

## PLYMOUTH CITY COUNCIL

**Subject:** Welfare Reform Resource Planning  
**Committee:** Cabinet  
**Date:** 12 February 2013  
**Cabinet Member:** Councillor Lowry  
**CMT Member:** Adam Broome (Director for Corporate Services)  
**Author:** Martine Collins, Strategic Manager Revs and Benefits  
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**Ref:**

**Key Decision:** No  
**Part:** I

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### **Purpose of the report:**

To provide an overview of plans to respond to the anticipated increase in customer demand as a result of Welfare Reform changes.

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### **Corporate Plan 2012 – 2015:**

The Revenues and Benefits service significantly contributes to the inequalities agenda ensuring that the most vulnerable residents of Plymouth receive the appropriate benefit entitlement. The service also has strong links into Value for Communities.

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:**

The Council administers housing benefit subsidy of c. £100m per annum.

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### **Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

- An effective Revenues and Benefits service helps address inequalities through ensuring that vulnerable residents receive appropriate benefit entitlement.

- The service undertakes annual benefit take up campaigns which are targeted to areas of greatest need.

**Equality and Diversity:**

Has an Equality Impact Assessment been undertaken? Yes

This has been built into the Council Tax Support Scheme which is subject to another paper.

**Recommendations and Reasons for recommended action:**

Cabinet are asked to note the action plans and departmental responses.

**Alternative options considered and rejected:**

None

**Published work / information:**

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

**Sign off:**

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Originating SMT Member Malcolm Coe													
Has the Cabinet Member(s) agreed the content of the report? Yes / No													

## **SECTION ONE**

### **I Introduction**

- 1.1 The Revenues and Benefits Service has been responding to the Government's agenda for Welfare Reform. The majority of the work so far has centred on the design and development of the Social Fund, Council Tax Support Scheme, and changes to Council Tax discounts. In addition, the department has responded to and implemented a number of changes to Local Housing Allowance, Employment Support Allowance and other benefits adjustments in preparation for the introduction of the bigger welfare changes.
- 1.2 The changes to be implemented in 2013/4 are:
- Council Tax Support (CTS)
  - Social Fund
  - Changes to Council Tax discounts and exemptions
  - Benefit Cap
  - Under- occupancy of social housing
- 1.3 The second phase of the changes is now focussed on implementation and resource planning to respond to the anticipated additional customer demand that this will generate.

### **2 Actions so far**

- 2.1 During 2012, a programme of training was undertaken to create a generic workforce. This was a big challenge given that 30% of staff from December 2011 were new to the department and had no previous working knowledge of the service area. Training was undertaken throughout 2012 and is still on-going as Housing Benefit in particular requires around 12 months before staff are fully proficient. The focus on generic training will continue throughout 2013 as the new staff into the department become ready to move on into other disciplines.
- 2.2 Work has continually been undertaken to remove waste from processes and deliver a leaner service. We capture demand quarterly to identify activities that cause delays, and as a result we have streamlined processes. Staff are actively involved in identifying changes and delivering the improvements.
- 2.3 Implemented a Quality Assurance checking programme to reduce error and improve overall accuracy and consistency in the processing of claims. We have also recently implemented a performance management system to help identify further training requirements, and improve and reduce variations with the level of output.

- 2.4 Implementation of legislation changes in preparation for Universal Credit as required by Government, including Local Housing Allowance, and caps on bedroom room rates.
- 2.5 Written to and visited customers most affected by the changes to date such as under occupancy, and benefit cap. This is a continual process as more changes are delivered and new customers come onto benefit.
- 2.6 Joint working with Housing Associations, Housing. Social Inclusion, Devon Manager Group. There has been greater partnership working throughout 2012 to identify the issues associated with the welfare reform changes and contacting customers as the earliest opportunity to support and move them through the changes.
- 2.7 Undertook a single person discount review to ensure accuracy of households in receipt of this discount and maximise collectable income. This will be undertaken again in 2013 and become a rolling programme.
- 2.8 Reducing backlogs of work in Housing Benefit with a focus on New Claims and clearance of ATLAS changes from the DWP. Clearance of this work is essential to avoid payments of current Council Tax Benefit claims from the Council Tax Support funding from April 2013.
- 2.9 Design and delivery of Corporate-wide Welfare Reform awareness briefings. Staff worked with Learning and Development to design and implement interactive workshops to get departments thinking about the impact on customers whilst raising overall awareness.
- 2.10 Delivered drop in sessions at various locations around the city which have been undertaken together with awareness sessions with welfare agencies.
- 2.11 Undertaken a full consultation process on the proposed Council Tax Support scheme and principles around the Social Fund scheme.
- 2.12 Provided updated negotiation technique training for staff to improve collection of both council tax and business rates. This is currently being built into our working practices.

### **3 How we are responding**

#### **3.1 Welfare Team**

- 3.1.1 A welfare team will be set up within the Revenues and Benefits department to deal with the assessment of all discretionary funds, to include Social Fund, Discretionary Hardship Payments (HB) and Exceptional Hardship Payments (CT). This team will also include staff responsibility for the monitoring, forecasting, reporting and review of the funds including the overall Council Tax Support Scheme and Social Fund, on-going housing benefits subsidy and all associated functions.

- 3.1.2 The team will consist of current staff within the department and will be overseen within existing management arrangements. However provision of additional staff have been identified as a requirement for Social Fund and will be funded through the administration grant. It is anticipated that this team will initially be set up for a period of 2 years and will be reviewed and adapted as further changes to welfare are delivered.
- 3.1.3 From April 2013, an essential function within Revenues and Benefits will be to monitor, understand and respond to changes in demand as a result of the implementation of Council Tax Support, and Social Fund and other welfare reforms. The impact of changes in demand will result in either a positive or negative impact on the funding available and it is going to be critical that we identify any changes early in order that we can respond. For example, it will be necessary to introduce rolling reviews of Council Tax Support awards to ensure those that genuinely require it, receive it.
- 3.1.4 Building up a picture of trends is also going to be necessary in order to inform future changes within the schemes. For example if certain groups are adversely affected or a large company goes out of business we may see an increase in demand, putting pressure on an already restricted budget. It will be essential to identify this early.
- 3.1.5 From May/June 2013 it will be necessary to determine how much the authority wishes to provide for the Council Tax Support scheme in 2014/5. The scheme will then need to be revised in relation to the level of funding available. Changes to the scheme can only be delivered annually and will require further consultation. As future funding will come as part of the Business Rates Retention Grant, it will be down to the authority to determine how this budget is allocated across the differing areas the budget is to support.

## **3.2 Income Maximisation of Council Tax and Business Rates**

- 3.2.1 It is expected that changes to the welfare benefit system will have an impact on the collection of Council Tax. The localism agenda also means that greater emphasis will need to be placed on maximisation and collection of business rates through the localism agenda.
- 3.2.2 Recovery Risc score software provides a targeted approach to non-payers allowing for tailored recovery action depending on a customer's payment history. This will allow for more focused recovery to non-payers rather than late payers.
- 3.2.3 Weekly instalments to provide greater flexibility for customers including payments over 12 months. This applies to both business and residential customers. By giving customers greater flexibility we reduce recovery action and staff time chasing late payers allowing them to focus on the true non-payers.
- 3.2.4 Breaking the cycle of debt for customers who currently pay the bailiff. This is an annual initiative to encourage those paying the bailiff regularly to pay the current

- years charge as billed to the LA then clear arrears. This avoids further recovery action and charges.
- 3.2.5 Training HB staff in arrangements and re-profiling instalments so that discussions around payment can be had at the point of every new claim assessed before the customer gets into arrears. This will allow us to tailor payments options to the customer and allow recovery action to focus on the non-payers rather than late payers.
  - 3.2.6 Proactive recovery will continue with staff telephoning customers at summons stage to prompt payment and avoid further action.
  - 3.2.7 Changes to Council Tax discounts will mean more people are billed for Council Tax. Greater monitoring of discounts and exemptions will be required in-year to prevent fraudulent claims.

### **3.3 Building Capacity**

- 3.3.1 Introduction of Self Service in mid-January will allow customers to access their accounts on-line 24/7. Customer will be able to view their accounts for housing benefit, council tax and business rates. They will be able to notify changes in address and sign up for e-billing and direct debit payments. A reduction in contact for simple enquiries will result in 1-2 FTE's during January to March depending on sign-up.
- 3.3.2 The introduction of Risk Based Verification will reduce the level of evidence verification needed to support a new claim. This will result in a reduction of verification for around 50% of claims, speeding up processing times and releasing resources. The reduction will mean 5FTE equivalent staff will be used initially to resource welfare reform and visiting functions. Processes have also been reviewed and are currently being tested to speed up processing times and reduce queue times.
- 3.3.3 4 FTE Customer Assistants are due to complete training in Council Tax mid-January. These staff will be ready to move onto telephone enquiries by the end of January. This will enable more experienced staff to be released to respond to demand from welfare reform and year end.
- 3.3.4 ATLAS has seen work-loads increase by 250-500 changes per week in Plymouth and has resulted in delays in other areas of work. By 31 January the department will be fully up to date with the backlog of ATLAS files and from February there will be more automation of processes by the Capita system which will result in less direct staff assessment of some cases. ATLAS and Electronic Transfer Data files from the DWP make up around 45% of the overall work coming in to the department.

## SECTION TWO

### 4 Forecasting and Resourcing

- 4.1 In preparation for the implementation of the changes from April 2013, work is progressing to inform and support customers based on which changes will affect them. Awareness raising and support will result in an increase in overall demand from mid-January to the end of March 2013.
- 4.2 From April 2013, it is anticipated that increased demand will be generated through the recovery of Council Tax from customers claiming Council Tax Support. It is expected that most non-payers will ignore contact initially, and are more likely to contact at the point of a final notice or summons. Continued work will be done to contact those customers once their first instalment has been missed to avoid recovery action and costs where possible. This is an on-going piece of work.
- 4.3 This report deals with the initial demand expectation from January 2013 through to 31 March 2013. Three scenarios have been modelled to allow for a 5% uplift in forecasted customer demand. A further additional plan has been provided to allow for an additional resource option. Scenario 2 has been identified as the most likely response rate. The base line demand has been uplifted by 10% to provide a degree of tolerance within the scenarios.
- 4.4 Continuous daily monitoring arrangements are in place to allow for active response to changes in demand.
- 4.5 Resourcing has been based on total current staffing levels within Revenues and Benefits as follows:
- Council Tax resource 39 FTE – Technical Experts, Senior Customer Advisors and Customer Advisors
  - Housing Benefit resource 37 FTE's – Technical Experts and Senior Customer Advisors
  - Additional resource will be utilised from Customer Services as required. Due to levels of experience this resource will be utilised to deal with basic queries (scripted) and call backs at peaks times, as necessary
  - Council Tax staff will be available to take calls following the issue of Council Tax discount letters. Anticipated 2 weeks increased demand. No impact anticipated as will be offset by reduced work levels in other areas during this period
  - Council Tax staff to be utilised for proactive telephone calls following the issue of Council Tax Support letters to customers. Anticipated 6 weeks increase in

demand, offset in part by reduced work levels during this period (prior to Council Tax billing)

- A further 5 Housing Benefit FTE's can be offset during this period by the introduction of risk based verification (HB claims can be assessed on less evidence)
- 4 New members of CTAX staff due out of training which will release 4 experienced staff to be moved to the phones / counter

4.6 Calculations for proactive phone calls in advance of Council Tax billing have been based on 5 calls per FTE per hour. This is based on scripted text and tested. Proactive calls will be done in priority order based on customer impact:

- CTS and under occupancy combined impact 1943 customers
- 100% Council Tax Benefit or DLA recipients 8000 customers
- Remainder low priority 6000 customers

## **5 Managing Demand**

### **5.1 All Scenarios**

- Staff already starting to discuss changes with face to face and telephone customers affected. Codes to be put onto system to reduce double handling when making proactive calls
- Letters to be sent to all welfare agencies and Social Landlords with on-going liaison with Housing Associations/ CAB so that these partners can answer some queries and cut down on the number of queries coming into Revenues and benefits
- Letters to be sent to all customers affected by Council Tax Support –staggered over a 4 week period. Letters will advise customers we will contact them and will include frequently asked questions and a timetable of changes.
- Proactive calling of Council Tax Support customers will follow the issue of the letters up until the end of March based on priority (see 4.6). The focus of the calls will be:
  - What has changed and how it will affect them
  - Payment options - weekly instalments and payment over 12 months is being introduced to encourage payment and make payment more manageable
- Use of overtime is being used to offset lost hours on targeted tasks. Also can be used to allow proactive calling outside of normal office hours.
- Information will be placed on the website so that customers FAQs can be answered. Telephone messaging will be adjusted to help field calls
- Some of the DWP's ATLAS work will be automated during February and clearance of ATLAS work in January will release further staffing 1/2FTE's



- Growing take-up of self-service reducing response rates for simple enquiries (approx. 1 FTE)
- Targeted drop in sessions pre and post main billing are being planned

## **5.2 Scenario 2**

All of the above plus:

- Use of existing agency staff diverted to assist in calls (2 FTE's)
- Use of visiting team to assist in calls
- Additional overtime to be made available
- Additional drop-in sessions to be held to target customer queries and reduce footfall/incoming calls
- Move additional 5 FTE's to front end to answer calls -

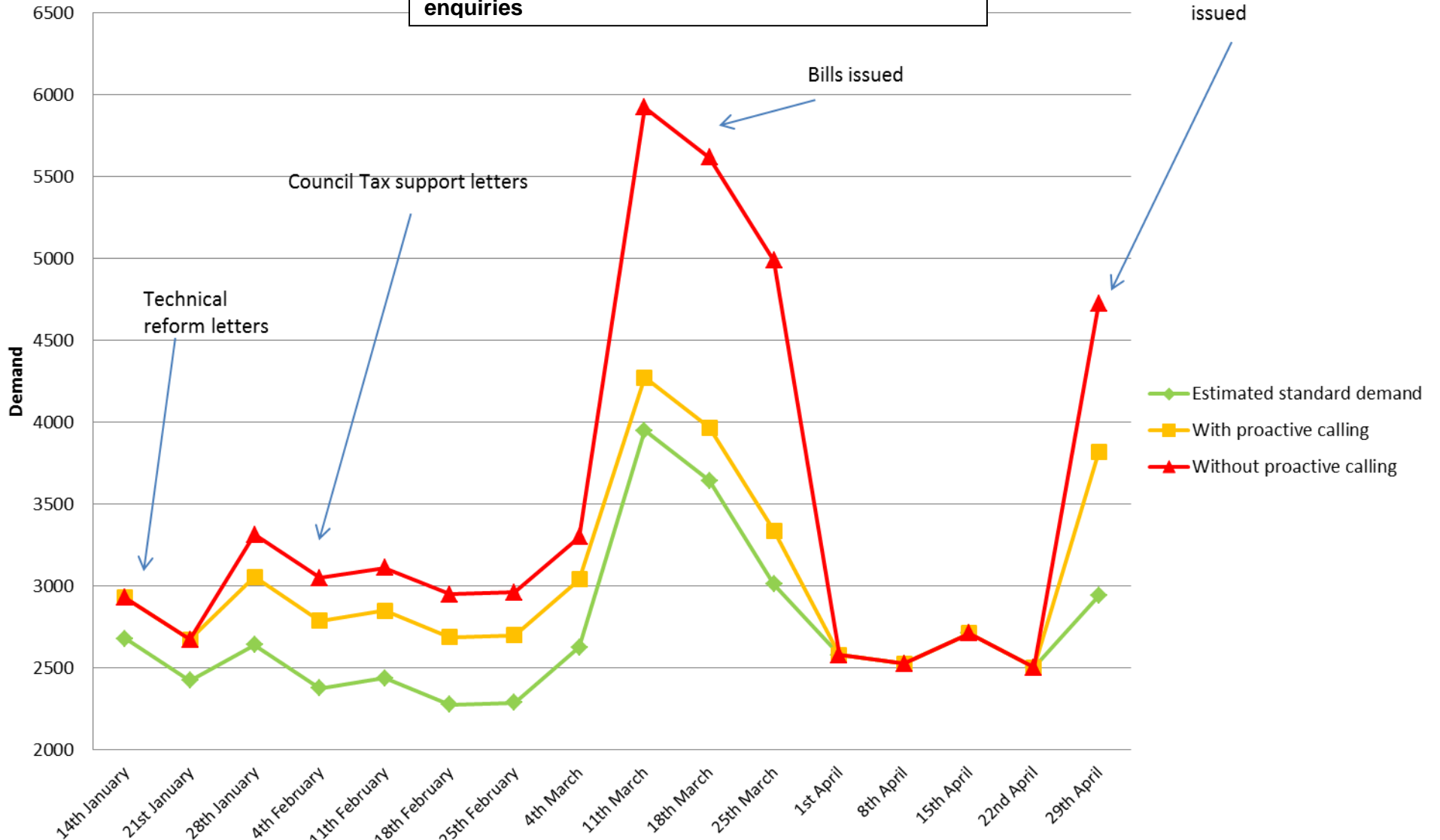
## **5.3 Scenario 3**

All of the above plus:

- Team leaders to be included in proactive calls and call backs
- Move additional 5 FTE's to front end to answer calls.

5.4 For every 5 FTE move to the front end in scenario's 2 and 3 it will add an additional 250 cases to 'normal' workloads and add approximately 3 days to processing times.

**Scenario 1 - Forecasting based upon historic demand +15% and the lowest level of additional enquiries**



## **Scenario One – 15% increase in demand**

### **With Proactive phone-calling:**

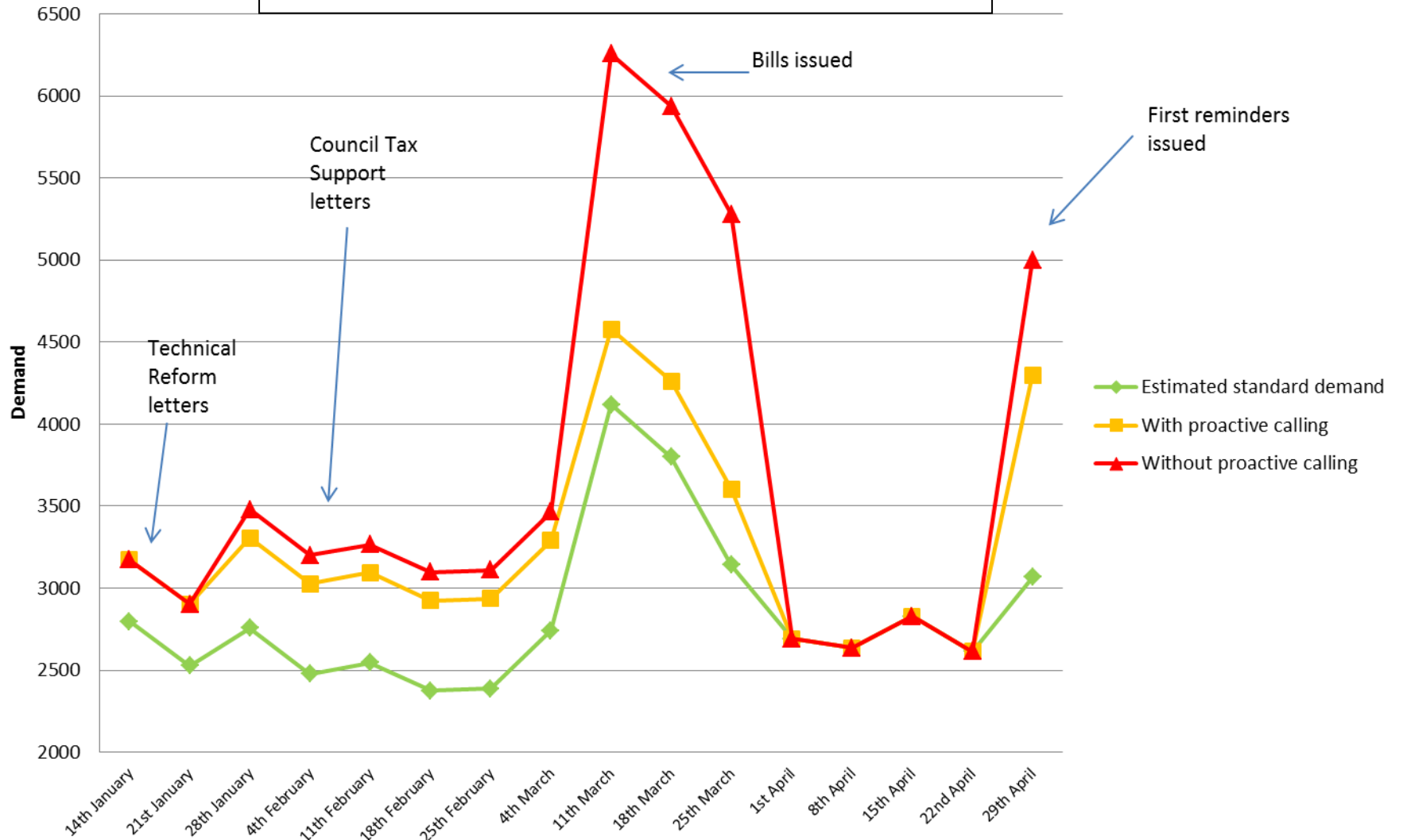
- A total of 250 extra calls per week are anticipated in the weeks of 14<sup>th</sup> and 21<sup>st</sup> January generated by receipt of the Council Tax discount (TR) letters. The equivalent of 2 extra FTE's per week required to resource forward facing area. Available hours for "business as usual" are not impacted due to reduced work levels at this time of year in Council Tax.
- For the 6 weeks from 28<sup>th</sup> January to 11<sup>th</sup> March we expect a total of 413 extra queries per week to be generated from the letters issued regarding Council Tax Support (CTS) as a proportion will choose to ring rather than wait for us to contact them. Will need to make 1400 proactive phone calls per week to those most affected. Resource required for both equates to 10 FTEs per week. Available hours for "business as usual" reduces to 68% of norm. For the 3 weeks of main billing (11<sup>th</sup> March – 1<sup>st</sup> April) we expect a total of 50 extra queries per week from customers affected by TR and 275 queries per week from customers affected by CTS which will require 2 extra FTEs per week. Available hours for "business as usual" reduces to 95% of norm.
- For the week 29<sup>th</sup> April, when we issue reminder notices, we expect a total of 50 TR queries and 825 CTS queries which will require 5 extra FTEs Available hours for "business as usual" reduces to 85% of norm.
- Will result in reduced processing time leading to reduction in performance indicators by approximately 3 days and workloads increase between 100 - 150 cases per week for approximately 4 weeks.
- This will in part be offset by resourcing demand under section 5.1.

### **Without Proactive phone-calling:**

- Still anticipate a total of 250 extra calls per week in the weeks of 14<sup>th</sup> and 21<sup>st</sup> January which will require 2 extra FTEs per week as no proactive calls to TR customers. Available hours for "business as usual" reduces to 96% of norm.
- For the 6 weeks from 28<sup>th</sup> January to 11<sup>th</sup> March we expect a total of 4044 extra queries from CTS customers as there is no undertaking from us to contact them. This will require 4 extra FTEs per week to be allocated to taking enquiries. Available hours for "business as usual" reduces to 88% of norm.
- For the 3 weeks of main billing (11<sup>th</sup> March – 1<sup>st</sup> April) we expect a total of 50 extra queries per week from TR customers and 1925 extra queries per week from CTS customers which will require 11 extra FTEs per week at. Available hours for "business as usual" reduces to 67% of norm.
- For the week 29<sup>th</sup> April, when we issue reminder notices, we expect a total of 50 extra queries from TR customers and 1733 CTS customers. This will require 10 extra FTEs per week at. Available hours for "business as usual" reduces to 68% of norm.

- Resources impaired with additional significant pressure at main billing when we will see a reduction in performance indicators of around 5 days for around 8 to 10 weeks.
- However must be balanced with fact that will not have spoken to all customers therefore no opportunity to sort out payment plans early leading to reduced collection rates.

**Scenario 2 - Forecasting based upon historic demand +20% and the middle level of additional enquiries**



### **With Proactive phone-calling:**

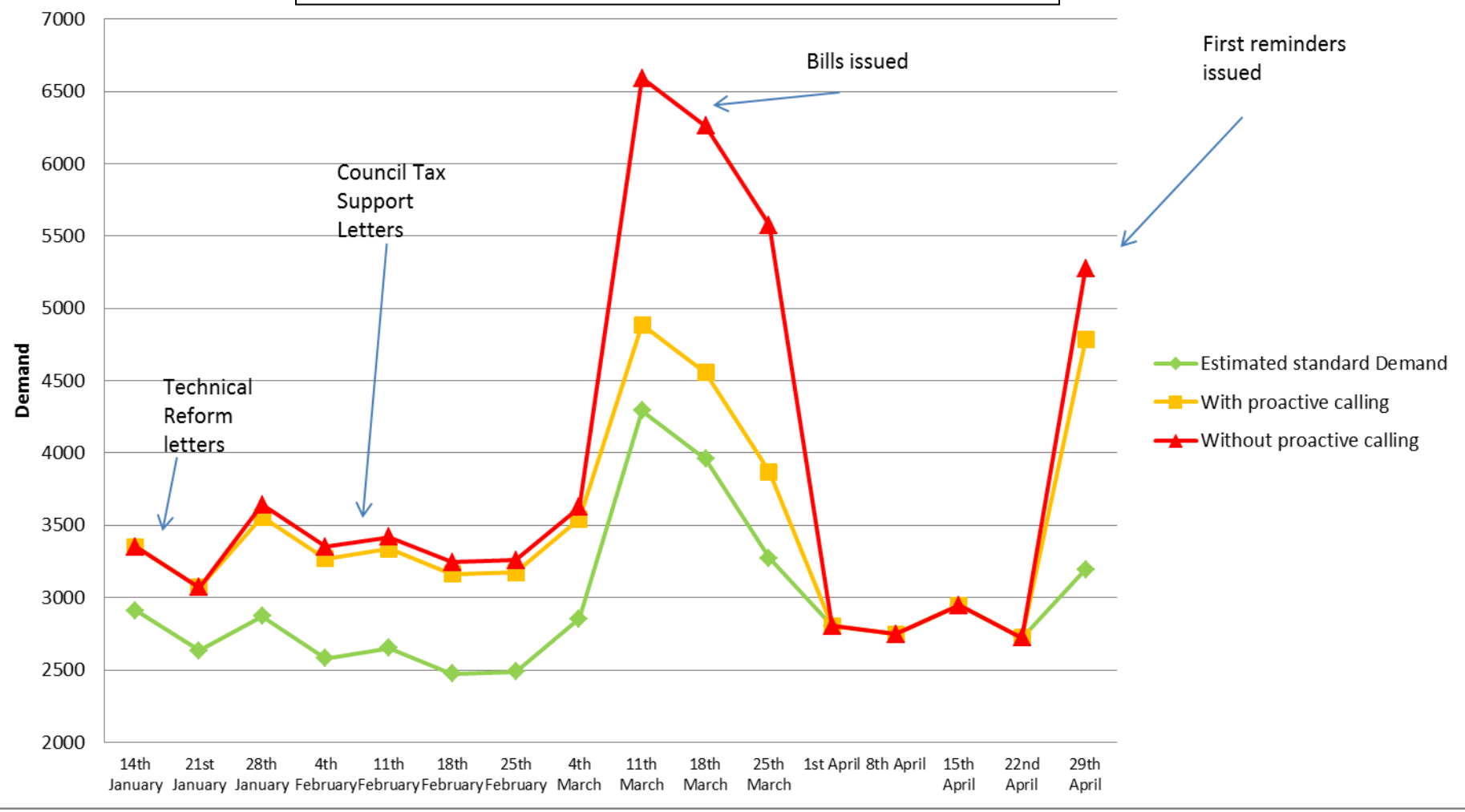
- We anticipate a total of 375 extra calls per week in the weeks of 14<sup>th</sup> and 21<sup>st</sup> January generated by receipt of the Council Tax discounts (TR) letters. The equivalent of 2 extra FTE's per week required to resource forward facing area. Available hours for "business as usual" reduces to 93% of norm
- For the 6 weeks from 28<sup>th</sup> January to 11<sup>th</sup> March we expect a total of 550 extra queries per week to be generated from the letters issued regarding Council Tax Support (CTS) as a proportion will choose to ring rather than wait for us to contact them. Will need to make 1400 proactive phone calls per week. Resource required for both equates to 11 FTEs per week. Available hours for "business as usual" reduces to 67% of norm
- For the 3 weeks of main billing (11<sup>th</sup> March – 1<sup>st</sup> April) we expect a total of 75 extra queries per week from customers affected by TR and 385 per week from customers affected by CTS which will require 3 extra FTEs per week Available hours for "business as usual" reduces to 92% of norm
- For the week 29<sup>th</sup> April, when we issue reminder notices, we expect a total of 75 TR queries and 1155 CTS queries which will require 7 extras FTEs. Available hours for "business as usual" reduces to 78% of norm
- Will result in some loss in processing time leading to a reduction in performance indicators of approximately 3 days and caseload increase of 100-150 per week for approximately 5-6 weeks
- Resources impact will in part be offset by resourcing demand under section 5.2 – scenario 2.

### **Without Proactive phone-calling:**

- Still anticipate a total of 375 extra calls per week in the weeks of 14<sup>th</sup> and 21<sup>st</sup> January which will require 2 extra FTEs per week as no proactive calls to TR customers. Available hours for "business as usual" reduces to 93 % of norm
- For the 6 weeks from 28<sup>th</sup> January to 11<sup>th</sup> March we expect a total of 722 extra queries per week from CTS customers as there is no undertaking from us to contact them. This will require 4 extra FTEs per week to be allocated to taking enquiries. Available hours for "business as usual" reduces to 87% of norm
- For the 3 weeks of main billing (11<sup>th</sup> March – 1<sup>st</sup> April) we expect a total of 75 extra queries per week from TR customers and 2063 extra queries from CTS customers which will require 12 extra FTEs per week. Available hours for "business as usual" reduces to 65% of norm
- For the week 29<sup>th</sup> April, when we issue reminder notices, we expect a total of 75 extra queries from TR customers and 1856 CTS customers. This will require 10 extras FTEs per week. Available hours for "business as usual" reduces to 66% of norm

- Resources impaired with additional significant pressure at main billing when we will see a reduction in performance indicators of around 6 days for around 8 to 10 weeks
- In addition there would be no opportunity to speak to customers therefore no opportunity to sort out payment plans early leading to reduced collection rates

**Scenario 3 - This represents anticipated demand based upon figures from same period last year plus 25% and projecting highest level of additional queries**





### **With Proactive phone-calling:**

- We anticipate a total of 438 extra calls per week in the weeks of 14<sup>th</sup> and 21<sup>st</sup> January generated by receipt of the Technical Reform (TR) letters. 3 extra FTE per week required to resource forward facing area. Available hours for “business as usual” reduces to 90% of norm
- For the 6 weeks from 28<sup>th</sup> January to 11<sup>th</sup> March we expect a total of 688 extra queries per week to be generated from the letters issued regarding Council Tax Support (CTS) as a proportion will choose to ring rather than wait for us to contact them. Will need to make 1400 proactive phone calls per week. Resource required for both equates to 11 FTEs per week. Available hours for “business as usual” reduces to 67% of norm
- For the 3 weeks of main billing (11<sup>th</sup> March – 1<sup>st</sup> April) we expect a total of 100 extra queries per week from customers affected by TR and 495 per week from customers affected by CTS which will require 4 extra FTEs per week Available hours for “business as usual” reduces to 87% of norm
- For the week 29<sup>th</sup> April, when we issue reminder notices, we expect a total of 100 TR queries and 1485 CTS queries which will require 9 extras FTEs. Available hours for “business as usual” reduces to 70% of norm
- Will result in greater reduced processing time leading to reduction in performance indicators of approximately 4 days and increase in workloads of around 150 – 200 cases per week
- Resource impact will in part be offset by resourcing demand under section 5.3 – scenario 3.

### **Without Proactive phone-calling:**

- Still anticipate a total of 438 extra calls per week in the weeks of 14<sup>th</sup> and 21<sup>st</sup> January which will require 3 extra FTEs per week as no proactive calls to TR customers. Available hours for “business as usual” reduces to 92% of norm
- For the 6 weeks from 28<sup>th</sup> January to 11<sup>th</sup> March we expect a total of 770 extra queries per week from CTS customers as there is no undertaking from us to contact them. This will require 4 extra FTEs per week to be allocated to taking enquiries. Available hours for “business as usual” reduces to 87% of norm
- For the 3 weeks of main billing (11<sup>th</sup> March – 1<sup>st</sup> April) we expect a total of 100 extra queries per week from TR customers and 2200 extra queries from CTS customers which will require 12 extra FTEs per week. Available hours for “business as usual” reduces to 62% of norm
- For the week 29<sup>th</sup> April, when we issue reminder notices, we expect a total of 100 extra queries from TR customers and 1980 CTS customers. This will require 12 extras FTEs per week. Available hours for “business as usual” reduces to 62% of norm. Will result in reduced processing time leading to reduction in performance indicators
- Resources impaired with additional significant pressure at main billing when we will see a reduction in performance indicators of around 7 days for around 10-12 weeks
- This must be balanced with the fact that having not spoken to customers there will be no opportunity to discuss payment plans leading to reduced collection rates