

Total Place

Luton and Central Bedfordshire Pilot



Briefing note B: January 2010

Streamlining benefits

Total Place has identified how to re-design and improve the way we work to streamline our service and remove weaknesses. We have mapped out the customers' journey through each of the benefits systems highlighting duplications, gaps and inefficiencies and calculating costs and outcomes to measure cost-effectiveness.

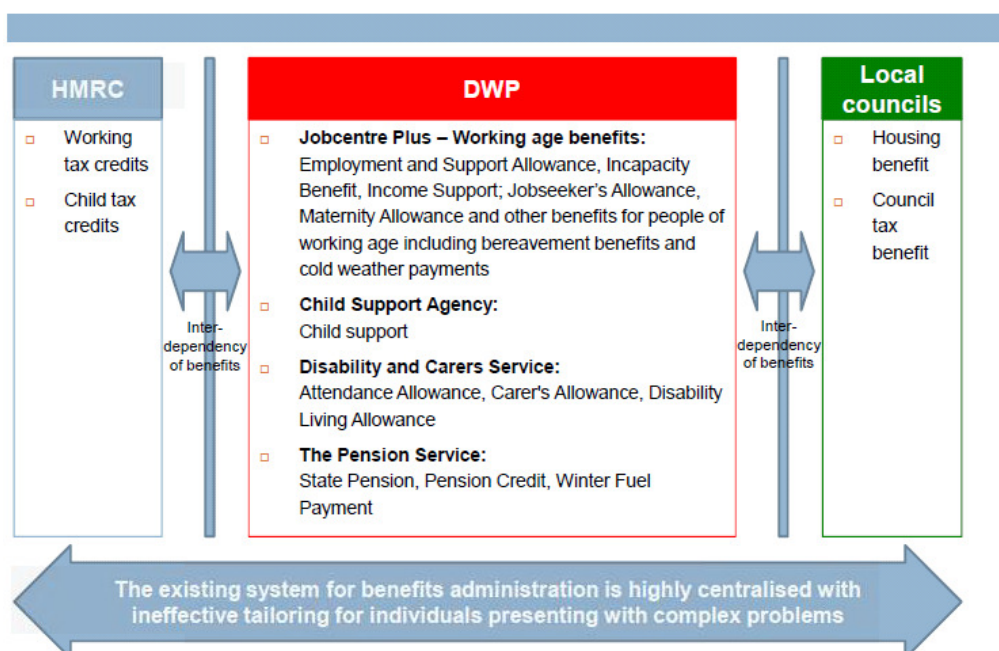
Each year public sector spending equals:

- £3.434bn, 980M of which is paid out in benefits.
- or £6,853 per head of population.
- or £16,778 per household.
- £10.6M on benefit administration

Biggest spending organisations (by revenue) in Central Bedfordshire and Luton are:

1. Department of Work and Pensions - £746.331m (24.37%)
2. Central Bedfordshire Council - £459.837m (15%);
3. Luton Borough Council - £421.597m (13.77%);
4. NHS Bedfordshire - £326m (10.64%);
5. NHS Luton - £296m (9.66%); and
6. HMRC (tax credits/child benefit) - £245.88m (8%).

Benefits administration: Complexity of system

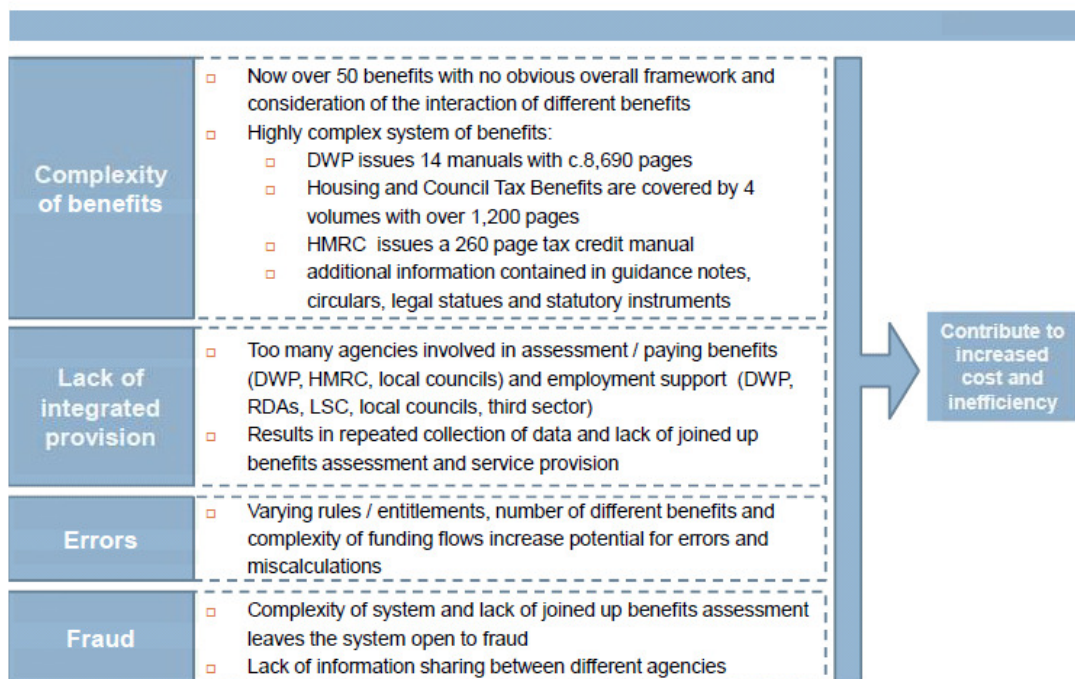


The problems

Total Place has already revealed many examples of duplication and expensive failures within the current processes for delivering welfare benefits including:

- The country's welfare benefits system does little or nothing to encourage self-reliance.
- The complexities, fragmentation and duplication of the various processes actively discourage many people from coming off benefit and returning to work. People fear changing their circumstances from fear of having to reapply for benefit.
- The marginal tax rate, (how much benefit is removed once you start work), above 60%, discourages people coming off benefits.
- There are 51 different welfare benefits in England and Wales but no single, official picture to show how they inter-relate.
- Each benefit requires a different claims process and some claim forms are over 50 pages long.
- People usually have to visit more than one agency to claim all their entitlements; at each different office, they have to answer more or less the same questions.
- Claimants are confused – local citizens advice bureau estimate that nearly a third of their advisers' time is spent signposting benefit entitlements and helping people complete the forms - and many people in need miss out altogether.
- So complex is the system that benefits administrators have their own professional organisation but recommendations for improvement are too often thwarted by legislation and a labyrinth of official "guidance".

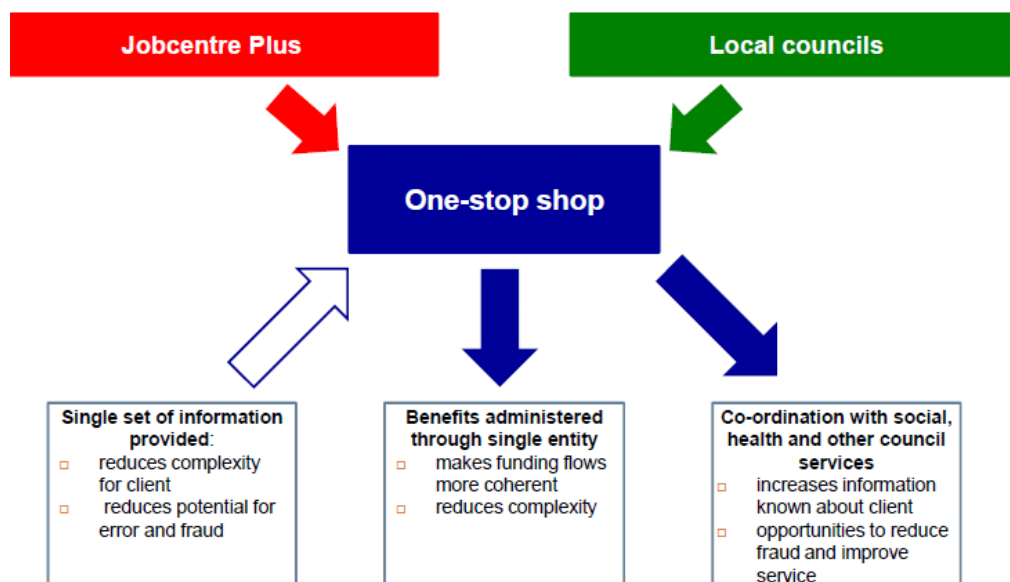
Benefits administration: Key issues



Total Place solutions

- There are nine local opportunities (five classified as 'easy' and four as 'hard') that could be put in place in the short-term and six national/legislative changes that could be made in the longer-term.
- The longer-term proposals focus upon enhancing the *Tell Us Once* approach with a single IT system and shared-service back-office processing team to administer all benefits, a change in national policies regarding data sharing and a simplified benefits system.
- A simple, largely self-service, process – available across all customer access channels - with a 'triage' service available to provide quick access to expert help and advice whenever it was needed.
- Key factors include a single IT system across a range of benefits and a single system, and team, for verification and customer visits. A single, common team to counteract fraud is also proposed.
- This 'triage' service could reduce by 75 per cent the time taken by existing procedures and speed up payments to claimants by as much as 25 days, cutting delays by more than half. Savings in administration costs could be around 40 per cent.
- This more 'joined up' and cost-effective system would share data more effectively, simplifying and speeding up the application process for the customer.
- Support services should be better deployed to help address 'root cause' problems and enable a greater shift to proper self-reliance.

Benefits administration: Integrated provision



What next

Our final report will be delivered to Whitehall on 5 February 2010, and will outline the overall business case for how we propose to deliver these two sub-themes in the future.