

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE and PROPERTY ADVISORY BOARD

3 October 2007

Report of the Director of Finance

Part 1- Public

Matters for Recommendation to Cabinet - Council Decision

1 LIST C EVALUATION – E-BENEFITS SOFTWARE

A report setting out the evaluation of e-benefits software. Members are asked to agree to the addition of this scheme to List A of the Capital Plan, and further agree to the provision of funding in advance of the meeting of Full Council.

1.1 Introduction

- 1.1.1 At its meeting on 6 February 2007, Cabinet recommended to Full Council (and it was subsequently endorsed) that a 'List C' evaluation of e-benefits software be carried out during the course of 2007/08.
- 1.1.2 In the normal course of events, it would be usual to report the findings of that evaluation to the meeting of Finance & Property Advisory Board in January 2008. If the evaluation proved successful and then Cabinet and Council agreed to provide funding for the scheme, it would be expected that the scheme could go ahead from April 2008.
- 1.1.3 Members will, however, be aware of the 'performance' issues that have affected the Benefits service in the last twelve to eighteen months. Elsewhere on the agenda, I am pleased to report that performance has improved significantly in the last couple of months and our 'underlying' performance has returned to top quartile levels.
- 1.1.4 That said, the past twelve months or so have taught us that performance can decline quickly (in our case primarily due to a very high level of staff turnover) and that any measures that can be taken to both improve and maintain performance and our 'stability' should be moved forward.
- 1.1.5 With this in mind, Management Team agreed that I should progress the evaluation of this potential scheme as soon as possible with a view to early implementation if the evaluation is 'successful'. Accordingly, this report presents the evaluation and a proposed way forward.

1.2 The Benefit Claim Process

- 1.2.1 As Members will be aware, in order to claim council tax and/or housing benefit, a claimant must complete a lengthy paper application form. The application form that we use has some 24 pages and is difficult for claimants to understand. We have endeavoured to make the form as simple as possible but are constrained by the fact that the information we require is necessary in order to be able to accurately assess benefit and prevent fraud from entering the system.
- 1.2.2 In addition to the many questions that the claimant must answer, the claimant is also required to submit evidence to support their answers. As the application form is a joint application for council tax and housing benefit, there will be some claimants who wish to claim only housing benefit; some who wish to claim only council tax benefit and some who wish to claim both benefits. Most application forms are completed by claimants who have received application forms through the post.
- 1.2.3 Anything that could be done to speed up the processing of claims would be of benefit to the claimant, and would in turn help our BVPI performance. Although there is now legislation in place that would allow us to accept benefit applications electronically without a signature, it is not an approach that we wish to use at the moment because of problems associated with the authentication of such electronic claims. However, we have been looking at different software packages that would simplify and speed up the claim-making procedure, albeit that the claimant would still be required to sign the application form.

1.3 E-Benefits System

- 1.3.1 An evaluation of E-Benefits software in the usual format is attached at **[Annex 1]** for Members' information.
- 1.3.2 As can be seen, the software will enable us to take a significant step forward in terms of customer care. In addition, because of the simplified processes, the speed at which new claims and changes in claimants' circumstances can be processed should be significantly increased. The time taken to process a new claim for benefit and change of circumstance is measured from the date on which the application form or information of change of circumstance is received until the date on which an award or resulting change of benefit is granted. Therefore, if an application form is received and is found to have been incorrectly completed or has insufficient supporting evidence accompanying it, it is necessary to contact the claimant and ask them to properly complete the form or supply the missing information. Similarly, if the advice of the change of circumstance needs supporting evidence, such as payslips, then it is necessary to contact the claimant to request this. This all takes time.
- 1.3.3 The E-Benefits system allows for a much simpler claim process with an 'intelligent' on-line script of questions relating to the claim. This can be used via the telephone, internet and is an ideal tool for customer service officers to use at

Kings Hill or any of our surgeries. It also provides the option to allow other organisations to use the system, such as housing associations, Kent Benefit Partnership or the Citizens Advice Bureaux. Not only does the customer have the assurance of completing the claim fully, right first time, but he or she will also receive a comprehensive list of documents that are needed to support the claim and have a guide to any other state benefits to which there may be entitlement.

- 1.3.4 As an illustration of how the e-benefits software might assist us (and benefit claimants), below is the best value performance information relating to the processing of new claims for the years 2004/05, 2005/06 and the first three quarters for 2006/07 for all Kent districts. I do not have reliable data from the Department for Work and Pensions for later periods.

	2006/07 Qtr 3	2006/07 Qtr 2	2006/07 Qtr 1	2005/06	2004/05
Ashford	34	32	27	34	43
Canterbury	21	25	32	37	37
Dartford	23	25	32	29	44
Dover	45	46	47	64	44
Gravesham	45	63	70	29	29
Maidstone	11	13	16	18	26
Sevenoaks	29	30	43	47	40
Shepway	42	46	44	54	57
Swale	32	36	36	35	81
Thanet	21	24	30	44	34
Tonbridge and Malling	33	29	25	22	23
Tunbridge Wells	22	23	27	25	21

- 1.3.5 As I mentioned in paragraph 1.1.3, we faced a particularly difficult period in the Benefits Section during 2006/07. However, up to and including the first quarter of 2006/07 we had been one of the quickest authorities in Kent in terms of the time taken to process new benefit applications and changes in circumstances. What is noticeable is the change in the performance for Maidstone during 2005/06 (compared to 2004/05) and their continuing improvement thereafter. Maidstone are using e-benefits software. Although the table only shows data for processing new claims they have seen similar improvements in their change of circumstances performance.
- 1.3.6 Following a site visit and discussion with Maidstone Borough Council, my staff found that Maidstone attribute their dramatic performance improvement, as shown by the table above, to the implementation of the e-benefits system and changes to their processes built around this. Maidstone have also witnessed considerable increased customer satisfaction, particularly in the areas of the claim form and notification letters due to their new ways of working. The system was introduced in December 2005 and had an almost immediate positive effect on performance

following some intensive training. Maidstone currently only use the system via their own customer contact centre in conjunction with their benefit staff and accept approximately 50% of all new claims through the E-Benefits system. They have plans to roll this out to Maidstone Housing Trust and their homelessness service to increase the number of claims processed via this means.

- 1.3.7 My staff have also been in contact with other authorities who have implemented e-benefits software, including South Hams District, North Kesteven District and Rotherham Metropolitan Borough Councils.
- 1.3.8 South Hams have been using e-benefits since February 2006. Their number of days for processing new claims has reduced from 32 (average for 2006/07) to 15 (result for July 2007).
- 1.3.9 North Kesteven have been using e-benefits since December 2006. Their number of days for processing has reduced from 31 in quarter 3 of 2006/07 (which was prior to e-benefits being introduced) to 24 in the first quarter of this financial year.
- 1.3.10 We are not clear when Rotherham formally implemented e-benefits, but we are told that their processing of new claims has reduced from an average of 34 days to 28 days. Their processing of change of circumstances has also fallen from 7 days to 5 days. What is interesting is that, according to Rotherham, 60 per cent of their customers applying for benefits via e-benefits system preferred it to other channels.

1.4 Legal Implications

- 1.4.1 None

1.5 Financial and Value for Money Considerations

- 1.5.1 As can be seen from Annex 1, the estimated capital cost of purchasing and implementing e-benefits software is £56,000.
- 1.5.2 In addition, revenue implications arising from this project, including loss of investment income on the capital sum, are estimated to be £10,000 (rounded).
- 1.5.3 In the normal course of events the funding for this project would be considered in the context of the Capital Plan Review and the budget for 2008/09. However, Management Team are supportive of my view that, if Members are minded to support this project, it would be in all our interests to move forward quickly. Not only do we have claimants' interests and our own BVPI performance to consider, we need also to remember that staff will have to implement, from April 2008, the new Local Housing Allowance scheme.
- 1.5.4 This project can be funded from the balance of the provision set up for fast track schemes approved during 2007/08. There is only one outstanding fast track

scheme, the purchase of a third recycling vehicle, and the Director of Health and Housing has confirmed that an evaluation will not come forward in this cycle of meetings. Funding for the purchase of a third recycling vehicle can therefore be considered in the context of the 2007/08 Capital Plan Review or 2008 fast track schemes. The impact of the loss of investment income for the capital plan provision for fast track schemes has already been built into the Medium Term Financial Strategy.

- 1.5.5 Members will see from my Part 2 report elsewhere on this agenda that it may be in our interests to move forward before Full Council next meets.
- 1.5.6 Accordingly, I propose that I seek the approval of the Leader of the Council, the Cabinet Member for Finance and the Chairman of Scrutiny to allocate funding for this project, from the balance of the capital provision for fast track schemes, ahead of the Full Council meeting. As I have mentioned, Management Team are supportive of this approach.

1.6 Risk Assessment

- 1.6.1 It is important that we ensure our performance on the assessment of claims is at a high level in the interests of claimants as well as our own BVPIs. If we do not achieve and maintain good BVPI performance, our CPA and Use of Resources scores could be affected.

1.7 Recommendations

- 1.7.1 It is **RECOMMENDED** that:

- 1) Cabinet and Full Council approve the addition of this scheme at an estimated cost of £56,000 onto List A of the Capital Plan with immediate effect;
- 2) The revenue implications of the scheme are built into the Medium Term Financial Strategy; and
- 3) The Director of Finance seeks the agreement of the Leader of the Council, the Cabinet Member for Finance and the Chairman of Scrutiny to allocate funding for this project from the capital plan provision for fast track schemes ahead of the Full Council meeting.

Background papers:

Nil

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