

Norwich City Council
SCRUTINY COMMITTEE

Item No 6

REPORT for meeting to be held on 26 September 2013

LGSS and the revenues and benefits service

- Summary:** On 11 April 2013 scrutiny committee reviewed the performance of LGSS one year on from the beginning of the agreement. Scrutiny resolved to review progress of the benefits improvement plan at this meeting and to review preparedness of LGSS for welfare reform changes. This report provides an update on current performance and improvement and preparedness for welfare reform changes.
- Conclusions:** There has been significant progress in reducing the number of new claims and changes in circumstances outstanding. The number of new claims outstanding is now at “business as usual” level. The number of changes of circumstances is rapidly reducing and will soon be back to “business as usual” level.
- Recommendations:** Scrutiny committee is asked to consider the report and note the significant reduction in outstanding processing.
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1. Introduction

- 1.1. Since April 2012 benefits processing has been performed by Local Government Shared Services (LGSS) on behalf of Cambridgeshire and Northamptonshire County Council's to whom the services are delegated.
- 1.2. This report provides details of current performance and in particular highlights improvements in the service.

2. Background

- 2.1. On 11 April 2013 Scrutiny reviewed the performance of Local Government Shared Services (LGSS) one year on from the beginning of the agreement. At that time performance had been steadily improving but had still not reached the performance levels required in the partnering and delegation agreement.
- 2.2. On 11 April 2013 the key elements of the improvement plan were reported as:
 - 2.2.1. Automated processing of change of circumstances notifications received from DWP (anticipated to start in April 2013)
 - 2.2.2. Staff freed up due to automation as described above to concentrate on new claims and change of circumstances that cannot be automated
 - 2.2.3. Recruitment to vacancies completed (new staff starting April/May 2013)
 - 2.2.4. Implementation of individual performance framework (analysis of individuals speed and accuracy)
 - 2.2.5. Identification of needs and support provided to those staff who have low speed, low accuracy or both.
- 2.3. Since April the implementation of the plan has continued.

3. Benefits performance – New claims

- 3.1. As reported in April, to give this some perspective, the authority receives around 150 new claims per week. Around half of these are received from the Department for Work and Pension (DWP). The other half is received mainly through customers contacting the council directly.
- 3.2. The new claims received from the DWP are "passported" claims. This means that the DWP have already assessed a claimant and they are entitled to job seekers allowance or pension credit and are therefore automatically entitled to housing benefit.
- 3.3. When new claims are received from DWP, the DWP will have completed the

check of the claimant's identification. However, we then have to contact the claimant to gather the necessary information to process a claim for housing benefit. The information required includes things such as:

- 3.3.1. proof of tenancy
 - 3.3.2. pension income
 - 3.3.3. part time job details
 - 3.3.4. other income
- 3.4. If this information is not provided promptly it affects our ability to process the claim.
- 3.5. This means that there are around 75 claims per week received via the DWP where we have to contact the claimant to request further information before being able to process the claim.
- 3.6. Of the other 75 claims received each week around half have the required information to be able to process the claim. Again the remaining half requires us to contact the claimant to request further details.
- 3.7. Where a claimant does not respond to a request for further information necessary to process the claim this reduces our ability to process claims within target. This is beyond our control and requires the claimant to provide the information requested.
- 3.8. We have seen a significant reduction in the number of outstanding new claims. The table below shows the improvement that has been made:

Table to show number of claims outstanding and the age of those claims

	1 to 21	22 to 40	41 to 80	81 to 100	100 days +	Totals
13-Sep	213	72	34	2	3	324 (↑)
05-Sep	169	77	33	6	2	287 (↓)
29-Aug	176	72	44	4	8	304 (↓)
23-Aug	195	101	62	1	8	367 (↓)
16-Aug	-	-	-	-	-	-
08-Aug	237	95	90	18	6	446 (↓)
02-Aug	230	91	97	32	4	454 (↓)
26-Jul	237	95	118	25	0	475 (↓)
19-Jul	253	107	118	26	2	506 (↓)
12-Jul	270	160	132	8	5	575 (↓)
04-Jul	324	122	190	4	7	647 (↓)
28-Jun	334	127	251	13	1	726 (↓)
21-Jun	396	110	260	17	1	784 (↓)
14-Jun	378	167	269	17	0	831 (↑)
07-Jun	327	211	255	13	5	811

- 3.9. As the table shows there has been a significant reduction in claims across each of the age ranges.
- 3.10. In the most recent week there has been the first rise in the number of claims outstanding for twelve weeks. The number of claims outstanding is still well within business as usual levels and is not a cause for concern.
- 3.11. As previously stated we receive around 150 new claims each week. The current outstanding level of new claims represents around two weeks worth of claims.
- 3.12. As highlighted above we cannot process a new claim unless it has all of the information required to do so. In the above table, all claims shown over 21 days are waiting for information to be provided by the claimant or some

other information such as eligibility. For example, on the 05-Sep line above there were 2 claims that were over 100 days old. We were unable to process either claim as for one we were waiting for the Home Office to confirm that the claimant had passed residency tests and for the other we were waiting for the DWP to complete a habitual residency test and to confirm that they were awarding benefit before we could process the housing benefit claim.

- 3.13. As you would expect with a reduction in the number of claims outstanding this has had a positive effect on average processing times. Currently, the average processing times for new claims on a weekly basis is around 26 days for weeks ending 1 and 8 September 2013 and 24 days for week ending 15 September 2013.

4. Benefits performance – change of circumstances

- 4.1. Again, to give this some perspective the council receives between 1500 and 2000 changes of circumstances each week. A significant proportion of these are received via electronic transfer from the DWP. These are received in two separate files (“ETD’s” and “ATLAS” transfers). In due course this should be reduced to one combined transfer but for now the council has to deal with both.
- 4.2. Not all changes of circumstances lead to a change in benefit. However, every change has to be reviewed and a decision made.
- 4.3. In April the work was completed to automate the “ATLAS” transfers. This now means that over 80% of the changes received via this route are imported into our system and changes made automatically to benefit.
- 4.4. We still receive a separate file called ETD’s. We were told by the DWP when ATLAS transfers were introduced that the two files would be combined and ETD’s would be switched off. However, we still receive both files and have to process both. We have no indication of when the ETD files will stop.
- 4.5. We also receive notifications directly from claimants.
- 4.6. There is significant duplication in this process that is beyond our control. Between ETD’s, ATLAS transfers and direct notifications from claimants it is estimated that there is a duplication rate of around 60%. Further, some of the changes notified do not affect benefit. For example an update to provide someone’s middle name.
- 4.7. There has been a reduction in the number of changes outstanding. The table below shows the improvement made.

Table to show number of changes outstanding and the age of those changes

	1 to 21	22 to 40	41 to 80	81 to 100	100 days +	Totals
13-Sep	2334	1055	1755	645	946	6735 (↓)
05-Sep	2286	1082	1975	574	982	6899 (↓)
29-Aug	2180	1161	2080	578	1053	7052 (↓)
23-Aug	2353	1411	2294	576	1298	7932 (↓)
16-Aug	-	-	-	-	-	-
08-Aug	2568	1714	2748	869	1605	9504 (↓)
02-Aug	2795	1942	2397	943	1695	9772 (↑)
26-Jul	2574	2052	2427	942	1612	9607 (↓)
19-Jul	2924	1826	2422	994	1583	9749 (↓)
12-Jul	3123	1689	2585	829	1553	9779 (↑)
04-Jul	3245	1391	2960	699	1465	9760 (↓)
28-Jun	3234	1552	2855	700	1523	9864

- 4.8. As the focus was initially on new claims, the improvements in changes of circumstances processing has been much more recent.

5. Complaint processing

- 5.1. Complaint processing (responding to complaints within 15 days) has seen significant improvement. In July 2013, 100% of complaints were responded to within target times.

6. Benefits improvement plan

- 6.1. The key elements of the improvement plan were previously reported as below. Each has been annotated with a summary of current progress.
- 6.2. Automated processing of change of circumstances notifications received from DWP (anticipated to start in April 2013) – COMPLETED

- 6.3. Staff freed up due to automation as described above to concentrate on new claims and change of circumstances that cannot be automated – COMPLETED
- 6.4. Recruitment to vacancies completed (new staff starting April/May 2013) – COMPLETED
- 6.5. Implementation of individual performance framework (analysis of individuals speed and accuracy) – COMPLETED
- 6.6. Identification of needs and support provided to those staff who have low speed, low accuracy or both – COMPLETED

7. Preparedness for welfare reform changes

- 7.1. There has already been a variety of welfare reform changes that the council and LGSS have responded to, implemented and provided support for customers. This report focuses on the work by LGSS to implement changes.
- 7.2. The nature of revenues and benefits is that there have always been regular changes that the service has needed to keep up with so there is an in built ability to change. This could be described as “business as usual” but the scale of welfare reform changes is likely to exceed business as usual.
- 7.3. In January 2013 full council approved a new Council Tax reduction scheme to replace the previous benefits scheme. Leading up to this LGSS provided technical advice, scenarios and options for the council to consider when devising its scheme. LGSS provided this from within its existing resources.
- 7.4. Once the new council tax reduction scheme was approved, LGSS ensured its staff were trained and the necessary processes in place to calculate and award the reductions.
- 7.5. The benefit cap has also been introduced in Norwich during 2013. Again, LGSS staff worked with council staff and DWP to ensure that the changes were implemented.
- 7.6. There has been a large increase in the volume of discretionary housing payments claims primarily as a result of under occupancy (also known as “spare room subsidy” or “bedroom tax”). A new discretionary housing benefit payments policy has been introduced after consultation. LGSS staff work with council staff to assess claims and determine whether or not a payment is made. The number of claims was higher than anticipated. This work has been absorbed within current resources and this has impacted the resource that LGSS have available for other benefit related work.
- 7.7. In terms of the changes yet to come, it is always difficult to predict the unknown. The main change on the horizon is the implementation of

universal credit. However, there is uncertainty about when this will occur.

- 7.8. LGSS provides revenues and benefit services to Norwich City Council and Northampton Borough Council (since June 2013). This has increased the resilience of the service and gives LGSS a wider pool of knowledge. This should allow changes for welfare reform to be made more easily as there will be sharing of information and knowledge that will help to avoid duplication.
- 7.9. It is difficult to predict levels of resources required for change such as Universal Credit as the full implementation timetable is not yet known. If LGSS identified the requirement for additional resource to implement any of the changes required the request will be put to NCC to consider as part of its budget setting process. If changes occur that require additional resources outside of the budget setting process either a request to spend contingency funds would be made or where more significant sums are involved there may be the need to request a Council decision.

8. Case studies

- 8.1. Scrutiny requested some case study examples to demonstrate the processing of new claims. These are included at Appendix 1.

9. Summary

- 9.1. There has been a significant improvement in new claims processing.
- 9.2. There has been a significant improvement in change of circumstances processing but there is further work to bring this down to “business as usual” levels.
- 9.3. There is more resilience within the LGSS service that should help with the implementation of any future welfare reform changes.

Appendix 1 – Case studies

Case study 1 – a simple case

Jeff visits the council after visiting the Norwich City Council website to complete a benefit claim form in person. He has read about the documents that he needs to bring with him. He meets an advisor who ensures that he completes the form fully and accurately. Jeff has brought all the information required such as his tenancy agreement, his proof of income (pay slips), his proof of identification etc. The advisor scans copies of the documents and returns them to Jeff.

The council now has all of the information required to complete the assessment of the claim. The information is fed in to our system that records contact from customers and a process is started. The process is assigned to a benefit claims assessor who enters all of the required details in to the benefits system and calculates the benefit entitlement. The system automatically generates a letter which is then sent to Jeff confirming the benefit that Jeff will receive.

If Jeff has claimed housing benefit and council tax reduction and is eligible for both he will receive two letters.

In a simple case such as this where the claimant has provided all of the necessary information and documents, the claim could be assessed on the day that the claim is made or within a few days. However, even though the claim has been assessed and completed, payment of housing benefit starts 28 days from the date of the claim.

Case study 2 – documents not provided

Susan is made redundant and then claims job seekers allowance from the DWP.

The council receives an electronic notification from the DWP that Susan also wishes to claim housing benefit. The details are automatically imported in to our system to start a process. The process is assigned to a benefit claims assessor who then has to contact Susan to request a copy of her tenancy agreement as she is in private rented accommodation. Susan does not respond to the letter that is sent to her so the benefit claims assessor telephones Susan to remind her that she needs to provide a copy of her tenancy agreement but there is no answer. Another letter is sent to ask Susan to provide her tenancy agreement.

Susan contacts the council to say that she will bring the tenancy agreement in next week. Susan fails to bring the tenancy agreement in the following week. The benefit claims assessor contacts Susan again and Susan says that she forgot and will bring the tenancy agreement in the following day. Ten days later Susan visits City Hall with a copy of her tenancy agreement which is scanned and added to her record.

The benefit claims assessor reviews their outstanding work and sees that Susan has now provided her tenancy agreement and enters all of the required details in to the benefits system and calculates the benefit entitlement. The system

automatically generates a letter which is then sent to Susan confirming the benefit that Susan will receive. It is now 45 days since the council first received the claim. Benefit is paid backdated to the date of the claim.

In a case such as this, there are no difficulties with calculating the benefit but the council must have a copy of the tenancy agreement before it can assess the claim. Where the claimant fails to provide this the council cannot calculate the claim until it is received.

Case study 3 – awaiting information from an external agency

Josef has moved to Norwich from another EU country. He has made a claim to the DWP and the council receives an electronic notification from the DWP that Josef also wishes to claim housing benefit. The details are automatically imported in to our system to start a process. The process is assigned to a benefit claims assessor who then has to contact Josef to request a copy of his tenancy agreement as he is in private rented accommodation.

Josef provides a copy of his tenancy agreement which is scanned and added to his details.

The council is now waiting for confirmation from the DWP that Josef is eligible to claim benefit.

The council cannot calculate the benefit until confirmation is received from the DWP.

The DWP finally confirm that Josef is entitled to claim. This is 85 days since the claim was received. The benefit claims assessor is now able to calculate the claim.

The system automatically generates a letter which is then sent to Josef confirming the benefit that Josef will receive. Benefit is paid backdated to the date of the claim.

In this example, the claim was received via the DWP and the council had to wait until they confirmed that the claimant was eligible for payment. However, we also receive claims directly where we have to assess eligibility to claim. Sometimes this requires us to contact other agencies such as the Home Office and we are not able to progress until they have provided the necessary confirmation. This can lead to significant delays that are beyond our control.

Case study 4 – awaiting information and changes in the meantime

Eleanor is in work but her hours have been reduced significantly so she may be entitled to housing benefit. She makes a claim for housing benefit directly to the council. She is on a council property so we have confirmation of her tenancy.

The information is fed in to our system that records contact from customers and a process is started. The process is assigned to a benefit claims assessor. The assessor writes to Eleanor to ask her to provide evidence of her income.

After two weeks the information has not been provided but Eleanor contacts the council to say that she now has a new job and her income has increased. Eleanor is asked to bring in copies of her pay slips from her old and new employer.

Eleanor comes in to City hall but only brings in a pay slip from her new employer. She is asked to bring in the pay slips from her previous employer as well.

Eleanor then contacts the council and says that she is now out of work. She is asked to provide her pay slips from her original employer that she still hasn't provided.

Three weeks later Eleanor contacts the council to say that she is now in work but is part-time and poorly paid. She promises to bring in the pay slips that she should have brought in before.

Four weeks later Eleanor visits City Hall and brings in all the pay slips that are needed. They are scanned and added to her details.

The benefit claims assessor reviews their outstanding work and sees that Eleanor has now provided her pay slips and enters all of the required details in to the benefits system and calculates the benefit entitlement. The system automatically generates letters which are then sent to Eleanor confirming the benefit that Susan will receive. The system will generate a letter detailing the original claim and a separate letter for each change which will result in Eleanor receiving several letters but all together. This is because each claim and then change carries with it appeal rights and we must notify the claimant in writing. It is now 105 days since the council first received the claim. Benefit is paid backdated to the date of the claim.