminder regime has been put into place. This involves more telephone calls to chase for information to be returned.
- **PM5 – Average number of days to process change of circumstances - 11 days - Grade 3 - Good.**  
Over the last three months more focus has been given to reducing days to process, however in order to attain a score of 4 we need to be processing at 9 days or under. The trend for the year shows a peak of 19 days in June, that figure reducing to 8 days by September. Given the downward trend a target of 7 days per month until the end of the year has been set. Maintaining that level of performance will achieve 9 days overall for the year producing a grade 4 outcome.
- **PM6 – Percentage of accurate decisions - 99.20% - Grade 4 - Excellent.**  
No action required.

#### 4.3 **Business Process Re-engineering:**

- 4.4 The new process has proved to be sound. Throughout the 6 months to date 71% of claims made this way have been received fully completed and ready for processing, compared with 30% of paper based claims. The new process has also been well received by customers. As it matures it is anticipated that the percentage of fully complete claims can be increased further.
- 4.5 Virtually all new claims, which should be made direct to the Council, are being routed through the new telephone appointment process. The average time to process a claim is running at 10 days. Actual time to process ranges from day of receipt, through to 30 days. Any "delay" as such now arises from the length of time claimants take to return further information after the form has been returned. This being a combination of claimants not being able to supply information for genuine reasons and claimants simply not supplying the requested information with the application form. To counteract that more emphasis is being given to reminder process. Again we will be making more telephone calls in order to chase the information needed.
- 4.6 The process will be formally launched in November to coincide with autumn edition of "Babergh Matters". That will be the main vehicle for publicity but additional material will be used at Housing Associations, Libraries and the Sudbury Advice Centre.
- 4.7 Potential claimants will be directed to the appointment process, and positively discouraged from travelling to make a claim, simply because that is no longer necessary. This will reduce the number of visitors, which in turn will allow more staff to focus on the assessment process rather than handling enquiries.

- 4.8 The staff savings (3 full time equivalent posts(FTE's)) arising from both the BPR exercise and the introduction of Document Image Processing were taken on 1 October.
- 4.9 **Customer Services:** Customer enquiries have been dealt with by the front of house team since 25 September. As a result the assessment team are now able to work in an uninterrupted quiet environment. This will increase productivity and accuracy.
- 4.10 **Customer Satisfaction Survey (BVPI 80):** The first of the two customer surveys to be completed this year was undertaken in August.
- 4.11 A total of 1,135 questionnaires were issued. As at 21 September 603 had been returned, which exceeds our statutory target of 50% for each phase.
- 4.12 An interim report on the outcome of the August survey will be made to Members in January 2006.
- 4.13 **Performance Standards:** The Performance Standards were developed in 2002 as a comprehensive package to create a framework for the performance expected by the DWP by the benefit service in Local Authorities.
- 4.14 They are used by the Benefit Fraud Inspectorate, Audit Commission and auditors to assess whether the benefit service provide an effective, modern, customer focused, efficient and secure service that is continually being improved.
- 4.15 Performance against the standards is also used to score an authorities benefits service which feeds into the CPA process.
- 4.16 The Council's yearly self-assessment was submitted in July 2006 in respect of 2005/2006. The rating remains as "good".
- 4.17 **Fraud:** The Council are taking part in the National Fraud Initiative (NFI). This is the Audit Commission's data matching exercise that runs every two years and is designed to help identify possible cases of fraud. The estimated value of fraud and overpayments detected by 1,300 bodies taking part in the NFI in 2004/05 exceeded £111m.
- 4.18 The NFI compares data from authorities databases such as Housing Benefits, Payroll, Housing Rents and Pensions. Pieces of information such as addresses, claimant details and employers earnings are linked from one system to another to detect potential fraud. In 2004/05 20 cases were investigated after sifting in excess of 500 potential discrepancies supplied from the Audit Commission.
- 4.19 The Audit Commission has not as yet provided any referral data for the current year.
- 4.20 Performance by the Fraud Team continues to produce good results and already this year have achieved 19 sanctions 12 of which have been successful prosecutions. Good progress is being made against the target of 52 sanctions for the year, plus the bonus of referrals from the NFI exercise this year, may boost that outcome further.

5. **APPENDICES**

APPENDIX A - Benefit Service - Performance 1 April 2006 - 30 September 2006.  
APPENDIX B - "Delivering the Vision" Benefits service improvement plan.

6. **BACKGROUND PAPERS REFERRED TO**

None.

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## Benefits Service report - Overview Scrutiny Committee (Stewardship) 18/07/2006

APPENDIX A

BENEFITS PERFORMANCE 2006-2007														
	2005/06	2006/07 target	April	May	June	July	August	September	October	November	December	January	February	March
<b>Process Performance</b>														
Days to process (Current month)			20	24	22	23	22	22						
Days to process (Year to date)	26	20	20	22	22	22	22	22						
Change of circumstances(Current month)			11	14	19	17	7	6						
Change of circumstances(Year to date)	12	9	11	12	15	16	14	13						
% within 14 days (Current month)			92%	87%	94%	92%	94%	91%						
% within 14 days (Year to date)	82%	90%	92%	90%	91%	91%	92%	92%						
New RA claims on time(Current month)			91%	80%	95%	93%	83%	91%						
New RA claims on time(Year to date)	77%	90%	91%	85%	88%	89%	86%	86%						
<b>Benefit Overpayments Outstanding</b>														
			£190,973.31	£213,855.50	£210,293.06	£231,699.97	£235,132.55	£233,332.93						
<b>Local Authority Error Overpayments</b>														
LA error - Rent rebates	£ 11,936	N/A	£983.00	£1,284.00	£2,609.00	£4,391.00	£5,882.00	£6,330.00						
LA error - Rent allowances	£ 16,639	N/A	£4,001.00	£6,079.00	£8,078.00	£9,495.00	£11,744.00	£12,051.00						
LA error - CTB	£ 16,036	N/A	£1,326.00	£2,526.00	£5,328.00	£6,436.00	£8,111.00	£8,365.00						
Total	£ 44,611	N/A	£6,310.00	£9,889.00	£16,015.00	£20,322.00	£25,737.00	£26,746.00						
<b>Outstanding Work Items</b>														
			587	690	438	278	64	166						
<b>Discretionary Housing Payments</b>														
Committed balance(£'s)	£23,588.00	£20,222.00	£4,786.00	£7,200.00	£11,478.00	£13,821.00	£14,099.00	£16,010						
Un-committed balance(£'s)	£872.00	£0.00	£15,436.00	£13,022.00	£8,744.00	£6,401.00	£6,123.00	£4,212						
<b>Benefit Customers Seen At HQ</b>														
		150 per month	206	265	224	246	272	268						
<b>Complaints</b>														
Well founded			0	0	0	0	0	0						
Ongoing			0	0	0	0	0	0						
Dismissed			0	0	0	0	0	0						
<b>Appeals</b>														
Successful			0	1	0	1	0	0						
Un-successful			0	0	0	1	0	0						
<b>Investigations &amp; Sanctions</b>														
Investigations in progress			33	13	18	11	20	18						
Cautions issued			0	1	1	2	1	0						
Cautions issued (Year To Date)	25	25	0	1	2	4	5	5						
Guilty pleas			4	1	1	1	5	0						
Guilty pleas (Year to Date)	27	27	4	5	6	7	12	12						
Admin Penalties			0	0	0	1	1	0						
Admin Penalties (Year to Date)	1	1	0	0	0	1	2	2						
Postal interventions			146	0	143	236	116	200						
Intervention visits			83	17	125	125	78	98						

Babergh D.C. Revenues Division *“Delivering the Vision”- Building a better Benefits Service* (Version 1.5 – 30/09/2006)

Items in bold represent milestones used to measure progress.

Date	Event/Action	Status/Anticipated completion date	Outcome /Current position/Risk issues	Performance
May 2004	<b>O &amp; S Committee</b> <ul style="list-style-type: none"> <li><b>Agreement of “Vision”</b></li> <li><b>Discretionary Housing Policy</b></li> </ul>	<b>Complete</b>	-	-
June 2004	CPA-Benefits Self Assessment	Complete	Current service: Fair towards Good Capacity to improve:Good	Highest rating in Suffolk
6 <sup>th</sup> July 2004	O & S Committee <ul style="list-style-type: none"> <li><i>“Delivering the Vision”- Progress</i></li> <li>Overpayments Policy</li> <li>Home Visit Policy</li> <li>BFI Report 2002 – Update</li> <li>Current performance</li> </ul>	Complete	-	-
July 2004	<b>CAST project ( Previously evaluation of service development opportunity offered by Suffolk CC &amp; Mid Suffolk DC) At outline Business Case stage. Business process re-engineering emerging as a necessary prerequisite for subsequent work.</b>	<b>Live – 30/09/06</b>	<b>BPR Pilot completed February 2006. Validation and implementation commencing April 2006.</b>	<b>Saving of 1FTE from the new process to be taken from 1<sup>st</sup> October 2006.</b>  <b>30/09/06 - Now implemented. Saving of 1 FTE achieved.</b>
July 2004	Meeting with Suffolk Coastal – Possible joint working.	Complete	Respective positions known. No further work, if necessary until CAST project outcomes clear.	-
July 2004	Meeting with Anglia Revenues Partnership	Complete	Respective positions known. No further work, if necessary until CAST project outcomes clear.	-
July 2004	<b>Training &amp; Improvement Officer Bid for DWP funding. Joint bid(With Mid Suffolk) submitted November 2004.£53K funding awarded January 2005. Project to run to June 2006. February 2006 DWP confirm project can be extended to September 2006.</b>	<b>Live project – 30/09/06</b>	<b>Post will be come vacant on 2<sup>nd</sup> April. Alternative arrangements being considered for the remaining six months of the project.</b>	<b>Agreement reached with DWP to buy in training with the remaining funding to complete project by 31 March 2007.</b>  <b>30/09/06 - Arrangements are in progress to buy in training from Anglia Revenues.</b>

Date	Event/Action	Status/Anticipated completion date	Outcome /Current position/Risk issues	Performance
September 2004	Revenue Division reorganisation	Live project-30/09/06	Physical reorganisation complete July 2005. Training Officer to roll out regular schedule of training from September 2005. On hold until January 2006 whilst BPR work undertaken. To be progressed from April 2006 and linked in to the BPR implementation and the corporate organisation.	All enquiries now being dealt with in the front office from 25/09/06 - Complete.
27 <sup>th</sup> September 2004	O & S Committee <ul style="list-style-type: none"> <li>• "Delivering the Vision" –Progress</li> <li>• Revised Prosecution Policy</li> <li>• Cost of Benefits Service</li> <li>• Current Performance</li> </ul>	Complete	Slippage on cost of service information. Finally provided in May 2005. Policy approved.	-
30 <sup>th</sup> September 2004	DWP Quarterly Return Targets <ul style="list-style-type: none"> <li>• BVPI 78C – 82%</li> <li>• 14 Days – 85%</li> </ul>	Complete	-	Targets achieved <ul style="list-style-type: none"> <li>• 78C – 88%</li> <li>• 14 days – 91%</li> </ul>
1 <sup>st</sup> February 2005	O & S Committee <ul style="list-style-type: none"> <li>• Current Performance</li> </ul>	Complete	No Comments	On Target
February 2005	Introduction of online claim form following visit to Chiltern DC	Live project-installation complete November 2005. Now in the development phase.	Initially slippage because of conflict between established and developing software issues. Resolved following direction from O & S to EGSG. Form ready for launch 15/08/05. Further work still to be completed regarding form handling, evidence collation and signatures. Some initial teething troubles around installation on XP workstations. Resolved and installed in all interview rooms October 2005. Confidence training for Sudbury Advice Centre staff January 2006. additional hardware now being installed at SAC to support new process more effectively.	Some use online - 16 claims received as at 10/03/06.  30/06/06 - On-line form now being used for customer call backs within the new process's agreed in the BPR project. To date we have completed 103 forms on behalf of our customer's.  30/09/06 - Call backs proved to be a success, formal launch of the process in November 2006.

Date	Event/Action	Status/Anticipated completion date	Outcome /Current position/Risk issues	Performance
31 <sup>st</sup> March 2005	DWP – Quarterly return	Complete	2004/05 Yearly outturn <ul style="list-style-type: none"> <li>New Claims-30 days</li> <li>Cof C-6 days</li> <li>Accuracy-100%</li> <li>14 Days-86%</li> <li>RA's on time- 69%</li> </ul>	<ul style="list-style-type: none"> <li>New Claims-26 days(TQ)</li> <li>Cof C-7 days(2Q)</li> <li>Accuracy-100%(TQ)</li> <li>14 Days-85%(3Q)</li> <li>RA's on time- 63%(4Q)</li> </ul>
April 2005	Finalise VICTER interface to the Rent Service.(Enables online exchange of information)	Live project/01/09/05	Authentication routines not secure. No progress at 22/11/05 No further progress at 21/03/06	Low Business Priority.
17 <sup>th</sup> May 2005	O & S Committee <ul style="list-style-type: none"> <li>Current Performance</li> </ul>	Complete	No comments of Performance. Issue of online claim resolved. Basic service costs provided (Carry over from September 2004)	-
18 <sup>th</sup> May 2005	"Getting it Right first Time" Business Strategy.	Live project-31/3/05	Launched at Divisional Meeting 18 <sup>th</sup> May for incorporation into staff/team targets.	
May 2005	Introduce SPRINT(Business Process Re-engineering methodology) in the Revenues Division.	Complete	Slight initial delay because of Officer/Course availability. Completed training 6/7 July. First process to be reviewed – New Claims.	Work merged into BPR pilot.
May 2005	Simplify Benefit notifications by including supplemental information.	Complete	On hold as IBS updating and improving the production of notifications. Software release date November 2005. Software installed	New style and more concise annual benefit notification letters issued March 2006 with accompanying sheet of frequently asked questions and answers(FAQ's)
June 2005	Revenues Division – Final workshop with Member Working Group	Live project	On hold in order to create capacity for CAST work. To be rescheduled as soon a practicable.	Cancelled- Work now superseded by BPR project.
30 <sup>th</sup> June 2005	DWP Quarterly return	Complete	Rent Allowance claims paid on time now measured over 7 days as opposed to 14 days previously. Two payment runs per week to be put in place to recover situation.	<ul style="list-style-type: none"> <li>New Claims-27 days</li> <li>C of C-10 days</li> <li>Accuracy-99.2%</li> <li>14 Days-78%</li> <li>R.A Claims - 58%</li> </ul>

<b>Date</b>	<b>Event/Action</b>	<b>Status/Anticipated completion date</b>	<b>Outcome /Current position/Risk issues</b>	<b>Performance</b>
July 2005	Increase use of Sudbury Advice Centre to improve service in the west of the district.	Live project - ongoing	Linked to use of online claim form. On partial hold until form launched. Training now scheduled for December 2005.	Advice centre staff now trained in the online form and additional hardware being installed to facilitate its use. 30/06/06 - Hardware now installed and refresher training is being arranged.
<b>July 2005</b>	<b>Introduction of DIP/Workflow technology in the Revenues Division.</b>	<b>Complete 16/01/06</b>	<b>Software ordered from IBS. Project on target and scheduled for completion January 2006.</b>	<b>Project completed to schedule. 2FTE saving to be delivered in 2006/07 as a result.</b>
August 2005	Move to paying Rent Allowances twice weekly.	Complete		Rent allowances paid on time increased from 58% to 68% 2 <sup>nd</sup> Quarter.
<b>August 2005</b>	<b>Review of New Claims process</b>	<b>Complete</b>	<b>Original project superseded by BPR project.(Pilot) BPR project underway and scheduled for completion January 2006.</b>	<b>New process designed and ready for validation February 2006.</b>
August 2005	5 Day guarantee for new claims(Complete on receipt)	Live project 30/09/06	New claims now streamed to designated officers. Training of new staff creating temporary pressure on that arrangement. Risk on publicity aspect at the moment. New staff coming online from October/November. Full productivity from December.	15% of new claims are completed within 5 days, 65% within 27 days.
<b>30<sup>th</sup> September 2005</b>	<b>DWP Quarterly return</b>	<b>Performance milestone</b>		<ul style="list-style-type: none"> <li>• <b>New Claims-28 days</b></li> <li>• <b>C of C-11 days</b></li> <li>• <b>Accuracy-99.2%</b></li> <li>• <b>14 Days-84%</b></li> <li>• <b>R.A Claims - 68%</b></li> </ul>
14 <sup>th</sup> November 2005*	DWP Quarterly Return National Performance Standards compliance assessment (Performance measures only) Target: " Good" rating	Progress check.	Software issue has delayed return. DWP have extended deadline to 25 <sup>th</sup> November because of this.	"Good" rating achieved

Date	Event/Action	Status/Anticipated completion date	Outcome /Current position/Risk issues	Performance
31 <sup>st</sup> December 2005	DWP Quarterly Return	Performance milestone		<ul style="list-style-type: none"> <li>• New Claims-26 days</li> <li>• C of C-13 days</li> <li>• Accuracy-99.2%</li> <li>• 14 Days-82%</li> <li>• R.A Claims - 80%</li> </ul>
31 <sup>st</sup> December 2005	National Performance Standards (BDC intermediate assessment)	Progress check		Intermediate check - Still achieving a rating of good
1 <sup>st</sup> March 2006	Implementation of new processes for new claims and change of circumstances	Live project- 30/09/06	“Quick wins” identified in as is process being implemented. Detailed implementation plan being drawn up. Launch date for the new processes April 2006,	<p>Validation period now in progress, commenced early April 06. Initial results are good.</p> <p>30/06/06 - Achieving good results from validation period, 72% of claims coming in through this process are complete and they are being processed on average within 7 days.</p> <p>30/09/06 - Validation period has resulted in good results, therefore process being formally launched through "Babergh Matters" in November 06.</p>
31 <sup>st</sup> March 2006	<p>DWP Quarterly Return Targets</p> <ul style="list-style-type: none"> <li>• New Claims-20 days</li> <li>• Cof C- 9 days</li> <li>• Accuracy-100%</li> <li>• 14 days-90%</li> </ul> <p>Full National Performance Standards compliance assessment. Target: “Excellent” rating</p>	Performance milestone		<p>4<sup>th</sup> Quarter</p> <ul style="list-style-type: none"> <li>• New Claims - 25 days (Top Quartile)</li> <li>• C of C - 14 days (3<sup>rd</sup> Quartile)</li> <li>• Accuracy - 100% (Top Quartile)</li> <li>• 14 Days - 86% (3<sup>rd</sup> Quartile)</li> <li>• R.A Claims - 85% (3<sup>rd</sup> Quartile)</li> </ul>

Date	Event/Action	Status/Anticipated completion date	Outcome /Current position/Risk issues	Performance
				<p><b>YEAR 2005/06</b></p> <ul style="list-style-type: none"> <li>• New Claims - 26days</li> <li>• C of C - 12 days</li> <li>• Accuracy - 99.2%</li> <li>• 14 Days - 82%</li> <li>• R.A Claims - 74%</li> </ul> <p><b>National Performance Standard Rating - “ Good”</b></p>
30 <sup>th</sup> June 2006	DWP Quarterly Return	Performance milestone		<p><b>New Claims - 22 days</b>  <b>C of C's - 15 days</b>  <b>Accuracy - 100%</b>  <b>14 Days - 91%</b>  <b>R.A Claims - 88%</b></p>
1 <sup>st</sup> to 31 <sup>st</sup> August 2006 & 1 <sup>st</sup> to 31 <sup>st</sup> January 2006.	Benefits satisfaction survey(BVPI 80) Target – 88% Overall satisfaction	Performance milestone	Two surveys of successful and unsuccessful benefit claimants to be undertaken for specified periods. Results are combined to produce an overall satisfaction rating.	<p>The first of two surveys to be sent during August 06 - data now being collated, the second survey is due January 07.</p> <p>30/09/06 - A total of 1,135 questionnaires sent out, target of 50% return rate achieved. 603 forms returned to date.</p>
30 <sup>th</sup> September 2006	DWP Quarterly Return	Performance milestone		<p><b>New Claims - 22 days</b>  <b>C of C's - 11 days</b>  <b>Accuracy - 99.20%</b>  <b>14 Days - 93%</b>  <b>R.A Claims - 86%</b></p>
31 <sup>st</sup> March 2007	<p><b>Targets</b></p> <ul style="list-style-type: none"> <li>• New Claims-20 days</li> <li>• Cof C- 7 days</li> <li>• Accuracy-100%</li> <li>• 14 days-100%</li> <li>• RA's on time 95%</li> </ul>	Performance milestone	Interim targets set of 18 days new claims, 7 days change of circumstances to compensate shortfall on targets earlier in the year.	

Date	Event/Action	Status/Anticipated completion date	Outcome /Current position/Risk issues	Performance
31 <sup>st</sup> March 2008	<b>Targets</b> <ul style="list-style-type: none"> <li>• <b>New Claims-14 days</b></li> <li>• <b>Cof C- 7 days</b></li> <li>• <b>Accuracy-100%</b></li> <li>• <b>14 days-100%</b></li> <li>• <b>RA's on time 95%</b></li> </ul>	<b>Performance milestone</b>		
January 2007	Local Housing allowance	Potential strategic issue.	Earliest national rollout date is April 2008	

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Version 1.3 - Updated - Head of Revenues - 210306

Version 1.4 - Updated - Head of Revenues - 300606

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