Benefits and Local Taxation

Pre Business Plan Review

2007/2008

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Business Unit:	Benefits and Local Taxation
Budget Holder:	Paul Ellicott
Directorate:	Finance

This Pre-Business Plan Review template has three main sections:

Section A:
Sets out progress against current year's objectives, performance targets and budget

Section B:
Identifies the factors that will affect the work of your business unit in the next four years

Section C:
Sets out proposals for the years ahead

There are 3 appendices which need to be completed in addition to this form:

Appendix 1
Lists business unit relevant performance indicators, floor targets, year to date and end year projected performance against targets and action to be taken to deal with under-performance. (Compiled by Improvement & Performance, completed by Business Unit)

Appendix 2
Value for Money profile – (Compiled by Audit Commission) for reference in completing section 4.

Appendix 3
a)Analysis of expenditure against budget and Grants
b)Revenue savings targets– (Compiled by Corporate Finance)

Appendix 4
Capital Programme Application Form and Explanatory & Guidance Notes – (2 additional documents compiled by Strategy Section, Corporate Finance, to be completed if relevant, in conjunction with section 12 of PBPR)

SECTION A – Where is the Business Unit now?

1. Vision

The Benefits and Local Taxation (BLT) division will be nationally recognised as a high performing business service. In achieving excellence, customers will receive a responsive, relevant and efficient service that adds to their quality of life.

2. Objectives (Current Year)

Objectives	Progress so far	Anticipated progress at year end	Areas of work to carry forward
To achieve a 'good' Benefits CPA rating by the Benefits and Fraud Inspectorate for new performance standards.	A rating of 'good' has been achieved.	As in progress so far.	The CPA action plan that identifies the gaps from the BFI assessment.

To undertake activity based costings, business process re-engineering to demonstrate 'value for money'.	Demonstrating value for money continues to be a major objective of the division. The Audit Commission has identified the Haringey Benefits and Local Taxation service to be high cost and medium performance. A fairer way to calculate unit costs is being led by Haringey and Croydon and the findings will be discussed with the London SLT group and representatives from the Audit Commission. Team based costings have now been established and are being monitored on a monthly basis. Team-based activities is the next stage of the costing analysis to be undertaken. Due to the perceived high level of cost it has been decided to undertake a Value for Money review of Benefits and Local Taxation. The project will assist in verifying the source data, addressing the Council's efficiency and value for money agenda and will contribute to the Use of Resources block of the CPA. The project has been initiated in September and will be finalised in February 2007.	The value for money review will have been completed and recommendations identified.	The resulting action plan from the value for money review.

To achieve the Local Taxation and Housing Benefit Overpayment in-year and previous year's collection rate targets.	Progress for all collection targets has remained steady as the second quarter is close to finalising. Targeted non-payment of previous years arrears and costs will be undertaken in the third and fourth quarter.	Targets achieved.	Continual collection of arrears.
To manage the service with a defined financial budget, to increase cash flow and achieve subsidy targets.	Budget monitoring meetings are held on a monthly basis where key income and expenditure decisions are made. The analysis of council tax and national non-domestic rate collection highlights a cash-flow improvement. Subsidy proposals remain on target.	Break-even budget position, cash-flow improvement and subsidy targets achieved.	None
Improve year-on-year customer consultation and satisfaction through the formation and implementation of a marketing strategy.	Consultation has been undertaken for targeted stakeholders such as pensioners and landlords and a benefits survey is being undertaken to meet the BVPI requirements.	The recruitment to the post of Communication and Liaison Officer has enabled the service to focus on developing relationships with key external stakeholders, broaden joint working opportunities and prepare a wider consultation exercise.	Working more closely with Customer Services to understand customer needs and expectations. Working in partnership with the Citizens Advice Bureau.

Ensure the service is performance driven with a clear strategic approach through leadership and accountability.	Team and individual targets have been derived from the divisional BVPI's and Local PI's. Manager's priorities, deliverables and behaviour constantly being challenged. All managers attending or have attended the Leadership Programme. The introduction of the National Performance Management Framework will offer greater understanding of the key performance drivers and areas for improvement in benefits.	To have worked with OD and L to identify the gaps in team leader and management performance.	Investing in training and development in the management team to ensure continuous improvement. Roll-out of the National Performance Management Framework for Local Taxation.
Create a supporting, learning and developmental environment for all staff to increase levels of staff satisfaction and improve the quality of work output.	Training and development plan implemented, supported by a divisional wide training needs analysis. Created an on-line training and procedure programme to promote learning. Introduction of IRRV (Professional Association) education to staff and fund supported. Supported ECDL training.	Team Leader training course implemented.	Working with the IRRV to develop Haringey BLT as an NVQ centre of excellence.

To identify and engage with Partners and Stakeholders to achieve key service objectives and performance improvement.	The service works closely with housing associations, landlords and enforcement agencies. However more effective partnerships need to be developed with internal directorates, the DWP and CAB.	Securing service level agreements with current partners and an improved relationship with customer services.	Identifying and working more effectively with a diverse set of partners.
To work in partnership with the Department of Works and Pensions (DWP) in the early detection and investigation of fraud through a Pathfinder approach	The project has been a success and has been extended. Performance of the Pathfinder Team has contributed to an 'excellent rating' for security under the performance standards. Performance is on target for 2006/07.	Further discussions are being held with the DWP to decide on any further extensions to the current arrangement.	Dependent on the decision to continue after April 2007. However, joint working would continue based on the improved relationship with DWP.

3. Performance

Please complete Appendix 1.

For all indicators where performance against target or threshold **is at risk** set out: details in the table below

Ref	Description	2006/07 target / threshold	2006/07 performance Apr-Aug	2006/07 projection	Proposed remedial action to achieve target
78a	New claims	36	41	39	Identification of process simplification. System enhancement to withdraw non-compliance cases over 28 days. Increased productivity.

4. Value for Money (Cost, Performance, Perception)

Please see Appendix 2 for further information

Demonstrating value for money continues to be a major objective of the division. The Audit Commission has identified the Haringey Benefits and Local Taxation service to be high cost and medium performance. A fairer way to calculate unit costs is being led by Haringey and Croydon and the findings will be discussed with the London SLT group and representatives from the Audit Commission.
Due to the perceived high level of cost it has been decided to undertake a Value for Money review of Benefits and Local Taxation. The project will assist in verifying the source data, addressing the Council's efficiency and value for money agenda and will contribute to the Use of Resources block of the CPA. The project has been initiated in September and will be finalised in February 2007.

When the VFM project has been completed the Benefits and Local Taxation division will look at shared service opportunities.

5. Finance

5.1 Spend against Budget

Appendix 3 shows an analysis of the cost of your service. Where there are over-spends or under-spends either as at end of August or at projected year-end, please list reasons and proposed remedial action.

Projected variation of £x – reason – remedial actions being taken / proposed 0 variance	No immediate action required – expected to break-even.

5.2 Impact of Previous Years' Investment (New Table)

(List investment received over past 2 years per area/service and demonstrate how this has led to improved service performance/outputs/outcomes)

Area/Service	**2004/05 £'000**	**2005/06 £'000**	**Planned impact**	**Actual impact**
Benefits Processing	40	0	Improvement in the processing time around the assessment of benefit, and in the drive towards greater customer focus	Still to be assessed. Planned to go live within the next 4- 6 weeks
Citizens Account (Gandlake)	35	0	More efficient process for customers to access their accounts on line	Expected 2006-07. Awaiting access to Government Gateway and for clarification of issues around cash allocation for customers
TOTAL	**75**	**0**		

5.3 Agreed **Cashable** efficiency savings 2006/07 to 2008/09 (Please set out progress on savings already agreed over the next 3 years in addition to Savings & Investments already agreed. Where savings have not been achieved state the reasons.)

Details of efficiency	2006/07 over 2005/06 £'000	2007/08 over 2006/07 £'000	2008/09 over 2007/08 £'000	Progress
Improved cash collection.	401	0	0	Achieved . Total of efficiency obtained through improved collection of overpayments, court costs and pro-active budget management.
Increased benefit overpayment income covered by subsidy.		30	0	Debt analysis review undertaken and recommendations tabled.
A reduction in contractor costs.		25	0	Contracts being reviewed and discussions ongoing.
Improvement and targeting of the collection of court costs for council tax and national non-domestic rates.		45	0	Review being undertaken.
Total	**401**	**100**	**0**	

5.4 Agreed **Non-cashable** efficiency savings 2006/07 to 2008/09 (Please set out progress on savings already agreed over the next 3 years. Where savings have not been achieved state the reasons.)

Details of efficiency	2006/07 over 2005/06 £'000	2007/08 over 2006/07 £'000	2008/09 over 2007/08 £'000	Progress
None	0	0	0	n/a
	0	0	0	n/a
Total	0	0	0	

5.5 Pre-Agreed Revenue Investment Proposals (growth bids).

(Please comment on progress on use of investments previously agreed)

Details of Investment	2006/07 over 2005/06 £'000	2007/08 over 2006/07 £'000	2008/09 over 2007/08 £'000	Progress
Nil	0	0	0	n/a

6. Risk Management

6.1 You will already be monitoring risks through your risk register. Please set out any issues or key risks that might impact on your service in the coming year.

Risks	Mitigation	Further actions required
Undetected and delays in detection of fraud committed by customers and staff Loss of income to the Council and to the public purse	• Counter fraud strategy in place • Joint working with DWP and Jobcentre Plus through Pathfinder scheme for early detection and investigation of potential fraud • Increase in number of prosecutions • Publicity strategy • Code of conduct for staff • Audit checks on staff	Nil
Decrease in previous and current year collection levels Delays in assessment and payment of benefit	• Ongoing review of documentation/notices • Backlog strategy • Publicity strategy to increase benefit take-up • Publicity strategy to warn of consequences of non-payment • Monthly debt performance monitoring & analysis • Attendance at SX3 user group meetings • Information sharing amongst local authorities, e.g., LRG membership	Nil
Contract terms and conditions not complied with and service provision interrupted, or terminated.	• Lead Contract Officer for Division • Service standards and performance measures identified • Regular contract monitoring meetings held, documented and action plans issued as required	Nil
Poor performance, or non-compliance with contract terms and conditions by contractor/ supplier of services necessitates early termination of contract	• Regular contract monitoring meetings between council and contractors/ service providers • Agendas, meetings minuted, action points agreed and followed up • Agreed problem resolution process in place • Default clauses in contracts	Nil

Increase in levels of overpaid benefit due to LA error Inadequate information available from the computer system Subsidy claim not accepted/paid by Government body	• Regular and accurate management information available and analysed • Strategy to improve performance against performance indicator targets, i.e., new claims/accuracy of overpayments • Subsidy Officer in post	Nil
Implementation of LHA in April 2008	• Management information to identify future demand. • Plan for possible customer concerns. • Address any financial implications.	Address issue of customers who have difficulty in opening a bank account.

SECTION B

What will affect the work of your Business Unit in the next four years?

7. Legislative regulatory, national policy changes or other external pressures including demographic changes

Lyons Inquiry.- effects on Local Taxation

The main issues under consideration which potentially affect Benefits and Local Taxation are:

- Review of Council Tax could it be replaced by Local Income Tax or a mixture of both?.
- Returning Business Rates to Local Control
- Changes to funding and grants - affecting the amount of tax payable and ability of residents to pay.

Welfare Reform Bill- affects on Housing Benefits and the way the scheme is administered.

- **Local Housing Allowance (LHA)** - LHA is based on rent levels for an area in which a person lives and how many people live with them. This replaces the system of a Rent Officer Assessment for every individual property in the Borough. There are no changes to the entitlement rules – this will still be based on a person's income and savings and proof of a valid tenancy; however rents will now be grouped together regardless of the condition of an individual property.
- Each local authority will be divided into Rent Areas. Rent Officers will set individual LHA rates for each Rent Area. These will be published by the local authority so that landlords and prospective LHA customers can be clear about the amount of rent that LHA will cover.
- Prospective tenants will be able to shop around with their allowance. If they find a property they like with a rent that exceeds their LHA they will need, as they do now, to make up the difference themselves. But if they find somewhere with a rent below their allowance, they will be able to keep the difference for themselves
- Another change is that payment will in most cases be made to the tenant, who will then pay the landlord. This has been introduced to promote social responsibility. This change could prove difficult for some and Haringey will need to help those who have been unable to open a bank account.

- Powers to impose sanctions on HB for those evicted for anti social behaviour.
- New powers to investigate and prosecute fraud relating to DWP benefits as well as HB – although part of the Welfare Reform Bill, Haringey already have experience of joint working with DWP in fraud through the Pathfinder agreement.
- Enhance joined up working and removal of barriers to claiming benefits – Haringey Benefits Service is signing up to a joint working partnership with the Pensions Service to fast track benefit claims submitted through this partnership.

Expansion of EU

Rights of nationals to claim Housing Benefit has lead to an influx of Housing Benefit claims. Haringey has experienced a large amount of benefit claims from nationals from other countries, many of which are more complicated to assess and require greater scrutiny. There has been a large increase of self employed claims as a result of the expansion of the EU and self employed claims are the most complex to assess and take the longest time to assess.

Council Tax Revaluation

- This has been deferred but will require additional resources for system enhancements, data cleansing, template re-design and training.

Audit Commission

- The Audit Commission's determination on whether benefits and local taxation's performance is satisfactory.
- In April 2006, CPA measurement scores were increased by the DWP. It was a stretch target that BLT would receive a 4 (Excellent) score for the 2006/20007, however following the increased target scores, in 2006/2007 it is now a challenge for BLT to ensure that they manage to maintain their score of 3 (Good) in the next assessment
- Audit Commission report on VFM and efficiency savings – BLT is now required to ensure that they deliver Value For Money in the service that it provides. VFM benchmarking with nearest neighbours is a challenge as Local Authority make up and structure ensures that the benchmarking does not start from a level playing field. There is a constant pressure to improve services as well as making financial cuts to budgets.

8. Customer Focus

Customer type	Current assessment of perceptions	Proposed actions to improve perceptions to an acceptable level
Job Centre Plus	Very good- We have an SLA with Job Centre Plus which is reviewed on an annual basis. We also undertake quarterly liaison meetings to discuss relevant issues and to resolve problems.	Continuation with meetings, review of SLA each year as agreed.
DWP	Very positive- We have an SLA in place which is reviewed on an annual basis. We also undertake quarterly liaison meetings.	Continue with meetings, review of SLA each year as agreed.
Homes for Haringey	Very good- Following the introduction of Homes for Haringey we have worked closely with OUR Housing staff to design and agree an SLA. We hold quarterly liaison meetings with HFH staff and review meetings are held every six weeks to resolve more complex HB/CTB cases. These review meetings work well.	Continue with review meetings, review of SLA on an annual basis. We will be working together towards developing closer links and we are considering new options to further improve service.

Housing Association	Very good- SLA's are in place for all of our major Housing Associations. We have well established, well attended quarterly liaison meetings with Housing Associations. These are also attended by Customer Services. Additionally review meetings are held with our major Housing Associations every six weeks to resolve more complex cases and these are working well.	Continue with review meetings, annual review of SLA and production of a landlord information booklet. We have added a link on our website for landlords to access information, forms and links to other useful and relevant sites. We have recently signed a partnership agreement with a local Housing Association. As part of this agreement, the Housing Association staff will be trained by our service and certified as Verification Officers to accept original documentation as proof to support Benefit claims (as required by the HB Verification Framework). This will eradicate the need for the tenant to travel to the local Haringey office to supply original documentation. If successful, this pilot partnership will be rolled out to other major Housing Associations.
Landlords	Perception is that our relationship with Private Landlords is good. We no longer hold liaison meetings with landlords because, although well attended when first introduced, as service improved to an acceptable level, there was very little take up for this service. There is an agreed escalation procedure for landlords who experience problems with their Housing Benefit payments.	Production of a landlord information booklet. We have added a link on our website for landlords to access information, forms and links to other useful and relevant sites.

Tenants applying for Housing Benefit	Good- As part of the joint BPR exercise with Customer Services, we reviewed and improved the new claims process.	Mori currently undertaking a benefit customer satisfaction survey, on our behalf as required by the Audit Commission. The results will be available in March 2007 for analysis. Haringey website has been updated to provide access to information on Benefits and links to an On line benefits calculator and other useful welfare benefit advice sites. We are now finalising a project to review und update existing forms and information for customers which will be available at Customer Service Centres and on the Haringey website. We will be reviewing the latest Customer Services exit survey results and developing an action plan where necessary. We are about to launch our 'Mobile Working' pilot, where claims for Housing Benefit and Council Tax Benefit will be assessed in the homes of our claimants, using GPRS technology and tablet PC's.
Council Tax Payers	Good. Increased level of satisfaction through introduction of e-payments, ATP, acceptance of Debit and Credit cards and Allpay swipe cards, all of which make it easier to pay the tax, Analysis of complaints show that over the last 12 months there has been an increase.	Review Customer Services survey and develop an action plan where necessary. We are also giving consideration to a BLT specific customer survey with regard to payments. We will continue with our marketing campaign to increase benefit awareness and take up, particularly for pensioners and under claiming ethnic groups. We are currently testing software that allows taxpayers to look up their account and payment history on line. This has not been released into the live environment yet as we feel the software can confuse customers and generate unnecessary calls. We are working to fix this. Complaints information requires analysing to determine the reasons for an increase in the number of complaints and how this affects the perception of the service.
Business Tax Payers	Good. Very few complaints are received.	Continue to develop stronger links with our Business Community through the Business Partnership Development Framework and the One Account Project, which will provide a unique reference number for each Business within Haringey. Economic regeneration leads on both projects.

9. SMART Working

People Set out progress against your People Plan objectives and identify 3 key areas of work for 07/08.	The three key areas of work from the BLT people plan are: 1. To review structure and grades to ensure we are able to retain and attract skilled, competent and motivated staff to help us achieve high performance in all areas. 2.To develop a leadership and accountability culture at Team Leader level 3. To identify the key components of modern working for a BLT environment incorporating the Gershon report. Including mobile working, homeworking and partial outsourcing. **Progress against People Plan.** We are continuing with an ongoing Training and Development plan. There are frequent changes to the HB/CTB regulations requiring review of policy, process and training. We have a comprehensive Policy and Procedure package, all of which is available on Harinet. We continue to endeavour to reduce the number of Agency staff working in BLT through our rolling recruitment programme, but we have experienced problems in attracting high quality staff to Haringey. Flexible working options that currently exist within the division are being reviewed to help recruitment. We have recently appointed a graduate trainee within the Service. All our benefit training, policy, procedure and legislation are now on Harinet, easily accessible by all our staff, in fact accessible to anyone within the Council. We are now working on enhancing Local Taxation Policy notes. We have implemented a quality monitoring system, to help us identify training, coaching and competency issues. The results of this are currently being reviewed and training plans being designed to address common problems.

	We have reviewing our internal communications, and have increased the profile of the importance that 1 2 1's and Performance Appraisal takes place. We have developed internal forms to assist managers with these processes. We are developing an internal BLT specific staff survey in addition to studying the results of the recent Corporate staff survey. We have assigned Training and Development Officer to specific teams in BLT, to help identify and address training and coaching requirements. The pilot ECDL is well underway in BLT. We are piloting a 'mobile working' service, using the latest technology to assess benefit claims and to scan the necessary evidence and information for the homes of our customers. The mobile working technology is to be implemented for New Claims for HB/CTB and for reviewing current HB/CTB claims. If successful, the concept will also be implemented for Council Tax and NNDR visiting officers, for use at Court Hearings and at Benefit take up campaigns around the borough. Haringey are one of the few London Authorities to use this technology. Capability management remains an area that requires attention within the division. A support programme with OD and L is being established to raise awareness, understanding and implementation of established council processes.

Work methods and Technology Identify any key IT projects for the coming year so that the impact of these projects can be assessed. *Impact includes any requirement for IT resource such as new or changes to existing software, any systems requiring upgrades, accommodation moves, changes to operating hours. Your IT Business Partner will work with you to assess this impact and provide budgetary estimates.*	ntroduction of Comino new generation Electronic Document Management System - Workflow 2. - .Project Management: 7-8 months @ 3-4 days a week. This works out at between 91 and 139 days @ £350 = £32-49k. Application packaging – 10 days @ £250/day = £2,500 Business Analyst – 45 days @ £300 = £13,500 Mobile Working – pilot of 5 tablets due to be live early October. Most procurement and packaging tasks have been undertaken. Depending on results, we may still require Central IT resource to address issues. If the mobile working concept proves to be successful, we may increase our mobile working capabilities to 25 users. The overall capital cost would be £107,006, covering licences, hardware and software configuration. Revenue costs would be £24,550 which covers annual support and maintenance. Home Working – feasibility study to take place with a view to implement in 2007/2008. Central IT is hoping to deliver the 'desktop' view to anyone who has a suitable PC with broadband ion their homes. This will deliver 'thin' applications as well as being able to access files on the Haringey network. Currently it is not envisaged that there will be any extra costs for application licences, but this will have to be checked with each supplier. Other costs will include Neoteris remote access licence - £40 per user Secure ID token - £127 per user Other installation costs £120 per user, making the total costs at £287 per user Replacement Fraud Case Management Database - we need to replace our current inefficient Fraud Access database during 2007/2008.
Workplace - accommodation Issues	• Corporate Accommodation Strategy. Staff on level 3 Alex House will move to level 7 later this year. 25 staff on level 5 48 Station Road will be required to move to Alex House. • Requirement for new training facilities including an IT training venue to replace the venue on level 3 Alexandra House.

SECTION C

Proposals for the year ahead

10. New objectives for the next financial year- these need to be specific and relate to service improvements.

Number	Objective	Why is this important	Key activities	Dependencies and joint working
1.	To achieve a 'good' Benefits CPA rating by the Benefits and Fraud Inspectorate for new performance standards.	Contributes to the Councils overall CPA score.	Benefits administration across the key areas of processing new claims and changes of circumstances, accuracy of processing, security and counter fraud performance, and resolving appeals and complaints.	• Ability of resources to match demand. • Role of Customer Services • SMART processes between linked teams • Stable support services, eg IT • Role of internal and external stakeholders on service demands and opportunities

2.	Maintain improvements in Council Tax, NNDR and benefit overpayment collection in line with national improvement trends and maximise other revenue collection opportunities.	Contributes to the financial stability of the Council.	Council Tax, NNDR and benefit overpayment administration across the key areas of collection which includes accounts amendments, customer enquiries and correspondence; and prompt and efficient recovery action towards defaulters.	• Ability of resources to match demand. • Role of Customer Services • SMART processes between linked teams • Stable support services, eg IT • Relationship with Courts, Bailiff, and Valuation Agency
3.	Contribute to improving the stability of current IT systems and continue to maximise the introduction of performance enhancing technology.	Improves productivity and contributes towards efficient and modern working practices.	The support and management of IT software and hardware within the Haringey environment, ensuring network connectivity and system upgrades. Joint Service planning, support and management of new IT initiatives.	• Links with IT software suppliers • Relationship with Managed Service providers • CITS role in supporting system enhancements and the introduction of new technology

4.	Achieve a high value for money rating.	Demonstrates a clear understanding of costs and promotes confidence in the service provided.	Budgetary management through improvements in control and planning.	• Links to Corporate Finance • Links to internal providers on defining and controlling internal re-charges • Role of private sector
5.	Engage with partners and stakeholders to assist in achieving the Council's core objectives, particularly in relation to Customers Services and Worklessness.	Contributes to the achieving the Council's key priorities.	Identification of those priorities and opportunities where BLT involvement can contribute to the delivery of change and improvement in line with the Council's key priorities.	• Key internal and external stakeholders
6.	Continue to develop a performance driven service based on a culture of leadership, accountability, and the support and development of all staff.	To improve levels of staff satisfaction and improve the quality of work output.	Promote through 121, Performance Appraisals and training. Closer engagement of the Performance and Development Team and OD&L in the identification and resolution of weaknesses and the development of best practice.	• Engagement of staff • Ability of Performance and Development Team and OD&L to deliver support •

11. Capital Investment Proposals

Please list all capital proposals that have been submitted in the capital appraisal process.

Proposed investment (description of scheme/ programme line)	Capital sought from Council resources			Council contribution as a of overall capital cost
	2007/08 £000	2008/09 £000	2009/10 £000	
Roll-out of mobile working technology after pilot.. Tablets enabling officers to process benefit claims directly with the customer in their home or an appropriate external site. This will offer a more effective service that will improve speed of processing and increase customer satisfaction.	107	0	0	100% Council

Replacement Fraud Case Management Database. This will deliver significantly enhanced business functionality, particularly in the areas of: • More efficient case management and referral management • Better quality intelligence including data analysis and identification of fraud patterns and trends • Management reporting and analysis • Audit trails • System security, especially user permissions	35	0	0	100% Council
TOTAL	**142**	**0**	**0**	

12. New Revenue Investment Proposals (growth bids).

This proposal must include any additional revenue implications arising from any capital proposals in Table 11.

Proposed investment	**How does this support Council Priority**	**Justification (linked to PBPR Section A & B)**	**07/08 over 06/07 £'000**	**08/09 over 07/08 £'000**	**09/10 over 08/09 £'000**	**10/11 over 09/10 £'000**	**Staff affected**	**Posts affected**	**Dependencies/ impact**
(a) ***Key service priority investments***									
Additional enforcement services of bankruptcy and tracing absconders	BVPI, increased income	BVPI targets, key objectives	15	0	0	0	0	0	Improved methods of trace and collect to increase income and raise performance.
Additional service of electronic single person (SPD) discount review	BVPI, increased income	BVPI targets, key objectives	35	0	0	0	0	0	The database on customers claiming SPD is compared against national household databases. Where there is an agreed match then the discount continues. Where there is not a match then the division will contact the customer direct to ascertain status. The review will contribute to improved accuracy of council tax database, detection of fraud and increase income.
TOTAL			**50**	**0**	**0**	**0**	**0**	**0**	

(b) ***Unavoidable cost pressure (price above inflation, demand above plans—evidence required)***									
(c) ***Revenue Implications of capital bids (table 12)***									
Mobile working	Performance improvement	Using technology to improve performanc	25	0	0	0	0	0	Annual support and maintenance costs
Replacement Fraud Database	Reducing fraud	Using technology to improve performance	5	0	0	0	0	0	Annual support and maintenance costs
TOTAL			**30**	**0**	**0**	**0**	**0**	**0**	

13. **New cashable efficiency savings**
Insert proposed efficiency savings, giving an outline of the proposed saving, the impact that this saving will have on performance (if any), the value of the saving in 2007/08 to 20010/11, the number of staff who would be made redundant and the number of posts which would be deleted. This is additional to the already agreed efficiency savings set out in the table 5.3. The total across the four years should agree to the total target savings.

Proposed efficiency saving (£000's)	**Impact on performance**	**2007/08 over 06/07**	**2008/09 over 07/08**	**2009/10 over 08/09**	**2010/11 over 09/10**	**Staff affected**	**Posts affected**	**Dependencies/ impact**
a) ***Cashable Efficiency savings***								
Reduction in the cost of the Sx3 support and maintenance	Nil	4	3	5	5	0	0	Contract lock-in for 5 years
Reduction in paper storage costs linked to court and audit acceptance.	Nil	0	15	10	5	0	0	Nil

Potential savings from the value for money review	n/k	40	45	0	0	n/k	n/k	Result of VFM review
b) ***Service Reductions***								
Limit the use of pre-paid envelopes. Pre-paid envelopes are currently sent with a number of key documents and ensuring a response from customers is critical. A review of the documents sent with pre-paid envelopes will be undertaken and a removal of this service considered. Risks will be analysed and benchmarking undertaken.	Possible reduced responses	10	10	10	10	0	0	Possible reduced customer satisfaction.
Total		**54**	**73**	**25**	**20**	**0**	**0**	

14. **New non-cashable savings**
Non-cashable savings are achieved by (1) Higher output or increased quality (extra service, extra productivity, etc) for the same inputs or (2) Proportionately more outputs or improved quality in return for an increase in resources.
An example of a non-cashable efficiency is a review of business processes which results in more transactions being processed with the same number of staff whilst maintaining quality of service.

Proposed service improvement/ different way working	**Impact on performance (for LBH & Partners)**	**07/08 over and above 06/07 £'000**	**08/09 over and above 07/08 £'000**	**09/10 over and above 08/09 £'000**	**10/11 over and above 09/10 £'000**	**Dependencies/ impact**
Home working	Sickness reduction. Increased productivity.	Pending VFM review	Pending VFM review	Pending VFM review	Pending VFM review	Savings to be quantified in the VFM review.

E-billing for Local Taxation documents	Fewer paper bills issued	Pending VFM review	Pending VFM review	Pending VFM review	Pending VFM review	Savings to be quantified in the VFM review.
Mobile working	Improved BVPI. Improved customer satisfaction.	Pending VFM review	Pending VFM review	Pending VFM review	Pending VFM review	Savings to be quantified in the VFM review.
Increased productivity through resource utilisation	Improved BVPI performance	Pending VFM review	Pending VFM review	Pending VFM review	Pending VFM review	Savings to be quantified in the VFM review.
Reduction in sickness levels	Improved BVPI performance at lower cost	Pending VFM review	Pending VFM review	Pending VFM review	Pending VFM review	Savings to be quantified in the VFM review.
Total		Pending VFM review	Pending VFM review	Pending VFM review	Pending VFM review	Savings to be quantified in each area in the VFM review.

		Haringey	Targets					
BV ref. PAF/Local ref.	Description	2004/05	2005/06 Unaudited Outturn	2006/07 YTD	2006/07 Projection for the year	2006/07	2007/08	2008/09
9	% of council taxes due for the financial year which were received in year by the authority	93.21%	**93.35%**	**93.24%**	93.75%	93.75%	94.00%	94.20%
10	% of non-domestic rates due for the financial year which were received in year by the authority.	98.60%	**98.98%**	**99.45%**	99%	99%	99.2%	99.3%
76a	no. of claimants visited per 1,000 caseload	176.79	**225.72**	**198**	212	210	215	217
76b	no. of fraud investigators per 1,000 caseload	0.2	**0.19**	**0.19**	0.19	0.19	0.19	0.20
76c	no. of fraud investigations per 1,000 caseload	5.44	**8**	**7**	8	8	10	10
76d	no. of prosecutions & sanctions per 1,000 caseload	2.41	**2.35**	**1.09**	2.75	3	4	5
78a	Speed of processing: a) Average time for processing new	46.5	**41.48**	**49.76**	39	36	31	29

	benefit claims (calendar days)							
78b	Speed of processing; b) Average time for processing notifications of changes of circumstance (calendar days)	13.72	**32.17**	**21.93**	19	20	15	9
79a	Accuracy of processing: a) % of cases for which the calculation of the amount of benefit due was correct on the basis of the information available to the determination, for a sample of cases checked post-determination.	97.80%	**95.60**	**97**	99%	99%	99%	99%
79b i	Amount of HB overpayments recovered during the period as a % of total amount of HB overpayments identified during the period.		**54.38**	**58.84**	61	60	62	64

79b ii	Amount of HB overpayments recovered during the period as a % of total amount of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period.		**23.31**	**9.83**	5.2	5	7	9
79b iii	Amount of HB overpayments written off during the period as a % of total amount of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period.		**4.44**	**0.74**	2.9	2	4	6

Appendix 2

Value For Money (Cost, Performance, Perception)

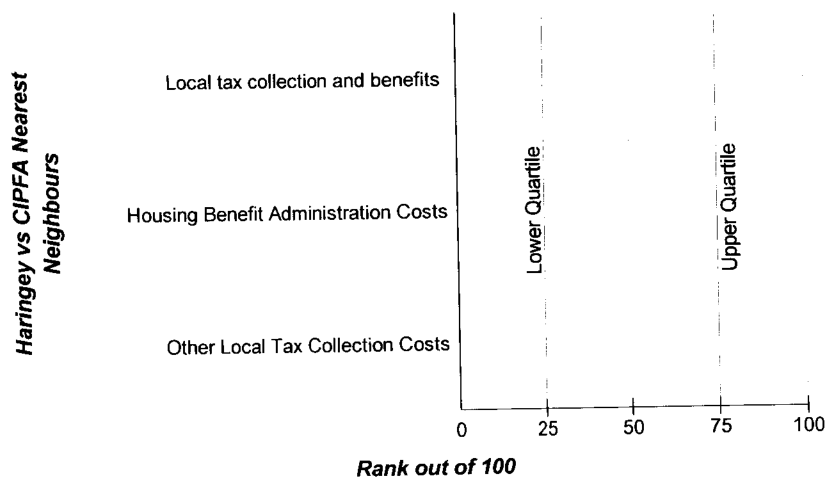
Audit Commission 2005 Use of Resources Review

Demonstrating value for money continues to be a key objective of the division. As part of the 2005 Use of Resources assessment, the Audit Commission identified Haringey's Benefits and Local Taxation service to be high cost and medium performance, in comparison to our 13 nearest neighbours and to other London authorities.

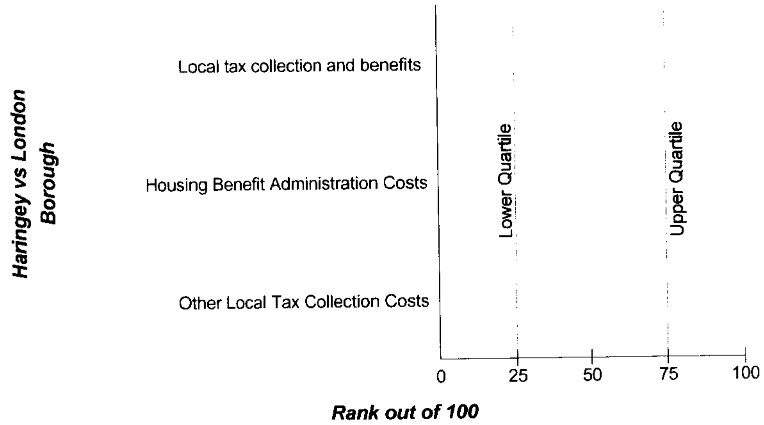
The analysis produced by the Audit Commission was based on cost data provided by authorities within their Revenue Outturn and Revenue Estimate (RO /RA) returns. Basic caseload totals, taken from the 121/124 statistic returns required to be submitted to the DWP quarterly, were taken as the volume data, and applied to arrive at a unit cost for each authority.

Based on this analysis, Haringey appeared in the Upper quartile of costs for the administration of benefits and local taxation, as seen from the graphs below.

Graph1:
Administration cost of benefits and local tax collection 2005, Comparison with nearest neighbours



Administration cost of benefits and local tax collection 2005, Comparison with London Boroughs

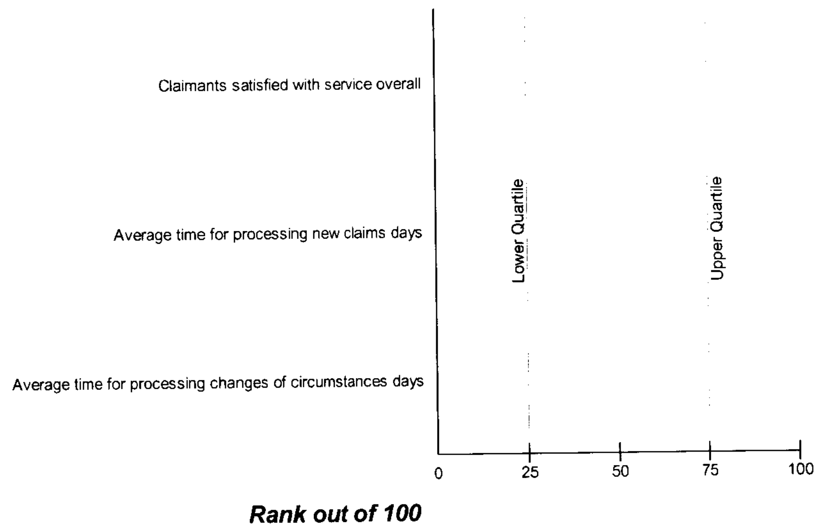


Comparisons were also made by the Audit Commission in the 2005 review of our performance. As shown by graphs below, in relation to both our nearest neighbours and all other London boroughs, Haringey was achieving only medium performance.

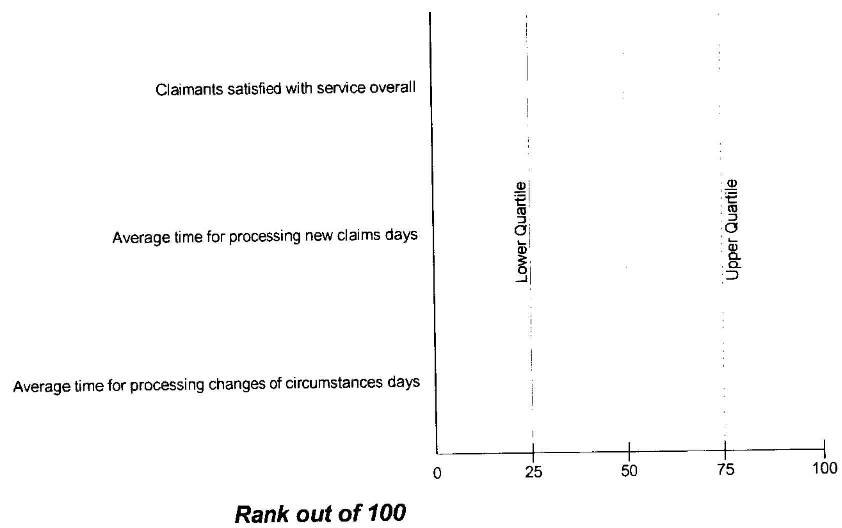
Whilst this is in part will be to the complexity of many of the claims we have to deal with (because of the high deprivation, the predominance of non English speaking languages, the transience of our population etc), there is clearly scope for improvement in processing new claims and changes of circumstances, and in furthering our claimant's satisfaction.

Graph 2: Comparisons of performance in processing new claims & changes of circumstances

Haringey vs CIPFA Nearest Neighbours



Haringey vs London Borough



The Authorities Challenge: VFM Review 2006/07

A detailed investigation of the Audit Commission's findings was commenced by Haringey in 2006. It was apparent that the approach followed by the Commission in calculating unit costs was quite simplistic, and took little, if any, account of the complexity or true volume of transactions being dealt with by benefit staff.

In particular the calculation based on a simple caseload figure alone, ignored:

(i) The added complexity of processing rent allowance claims over and above rent rebate claims in terms of the areas to be verified (e.g. income, rent level etc) and external contacts to be made

(ii) The volume of actual transactions dealt with due to the number of changes of circumstances that arise within the basic caseload in any given period. Haringey's highly transient population makes this a significant factor.

(iii) The greater complexities of dealing with a claimant base where there are high numbers of non English speaking languages, possibly seen in high levels of requests for further information (RFI's) in the borough

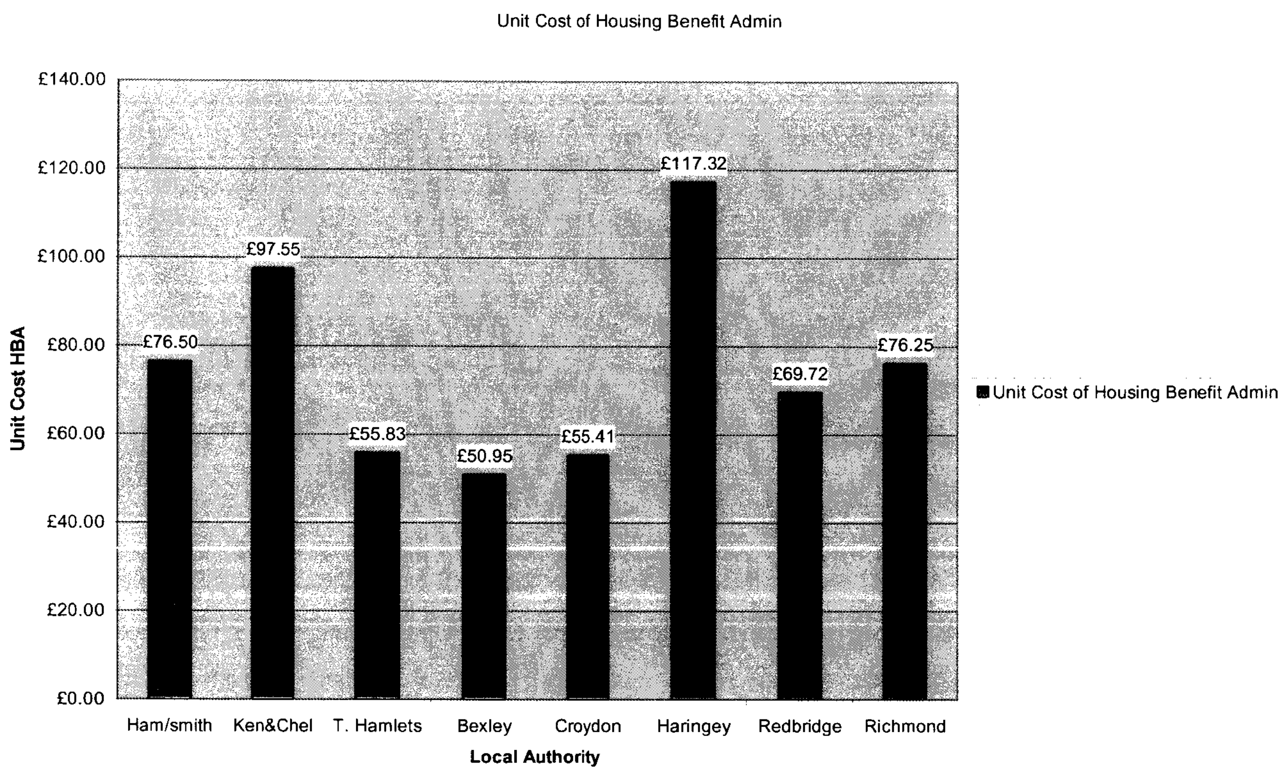
(iv) The impact on the demand for benefits of the comparative levels of deprivation within the borough. The general economic and social status of many of our residents is also likely to add to the complexities of processing such claims. Haringey is recognised to have comparatively high levels of deprivation across London, and against the majority of our nearest neighbours.

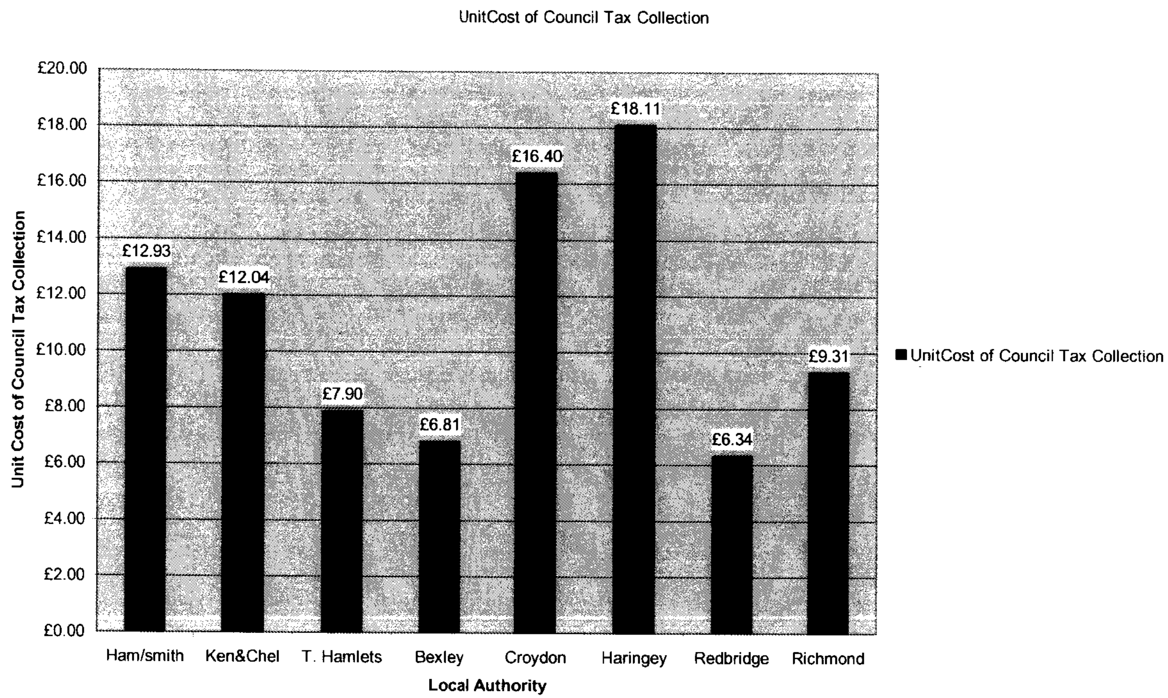
A fairer way to calculate unit costs is now being led by Haringey and Croydon, which takes greater account of such factors.

The first stage of this revised process which begins to present a more realistic picture of our administration costs has started by adjusting basic caseload totals by weighting factors for the complexity and volume of transactions.

Using 2005/06 cost data, a first comparison has been made. As shown in the graphs below, Haringey continues to be shown here as high cost in relation to other London authorities for both housing benefit administration and council tax collection:

Graph3: Unit Cost Calculation: The Revised Approach



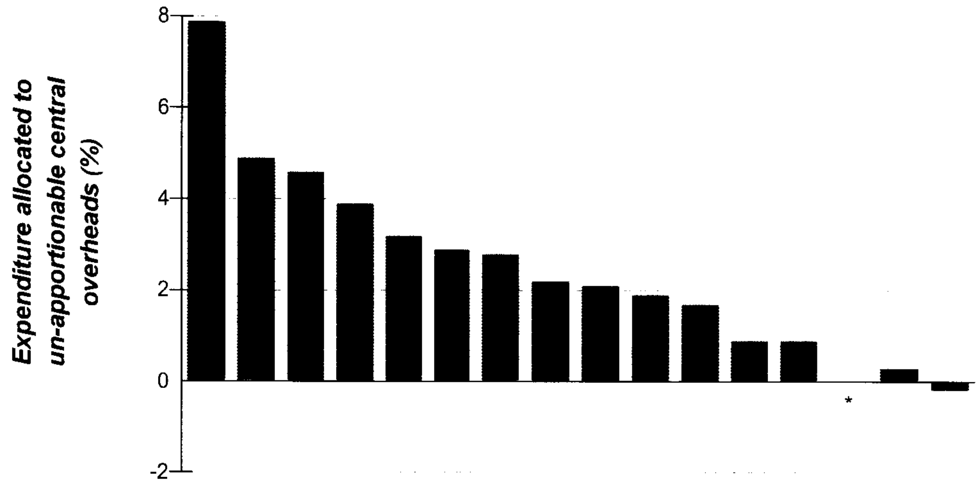


The Next Steps

The next stage of this process has been to explore the possible inconsistencies in the data submitted by authorities for such comparisons. In respect of costs, the RO and RA returns allow a degree of discretion by authorities and therefore offer no real assurance of the consistency of costs being included, which would be essential to any meaningful comparisons.

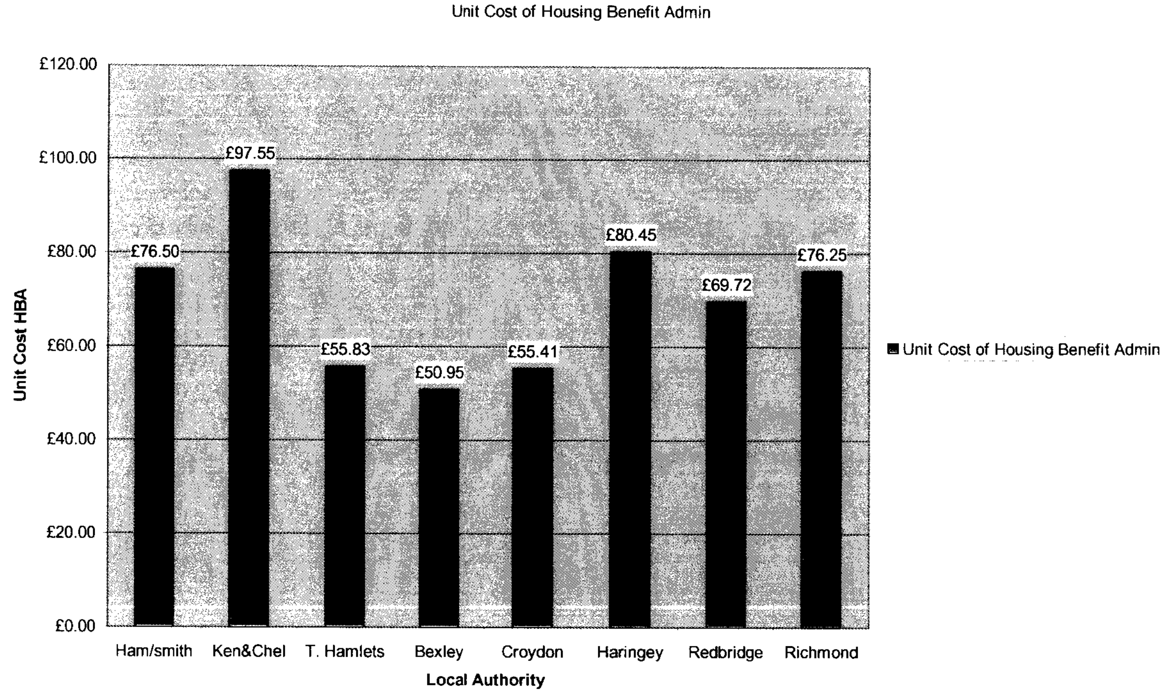
The treatment of central overheads, for example, can range from full allocation to frontline services (as occurs within Haringey), in accordance with the Best Value Accounting Code of Practice (BVACOP) good practice guidance, to only partial allocation. This can have a significant impact on the overall cost of administering these services. As the graph below indicates Haringey has a notably lower level of un- apportioned central overheads than most other authorities.

Percentage of expenditure allocated to un-apportioned central overheads



Haringey vs CIPFA Nearest Neighbours

Central overheads allocated to Benefits & Local Taxation division were reduced in 2006/07, following discussions with Corporate Finance around ensuring a more equitable allocation of such costs. Feeding this revised estimated costs for 2006/07, into the above comparative data, the impact on overall costs, and Haringey's comparative position, can be clearly seen:



Work is continuing to further analyse the specific elements included by authorities within overall cost totals, to ensure that a uniform approach is being followed. We are liaising with other authorities to encourage greater transparency over the elements that are actually included in the overall costs totals. Similarly we are also looking to progress the steps already taken to bring in all factors affecting the level of work undertaken by benefits and local taxation staff, to enable the process of benchmarking to be as accurate as possible.

Appendix 3 - Financial Tables BENEFITS & LOCAL TAXATION

Table 1. Cost of Your Service (This table will be filled in by Corporate Finance to agree to the cash limit schedule for August). *Please give the projected year end variance for each service budget within your business unit)*

Service Area	Gross Expenditure Budget @ July 06 (£'000)	Gross Income Budget @ July 06 (£'000)	Net Budget @ July 06 (£'000)	Net Projected Outturn (£'000)	Projected Year End Variance (£'000)	Reasons & Action
F01						
F10000 – BENEFITS & L TAX MGR	1053	0	1,053	1115	-62	Minor variances arising mainly on the staffing side of our budget and on several procurement contracts such as printing, postage & storage, which cut across most if not all of our teams.
F10005 – HB ADMIN	0	-3,988	-3,988	-3988	0	The management of the staffing costs within the BU has so far focused on the planned programme of recruitment in conjunction with the reduction in agency staff. Closer scrutiny and control of other staffing costs such as overtime, have also been initiated.
F11001 – NEW CLAIMS	912	0	912	927	-15	Our contracts for printing, postage and storage have all been highlighted for further review to assess the value for money being obtained from these, and any opportunities for efficiencies to be made.
F11002 – CLAIM ASSESSMENT	776	0	776	789	-13	Efforts have continued to maximise our income through the recovery of court costs, overpayments of benefits, in order to offset budget overspends
F11003 – FRAUD	70	0	70	69	1	
F11004 – BUSINESS SUPPORT	856	0	856	847	9	
F11005 – ENFORCEMENT	439	0	439	434	5	
F11006 – CUSTOMER CONTACT	80	0	80	79	1	

Table 1. Cost of Your Service (This table will be filled in by Corporate Finance to agree to the cash limit schedule for August). *Please give the projected year end variance for each service budget within your business unit)*

Service Area	Gross Expenditure Budget @ July 06 (£'000)	Gross Income Budget @ July 06 (£'000)	Net Budget @ July 06 (£'000)	Net Projected Outturn (£'000)	Projected Year End Variance (£'000)	Reasons & Action
F11007 – BUSINESS DEV	428	0	428	424	4	As Above
F11008 – HB VERIFY FRAMEWRK	741	0	741	733	8	
F12001 – COUNCIL TAX	731	-479	252	181	71	
F12002 – NNDR	243	-538	-295	-325	30	
F13001 – FINANCE	271	0	271	281	-10	
F13002 – CLAIM MAINTENANCE	833	0	833	862	-29	
	7,433	**-5,005**	**2,428**	**2428**	**0**	
F010						
F10001 – RENT REBATES	41,782	-43,193	-1,411	-1,411	0	Variations inherent due to the fact that these expenditure is demand led and therefore difficult to predict with accuracy. Increases in our expenditure will automatically result in an increase in the subsidy income we receive.
F10002 – RENT ALLOWANCES	100,744	-101,164	-420	-420	0	
F10003 – COUNCIL TAX BENEFIT	34,953	-35,068	-115	-115	0	
F10004 – HRA RENT REBATES	45,514	-45,195	319	319	0	
	222,993	**-224,620**	**-1,627**	**-1,627**	**0**	
Total Budget (cash limit)	**230,426**	**-229,625**	**801**	**801**	**0**	

Appendix 3 - Financial Tables (Continued)

Table 2. Cost of Your Service *(This table breaks down your budget into expenditure & income types)*

Subjective Description	**Budget @ July 06 (£'000)**
Employees	6,301
Premises	10
Transport	30
Supplies & Services	979
Third Party Payments	0
Transfer Payments	223,003
Contingencies	103
Total Expenditure excl. o/heads/ capital charges	230,426
Government Grants	-227,727
Other Contributions	-1,898
Receipts	0
Total Income excl. overheads	-229,625
Total Net Budget (cash limit)	**801**
Overhead / Support Services Charges	7039
Capital Charges	0
Overhead Income	0
Total Budget incl. overheads & capital charges (SAP rec)	**7,840**

Appendix 3 - Financial Tables (Continued)

Table 3 **Grants** *(of this revised budget please set out what grants are included, what they fund, the end date and plans for accommodating in mainstream funding)*

Grant	Amount £'000	Purpose	End Date	Mainstreaming Plans
NDR	441	To finance the administrative cost incurred by Haringey in managing the system for NNDR	Annual Grant	Not relevant, as Authorities manage these systems on behalf of central government and consequently receive external funding for them.
Benefits	184070	To reimburse Haringey for the expenditure incurred in granting housing benefit expenditure to claimants within the borough	Annual Grant	As Above
Council Tax Admin	2767	To finance the administrative cost in managing the system for Housing and Council tax benefits	Annual Grant	As Above
Council Tax Benefits	30237	To reimburse Haringey for the expenditure incurred in granting housing benefit expenditure to claimants within the borough	Annual Grant	As Above
Total	**217515**			