

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

The Adelphi, 1 - 11 John Adam Street, London WC2N 6HT

HB/CTB S1/2006

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
ACTION	For information
SUBJECT	DWP strategy for allocating the remaining Performance Standards Fund Important information on the roll-out of national products

Guidance Manual

The information in this circular does not affect the content of the HB/CTB Guidance Manual. The information in this circular does not affect the content of the HB/CTB Performance Standards Manual. Please annotate this circular number against *HB/CTB Circular S6/2004*.

Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at www.dwp.gov.uk/hbctb
- have any queries about the
 - **technical content of this circular**, or want an application for funding, contact details are at the end of each section
 - **distribution of this circular**, contact Corporate Document Services Ltd Orderline
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DWP strategy for allocating the remaining Performance Standards Fund

Introduction

- 1 Last year we announced that the lifetime of the Performance Standards Fund had been extended for a further year as we thought it unlikely that Local Authorities (LAs) would deliver all their projects by the end March 2006. We also indicated that our main priority would be to support the poorest performers to make sure the Department for Work and Pensions (DWP) would meet its Public Service Agreement (PSA) on improving new claims processing times.
- 2 This circular gives
 - an update on the Performance Standards Fund
 - details of the arrangements in place for poorer performers
 - other activities that we might consider funding
 - roll out of national products

Fund update

- 3 We have now awarded over £170m from the Performance Standards Fund. Over 360 LAs have benefited directly and we are now supporting roll-out of some of the national products.
- 4 Actual spend against these awards now stands at £107m. We are still concerned about the slow rate of spend and we will continue to pursue progress reports rigorously. We have revised our forecasts to take account of information we have been given by LAs on slippage but, as we indicated in *HB/CTB Circular A14/2005*, we risk a loss of funds if spending falls short of our forecast for this year.

Arrangements for poor performers

- 5 From January 2006 the Local Authority Performance Division will be meeting quarterly with DWP analysts and the Benefit Fraud Inspectorate (BFI) to discuss quarterly monitoring returns and to identify those LAs whose performance remains poor. However, LAs where performance has been good but appears to be deteriorating could also be considered.
- 6 We will then determine the most appropriate form of engagement be it an inspection, the offer of consultancy support from the Performance Development Team (PDT), monitoring or financial support. In practice, financial support is unlikely to be considered until the reasons for an LA's poor performance have been established by BFI, PDT or the LA Performance Team. In some cases, particularly when the LA has already had substantial awards, further funding may not be appropriate.

- 7 Through this more diagnostic approach we will help LAs draw up improvement plans and identify where funding could make a difference. We will also help put together an application for funding which would then be considered by the Performance Standards Fund Authorisation Panel. Any funding awarded will be tied to the achievement of key milestones in implementing the improvement plan.
- 8 This new process is not intended to exclude LAs with poor or deteriorating performance with whom we are not already engaged. If you believe you have a case for funding you can still contact us independently, see front page for contact details. We will explore with you the reasons for your LA's poor performance and what other options might be available and help with an application for funding if necessary.

Sharing good practice

- 9 In the past we have encouraged applications for funding from LAs working in partnership or operating peer support arrangements. Encouraging mutual support will remain a priority for the Performance Standards Fund. We will continue to consider funding to facilitate closer working between better and poor performing LAs.
- 10 We will also consider assistance with projects which would pilot innovative working arrangements between LAs that address the Government's wider efficiency agenda. An example of this would be an award we have made to Hambleton and Ryedale District Councils to help towards the costs of merging their two Revenues and Benefits Departments. A condition of funding will be the dissemination of good practice guidance for other LAs.
- 11 The funding we have left is now limited so we will need to consider carefully the extent to which we would fund projects of this type. Please contact us with a high level proposal so that we can discuss the availability of funding before you put further time and effort into working on the detail.

Scope of the Performance Standards Fund

- 12 In considering any future awards from the Performance Standards Fund we will be working within the general framework set out in *HB/CTB Circular S6/2004*. We would not therefore consider funding for counter fraud initiatives unless the project would have wider application and benefits. We will continue to use the guidance in *HB/CTB Circular S6/2004* when considering costs.

Queries

- 13 If you have any queries about funding or the technical content of this section, contact Darren Baker
Email: Darren.Baker1@dwp.gsi.gov.uk

Important information on the roll-out of national products

Roll-out of national products

- 14 DWP has supported the development of a number of national products such as electronic claim forms, automated forms processing, performance management software and training material. See list at *Appendix A*. Whilst in many cases the original award included roll-out to all LAs or particular software users some awards were for development costs alone. As these latter projects reach fruition we are exploring the extent to which they could be rolled-out. Once again as funding is limited we cannot be over ambitious but when a product represents value for money and has the potential to deliver significant improvement and or efficiencies we will look to support its wider introduction.
- 15 Decisions have already been made in relation to the National Performance Management Framework (NPMF) and Automated Form Processing solution software. We are funding roll-out of the NPMF to all LAs and we will be supporting a limited roll-out of the Automated Form Processing solution software. Further details about these two products and how to apply for them are provided below.

National Performance Management Framework

- 16 The NPMF software has been developed by East Lothian LA together with other LAs across Scotland, England and Wales in partnership with Aspiren and Computacentre. The NPMF is a hosted solution which will involve the transfer of LA data to Aspiren. DWP has worked with Aspiren on the data transfer aspect.
- 17 The primary objective of the NPMF is to bring about significant improvements in HB/CTB administration by bringing together information on key local and national performance indicators allowing for high level and detailed analysis through a series of dashboards.
- 18 The second objective is to realise efficiencies in the reporting of information to DWP by automatically extracting data from HB systems, validating and creating an audit trail of any changes to data prior to submission to DWP. This will remove the need for paper returns and minimise further work to correct errors.
- 19 Further details about the NPMF can be found at <http://www.aspiren.com/npmfnationalrollout/>
- 20 In view of the benefits of this product, DWP will be funding the first year costs for all LAs to give you the opportunity to evaluate its usefulness and realise efficiencies before making a financial commitment. This includes set-up costs and licence. LAs need to contribute a project representative for a total of two weeks and an IT representative for a week during the implementation.

- 21 East Lothian Council has agreed to continue to act as the lead LA for all LAs wanting to take advantage of the NMPF and will be funded to cover the costs. However, LAs will need to enter into an agreement with Aspiren covering service and data protection issues. DWP legal advisers are currently with Aspiren to ensure that the model agreement includes sufficient safeguards concerning the handling of personal data. The agreement will not be issued by Aspiren until this work has been concluded.
- 22 After the first year LAs will be able to decide whether to continue with the contract. The cost will depend on overall uptake and the number of users in the LA. For a large authority this could be in the region of £10,000. A small district would be charged significantly less.
- 23 Aspiren have written to all LAs with details of the product. If you have not received a communication but want to take advantage of the NPMF please contact Email: npmfsignup@aspiren.com

Automated Forms Processing solution

- 24 The Automated Forms Processing solution has been developed by South Gloucestershire Council, the London Borough of Harrow and Tameside Borough Council in partnership with Unisys (the prime contractor) and its partners through funding from the DWP Performance Standards Fund. The solution is designed to help improve HB/CTB administration.
- 25 The solution uses Intelligent Character Recognition (ICR) software, together with document management and workflow technology, to integrate with the core benefits application. When application forms are scanned into the document management system, the ICR software intercepts the images, reads the machine-printed and hand-written data from them and converts them into electronic text, which can then be loaded into the core benefits application. The solution can intercept any incomplete forms, sort them and automatically trigger letters back to the customer, all of which can be done in hours rather than days.
- 26 The new solution aims to eliminate 80% of manual data entry and improve accuracy rates which would
- improve the speed of processing times
 - reduce data input error rates on benefit claims
 - free up resources to deliver improvements in the benefits service
- 27 The product also has the potential to be shared by a number of small LAs.

- 28 Given the benefits of the product and the success of the pilot scheme, DWP is funding roll out of the solution for 30 LAs. Funding will cover the set up, implementation and software licence costs. This has been awarded on the following conditions
- the LA must have a modern document management system in place in order to implement this solution
 - each LA will have to fund the cost of
 - hardware that may be required (it is understood that authorities may require additional PC's and workstations)
 - interface software required from their core system provider
 - the annual support and maintenance service
 - in order to realise the full potential of the solution, each LA will be expected to sign up to a contract beyond the first year's Performance Standards Funding
- 29 South Gloucestershire Council will remain the lead LA for the roll-out of the national product and all funding for the first year will be issued through them.
- 30 Because a limited number of LAs can benefit from funding for this product, we are asking LAs who have a genuine interest in implementing the solution to complete a brief expression of interest form. The deadline for submissions is **31 March 2006**.
- 31 The interface has already been developed for the Northgate/SX3 core system as part of the implementations at South Gloucestershire and Harrow. From the 30 sites to be funded we require the first four LAs to be pilots for the interface development work being carried out for the following core systems: Civica, Academy, IBS and Anite. The four pilot sites need to be in a position to implement the product in April 2006. If you wish to be considered as a pilot site the deadline for submission is **28 February 2006**.
- 32 When requesting an application form, please indicate whether you wish to be considered as a pilot site. In the event the number of interested applications exceeds 30, the DWP reserves the right to apply sift criteria which will be agreed by the Performance Standards Authorisation Panel.

Queries

- 33 For further information on
- **Automated Forms Processing solution and contracts**, contact Ian Warner
Email: Ian.Warner@gb.unisys.com
 - **funding**, please contact Darren Baker
Email: Darren.Baker1@dwp.gsi.gov.uk
- 34 **For an application form**, please contact the Performance Standards Team
Email: Housing-Support-Standards@dwp.gsi.gov.uk
- 35 For further information about the other national products listed at *Appendix A* please contact Darren Baker
Email: Darren.Baker1@dwp.gsi.gov.uk

Performance Standards Fund national products

Shaded products are now developed.

Local Authority	Product	Details of project	Funding awarded
Amber Valley	Academy QA Module	The Academy prototype QA module provides a software package for standardising and automating quality assurance and checking activity for all LAs using the Academy Benefits software application. This includes the facility to generate reports on an ongoing basis for analysing types of error by category and by individual, for identifying training needs and for evaluating the effectiveness of training delivery.	£703,280
Amber Valley	Intelligent New Claims Solution	The objective of this national bid project is to transform the processing of new benefit claims for all Academy's LA base, including handling customer enquiries. This includes 110 existing customers and 10 projected customers which in turn represents nearly one third of all LAs in England, Wales and Scotland who administer HB and CTB.	£983,030
Bath & North East Somerset Council	National Leaflet Set	To produce a set of National Standard leaflets.	£112,728
Bracknell Forest	Additional system developments	Enhance the Pericles solution to provide additional functionality to streamline existing processes and to remove the need for manual intervention/recording.	£297,065

Local Authority	Product	Details of project	Funding awarded
Bradford Metropolitan Borough Council	Document management and workflow HBMS intervention module	Development of an "intervention module" to electronically import HBMS data (both data-match referrals and high risk intervention referrals) into the Comino Universal Document Management and Workflow system. The solution will be provided free to the existing 75 LAs already using the Comino system to administer HB/CTB claims. Output will include the development of XML schemas for universal use. The solution will assist LAs to achieve compliance with the Performance Standards for interventions.	£679,830
Broadland District Council	Academy Benefits Templates	To develop a standardised suite of system generated letter templates covering all aspects of HB/CTB administration for use by the circa 120 LAs using the Academy Benefits system. The Academy letters are already 95% legislation compliant. This will provide participating LAs with letters that provide clear and comprehensive information to claimants and third parties, conform to the standards of plain English and support the implementation of DWP's ongoing reform agenda.	£155,000
Camden	IBS decision letters improvement project	To change the IBS Open Revenues System's computer generated decision letters and ensure all the necessary correspondence types of letters are available.	£364,750

Local Authority	Product	Details of project	Funding awarded
Conwy	NVQ Infrastructure for Wales	The project will provide the infrastructure to provide benefits vocational qualifications for 125 candidates in 2005/06 from a consortium of Welsh LAs. This includes the review and adaptation of the methodology, material and on-line software package currently supporting the delivery of SVQs in Scotland that will be developed into a product that can support the delivery of Benefits NVQ in Wales.	£1,330,500
East Lothian Council	National Performance Management Framework Pilot Project	To develop a Performance Management Framework product for HB/CTB sections within all LAs. The product would include a Hosted IT Solution which would collate data drawn from all applicable LA systems as well as data entered manually, to assist LAs in meeting various components of all the Performance Standards modules. The software will also improve data reporting to DWP.	£11,929,598
Edinburgh Council	Benefits Online	The project involves the development of an interactive, fully integrated online form for HB/CTB. The principle of the project would be to achieve full automation in certain parts of the new claims process by incorporating a real time integrated benefit calculation and submission of electronic applications.	£844,500

Local Authority	Product	Details of project	Funding awarded
Edinburgh Council	SVQs - Benefits Vocational Qualifications for Scotland	<p>The project will provide a consistent approach to implementing a national programme of vocational qualifications for all 32 Scottish LAs benefiting 520 candidates over the next two years. But because different LAs have different needs a flexible package of tailored support has been devised by way of</p> <ul style="list-style-type: none"> • training needs analysis • detailed training plan • support for work based training • mentoring and support for line managers 	£941,000
Edinburgh Council	Model New Entrant Training Material	<p>The project will give all LAs and training providers model new entrant training material that will be updated on a rolling basis to accommodate changes as they occur. The material will support the new entrant training programme as it has been currently formulated by the DWP Training Working Group with additional material to reflect the feedback received from LAs.</p>	£153,780
Gateshead	Introduction of Mobile Working	<p>This bid is for the introduction of Mobile Working with the Anite Pericles product. The current user base is 45 LAs, of which 35 have contracted for or are live on the Benefits module. This includes a feasibility study to specify the introduction of full integration of wireless Mobile working with a range of DIP/workflow systems used by participating LAs.</p>	£4,015,243

Local Authority	Product	Details of project	Funding awarded
Highland	E-learning Fraud awareness package	Development of a new electronic Fraud Awareness training package in partnership with Meritec Ltd. This is aimed at new and existing benefits staff who work principally in a front office environment although this package will be suitable for back office staff too.	£252,700
Leicester	System Enhancements	To introduce IT software system changes required to allow the IBS Benefits system to generate a 10% pre-payment sample of cases in line with the requirements of the Performance Standards.	£260,175
Lewisham	Processing & administration shared centre feasibility study	The project will study the feasibility of introducing different collaborative arrangements between Lewisham and one or more other LAs in HB/CTB administration.	£190,000
Manchester City Council	Intelligent Online Benefit Claims Process & Benefits Calculator	Development of intelligent electronic claim process and benefit calculator based on the HCTB1 form, but for standard HB/CTB claims using the Government Gateway.	£341,418

Local Authority	Product	Details of project	Funding awarded
Manchester City Council	Fraud Awareness Video	To produce a fraud awareness video to be available in two variations, one suitable for employees with an emphasis on their duty to protect public funds, the second aimed at encouraging the public to report HB fraud. The first will be available in the form of a video and CD as well as streamed on the intranet. The public version will be available on the internet for screens in public receptions and available to Housing Associations for display purposes. The video will bear the logo and details of each LA that wanted to use it, together with details of their fraud hotline or the DWP HB freephone number.	£36,000
Mid Sussex District Council	Academy Benefits Training Manual	The project will provide comprehensive training/procedural guidance material for all LAs using the Academy Benefits software application covering all aspects of the assessment of HB/CTB claims.	£206,400
Mid Sussex District Council	Housing and Council Tax Benefit Interactive Learning Tool	The LA, in partnership with IRRV, has developed an electronic learning centre on a hosted solution. The system is designed to produce a standard national on-line induction programme for new entrants into HB/CTB. The system produces two major elements – a learning resource and an information resource. It also includes a personal profile.	£2,064,875

Local Authority	Product	Details of project	Funding awarded
Mid Sussex District Council	Academy Skillwise	Academy online training manual.	£248,000
North Tyneside Borough Council	Intelligent Electronic Claim Form	To develop an interactive on-line application form based upon the HCTB1 which would be automatically integrated into the LA's document management system. The data entered on the form would be validated in real time against existing data in host systems. Online help would be available and requests for further information needed would be generated. The form would be amendable by the LA to reflect changes in regulations or LA policies.	£144,300
Poole	Academy On-line Application Form (HCTB1)	To develop an interactive online application form based on the HCTB1 that can be made available through all relevant electronic media (Kiosks, web, handhelds etc). It would advise customers of the evidence required. The project could be confined to developing the product for Academy Benefits systems but at a higher cost (£1.02m) could be developed on a stand alone basis for use by all LAs.	£412,500
Poole	Academy on-line Phase 2	Development and provision of interface to Academy Benefits 'back office' to create a new benefit claim based on the data collected from the e-claim form. This will utilise XML schema developed as part of the National Benefits Project.	£545,540

Local Authority	Product	Details of project	Funding awarded
South Bucks	E-Learning	The project will provide a comprehensive e-learning tool for new entrants and existing staff, based on the Department's model new entrant training material. This will be accessible to all LAs via a dedicated website and updated on a quarterly basis.	£456,625
South Gloucestershire Council	Automated forms Processing (AFP)	To acquire an Intelligent Character Recognition (ICR) system at both LAs to automate the capture of handwritten and machine printed data on benefit and other claim forms. The software would be integrated with the Civic document and workflow management and core benefit systems used by the LAs.	£5,735,268
Southampton	Academy Skillwise phase 2	The development and provision of further modules for Academy Skillwise; the e-learning package developed exclusively for the Academy benefits system. This will provide an in-depth training package covering areas such as the LHA, the integrated fraud function and overpayments all of which are core aspects of benefits administration. The courseware will also be converted to run over a Web Browser to provide greater flexibility in terms of deployment and usability.	£540,000

Local Authority	Product	Details of project	Funding awarded
Stroud	EDM improvement	<p>The project is to improve and enhance a unique EDM system which integrates fully with the IBS product and alien systems. The product whilst providing integrated workflow can be enhanced to improve performance and reduce resource required in benefit administration. Enhancements could include</p> <ul style="list-style-type: none">• improved on-line management information and queue analysis• automated batch processing• better security, scanning, reporting and image manipulation	£466,656