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## The Benefits Transformation Project

### Summary

In 2006-07, the Benefits Team at North Kesteven District Council dealt with over 6,200 citizens who were entitled to claim for Housing or Council Tax benefits, processed 4,200 changes in circumstance and over 3,500 new claims. New claims took an average 28.5 days to process, whilst changes in circumstances took 13 days.

North Kesteven believed that they could operate more efficiently, and deliver a faster, leaner service. North Kesteven's Revenues and Benefits Team grasped the opportunity to overhaul existing processes and debtor management procedures following a successful grant application from the Department for Work and Pensions (DWP) Performance Standards Fund. This case study charts the route taken by North Kesteven, and details the obstacles that were faced, and overcome, and the benefits that have subsequently followed.

### Quote

***“North Kesteven’s benefits transformation programme is another example of the excellent work that is going on in the East Midlands.”***

Chris Allison,  
Regional Director  
East Midlands Centre of Excellence

Improvement through efficiency



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## Project background

Local authorities are increasingly facing tougher and leaner performance targets. In this respect the Benefits Team at North Kesteven are no different to any other professional team, within any local authority.

North Kesteven's Benefits Team are required to adhere to the Department for Work and Pensions Performance Standards Framework, which contributes to the Council's Comprehensive Performance Assessment and the national legislative Housing Benefit and Council Tax Benefit Scheme. (HB/CTB).

The key drivers to change processes were to:

- enable achievement against the HB and CTB standards
- improve customer satisfaction
- reduce form-filling
- remove unnecessary bureaucracy
- maximise use of Northgate's document imaging and workflow system
- and enable integration with the new Customer Service Centre and CRM system.

The DWP Performance Standards were first launched in April 2002, and were developed to cover the full picture of what makes up effective and secure HB delivery, the Performance Standards are firmly founded on what needs to be achieved to deliver an effective HB and Council Tax Benefit system, meet wider strategic objectives and strengthen accountability for the service in local authorities.

The Performance Standards are designed to provide a:

- benchmark for performance assessment
- means of assessing performance over time

- common basis for DWP, BFI and LAs to assess performance.

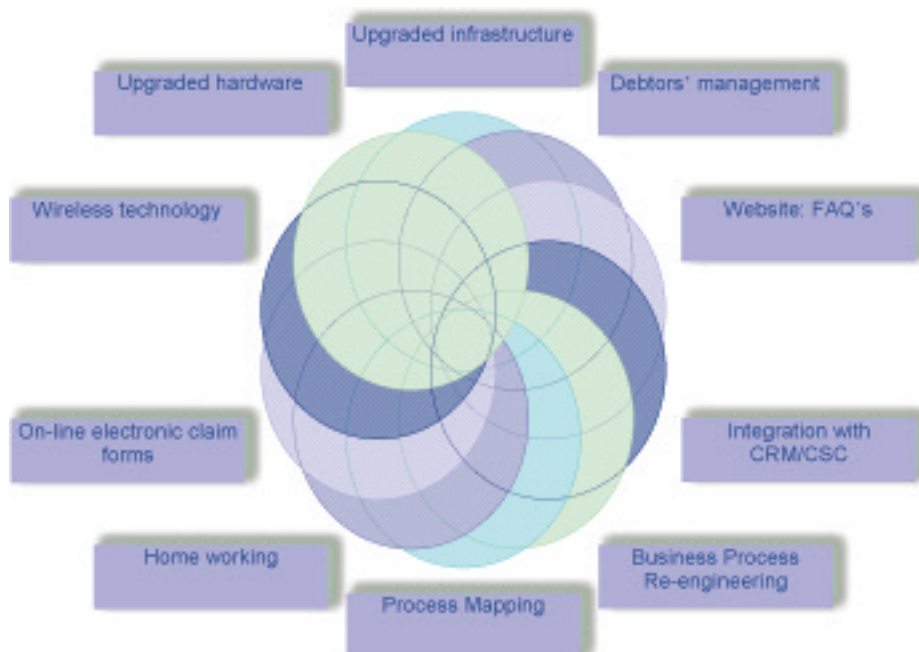
To underpin these performance standards the Department for Work and Pensions (DWP) invested approximately £200m into a Performance Standards Fund. NKDC applied for funding and received an allocation of £600k, mated with a £200k contribution from North Kesteven. The Benefits Service set about using their £800k of funding to develop processes that would:

- speed-up the claims service to under 20 days
- reduce the time taken to process change in circumstances
- make the claims service more accurate
- increase efficiency
- reduce paperwork and form-filling for customers
- increase overpayment recovery
- build effective partnerships
- integrate Benefits service into the new Customer Service Centre and CRM
- and provide a more customer centric, less complex and bureaucratic process.

## Objectives

North Kesteven outlined a number of objectives that would in their own way complement the overall objectives of the programme, these included process mapping existing and future service structures, upgrading hardware, adopting wireless technologies, upgrading hardware, adopting wireless technologies, developing an e-Benefit system, integrating existing systems, and enabling employees to adopt home working principles. Figure 1 outlines the key elements of North Kesteven's holistic approach to Benefits Transformation.

Figure 1 - The Benefits Transformation Project



## Key transformations and benefits achieved

The following areas of the benefits transformation process were key to the overall success of the project:

### Home working

As a result of recent developments in technology, employers are increasingly able to provide their employees with alternatives to traditional office based working practices.

By encouraging flexible arrangements such as home and mobile working, North Kesteven demonstrated a commitment to improving their employees' quality of life; managed to maintain high levels of productivity; and significantly improved staff retention and sickness rates.

Home working was piloted within the Revenues and Benefits Team in February 2006, and adopted as an accepted method of working in May 2006. Twenty percent of the Benefits Team's staff now work from home and 35% of claims are processed out of the office.

In the year following the implementation of home working one staff member relocated to Staffordshire, but has continued to work for North Kesteven. This was only possible due to the home working policy, and would have resulted in a lengthy and expensive recruitment and training process prior to the adoption of home working.

Employees who work from home are provided with a desk, chair, filing system, business phone, broadband line, laptop and monitor, and are able to claim a small non-taxable home working allowance in accordance with HM Revenue & Customs guidelines. To ensure staff are engaged and up to date the Benefits Team hold a regular 'Get Together Day' at North Kesteven's offices every 6 to 8 weeks.

### Process mapping and procedures

North Kesteven has invested a lot of time and effort into process mapping procedures. Prior to the process mapping exercise North Kesteven found that guidance and statutory rules were typically held in a range of books, manuals and minds. Few processes were mapped end-to-end, resulting in a higher frequency of errors and the lack of a contingency plan in the event of unforeseen circumstances.

By mapping existing processes across the whole benefits service, and by identifying bottlenecks and inefficiencies North Kesteven were able re-engineer revised processes around new technology, integrate the customer service centre and develop new CRM scripts.

North Kesteven purchased and used QMAP software for the process mapping of the Benefits service. North Kesteven were so pleased with the results that they are now using QMAP to analyse and map other Council service areas.

### Upgraded hardware and new technology

In order to maximise the benefit from new ways of working North Kesteven ensured that their hardware infrastructure was up to date, invested in a new database server that was four times faster, and upgraded their internet link in January 2006 to 2MB. This ensured that the new business processes, which included wireless and remote working had the ultimate chance of success.

Laptops, tablet PCs and digital cameras were procured for visiting officers and housing officers, the customer service centre, remote offices and parish contact points. Wireless technology not only enabled officers to work virtually anywhere, online or offline, but also enabled them to respond to customer enquiries and collect information. Nowhere was this more relevant than for Housing Officer's who can now log benefit issues instantaneously, collect evidence, speed up benefit processing times and reduce rent arrears from building up.

Benefit Visiting Officers can now carry out reviews in customer's homes and all work can be completed on-line without paper forms and evidence having to come into the office to be processed by back office staff.

### Overpayment recovery

Overpayments of Housing Benefits typically occur due to claimants coming on and off benefits, and to in-year changes that are not promptly notified. Historically benefit overpayments were recovered using a third party sundry debtors system and responsibility was passed to the Legal Services Team for recovery at the post-reminder stage.

To counter this inefficient process North Kesteven integrated its dedicated Northgate Debtors System with the Northgate Benefits Processing System. The Benefits Team also claimed responsibility for the recovery procedure at all stages. This empowered benefits staff to achieve overpayment recovery targets and stopped unnecessary bureaucratic transfers of information between departments and systems.

Service users are no longer transferred between departments and arrangements to pay or receive payments are dealt with by one person, not several. This has resulted in significant service improvements and the new process has been rolled out to all other corporate debtors following a review by Members.

## Integration to CRM

One of the most successful outcomes from the project concerned the integration of front and back office systems. North Kesteven were able to facilitate the integration of Lagan's Customer Relationship Management software (CRM) with Northgate's IS Benefit System. By working closely with the two companies the Benefits Team developed a range of adapters that would enable the 'front office' CRM to interrogate the 'back office' benefits systems.

This enabled Customer Service Agents to access benefit information and view documents held on back office systems through the CRM system. Scripted processes also allowed the agents to give advice - and where appropriate update notepads and trigger tasks on the workflow system.

This has resulted in customers been dealt with faster and more efficiently, and without the need to be transferred between departments. As a result of this change customer satisfaction surveys have shown a significant increase in satisfaction levels.

## Website Frequently Asked Questions

The council website now includes a section on benefits information in the Frequently Asked Questions (FAQ) section. The content for this section was developed following consultation between the Benefits Team, a range of non-benefit staff and service users. The benefits FAQ section contains over 200 questions and answers and is available for the public to access 24-hours a day. By making this information available on-line North Kesteven has enabled service users to self serve and removes the need for service users to contact the council via phone or office visits.

## On-line electronic claims forms

The e-Benefits system - provided by Northgate Information Systems - has been integrated into processes so that new claims can be taken over the phone and via home visits. e-Benefits is capable of accessing eligibility for up to 60 benefits through an interactive interview and removes the need for customers to fill in long forms. Customers can also self-assess eligibility for HB/CTB via a self-service option on the North Kesteven website.



Supplementary evidence for eligibility can be uploaded via digital camera straight into workflow systems, information gathered in e-Benefits is automatically transferred into the back office benefit system without the need to re-key the information.

The majority of new claims through e-Benefits are processed within 3 days of on-line interview. Future development in the near future includes enabling on-line changes in circumstances.

For the time being the mobile technology has also been used in fixed office customer services to gather changes in circumstances information and this includes recording the changes for customers to sign and telling them what evidence is required at the first point of contact. This means that proof of the change is usually available for processing much faster contributing to a much quicker process overall.

## Benefits achieved

- New paper based claims are now processed in less than 22 days – a 25% improvement in processing time. The anticipated processing time based on the full-year trend is expected to be 16 to 19 days
- The majority of e-Benefits claims are processed in 1 day, and a maximum 3 days
- Assisted claims interviews have virtually eliminated 'dirty' data from claims files/records, crucially, instances of missing data are now a past problem.
- Changes in circumstances are processed in under 10 days – a 20% improvement, the full-year trend indicates a final 6 to 8 days average
- Overpayment recovery has increased from 58% in 2005-06 to 79% in 2006-07
- Nearly 50% of phone calls about benefits are dealt with by customer services at the first point of contact
- There has been a 25% reduction in documents handled and scanned by the indexing team
- The considerable amount of time and money saved following the implementation of the project has been re-invested into speeding up new and existing processes
- Claimants – such as the elderly- who are unable to self-serve online can be now be visited and processed at home, thus helping those most at need
- Good practices developed during the project are being integrated into other services such as debtor recovery, process mapping, home and mobile working
- Customer satisfaction levels are at upper quartile levels and improving (see figure 2).

The largest improvements in satisfaction, in comparison to the 2006 results, concerned the following elements of the overall service:

- Not being transferred between several staff
- Easy to understand letters and claim forms
- Served by the correct member of staff
- Staff 'not in a rush' to hurriedly process a claim.

Figure 2 – Customer satisfaction levels

| <i>Overall Customer satisfaction levels with:-</i>           | <i>2006</i> | <i>2007</i> | <i>Improvement</i> |
|--|-------------|-------------|--------------------|
| Ways available to contact the benefit office                 | 87%         | 92%         | +5%                |
| The telephone service provided by the local benefits service | 87%         | 87%         | +/- 0%             |
| The service provided by staff in the local benefits office   | 87%         | 92%         | +5%                |
| The housing/council tax benefits claim form                  | 64%         | 70%         | +6%                |
| The length of time taken to notify a decision on a claim     | 76%         | 88%         | +12%               |
| The local council benefits office                            | 84%         | 91%         | +7%                |

### Qualitative feedback

#### Overall Service

***“Before this project we used numerous manual processes ... potentially leading to errors. This inevitably created time delays ... and to reactivity, rather than pro-activity.”***

#### Accessible Services and Staff

***“I saw an article in the Lincolnshire Echo about the new accessible services and rang the telephone number provided. I was asked questions about my finances and then a gentleman was sent out to fill in the form and photograph my documents. To me this arrangement was ideal; when you are elderly it could have been a big ordeal.”***

#### Critical success factors, risks and lessons learned

North Kesteven’s Benefits Transformation Project was subject to a completion date in March 2007 as a result of DWP funding requirements. There was a real risk that the council would miss the DWP deadline, not have trained staff in the new processes, and not have been able to successfully launch the revised systems on March 12th 2007 - the day that Council Tax demands and benefit letters were delivered to residents.

There was the possibility that the development requirements of the new technology/software would be too complex, and subject to delays whilst the various software providers liaised and prioritised their workloads. To minimise delays North Kesteven provided clear specifications, followed by close monitoring, and where appropriate, the intervention of high-level management support in the software providers organisations to deliver fixes and revisions to their products.

Within the council, front office and back office staff had to be confident with each others skills. This was achieved by putting back office staff with frontline staff to provide support and advice for a period of four weeks after the project went live. At the end of this period the back office staff were happy to report that they understood the new processes and scripts, and were confident that front office staff were capable and following the procedures correctly.

The Project Board - including service director - and Heads of Service monitored the project regularly so that progress could be seen to be made and deadlines achieved.

The increased efficiency of the new processes has enabled North Kesteven to invest the time and money saved into better customer service; thereby enabling staff to complete tasks at the first point of call; allowing the customer to access services in the easiest manner possible; whilst minimising the need for customers to fill-in forms with potential faults.

## The future and transferability

North Kesteven envisages and is planning further technologically enabled services, providing an even more flexible, customer-centric, faster, more efficient and accurate service. They will only be able to achieve this by continuing to work in partnership with all of their internal and external stakeholders.

North Kesteven's open working practices also include working in partnership with other local authorities. To this end, a shared service 'Pathfinder Project' is currently investigating the possible benefits of a business rates partnership with West Lindsey District Council.

The council is also keen to work with other authorities, and the EMCE predicts that the processes developed through the Benefits Transformation Project have the potential to be applied to other councils in the region and nationally.

## Role of RCE

The East Midlands Centre of Excellence is showcasing this leading edge project as an example of good practice from the East Midlands to a wider regional and national audience.



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