

# It pays to go electronic



**There's plenty of work to be done on the technology front, and local authorities should continue to partner with software suppliers to achieve the right solutions, argues Martyn Read ■**

You've heard it all before. If you want to save money, invest in technology. This sounds simple enough, but which solutions provide the greatest returns? Most software suppliers will tell you that they can save their customers money, but in today's climate this simply isn't enough. It is essential that the solutions being implemented will help save the most money, deliver an early return and – importantly – maintain the quality of service to citizens. In this article, I shall explore the range of revenues and benefits solutions currently available, and how local authorities are benefiting from them. I shall also consider the needs of a hypothetical medium-sized authority and provide an indication of the savings that can be realised.

Before looking at the various solutions available, it makes sense to take a step back and consider the key elements which exist in the external environment, and how they can potentially affect revenues and benefits operations.

The most obvious consideration is the impact of the proposed **Universal Credit** – the new integrated working-age tax credit which will change the current housing benefit system. Local authorities (LAs) should avoid the knee jerk reaction of cutting investment in housing benefit solutions, because housing benefit won't disappear overnight. The government's proposal is for new housing benefit claims to cease from April 2013, with the aim of transferring all claims to the Department for Work and Pensions (DWP) by 2017. Even if these targets are achieved, there is still a significant amount of housing benefit work still to be done. Technology can still provide significant savings – something demonstrated by the fact that the DWP is continuing with the **Automated Transfers to Local Authority Systems (ATLAS)** project. Receiving information automatically can help manage any housing and council tax benefits overpayments and underpayments, in particular where the customer fails to notify their LA of a claim or change of details, or provides late information.

From a revenues perspective in particular, uncertain economic times, a shake-up in benefit payment levels, and the recent VAT rise, are likely to result in sustained pressure on collection. Some individuals will prioritise other payments over their council tax, and others may not be in a position to pay. As a backdrop to this, the greatest change that will affect LA operations is the **aging population**. This is something that is likely to place more demand on council services in general, strengthening the need for efficiency.

Technologies that can assist with the administration of revenues and benefits have

evolved over the last few years, and so have consumer technologies. The latest internet access statistical bulletin reveals that 73 per cent of people have internet access at home, and that access with a mobile phone is rapidly increasing. This could provide a key opportunity to reduce customer service costs.

A recent report by the DWP entitled, **'Updating the costs of Housing and Council Tax Benefit Administration'**, identified that the greatest cost in administering housing benefits is customer services. Non-bulk change in circumstances (those processed individually by a housing benefit assessor) accounted for almost a third of expenditure between them. Within revenues, a quick look at the latest council tax collection figures suggests that a key area of focus will be recovery and improving collection rates.

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Recently, a south London Borough implemented an **eClaims** system which is an electronic version of a paper benefits claim form, and the council is already receiving 40 per cent of claims through this route. In addition to offering an online form, authorities should also consider the use of an electronic form at their contact centres and an offline version for visiting officers' mobile devices. Fed into one central database, these solutions would serve to provide a more streamlined service. It is expected over the coming years that there will be a higher volume of changes in circumstances to process than benefits claims, as individuals gain

employment, or modify their working hours. The success of the eClaims solution in reducing the cost of customer service and the cost of processing changes suggests that an eChange of circumstances solution should be a natural progression.

**Wirral Metropolitan Borough Council** (WMBC) recently implemented a self service change-of-address solution which involves providing electronic change of address forms on their website which integrate with a back office system. The council serves 312,000 residents in 145,000 properties, and deals with thousands of change-of-address requests from residents each year, which take over 5,000 staff hours to process. This solution helps them to improve efficiency and reduce the cost of processing each request. In a year, 77.8 per cent of residents arranged payment by direct debit payments for council tax, which

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was helped by the implementation of the software, and the council received 200 new direct debit instructions online each week.

Customers of WMBC can now submit details regarding a change of address which are passed straight to the back office application ready for processing. Since moving the form to the front page of its website, take-up has increased by 50 per cent.

With the current economic climate promising to provide challenges for some time to come, it makes sense to invest in solutions that focus on targeted recovery, which will help maximise the impact of finite recovery

resources. Solutions that enable officers to target the worst offenders and identify the quick wins will help improve collection. For the last four months, **Gwynedd Council** has been using a recovery scoring solution that scored customers based on their previous payment history. This has enabled them to focus their recovery officers on the worst offenders. As a result, and despite challenging economic circumstances, Gwynedd recognises that the solution will greatly assist them in their efforts to achieve council tax collection targets for 2010/11.

At the **2010 IRRV Annual Conference** in Harrogate, Capita questioned visitors to the stand about different aspects affecting their day to day work. The majority of those questioned believe the private sector can work with public sector to cut costs without impacting on revenues and benefits service levels. Over half believe that in ten years' time, all payments to their organisation will be made electronically. Additionally, the **Society of Information Technology Management** (SocITM) recently found that each online visitor can cost an organisation as little as 39p – this compares with £3.21 for a phone call and a staggering £8.23 for a visit in person.

It is imperative that private sector providers and LAs engage in close dialogue to identify specific needs, the most relevant solutions, and how to ultimately get the most out of these once implemented.

**A hypothetical example:**

A medium-sized LA with:

- A caseload of 16,000
- 64,000 council tax chargeable dwellings
- 24,000 change in circumstance per annum
- 16,000 changes of address process per annum.

If the above authority was to implement the range of solutions discussed, then likely savings per annum could look like the following:

Mobile revenues and benefits	£23,000
Mobile changes in circumstances	£12,000
Self service change of address	£23,000
Self service change in circumstances	£28,000
<b>Total savings:</b>	<b>£86,000</b>



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