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**Report of Corporate Management Team**  
**Don McLure Corporate Director Resources**  
**Alan Napier Cabinet Member Resources**

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**Purpose of Report**

- 1 To provide Cabinet with a progress report on the improvements made in the Housing Benefits Service during 2012/13.

**Background**

- 2 The bringing together of the seven former district services into one unitary Revenues and Benefits Service with a single Information Communication Technology (ICT) system in December 2011 resulted in significant delays in the payment of housing benefit to the County's benefit claimants and landlords with benefit claimants as tenants.
- 3 Whilst the merging of the seven ICT systems was one of the most complex benefit projects of its kind and went to plan in terms of implementation timescales and cost, the detrimental impact upon claims processing rates was significant and necessitated robust performance management and close monitoring of improvement action plans to reinstate satisfactory levels of service delivery to our customers.
- 4 Benefits processing times are included in the Council's corporate 'basket' of key indicators and claims processing performance has been reported in all corporate quarterly performance management reports throughout the system development and post implementation period. With the system implementation and its aftermath now firmly behind us, this report focuses on the status of benefits processing that has been achieved and sets out our plans for further system development and customer improvements over the coming months.

**Monitoring Claims Processing**

- 5 Throughout and following the system implementation period, detailed and timely performance monitoring has been in place to ensure that the interventions in the improvement action plans were taking place and delivering the desired results in relation to the service we provide to our customers.
- 6 In particular, two former National Indicators that measure the average number of days taken to process new claims and changes of circumstances continue to be tracked on a weekly, monthly and quarterly basis to monitor progress and inform corrective decision making when needed. These key indicators are

supplemented by a number of local performance measures and milestones to ensure that all decision-making was based on comprehensive management information.

### **Average Days to Process New Claims**

- 7 The most recent national performance for the average days taken to assess new benefit claims by all local authorities was 25 days during Q2 of 2012/13. Whilst during the same quarter, Durham's processing rate for new claims had improved to 41 days from 75 days in quarter 4 2011/12 after the new computer system had been implemented.
- 8 Quarters 2 and 3 are the optimum periods for claims processing due to being free from the system downtime necessitated every year by annual billing and year end processes in quarters 1 and 4.
- 9 The improvement in performance continued into quarter 3 of 2012/13. New claims coming into the council during quarter 3 were processed within 22 days on average. Whilst a national comparator for quarter 3 is not available at this point, experience shows that the national average figure does not change significantly from one quarter to the next, so we can reasonably assume that at 22 days, quarter 3 performance was in all likelihood at least as good, if not better, than the national average.
- 10 Processing during quarter 4 thus far appears to reflect the fluctuation expected at this time of year following the Christmas period and the system downtime required by annual billing and year end processes. The average days to process a new claim during the months of January and February 2013 was 24 days. This compares favourably with the Service's annual target of 28 days.

### **Average Days to Process Change of Circumstances Claims**

- 11 The national average for days to process a change of circumstances claim stood at 12 days during quarter 2 of 2012/13. During the same quarter, changes of circumstances in Durham were being processed on average, in 16 days. Again, performance in the first half of 2012/13 was impacted by the legacy of the on-going catch-up following the new ICT system go live in December 2011. The average time to process a change in circumstance was 28 days in quarter 4 of 2011/12 and quarter 1 of 2012/13.
- 12 Mirroring the progress achieved in quarter 3 for processing new claims, processing of changes in circumstance improved further and achieved an average of 10 days in the quarter and is likely to be better than the national average.
- 13 During the months of January and February 2013, a change of circumstances took 7 days to process on average compared to our annual target of 14 days.

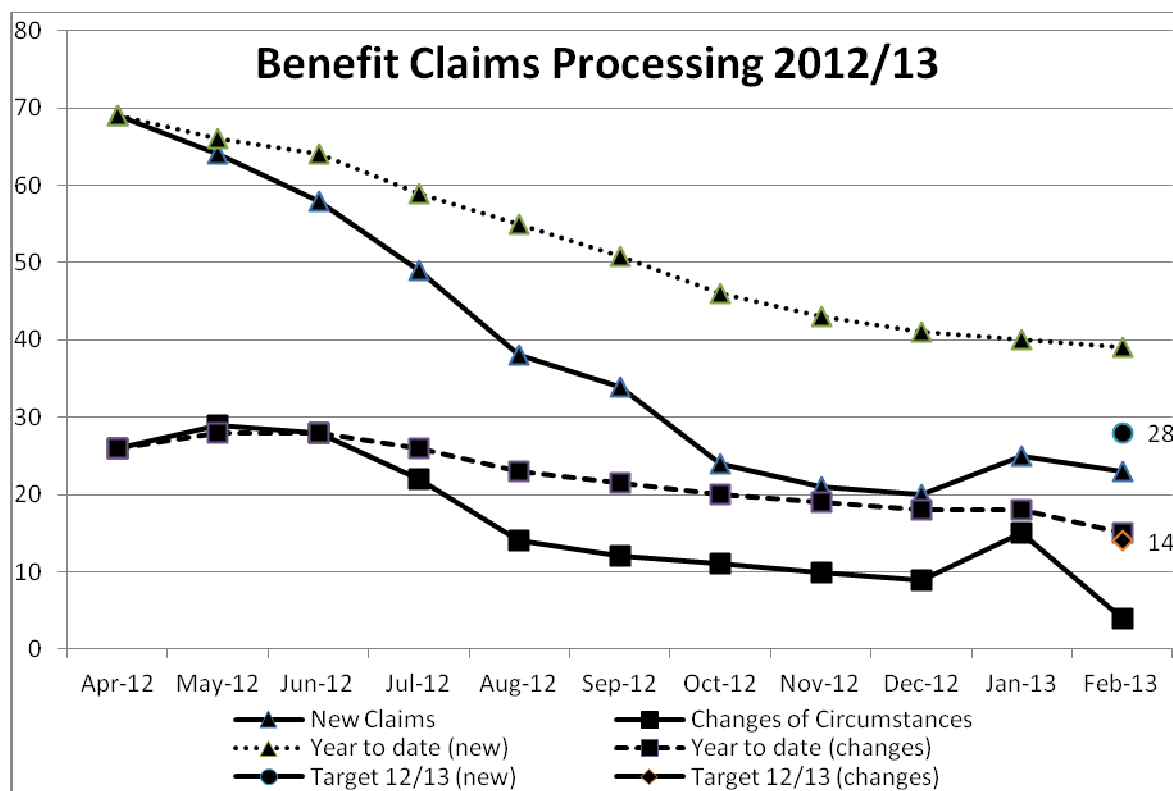
### **Year to Date Processing**

- 14 Annual targets for 2012/13 were set to reflect the latest national averages for each of the two measures above at 28 days for new claims and 14 days for

changes of circumstances. These stretch targets were set in spring 2012 shortly after the final system implementation, when workload levels were at their highest and with processing rates well off national average level.

15 Whilst our 2012/13 year-to-date performance for new claims processing is below target, averaging at 39 days at 28 February 2013, significant inroads have been made and maintained throughout the second part of the year. Year to date performance has been impacted by the backlog issues that were addressed during the first 5 months of the year. From April 2012, the average days to process a change of circumstances was 15 days by 28 February against an annual target of 14 days. Year-to-date performance shows significant improvement against the overall performance in 2011/12, when the new ICT system was being implemented, of 70 days for new claims and 32 days for processing of changes in circumstances.

16 The chart below sets out month-by-month averages for each of the two key indicators alongside their respective year-to-date averages and 2012/13 targets. With planned downtime in March 2013 for the issuing of annual council tax bills and other year end processes, it is unlikely that the 2012/13 year-to-date target for new claims will be achieved when performance is averaged out over the year, but for changes of circumstances, the annual target of 14 days appears to be within reach. Processing rates have consistently improved throughout 2012/13.



17 The latest national comparators of 25 days for new claims and 12 days for changes of circumstances (Q2 2012/13) have been put forward as local targets for the Benefits Service for 2013/14.

## **Age of Outstanding Claims and Workload**

- 18 In addition to closely monitoring the average days to process indicators, the service also closely monitors workload levels and the age of unprocessed claims in the Benefits ICT system.
- 19 Back in April 2012, the oldest claims in the system awaiting to be processed was late November 2011. This compares to February 2013 when the oldest claims were late January 2013.
- 20 This improvement in the age of claims is also reflected in the total number of claims in the system, which reduced significantly from more than 20,000 in April 2012 to approximately 10,000 currently. Effectively, the current position shows that workloads are now at a 'business as usual' level.

## **Communications**

- 21 Throughout the ICT system installation and post implementation period, communication with our residents, claimants, landlords and other stakeholders was regular and is ongoing. A Landlords' forum was set up during the system implementation and continues to provide a very useful dialogue between the Benefits Service and landlords as key stakeholders.
- 22 Over the post implementation period, the number and type of complaints being received has changed, reflecting the improved status of benefits processing. From a worst point of 114 complaints for the month of February 2012, the number of complaints in the corresponding month of February 2013 was 26 complaints.
- 23 Since February 2012 there has been a shift in the nature and source of complaints; fewer are now being received from landlords and those from claimants have changed from being primarily related to payment delays to issues associated with the actual payment award or where there has been an overpayment.

## **Government's Welfare Reform Proposals**

- 24 The County's total benefit claimant caseload increased from 66,300 in April 2012 to 67,600 at 31 December 2012. Whilst it is not anticipated that the new Welfare Assistance Scheme will generate any additional resourcing issues for the Benefits Service, an increased workload is anticipated from Discretionary Housing Payments (DHP) applications.
- 25 Numbers and impacts of DHPs will be carefully monitored to ensure optimum levels of claims processing are delivered with the resource available, along with introduction and roll out of Universal Credit.
- 26 New burdens funding has been confirmed for 2013/14 and 2014/15 (£350,332 and £267,415 respectively) in recognition of the anticipated increased caseload from DHPs, however, this is in the context of a £245k further cut in benefits administration grant in 2013/14, on top of the £200k cut in 2012/13, which needs to be accommodated across 2014/15 and 15/16.

## **System Developments**

27 In addition to national welfare policy changes and associated technological developments over which we have no control, a number of local ICT developments are planned over the coming months to further improve our systems and service to customers. The following three initiatives are of particular note:

- Through the enhancement of the Benefits Electronic Claims System (BECS) on-line claims form, claimants will also be able to submit on-line applications for changes of circumstances. Customers and their advisors (such as landlords, Housing Providers) will be able to scan documents directly into our system at the point of application, thereby streamlining the process and reducing the need to send in / return evidentiary documents.
- Customers and their advisors will be able to gain web access to Council Tax / Housing Benefit accounts through the development of the 'Open Access' module in the system. This facility will improve accessibility to live account information for claimants.
- The development of E-notifications for benefits claimants will streamline processes and provide an additional channel for the flow of information to claimants through the use of email rather than post, saving costs of printing and postage.

## **Forthcoming Staffing Restructure**

28 Concurrent with planned ICT system and process developments, and a significant period of welfare reform, a restructure of the Revenues and Benefits Service is planned during 2013/14 to deliver £465k of savings identified in the Medium Term Financial Plan for 2014/15. This will be done with the aim of minimising the impact on customers.

## **Recommendations**

29 Cabinet is asked:

- To note the current performance for benefits processing for customers
- To note the system developments and restructure planned over the coming months

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## **Appendix 1: Implications**

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### **Finance**

During 2012/13 the Benefits service's workload was managed through the use of planned overtime, agency workers and the outsourcing of work packages to external providers. Offset against cost savings elsewhere in the budget, the Revenues and Benefits 2012/13 budget is forecast to overspend by £247K; this will be met by use of the Resources' cash limit.

### **Staffing**

The Benefits Service was subject to an accommodation move to co-locate appropriate staff within the Spennymoor Office. A revised structure was recruited concurrently with the improvement action plan, and another restructure is planned to deliver MTFP savings. There is traditionally a higher turnover of benefits assessors and a number of recruitment exercises have been carried out to replace staff that have moved on. On average it takes around 6 months to fully train a benefits assessor to a level where they are competent to assess claims.

### **Risk**

Processing delays were removed from the risk register during a review in September 2012.

### **Equality and Diversity / Public Sector Equality Duty**

The benefits service provides a service to vulnerable client groups. These include some of the protected characteristics as defined by the Equality Act 2010 such as people with a disability and older persons.

### **Accommodation**

N/a.

### **Crime and Disorder**

None.

### **Human Rights**

None

### **Consultation**

The Benefits Service continues to work closely with all stakeholders.

### **Procurement**

None

### **Disability Issues**

See above.

### **Legal Implications**

None