

LONDON BOROUGH OF BRENT

MEETING OF THE EXECUTIVE 21st July 2003

Report from the Head of Revenues & Benefits and the One Stop Shop Service Director

NAME OF WARD(S)
ALL

REPORT TITLE: Options for the clearance of the Housing Benefits backlog and a proposed increase in consultancy and project support for the One Stop Shop Service

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1. Summary

- 1.1 This report outlines issues surrounding the current backlog within Brent's Benefit Service and proposals for clearing this. These proposals are based on a more detailed backlog clearance plan that has been developed with the aim of clearing existing backlogs within a 3 month period. This plan is appended to the report for information.
- 1.2 The impact of failing to clear the backlog in the short-term will lead to additional pressures not only on the Benefits Service but also the One Stop Shop Services and the call centre as claimants make repeat calls in an effort to resolve their claim. It is for this reason that the backlog clearance plan recommends a short timescale with high a level of additional resource.
- 1.3 The report separately identifies the need for increased consultancy and project support within the One Stop Shop Service over the coming months. Due to the continuing pressures upon the service, additional consultancy and project support is now required by the One Stop Shop, continuing until the end of the financial year, to complete both the Customer Service Project Plan and Transitional Revenue Service Plan. The immediate need is for practical Project Support to progress the one-off additional projects
- ❖ Proposed new Counter arrangements at Brent House and 5 remaining shops
 - ❖ Revised training and working arrangements for staff in all 6 Shops reflecting the revised division of responsibilities between backroom processors and front line staff.(these arrangements form part of the new Revenues contract with Capita)
 - ❖ Implementation of the new ways of working on Benefits across customer service

- 1.4 This work requires the sustained involvement of senior OSS Managers. The additional resource will therefore, enable a proportion of the OSS management displacement in order to maintain the critical level of involvement during the next 8 month period.
- 1.5 This report needs to be cross referenced to the 2003/2004 Revenue report that is also being considered by the Executive meeting of 21 July 2003. This report outlines details of the arrangements for meeting the additional funding requested.

2. Recommendations

- 2.1 The Executive is recommended to:
 - ❖ Agree the detail of the proposed backlog clearance plan and funding of £137,000 to achieve this.
 - ❖ Agree funding of £ 33,000 for an increase in consultancy and project support within the One Stop Shop Service

3. Financial Implications

- 3.1 The Benefits Service is responsible for the payment of £142m in Housing and Council Tax Benefits each year. Failure to administer these benefits effectively and securely can bring substantial government penalties in the form of withheld subsidy.
- 3.2 The impact of operating with substantial backlogs of work folders can have a serious financial impact on subsidy payments and other areas of income collection such as council rents and Council tax. There will also be a number of reported changes in circumstance within the backlog and delays in actioning these may result in the creation of Local Authority overpayments. Local Authorities do not receive subsidy for such overpayments and in many cases there is no legal power to recover them. The clearance of this backlog will improve the administration of benefits and will help to minimise any loss in subsidy.
- 3.3 The funding for the clearance of this backlog and increased consultancy is detailed in the 2003/2004 Revenue Budget report.
- 3.4 The cost for clearing the backlog has been identified as £140,000. Whilst this represents a significant sum, the potential cost of continuing with a backlog over the coming months represents a considerable risk to the service. History has proved that unless separately targeted, backlogs tend to substantially increase over time due to the additional work generated by their existence. It is therefore essential that all outstanding work is cleared as soon as possible.

- 3.5 In terms of the OSS additional consultancy and project support, the total consultancy support required to cover both elements is calculated at 3 days per week. This can be achieved from Brent's own HR Consultancy Services who have recruited a new Projects Officer, Ben Eggleston, he is available to provide interim support immediately. Their rate is £350 per day. The total cost for the 8 month period is £33.6K. External options have been considered as a contingency and are far more expensive, working out at £48k.
- 3.6 The OSS will not be able to sustain the level of support required by these projects if additional funding is not provided. Revenues & Benefits enquiries account for 42% of the OSS overall customer demand. Investment in re-designing this aspect of customer service now will help to achieve longer term savings.

4. Staffing Implications

- 4.1 The report outlines a number of options that would lead to the potential recruitment, on a temporary basis, of a number of agency staff to assist with clearing the backlog over the next three months.
- 4.2 Additionally, we have appointed 13 new assessment officers who will take up their posts in the next few weeks (this represents 9 additional staff as some staff were employed in the service as temps prior to their appointment). There will also be 10 "new to benefits" staff starting in July that form part of a successful bid to the DWP's Performance Standards Fund. However, it will take a number of weeks before these staff become productive as they will be entering an intensive benefits training programme for the first 6 weeks following the commencement of their employment.
- 4.3 As stated in 3.5 the OSS service is proposing the utilisation of a consultancy resource within LB Brent Human Resources at a cost of £33.6K

5. Legal Implications

- 5.1 There are no specific legal implications in this report other than the impact of a backlog on the Council's ability to enforce the damages regime within the Revenues and IT Support with Capita, as a level of £ 14.5 Council Tax Benefit is guaranteed within the regime.

6. Detail

- 6.1 The Benefits Service transferred back to LB Brent on 1st October 2002. A service recovery plan was developed shortly after this with a view to stabilising the service and eradicating backlogs as quickly as possible. A large range of actions have been taken as part of this plan including: a refocusing of procedures to service outcomes, re-organisation of work, raising the skill set of staff and changes to IT systems. These, coupled with a programme of quick wins, enabled steady improvements to be made to benefit processing time during the initial months of handback and a gradual reduction to backlogs. These early improvements were encouraging but have been hampered since February 2003 because of a variety of IT changes and disruption.
- 6.2 The first of these changes was the migration from Current world to IWorld in February 2003 which severely impacted staff productivity. There have been delays associated with some features of the new system and a number of bugs. These coupled with staff unfamiliarity with the system, resulted in a significant backlog developing between February 03 and April 03. Productivity was further compounded by year end system close downs and the natural peak in customer contact arising at the commencement of the new financial year.
- 6.3 From Mid April the service has experienced further IT problems which were associated with the handover of IT systems from EDS to Capita. The transfer to Capita and the apparent poor quality of documentation that accompanied the handover from EDS, meant that the key IT systems suffered from instability for several weeks. Staff productivity was severely impacted because of the persistent crashing of systems with a resultant further increase to backlogs.
- 6.4 A backlog clearance plan has been developed with the aim of clearing existing backlogs within a 3 month period. This is subject to the recruitment of additional temporary resource to facilitate the erosion of backlogs concurrent with the need to clear new work in a timely manner. A number of options have been identified to secure these additional resources. Full details of these options are included in the plan appended to this report. In summary these include
- ❖ The recruitment of 10 specialist agency staff
 - ❖ The purchase of a backlog clearance team from Capita, to be based at Brent House or at Capita's premises.
 - ❖ The utilisation of existing staff resources through overtime and limiting some aspects of service delivery.

The first of these options is being recommended as the most effective way of achieving clearance within short timescales. This option would enable tight controls in the selection of backlog staff and greatest flexibility in the utilisation of these staff. Option 2 requires further clarification from Capita about likely costs and assurances. Capita have however already indicated that they may not be able to provide staff immediately. The third option is not recommended as it would not be capable of achieving clearance quickly and will be severely hampered by the imminent summer leave period for staff.

- 6.5 The options outlined in the backlog clearance plan acknowledge the seriousness of the current situation and also highlights the need to bring the backlog under control as soon as possible. Whilst the cost of these additional resources are significant it should be realised that failure to deal with the backlog in the near future will have a debilitating affect on the whole service over the coming years and will require an even greater level of resource to clear it in the future.
- 6.6 It is important to note that there is currently a risk of extended strike action by benefits staff from mid July 03 to August 03. In the event that this strike goes ahead then additional temporary staff will be required to maintain the service during the industrial action. Given the likely cost of specialist agency staff, it is estimated that a further £ 60,000 would be required to provide adequate contingency for the benefit processing during this time. The closing date for the ballot is understood to be 8 July 2003, which will enable Members to be provided with a verbal update at the Executive meeting. There would also be implications for customer services subject to the extent to which strike action could be mitigated by additional temporary staff.

7. Background Information

The Benefits Recovery Plan Update - April 2002
The Future of Revenues and Benefits, Executive Report - 1st July 2002
Local Taxation and Benefits Best Value Review Report - October 2001

[Any person wishing to inspect the above papers should contact Catherine Morgan, Room 114, Town Hall, on 020 8937 1423]

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