

**Report to the Finance and Performance
Management Cabinet Committee**



Report reference: FCC-001-2009/10
Date of meeting: 15 June 2009

**Epping Forest
District Council**

Portfolio: Finance and Economic Development.
Subject: Update on Performance of Benefit Claim Processing
Responsible Officer: Janet Twinn (01992 564215).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations:

That the current performance of Benefit claim processing be noted.

Executive Summary:

The report sets out the current performance levels for the processing of new benefit claims and change events for existing benefit claims.

Reasons for Proposed Decision:

To keep Members informed of the current performance levels and workload issues.

Other Options for Action:

A report on a service restructure and resourcing options will be going to Cabinet in July. Currently Members are only being asked to note current performance.

Report:

1. In previous years the performance of the Benefits Division for the processing of new benefit claims and change of circumstances was generally in the second quartile in the country. However, there were several staffing issues in 2007/08 when performance declined due to a lack of resources and again in 2008/09 when claim processing was affected by the conversion of the Revenues and Benefits IT system. This decline in performance was noted by the Audit Commission in 2008/09 and in December 2008 meetings commenced with the Audit Commission to discuss a way forward. An improvement plan was developed and monthly meetings with the Audit Commission have been taking place since this time.
2. Prior to the conversion to the Academy IT system, resource had to be taken away from claim processing to concentrate on data conversion being as accurate as possible. In addition, the plan to train new and existing staff on claim processing was delayed until after conversion as it was not the best use of resources to start training on an IT system that was soon to be replaced.
3. Claim processing was also affected immediately prior to conversion as priority was put on the cancellation of claims to prevent an additional 6 week overpayment of benefit during the shutdown period. In December 2008, conversion took place and from 12

December 2008 to 21 January 2009, no IT system was available to carry out any claim processing. This meant that an improvement plan could not be put into place until the end of January 2009.

4. As part of the improvement plan, internal processes and procedures were revised to clear the backlog of work and several agency staff were employed. One advantage of the new IT system is that there are many agency staff that have previous experience of the Academy IT system as well as the Document Management IT system used in Benefits, and therefore very little training was required. The bulk of the backlog has now been cleared and four of the agency staff have left as they realise that there is very little backlog work and have therefore sought alternative work. The majority of the incoming post is being allocated to officers and is being looked at in the week that it is received.

5. Many claims cannot be processed straight away as there is often evidence and/or further information that are not supplied at that time. When further information is requested, in accordance with the Regulations, the request has to be put in writing and the claimant has one month in which to supply the information. Although ways of speeding up this process are being used, such as visiting new claimants to obtain the required evidence and more use of the telephone to either obtain information or to try to speed the process up, delays due to lack of evidence being supplied are not always in our control. There are also many occasions where the claimant themselves is unable to supply the evidence in a timely manner. Claims where it does take several weeks to supply the necessary evidence then increase average claim processing times.

6. Appendix 1 shows the monthly performance of benefit claim processing since August 2008. The effect of the conversion of the IT system can be clearly seen but since January there has been a steady improvement, particularly in new claim processing. Targets for new claim processing and change events were set as part of the improvement plan. The target for new claim processing was 40 days by the end of March, 35 days by the end of April, 30 days by the end of May and 25 days by the end of June. Although these targets have not quite been met, the improvement has been significant since the start of the new IT system in January when the performance was 98.04 days. Performance for change events has fluctuated but the high number of changes and extremely good performance in February was due to the processing of claims for the new financial year.

7. It can also be noted from the data in Appendix 1 that the caseload has significantly increased in the last 6 months. The caseload remained at a fairly stable level for several years but this level of increase can be attributed to the current economic downturn. The caseload figures are for the number of claims in payment at the end of each month. Although included in the processing statistics, the caseload figures do not take account of the number of claims received that either have no entitlement following a calculation, or claims that are defective following a failure by the claimant to supply information. It should also be noted that many new claims have been received from people who are self employed. These claims are far more complex and very time consuming to process as there are often no audited accounts. Other new claims are from people who have never claimed benefit before and it has been found that these claims are more time consuming due to a lack of knowledge of the Benefits systems by these people. From discussions at the Essex Benefit Officers Group, it is clear that these trends are common across Essex.

8. The amount of work that is being received is being monitored and has shown that an average of between 1500 and 2000 documents are being received on a weekly basis in the Benefits Division. This compares to between 1000 and 1250 documents for the same period last year. One task in the improvement plan is to look at the structure of the Benefits Division, particularly the way in which the teams are organised and how work is allocated. The current structure has evolved over the years and has largely been dictated by Department for Work

and Pension requirements, depending upon data requirements and financial incentives. As the data requirements have changed again and there are no financial incentives available, the structure is being looked at again with priority being given to the efficient and timely processing of claims.

9. Due to the increase in caseload and the number of documents being received on a weekly basis, it is also being considered whether there are adequate staff resources without the continued employment of the agency staff that remain. A recovery from the economic downturn in the short term is unlikely and therefore it must be considered whether it is more cost effective to continue to use agency staff or to increase the establishment of the Benefits Division. A report setting out the options for restructuring and resourcing the service will be made to Cabinet in July.

Resource Implications:

Members provided £35,000 of DDF funding split between 2008/09 and 2009/10 to employ a "Hit Squad" to assist in dealing with the backlog of claims. This funding will be used up by the end of June and, as mentioned above, a detailed report covering resource requirements will be made to Cabinet.

Legal and Governance Implications:

No specific implications

Safer, Cleaner and Greener Implications:

No specific implications

Consultation Undertaken:

None

Background Papers:

None

Impact Assessments:

The decision to note current performance has neither equalities or risk management impacts.

Benefit processing times							
Month	Caseload	New claims actioned in month	New claims average time (days)	New claims average time (cumulative)	Change events actioned in month	Change events average time (days)	Change events average time (cumulative)
August 08	8374	308	46.37	38.36	836	11.80	12.34
September 08	8390	344	48.47	40.02	998	13.52	12.50
October 08	8396	381	47.00	41.11	1032	11.68	12.40
November 08	8338	417	43.29	41.47	966	11.05	12.26
December 08	8252	252	45.53	41.75	601	13.33	12.32
January 09	8677	314	98.04	46.85	448	26.87	12.96
February 09	8646	549	57.59	48.33	19410	2.02	5.80
March 09	8875	948	42.03	47.12	2371	9.26	6.05
April 09	8896	592	36.55	36.55	1490	13.50	13.50
May 09	8913	393	30.58	34.17	1291	11.53	12.27