London Borough of Southwark

Innovative resilience solutions to meet the challenges of Universal Credit head on

Overview

The challenge

With Universal Credit pending, the future delivery of benefit services is uncertain. The London Borough of Southwark needed to balance the cost pressures and the difficulties of internal resourcing through a flexible and resilient service partner.

The solution

Capita provided Southwark with experienced and fully-trained resources to deliver a flexible, on-demand resilience service that can be easily adjusted on a month-by-month basis, in accordance with peaks and troughs in the Council’s benefit caseloads.

The benefits

Flexible operational capacity to consistently deliver revenues and benefits services to citizens on time, every time while achieving higher performance ratings and generating additional revenue.

“Southwark had a requirement for resources to undertake revenues and benefits processing in order to support a complex transition and transformation programme that the Council was undertaking. Capita was very flexible and supportive throughout the complex implementation and was highly focused on helping us overcome the challenges and deliver the outcomes.”

“Dominic Cain, Assistant Director, Revenues and Benefits at The London Borough of Southwark
A changing landscape for service delivery

Like many councils across England, The London Borough of Southwark is facing uncertainty around the future of its benefits service in the run up to Universal Credit.

For the past 13 years, Southwark had outsourced its revenues and benefits service to an external provider. In 2009, the Borough set out to bring the delivery of these services back in-house by April 2011.

However they were aware of the difficult demands in balancing quality, cost and resourcing within its organisation. For example, maintaining benefit claim levels during periods of peak work flow, providing a more cost effective way for purchasing additional resource and reducing the time and cost associated with training temporary staff. To optimise service delivery while maintaining quality, the Council wanted to engage with an external partner for the provision of remote resilience services.

Selecting the right resilience partner

Traditionally at Southwark, the revenues and benefits operation consisted of over 200 employees. Bringing the service back in house meant a significant level of operational resource was required from day one to ensure backlogs did not accrue.

But, due to a number of restructures that were taking place across the Borough, the Council decided to recruit just 50% of the vacant posts. In addition, the result of the changing economic landscape meant that the Council’s benefit caseloads were fluctuating like never before. It was therefore important that Southwark selected a service partner that was able to:

- Be ready to deliver from April 2011 without any disruption to the level of service received by the public
- Mitigate the risk related to the complex transition
- Provide a flexible solution that could be easily adjusted on a month-by-month basis depending on peaks and troughs in caseloads
- Support the longer term business transformation programme.

With a proven track record in delivering flexible, off-site resilience solutions to over 50 local authorities and with a pool of over 120 fully-trained benefit processing employees, Southwark awarded the contract to Capita in 2010.

After five months of careful planning Capita’s resilience service was ready to deliver from its service centre in Blackburn by 1 April 2011. The transition, which was the most complex in the Council’s history, was delivered both on time and on budget.

Achieving results with resilience

Capita is responsible for processing up to 25% of Southwark’s caseloads. It is seamless to customers but ensures their revenues and benefits service is delivered on time, every time.

The on-demand solution means operational capacity can be increased and is already delivering a number of benefits. These include:

- Higher performance ratings
- Improved processing rates
- Additional revenue generated
- Greater data integrity.
Results to date

In the first year of service delivery Capita has processed 76,429 new benefit claims or changes in circumstances and 82,938 items of revenues work on behalf of Southwark. Despite the operational changes and increased benefit caseloads as a result of the economic climate, the service has successfully maintained a 21 day processing time for new claims - ahead of contractual targets.

Key targets within the overall revenues and benefits service with regard to claim turnaround times and council tax collection rates have also been met:

<table>
<thead>
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<th></th>
<th>2010/11</th>
<th>2011/12</th>
<th>% variance</th>
</tr>
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<tbody>
<tr>
<td>Change in circumstances</td>
<td>15 days</td>
<td>11 days</td>
<td>+26.6</td>
</tr>
<tr>
<td>Revised-right time indicator</td>
<td>17 days</td>
<td>12 days</td>
<td>+29.4</td>
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<tr>
<td>Council Tax in year collection</td>
<td>92.7%</td>
<td>94.5%</td>
<td>+1.8</td>
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Balancing capability and capacity

With the capability to deliver benefit services in-house and the capacity to manage fluctuating workflows, the partnership is enabling Southwark to meet its objectives and realise a range of additional benefits. In particular, the ability to purchase ‘blocks’ of resource during periods of peak workflow is proving to be a more cost-effective approach. Unlike the high overhead costs of recruiting temporary staff, the clear and fixed pricing structure means Southwark can manage its costs more effectively without incurring any hidden extras.

Southwark now has guaranteed access to experienced benefit processing resources. This means they can deliver a high-quality service to customers without the time and investment of training temporary employees.

Success factors

Capita’s approach from the outset was to establish open dialogue that addressed both the operational needs of the Council’s revenues and benefits service, as well as the wider customer service objectives that Southwark had set.

Throughout the transition, and into service delivery, trust, communication and close working between Capita and Southwark remains at the heart of the partnership. Underpinning the successful management, effective delivery of the project and the ongoing service are the effective liaison arrangements that have been put in place between Capita, the client team at Southwark and all other relevant stakeholders.

“The performance achieved within the first year of operation is testament to the strong partnership working between Capita and Southwark. The service, with Capita’s help, will continue to deliver improvements in performance for the benefit of our customers.”

Dominic Cain, Assistant Director, Revenues and Benefits at The London Borough of Southwark