



AUDIT AND PENSIONS COMMITTEE

22 September 2011

CONTRIBUTORS

*DFCS
AD- H & F Direct*

H & F DIRECT LEAN PATHFINDER PROJECT

At its meeting on the 30th June 2011, the Committee discussed the performance of the Housing Benefit Service. This report updates the Committee on the H & F Direct Lean Pathfinder Project, which aims to apply Lean Systems principles to the Service.

**WARDS
All**

RECOMMENDATION:

That the report be noted

1 Lean Programme Context

- 1.1 H&F has a vision to become a “lean organisation” with lean systems thinking a core principle of transformational change over the short and medium term.
- 1.2 As a first step towards achieving this vision, H&F has initiated a lean programme consisting of 2 pathfinder projects designed to prove the lean concept and create a critical mass of H&F resource with the capability and experience to initiate further roll outs as required. One of these two pathfinder projects is focussing on H&F Direct (specifically the Revenues and Benefits service) with a view to improving existing performance levels in a service that has reduced staffing levels by 35% over the last 5 years, whilst workloads have increased due to the recession.

2 Project Context

- 2.1 The Revenues and Benefits services were merged into a single service in 2008. Pre-2008, the revenues services was a strong performing service against other London authorities, however, the Benefits service had experienced declining performance levels and an overspend of c.£1m per annum in 2006 which had been rectified in 2007/8.. The service has experienced an operating budget reduction of 45% between 06/07 and 11/12 resulting in significant operational strain and a steadily increasing ‘backlog’ of work.
- 2.2 The project is required to ensure the sustainability of service delivery now and over the next 3 years to 13/14. It is not anticipated that this project will release additional cashable savings in the short term.

3 Project Scope

- 3.1 The project has the following scope:
 - Council Tax Collection Processes
 - Council Tax Benefit Processes
 - Housing Benefit Processes

4 Skills Transfer to H&F

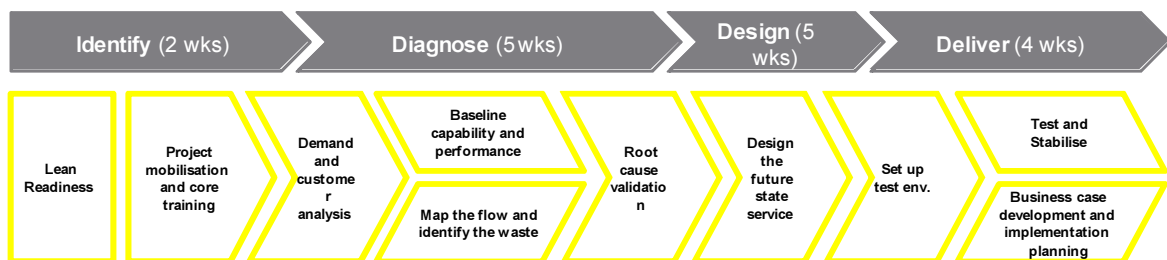
- 4.1 The project is being supported by Ernst &Young who will ensure H&F Direct staff involved in project delivery are given the formal training, coaching and experiential learning required to deliver similar projects within H&F Direct or elsewhere in the Council. Project team members are following an Ernst & Young lean curriculum and each have their own skills transfer contracts to monitor and assure progress. The H&F OD service

are acting as independent monitors of team members skills transfer contracts.

5 Timeline and Methodology

5.1 The project is 4 months in duration and is scheduled to finish September 23rd at which point full implementation of the recommendations and solutions will begin.

5.2 The project methodology is set out below:



6 Progress and Findings to Date

6.1 The project is currently in the 'Deliver' stage which will run to the 23rd September 2011.

6.2 There is one aspect of the 'Design' phase that has yet to be completed (see below), but it was decided it would be more beneficial to continue with the pilot team phase as planned.

6.3 The project has currently delivered:

Identify Phase:

- Core team (H&F staff to be involved in project delivery) selected and mobilised
- 2 day lean training course delivered by Ernst & Young to all core team members
- Project scope agreed and PID signed off
- Skills transfer contracts agreed

Diagnose Phase:

- Current state process maps produced and validated
- Current state performance and capability understood and baselined
- Voice of the customer captured and analysed
- Process value and waste identified
- Process issues and root causes identified
- Areas for intervention prioritised and signed off by the service management team

Design Phase:

- Future state processes designed and validated
- Business case for change produced (to be completed)
- Pilot team established

Deliver Phase (Next Steps to 23rd September):

- Run a pilot team to test 'to be' processes
- Produce an implementation plan
- Produce a change impact assessment
- Completed skills transfer contracts

7 Some Example Improvements

7.1 Set out below are a few examples of proposed new ways of working the lean project has recommended:

- Processing of Housing Benefit change of circumstances over the phone:

Under the current process, H&F HB claimants are required to notify the Council of a change of circumstance in writing, often requiring supporting evidence. This recommendation is to process simple and low risk changes (i.e. changes of circumstance resulting in decreased benefit payments and/or those requiring no evidence) over the telephone.

This change will result in increased processing at the first point of contact with the claimant, reduced face to face appointments to process these changes and overall reduced change of circumstance cycle time (a DWP reporting requirement).

- Improved Use of Risk Based New Claims Software

H&F is one of a number of Councils selected by DWP to pilot a risk based approach to processing new housing benefit claims. However, H&F is currently not taking full advantage of the potential opportunities the software provides.

By moving to a new process where the risk software defines the type and volume of evidence required, new claims cycle time can be reduced as low risk cases (c.45% of all new claims) can be fast tracked into payment with minimal evidence required.

- Remove/Replace 0845 H&F Direct general enquiry number

The *voice of the customer* exercise undertaken early in the project uncovered the fact that many customers are deeply unhappy with the cost of the 0845 H&F Direct general enquiry line when calling from a mobile phone.

The consequence of this is that many customers call the 0208 general appointment line or come to the Town Hall in person and make an unnecessary appointment when the query could have been dealt with over the phone (had they contacted the correct number).

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext. of Holder of File/ Copy	Department/ Location
1.	Cabinet Report – Reforming Public Services through Lean Systems Thinking 18 April 2011	Graeme Findlay x2276	Residents' Services
CONTACT OFFICER:		NAME: Graeme Findlay EXT: 2276	