

Leicester City Council transforms Housing Benefit processes and retains 100% subsidy

Bringing its local authority error rate below the 100% subsidy threshold for the first time boosts Leicester's annual budget by over £600,000



Ambitions for long-term improvement

Leicester City Council struggled with a backlog of Housing Benefit (HB) cases for a number of years. To help clear the backlog, the council engaged with Civica. Within six weeks, the experienced OnDemand team worked through 9,635 work items, releasing Leicester's in-house team to process other, more complex cases and new HB claims.

Despite everyone's hard work, however, the council realised their efforts weren't going to make a lasting difference. "It was clear that our issues went beyond simple resourcing — **we needed to fundamentally change our procedures,**" says Alison Musgrove, Service Manager at Leicester. "We approached Civica to take a fresh look at how we were working, and help us understand how we could do it better."

100%

Housing Benefit subsidy retained

In-depth discussions led to Civica proposing an OnDemand Plus three-year contract. The service combines operational resources with consultancy to help Leicester transform its working practices for long-term improvement.

A change in perspective drives process improvements

"In the past, we were always running to keep up, and could never take a step back to review what we were doing," says James Hudson, Quality Assessment and Performance Manager.

Civica consultants, working onsite and remotely collaborated with James and his teams to help change their working practices. **"The consultants helped us gain the perspective we needed, and shared their vision for making improvements,"** he says. "We went through a cultural change that means we now take a proactive, instead of a reactive, approach."

Outcomes

- Backlog of 9,635 work items cleared in 6 weeks
- Changes in circumstances now processed within 6 days, leading to 55% reduction in customer calls by the second year
- 21 new processes adopted making procedures more efficient
- Error rate below the 100% subsidy threshold, attracting an additional £600K over 2 years to Leicester's annual budget.

"Civica became our critical friend, challenging our processes, identifying inefficiencies, and sharing expertise to help us work smarter."

Alison Musgrove, Service Manager,
Leicester City Council



Working in partnership with Civica, Leicester revised its policies and procedures; helped its teams adopt more efficient, effective working practices; and brought its local authority error rate under tight control.

Based on technical knowledge, the Civica team recommended more than 20 new processes to Leicester, including increased automation, to help them work more efficiently. And by challenging service activity, **implemented more than 100 changes to further enhance processes.**

From 0% to 100% Housing Benefit subsidy

For about 10 years, Leicester had been unable to retain its HB subsidy from the Department for Work and Pensions (DWP). Despite putting significant effort into the subsidy claim and audit process, its error rate was always above the required threshold.

Through a series of workshops, Civica helped the council change the way it manages local authority error. **"Now we review cases every week to prevent errors building up,"** says James. "By setting tolerance levels per team, we can immediately work with a team leader if rates go too high, to understand the issues and take action to quickly put things right."

Civica additionally carries out in-year reviews and household reports on behalf of the council to help keep the error rate low. And for problematic cases, Leicester now performs in-depth checks before year end.

"We now run reports on known problematic cases to show these checks have been done. **These reports are completed proactively and satisfy the auditor's requirements, so avoiding the need to complete audit-related workbooks,**" says James.

Leicester's new approach to error management paid off. Its local authority error rate was low enough in 2018/19 to achieve a 40% subsidy return totalling £229K, having only worked with Civica for 6 months.

"In this year's audit 2019/20, we achieved a 100% subsidy return on local authority error overpayments totalling £409K," says James. "Working with Civica, and the hard work of our team, has enabled us to reduce the amount of subsidy "cake" tests by half and **increase the council's income by over £600K over the two years.**"

A transformation built on partnership

The council's process transformation has had a positive impact on its citizens, too. Now that change in circumstances are processed in just five days instead of 17, Leicester has seen **a drop in HB-related calls from around 9,000 to 5,000 per month.**

All though the pandemic has led to an increase in cases, the council is well placed to manage the extra workloads thanks to its efficient processes and the removal of the backlog. **"The partnership arrangement has helped us to redirect resources to support Government initiatives** without impacting on our statutory duty of processing benefits," says Alison.

She and James agree that bringing staff on board from the start is critical to the success of transformation on this scale. They ensured open and honest communication, supported the team leaders, and made it clear that Civica and the council were working in partnership.

"If any other authority is struggling with a backlog or the subsidy audit, they should look at our results to see the improvements that are possible with the right support," says Alison. **"Civica has helped Leicester no end: they're professional and collaborative, and they provide value for money. We got even more out of the engagement than we could have hoped for."**

