

METROPOLITAN BOROUGH OF WIRRAL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

26 SEPTEMBER 2006

REPORT OF THE DIRECTOR OF FINANCE

SERVICE RE-ENGINEERING - HOUSING AND COUNCIL TAX BENEFITS

1. EXECUTIVE SUMMARY

1.1. This report outlines a review of the Housing and Council Tax Benefit Service due to ongoing changes and developments outlined in this report. This report was agreed by the Cabinet on 25 April 2006 and the staffing implications were agreed by the Employment and Appointments Committee on 29 June 2006. Service re-engineering savings are reported subsequently to the relevant Overview and Scrutiny Committee.

2. CURRENT POSITION

- 2.1. The current Benefits establishment is based upon a structure agreed in 2001. The outcome of that review enabled the service to become 'Verification Framework' compliant. There have only been minor amendments to the structure since 2001.
- 2.2. The Department for Work and Pensions (DWP) continues to make frequent and regular changes to the delivery and funding of the service.
- 2.3. The procurement of an Integrated Council Tax and Benefit system will have significant implications. The implementation of the system and associated change programme will be challenging.
- 2.4. Housing/Council Tax Benefit is historically a service area of constant change and the requirements of the legislation are increasingly complex. The level of scrutiny and monitoring at both national and local level is high. Successive Ministers have announced their intention to simplify the scheme, each time generating a raft of legislative and technical changes.
- 2.5. The most recent Housing Benefit 'Reform Programme' commenced in October 2003. Part of this programme saw the introduction of the 'Intervention Regime' in April 2004 which the DWP continues to develop, revising baseline criteria and targets on an ongoing basis. A further review of the national Performance Standards means achievement of top quartile status and retention of the excellent CPA assessment will become increasingly difficult.

- 2.6. Members will also be aware that significant resources are currently being expended on reviewing HB subsidy claims dating back to 1999 following Audit Commission inspection. Quality assurance and checking resources are currently being diverted as work is undertaken to minimise the impact of the clawback of subsidy.
- 2.7. I reported to the Finance and Corporate Management Select Committee on 26 September 2005 that additional subsidy of £222,700 would be available to undertake necessary checks on eligibility and payment of benefits. It is my intention to put in place additional staffing to ensure this subsidy is achieved.
- 2.8. Since their introduction in April 2004, performance targets for interventions have been revised and increased with a minimum of 50% of the caseload to be targeted for an annual visit or review. A further review of this scheme, which is likely to result in a further increase in baseline targets, is anticipated for 2006/07 and was announced in the Chancellors Pre Budget Statement on 5 December 2005.
- 2.9. I reported to Cabinet during 2004-05 on three bids submitted to the DWP for joint funding for the development of initiatives. The amounts finally approved by the DWP for these initiatives are:-
 - a. Processing of Changes in Circumstances by the use of Counter scanning at the One Stop Shops £166,198.
 - b. Use of Wireless Technology for the Visitor Service and Fraud Prevention Service £53,950.
 - c. Benefits process improvement and enhanced performance monitoring, a joint development with Comino Techflow, the suppliers of the document processing and workflow systems £65,967.

3. KEY REVIEW FINDINGS

- 3.1. In the light of the issues described above the permanent staffing establishment requires change. In addition a number of temporary posts are necessary to ensure the continued level of throughput and quality during the installation of the new Housing/Council Tax Benefit system.
- 3.2. The following key areas from the review should be noted:-
 - i. The temporary 'Interventions Processing' manager post introduced in November 2004 will need to be permanent and the processing function needs further managerial support.
 - ii. In keeping with national good practice new generic visiting officer posts are proposed. The introduction of such posts, in conjunction with the deployment of wireless technology, will enable claims to be processed, off site, increasing access to the service, customer satisfaction and offering further opportunity to minimise processing times.

- iii. In order to maintain appropriate verification processes it is proposed to extend the resources dedicated to this activity. This will address increasing expectations both locally by service users and nationally by the DWP.
- iv. The development of training programmes and delivery of training courses will have to be undertaken within tight timescales to ensure new systems are used effectively. This will put significant pressure on the training resource available.
- v. Processing resources must be sufficient to allow staff to 'work ahead' of targeted throughput times in advance of conversion to the new system and to accommodate the subsequent 'go live' period when throughput naturally slows down as staff familiarise themselves with new software and procedures.
- vi. Additional support to the service re-engineering team to accelerate the movement of additional services into the One Stop Shops and the Call Centre and thus aid the delivery of service re-engineering savings.

4. FINANCIAL IMPLICATIONS

- 4.1. The estimated additional cost of £190,000 for permanent staffing will be met from increased subsidy and grants of £509,000.
- 4.2. Additional temporary posts are estimated to cost a total of £190,000 during 2006/07 and 2007/08. This sum will be met from Departmental staffing budgets and specifically from the additional £250,000 allocated for the new Revenues and Benefits system approved by the Cabinet on 1 December 2005.

5. STAFFING IMPLICATIONS

- 5.1. As a result of this review Housing and Council Tax Benefit staffing levels will increase. The details including the use of temporary posts were reported to the Employment and Appointments Committee.

6. EQUAL OPPORTUNITY IMPLICATIONS

- 6.1. There are none arising directly from this report.

7. COMMUNITY SAFETY IMPLICATIONS

- 7.1. There are none arising directly from this report.

8. HUMAN RIGHTS IMPLICATIONS

- 8.1. There are none arising directly from this report.

9. LOCAL MEMBER SUPPORT IMPLICATIONS

9.1. There are none arising directly from this report.

10. LOCAL AGENDA 21 IMPLICATIONS

10.1. There are none arising directly from this report.

11. PLANNING IMPLICATIONS

11.1. There are none arising directly from this report.

12. BACKGROUND PAPERS

12.1 Various Statutory Instruments and circulars from the DWP.

13. RECOMMENDATION

13.1. That the estimated service re-engineering saving of £319,000 be agreed.

IAN COLEMAN
DIRECTOR OF FINANCE

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