

CABINET	28 September 2006
AUTOMATED FORMS PROCESSING IN HOUSING BENEFITS – SUPPLEMENTARY CAPITAL ESTIMATE	
(Report by the Head of Revenues Services)	

1 Introduction

- 1.1 This report explains that the Automated Forms Processing (AFP) project in Housing Benefits can be delivered at a lower revenue cost than in the MTP, despite the Government limiting its capital contribution.

2 Financial Implications

- 2.1 The table below shows the net impact of the changes resulting from the latest estimates of cost and the Government's decision to only fund part of the capital costs.

	2006/7 £' 000	2007/8 £' 000	2008/9 £'000
Included in MTP bid 668			
Capital	275	0	0
less grant	275	0	0
net capital costs	0	0	0
Revenue costs	0	21	21
financing costs	0	0	0
savings	0	-21	-21
net revenue costs	0	0	0
Latest Estimate			
Capital	224	0	0
less grant	166	0	0
net capital costs	59	0	0
Revenue costs	0	14	14
financing costs	1	3	3
savings	-1	-21	-21
net revenue costs	0	-4	-4
Net Impact			
Capital	+59	0	0
Revenue	0	-4	-4

- 2.2 Thus the Council will be able to implement the AFP solution in Housing Benefits and make a revenue saving on the existing MTP provision.
- 2.3 In addition, AFP software is designed to reduce the amount of time taken to key in information on Housing Benefit claims by 'reading' the data using Intelligent Character Recognition (ICR) and transferring it directly into the benefit assessment computer program.
- 2.4 It is anticipated that this software will reduce the time taken to process a new benefit claim from 30 days (2005/6) to 18 days by 2008/9 and the time taken to process a change in circumstances from 17 days (20005/6) to 15 days by 2008/9.
- 2.5 This software, once purchased, can be adapted to be used in other areas. It would be most useful where a large amount of data is collected on a form and that data is later input onto a computerised processing system (for example, Planning Applications or Housing Register).

3 Recommendation

- 3.1 It is therefore recommended that Cabinet
 - a) Approve a supplementary capital estimate of £59,000
 - b) Approve the release of funds to enable the project to commence
 - c) Note that the revenue saving which will be incorporated in this year's review of the MTP

Background papers : MTP bid number 668, DWP approval for £165,500

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