

# Benefit Services Report

City of Westminster Council  
July 2010



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# Service inspections

This inspection has been carried out by the Audit Commission under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. These principles embody the objectives of our Strategic Plan and Strategic Regulation. They also reflect the principles from *The Government's Policy on Inspection of Public Services (July 2003)*. Audit Commission service inspections should:

- focus on public service outcomes from a user perspective;
- act as a catalyst to help inspected bodies improve their performance;
- concentrate inspection work where it will have most impact, so that it is proportionate and based on an assessment of risk;
- be based on a rigorous assessment of costs and benefits, with a concern for achieving value for money both by the inspected organisation and within the inspection regime itself;
- be, and be seen to be, independent of the inspected organisation;
- report in public, using impartial evidence to inform the public about the performance of public services so as to enhance accountability;
- involve collaborative working with other inspectorates and external review agencies to achieve greater co-ordination and a more holistic approach to the assessment of performance by audited and inspected bodies;
- share learning to create a common understanding of performance that encourages rigorous self-assessment and better understanding of their performance by inspected organisations;
- be carried out objectively by skilled and experienced people to high standards and using relevant evidence, transparent criteria, and open review processes; and
- enable continuous learning so that inspections can become increasingly effective and efficient.

We assess services using published key lines of enquiry (KLOE) to inform our judgements. The KLOEs can be found on the Audit Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk).

This report is issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.

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# Summary

- 1 The Benefit Service (the service) provided in the City of Westminster is fair with promising prospects for improvement.
- 2 The City Council has outsourced the administration of the benefit service and its counter-fraud work. Both have been outsourced over ten years.
- 3 Customers do not receive a prompt service when they apply for a new claim and wait on average 31.3 days. Some customers wait up to 80 days for their claim to be decided. The service's performance against the National Indicator 181 (Right Time) is 15.3 days, which is better than the target it has set itself.
- 4 Nearly 80 per cent of customers are satisfied with the service they receive and over 96 per cent are satisfied with the locations and the opening times of the customer access points and the telephone service. When customers contact the service they find that they are dealt with quickly and efficiently. Customers are clear about the standards the service has set as they are displayed in the access points and on the City Council's website. The service also tells customers how it is performing against the standards each month.
- 5 The service helps to ensure customers receive accurate benefit payments. It checks every calculation for benefit which means that customers receive correct payments of benefit. The decision notices informing the customer about their award are also checked to make sure they are easy to understand. Letters and leaflets have been simplified and have achieved an industry standard for their clarity. Complaints and appeals are dealt with quickly and the service has demonstrated that it makes changes to the service where it is needed.
- 6 There is excellent work carried out at a corporate level to help people who are affected by the recession to get back to work, and the Benefit Service is a major contributor to this work. It has good connections with third parties and stakeholders and has good links with the local Primary Care Trust. The service has in place an effective system to award Discretionary Housing Payments (DHP) and has succeeded in attracting additional funds to help reduce child poverty - one of the Local Strategic Partnership's priorities.
- 7 There is a take-up programme in place but the service cannot identify which parts of the programme are successful. The service is not making the most of demographic information held at a corporate level to help inform where to target benefit take-up. The service deals with potential fraud well. It provides good fraud awareness to staff and to stakeholders and it works well with other agencies to investigate high-profile cases.
- 8 The service currently delivers satisfactory value for money but the cost is high when compared with other councils. The main benefit service contract was renegotiated to provide the City Council with an annual saving of £1 million. However, the service does not benchmark against other services and therefore does not fully understand its costs.

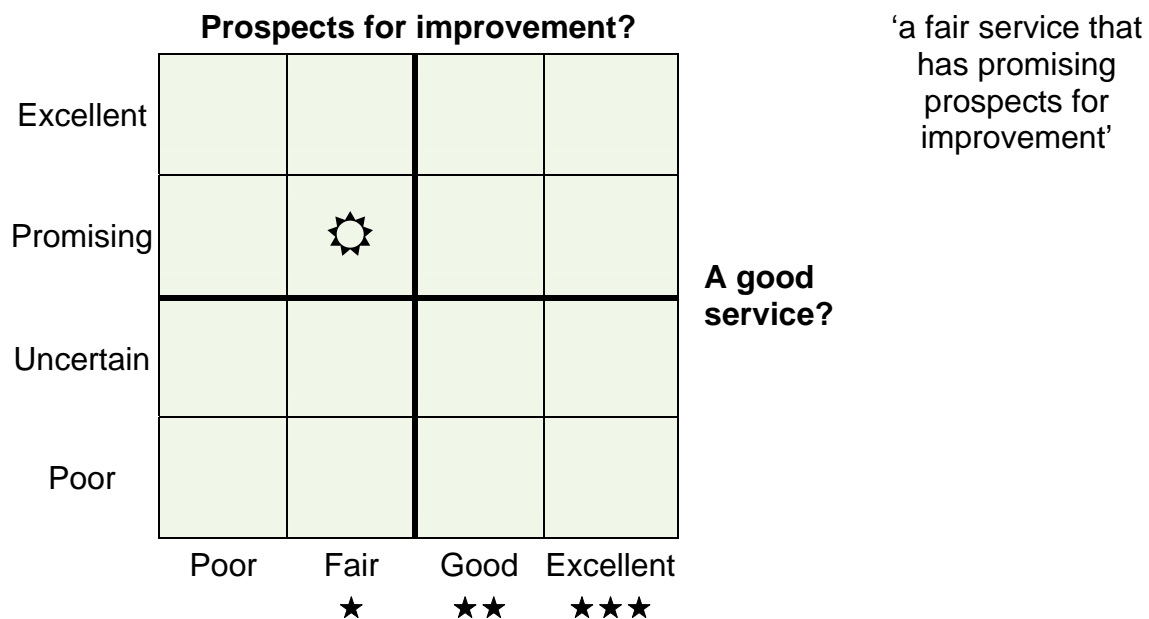
## Summary

- 9 The service checks 100 per cent of all new claims and changes and this results in very accurate payments of benefit. But the service cannot demonstrate how much error it is preventing or how much fraud is being stopped from getting into the benefits system and whether this is a good use of its resources.
- 10 The City Council overall has a strong track record of delivering improvements in service delivery. The service works within a corporate culture that continually seeks improvement. The service has made some significant changes that directly improve customers' experience of using the service such as introducing a fast track system and it has worked with Citizens Advice Bureau (CAB), to introduce a debt management service that people can access to help them through the recession.
- 11 The way the City Council manages its performance is strong and well established. The City Council monitors and reviews its performance very effectively and this has resulted in service improvements for local people. Councillors and staff work well together and the City Council carries out its community leadership role well. The City Council has strong political and managerial leadership.
- 12 The service has good performance management in place. There is a constructive relationship between the service client side and the benefits service contractor and there is good performance management information. Information about the service feeds into the corporate performance management system so senior officers and councillors are also aware of how the service is performing. The service has good capacity overall to continue to improve.

# Scoring the service

- 13 We have assessed the City of Westminster Council as providing a 'fair', one star service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

**Figure 1** Scoring chart<sup>1</sup>



Source: Audit Commission

- 14 The service is a fair, one star service because:

- it tells customers what level of service they can expect and publishes performance against its standards so they can see how the service is performing. There are no backlogs of work and customers get a responsive and accurate service for processing complaints and appeals;
- customers can easily access the service and it has listened to them about when they would like the access points and telephones to be open. The level of satisfaction with the opening times is high;
- it works well with partners and stakeholders to help reduce the effects of the recession and helps vulnerable people through its attempts to improve the take-up of benefits;

<sup>1</sup> The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

## Scoring the service

- the Discretionary Housing Payment (DHP) fund is targeted well to support vulnerable people and the service has worked with others to help increase the amount that can be awarded especially to reduce child poverty;
- it has sound arrangements in place to deal with potential fraud, housing benefit overpayments are positively pursued and in year recovery is good; and
- customers surveyed are satisfied with the service they receive.

15 However, there are some areas that require improvement. These include:

- the speed of processing new claims is slow and is not included as one of the service standards;
- claims are not followed up effectively when all the information is not provided;
- use of demographic information has not been fully developed and has not been linked with information that is held at a corporate level;
- benefit take-up initiatives are not evaluated for their effectiveness;
- the 100 per cent checking process has not been fully evaluated to know how much fraud and error is saved by this method; and
- costs are not benchmarked against other similar local authorities and costs are high when compared to other councils.

16 The service has promising prospects for improvement because:

- it has a good track record of delivering change and improvement;
- it can show improvement in key performance indicators over the last three years;
- the City Council has a strong performance ethos and longer-term plans for the service are being coordinated with the rest of the City Council;
- managers within the client side are clearly committed to improving the service and maintain an effective relationship with the contractor;
- staff have the skills to deliver the service; and
- the City Council has successfully brought additional funding into the service.

17 However, there are barriers to improvement:

- 30 per cent of determinations are returned to the contractor; and
- the improvement plan does not have priorities and milestones.

# Recommendations

- 18 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the City Council. In addition, we identify the approximate costs<sup>1</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends the City Council should do the following.

## Recommendation

- R1** The service should improve the amount of time it takes to inform the customer of the outcome of their benefit claim by:
- analysing the reasons why it takes longer than 31 days to make a decision on some new claims and changes; and
  - agreeing the maximum length of time a customer will be allowed to provide documentary evidence before their claim is made defective.

The expected benefits of this recommendation are:

- customers will receive information about their claim quicker; and
- the average time it takes to assess new claims and changes will improve.

Implementing this recommendation will have high impact with low costs. This should be implemented by 30 September 2010.

## Recommendation

- R2** The service should analyse the effectiveness of the 100 per cent determination check to calculate the amount of error and fraud that has been kept out of the system.

The expected benefits of this recommendation are:

- to identify the true effectiveness of the checking process and whether it is providing good value for money to council tax payers and the DWP.

Implementing this recommendation will have high impact with low costs. This should be implemented by 30 September 2010.

<sup>1</sup> Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

## Recommendations

### Recommendation

**R3** The service should target take up of benefit work effectively by making use of the demographic information available. It should evaluate and report on the outcomes achieved.

The expected benefits of this recommendation are:

- to identify which initiatives are successful and enable the service to make better use of its limited resources.

Implementing this recommendation will have high impact with low costs. This should be implemented by 30 September 2010.

### Recommendation

**R4** The service should proactively seek out benchmarking partners to identify how it is performing against other services in order to learn and implement new ideas that will benefit local people.

The expected benefits of this recommendation are:

- the service will be able to measure its performance against other similar services and learn from this.

Implementing this recommendation will have high impact with low costs. This should be implemented by 31 March 2011.

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# Report

## The locality

- 19 The City of Westminster (the City Council) is the home of government and the monarchy and many internationally famous buildings and tourist attractions. It has the largest concentration of visitor attractions in London including prestigious landmarks such as Buckingham Palace, Westminster Abbey and Trafalgar Square, as well as most of the West End theatres and cinemas, and the shopping areas of Oxford Street, Regent Street and Bond Street. It also contains 40 per cent of London's hotels and guest houses. Westminster contains the royal parks of Hyde Park and Kensington Gardens, St. James's Park, Green Park and Regent's Park as well as other areas that provide green space to an otherwise densely populated area with few private gardens.
- 20 Despite being one of the smallest areas in the UK, Westminster is densely populated and the population is expected to grow significantly. Westminster has a residential population of nearly 250,000 but a daytime population of closer to a million and Europe's largest night-time economy. The population is highly mobile and there are over 180 nationalities in this diverse area.
- 21 Westminster is ranked as the 72nd most deprived district out of England's 354 districts and 15th when compared with London's 33 boroughs. Deprivation is most concentrated in Church Street and the north-west wards. Deprivation in the south is concentrated in Churchill ward. Between November 2008 and September 2009 claims for both Housing Benefit and Council Tax Benefit increased by 6 per cent. As at the end of March 2010, there were 5,162 people who were unemployed and claiming Job Seekers Allowance, which is only 3 per cent of the population. The City Council and its partners have reducing child poverty as one of their main priorities.
- 22 Within Westminster there are areas of great affluence and deprivation, living in close proximity to each other. Despite the number of jobs in the City, only 69 per cent<sup>i</sup> of working age residents are economically active, and in some areas, this proportion falls dramatically. Because of its location and the huge social and business opportunities Westminster has always been a major pull for migrants, both from within the UK and internationally. Between 2001 and 2008, Westminster had the fourth highest volume of international migration per 1,000 population within the UK, with only university towns of Cambridge and Oxford, and the City of London having more. As a result Westminster is extremely diverse, with over half of all residents born outside the UK<sup>ii</sup>, and over half being non-White British<sup>iii</sup>. The range of different nationalities in the City means there that are no single 'minority groups' of substantial size.

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<sup>i</sup> Source- Annual Population Survey, NOMIS, Jan – December 2008

<sup>ii</sup> Source – Annual Population Survey, NOMIS, Jan – December 2008, (54%)

<sup>iii</sup> Source – Sub-National Ethnic Population Estimates, ONS MYE 2007

## Report

**23** The City Council has led the response to the recession in Westminster. A City Recovery Programme has been established. The programme includes a 15-point package to support small businesses and residents in the future including faster payments of invoices to smaller businesses, a freeze on council tax for 2009/10 and setting up a pool of rental properties in the private sector for those who are threatened with homelessness. One thousand people and 1,200 businesses have been helped through the programme. Further activity is planned including the Westminster Works scheme which will support 3,000 job seekers; providing 50,000 square feet of affordable office space for local businesses and a major marketing campaign across London to attract visitors and support the local economy.

### The City Council

**24** The Conservative party is in overall control of the City Council holding 82 per cent of the seats. There are 60 councillors representing 20 wards with 49 Conservative and 11 Labour councillors. The City Council has a Leader and Cabinet structure.

**25** The Strategic Executive Board of the City Council comprises the Chief Executive, Deputy Chief Executive and five Strategic Directors. Each Strategic Director is responsible for a portfolio of services. The City Council has recently moved to a structure that focuses on commissioning services.

**26** The City Council's (and the Westminster City Partnership's) priorities are:

- an improving environment;
- better life chances;
- strong, united and engaged communities; and
- customer tailored services.

**27** The City Council is performing excellently as outlined in the 2009 organisational assessment carried out by the Audit Commission. This organisational assessment combines information and scores on two issues - how good services are (the 'managing performance' assessment) and how the organisation is using its resources (the 'use of resources' assessment). The City Council is performing excellently for managing performance and performing well for use of resources.

**28** The City Council no longer owns or manages its own housing stock, which was transferred to CityWest Homes in April 2002.

### The City Council's Benefits Service

**29** Housing Benefit (HB) and Council Tax Benefit (CTB) are national welfare benefits administered by the City Council on behalf of the DWP. A complex legal framework is in place to define who is entitled to benefit and to reduce fraud and error in the system. The benefits service within a council has a responsibility to pay the right benefit to the right person at the right time.

- 30** Our responsibility to provide assurance (to government, councils, taxpayers and benefit customers) means that we will consider inspection where there is a current or future risk to the service and its customers. In the case of the City Council, the primary reason for commissioning the inspection was that people are waiting too long for their benefit to be paid.
- The average speed of processing new claims in 2007/08 was weak with new claims being decided in 33.7 days.
  - The average time taken to deal with changes in circumstances was weak in 2007/08 with changes being processed in 18.8 days.
- 31** The key objectives of this inspection were to:
- review the effectiveness of protecting the public purse to ensure there is effective overpayment recovery and counter fraud arrangements in place;
  - assess the effectiveness of meeting the needs of the vulnerable people it serves, and contributing to the City Council's wider corporate objectives; and
  - provide assurance to the DWP and other stakeholders regarding the quality of service provision.
- 32** The Benefits Service (the service) in the City of Westminster pays out around £260 million a year to:
- 21,576 people claiming CTB; and
  - 16,798 people claiming rent allowance of which 9,331 are tenants of registered social landlords (RSLs) and 7,467 are tenants of private landlords.
- Of the total 27,772 cases, 8,395 people are of pensionable age and 19,377 are working age.
- 33** The service is delivered by two contractors and has been since 1999. One is employed to administer housing benefits and the other to carry out counter-fraud work. The client side contract monitoring and determination team is part of the finance directorate with 15.2 full-time equivalent (FTE) staff. The cost of running the service in 2009/10 is a minimum of £7.98 million of which £3.34 million is funded by DWP (2009/10) and the balance is met by the City Council.
- 34** The inspection took place week commencing 8 March 2010.

# How good is the service?

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## What has the service aimed to achieve?

- 35 The City Council is working with other public services, voluntary organisations and businesses to improve the quality of life for local people. Together, they want to make Westminster the best city to live in, work and visit in the UK. They have agreed on priorities they will tackle and have set targets for improvement. These priorities are:
- improving the environment;
  - better life chances;
  - strong, united and engaged communities; and
  - customer tailored services.
- 36 The service has a vision of what it wants to provide to its customers. The vision is:
- “We aim to provide an inclusive and secure benefits service that pays the right people, the right amount of benefit at the right time.”**
- 37 The aims of the service are to provide a service that:
- gives customers an accessible, fair and accurate service;
  - provides for a prompt and accurate assessment of benefit entitlement;
  - promotes the take up of housing benefit and council tax benefit and provides advice on all other local and national benefits;
  - recovers overpayments of housing and council tax benefit fairly and efficiently;
  - is efficient and provides value for money;
  - provides a customer-focused service in line with the Westminster Standard; and
  - reduces the levels and risk of fraud.

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## Is the service meeting the needs of the local community and users?

- 38 The service has a good understanding of what customers want. It carries out an annual survey where it asks 2000 recent users of the service what they think of the service they received and how it could be improved. It also adds to this by encouraging customers to tell the service about their experience when dealing with the service at access points and through the telephone. This has allowed customers to help inform the service standards.

- 39** A good corporate complaint process is in place. There is a three-stage complaint process that is advertised in the access points and on the website. The first stage is dealt with by the contractor and as at the end of December 2009, 52 complaints had been dealt with. No complaint had been to stage two where the service's client team look at it and no cases had gone to the third stage, which is looked at a corporate level. The service has a target to investigate all complaints within ten working days and this is being achieved. It is good practice to have an open and accessible complaints process that is easy for customers to use.
- 40** There are good arrangements in place to learn from complaints. Each complaint is analysed to understand why it has been made. Part of the analysis includes looking at cases where it is acknowledged that the service failed and identifying what needs to change. Ways in which the service has dealt with the issues include retraining staff and changing how the service interacts with customers by changing documentation and internal procedures. Learning from the complaints it receives allows the service to improve its service to customers.
- 41** The service communicates well with partners. It has regular meetings with registered social landlords (RSLs), meets with the Citizens Advice Bureau and the housing Arms Length Management Organisation (ALMO) CityWest Homes. It sends a six-monthly newsletter to private landlords that gives information about how the service can help. It arranges meetings with them when there are major issues such as implementing the Local Housing Allowance (LHA). RSLs report that the service is well regarded when compared with other services they work with. Good communication with partners helps them understand issues and allows vulnerable people to be helped when they are in need.
- 42** The service communicates well with customers. It provides information about how to claim benefit with council tax bills and includes articles in Council magazines the 'Westminster Reporter' and 'Westminster Children First'. It has extensive information about benefits available on its website and provides information through posters and flyers in both of its customer access points. Clear and simple communication helps customers understand the benefits administrative process.
- 43** The service has worked well with local communities to help people through the recession. It is a major stakeholder in the initiative created by the City Council called City Recovery programme. City Recovery is part of an umbrella initiative created by Westminster partners called Westminster Works. The aim is to help people cope with their debts, signpost them to welfare benefits and provide advice about housing and council tax benefit. A high-profile initiative, the Debt Management and Benefit Advice service, is provided by the Citizens Advice Bureau and has good links to the service. From April 2009 to February 2010 the Bureau dealt with 1,885 benefit enquiries. An effective and responsive service can help people have a positive experience especially when it is the first time they have applied for benefit.

## How good is the service?

- 44 The service does not make sufficient use of information about the diverse make up of its customers. The City Council has done much work corporately to identify where there are pockets of people who are out of work across the City. But this work has not fully filtered down to the service to help improve take-up of benefit. As a result, there is potential duplication of work within the City Council. Nor has the service included a question on its application form to gather information about ethnicity. The service has recognised that this needs to be addressed and is looking to make the most of corporate data and to change the application form. The service is not able to target its resources effectively without clear information about where there may be vulnerable groups who are under claiming benefit.
- 45 Customers know what to expect from the service. There is a list of specific service standards that are made available through posters in all the customer access points. The standards include speed of processing, the time taken to be seen at access points and to be dealt with on the telephone. The service consulted with customers and stakeholders about the level of service they would expect to receive. The service uses the standards to measure its performance and that of the contractor. The Cabinet Member receives a monthly and quarterly update and the performance is displayed in the customer access points and on the City Council's website. Clear measurable standards allow customers to know what to expect and whether the service is delivering against those standards.
- 46 Customer access to the service is good. There are two main customer access points to obtain information. One is in the north of Westminster in Orchardson Street. This opened in 2008 and has been praised by customers and partners as being in the best position to provide access to a large number of people because there are many large housing estates nearby. It is used by, on average, 4,000 people each month. The second customer access point in the south of Westminster in Vauxhall Bridge Road is also well placed but is not as well used. The opening times for Orchardson Street are from 8.30am to 5pm and Vauxhall Bridge Road is open until 6pm. Customers are pleased with the opening times with 93.6 per cent saying the opening times are convenient to them. Good access makes it easier for customers to get prompt answers to their queries.
- 47 Customers are dealt with in a reasonable time when they contact the service. There is a service standard: "to see you on average within 30 minutes if you require an interview at one of our benefit reception sites". Performance at the end of February 2010 was 20 minutes and the performance for the year to date was 21 minutes. Our mystery shopping did not find any evidence of queuing at either office. If a customer does not want to wait to be seen there is a fast track queue where a customer can drop off an application form or other documents. Some customers are also able to have their claim paid quickly. In October 2009, the service introduced a pilot service where if a customer brought in all their evidence with their claim, it would be assessed within 48 hours of being received. The service has assessed 143 cases so far. The pilot is now being advertised widely to encourage customers to bring in their documentation quickly. Efficient access points and quick assessment of claims leads to speedier payments which will help customers have better control of their finances.

- 48** The telephone service provided to customers is good. The service is provided by a call centre and customers are able to access it through a freephone number. The service standard is to answer 80 per cent of calls within 20 seconds. The service was achieving 86 per cent and had fewer than 3 per cent of abandoned calls for the year up to end of February 2010. The call centre is open to calls from 8am to 6pm. The customer survey identified that 96.2 per cent were content with the time the call centre was open. Our mystery shopping found that the automatic answering service keeps customers informed of where they are in a queue to speak to an agent but it can take a long time to get through to someone. The system also allows customers to choose to receive a call back if it is inconvenient for them to wait in the queue. The use of a freephone number allows customers to spend the time they need on the telephone without the fear of having expensive telephone bills. A good and efficient telephone service allows customer to have effective contact with the service and resolve issues without having to make a call to the main access points.
- 49** Customers are dealt with by knowledgeable staff. Our mystery shopping found staff at both customer access points were helpful and answered most of the queries we asked of them or were signposted to how to enquire about other welfare benefits. Accurate and helpful advice helps ease the complicated application process for customers.
- 50** Access to information about the service on the City Council's website is good. The City Council has opted to use a search engine based method for users to gain access to information on the site. There is also an A to Z index that a customer can use to get access to the housing and council tax benefits pages and a direct link at the bottom of the home page. The benefits pages provide a list of frequently asked questions that are useful in signposting customers through the process of applying for benefit. It has an application form to download and an online calculator. There is also a link to the DWP on the DirectGov website that provides access to information about other benefits. Access to this information helps customers to work out whether they may be entitled to benefit.
- 51** Information about benefits is clear and easy to understand. The service has used a suite of leaflets that provide simplified information to customers about different aspects of the service. The leaflets have received external accreditation that they are easy to understand. The service has taken positive steps to improve the documents it sends to customers. It has reviewed 18 key documents and has achieved the same accreditation for their clarity. Easy to understand forms and documents allow customers to understand what they need to do to claim benefit.
- 52** The service has a sound strategy in place to improve take up of benefit. It is concentrating on four areas to help improve take up. They are:
- marketing and promoting the service;
  - reviewing literature design mailings;
  - working with partners; and
  - identifying and targeting potential customers.

## How good is the service?

Much of the work is still in progress but the service has:

- introduced an A to Z leaflet about all the welfare benefits that are available that is sent out with council tax bills each year;
- improved posters it uses in the public areas of council buildings about how to contact the service; and
- made contacts with other partners to help identify groups that are under claiming. A good example is the work the service is carrying out with CityWest Homes in creating a financial inclusion strategy.

**53** The service is beginning to improve benefit take-up. It is working well with stakeholders and other parts of the City Council to raise awareness about how to claim housing benefit. For example:

- 'Take-up' posters have been circulated to all City Council public offices and to the borough's RSLs;
- CityWest Homes and ten RSLs provide points of contact for advice about eligibility for benefit at the time a tenancy is allocated;
- a booklet providing an A to Z of welfare benefits has been sent to all council tax payers;
- the service is working with the Department of Children, Families and Schools (DCFS) to provide help to families as part of a reduction in child poverty initiative; and
- the City Council has introduced a Debt Management and Benefit Advice project under its City Recovery ('Beat the Recession') programme. The service is provided with Westminster Citizens Advice.

**54** City Council officers from customer facing services can easily refer an individual to the service. The referral facility is also available to councillors, Members of Parliament, CityWest Homes and to RSLs. However, other than the work the CAB carries out for the City Council, the service does not have systems in place to identify how successful most of this work has been in improving income for vulnerable people. Nor has it fully used demographic data to target take-up work. Increasing take-up of benefit helps individuals and supports the local economy. Understanding the success of activities enables services to be focused in the right way.

**55** Good partnership working is supporting vulnerable people. For example, the service has a direct link with Westminster Primary Care Trust's (PCT) Mental Health Team. A clear referral process between the service and the team ensures that, where appropriate, the customer is contacted by the team to ensure that they receive the right support. A reciprocal arrangement is in place so teams can refer cases to the service if necessary. More joint working is being discussed. In one case a person was referred who was in a confused state and had rent arrears of £1,500. The person was seen by the PCT's Mental Health Team and they helped the person complete the benefit application form. The result was that the person's rent account changed from being in arrears to a credit of £300. This level of collaborative working helps ensure vulnerable people get the support they need and the benefits to which they are entitled.

- 56** The service provides a good service to those who live in hostels. Westminster has a large population of rough sleepers who move between being homeless and hostels. These customers only stay for a short period of time. In recognition that the service has to provide a quick and efficient service, it has set up a separate experienced team that deals only with people who live in hostels. The service has created a simplified level of evidence to allow benefit payments to be paid within 24 hours of receiving a claim. This is a tried and tested system and allows vulnerable people to have quick and easy access to hostel accommodation.
- 57** The service is making good progress improving benefit award letters. Housing benefit and council tax benefit legislation is complex and, as a result, award letters are not always easy to follow. The service has responded to this in two ways. Firstly, by simplifying the wording used in the letters and secondly by checking every award letter before it is sent to the customer, to make sure the letter is relevant to the circumstances of the customer. The service keeps records of the reasons for a call and during February 2010, less than one per cent of enquiries were queries about the award letter. This helps reduce the number of people who contact the service about the award letters and reduces the time taken by customers and the service explaining what the letters mean.
- 58** Counter-fraud activity is publicised widely. Residents are encouraged to report fraud through the City Council's fraud hotline. The existence of the hotline is included on the City Council's website, on flyers sent out with council tax mailings and in the recent A to Z of services booklet. Details of successful prosecutions are notified to the local and national press and are also published on the website. The service has been featured in a recent television programme 'Saints and sinners'. By making successful prosecutions high profile it makes it clear that there is a greater chance of being caught. It also provides assurance to council tax payers that fraud is being tackled effectively.

### Diversity

- 59** Good progress has been made in equality and diversity. The City Council has achieved level three of the Equality Standard for Local Government. It has self-assessed as level two of the new equality framework. A draft Single Equalities Scheme is out for consultation with a closing date at the end of March 2010. Benefits is not explicitly mentioned in the document but there is a strong implicit role to help address high levels of housing need and homelessness among ethnic minorities and to reduce the prevalence of poverty among younger children. There is strong leadership from the Chief Executive who is the equality and diversity champion. A strong commitment from chief officers of the council helps ensure that equality and diversity is a high priority across the City Council.

## How good is the service?

- 60 The service engages well with various representative groups to identify the needs of diverse communities and ensure equality of access to the service. The City Council and its partners received a green flag for the Comprehensive Area Assessment for its community engagement. The service meets with representatives of groups such as Citizens Advice Bureau, Westminster advice centre and Paddington law centre. Other groups include Queens Park Bangladeshi group and Age Concern. These groups consult further with their members but there has been little feedback from the groups to identify problems or potential improvements. City Council officers also meet with RSLs and estate officers. Good contacts with interested groups help the service to understand whether the service is meeting customer needs.
- 61 The service is good at meeting equality and diversity requirements of its customers. Because of an equality impact assessment in 2007, the service identified the need to improve awareness of the services. Actions taken include improving the publicity of the telephone interpreting facility that was already available at the frontline offices. Several other language speakers are employed at the frontline benefits offices and callers can also make an appointment to meet with a signer in British Sign Language. The basic claim forms can be translated into other languages on request. Large print and Braille information is also available and if necessary correspondence can be by audio methods. The customer satisfaction survey has been provided in other languages on request. Facilities to help customers whose first language is not English allows them to receive a fair and equitable service.
- 62 The service's customer access points provide a good service to those who have diverse needs and requirements.
- There is good access for wheelchair users at Orchardson Street where there are automatic doors. Access to Vauxhall Bridge Road is adequate as a wheelchair user has to ring a bell to gain access to the office.
  - Hearing loops are advertised and are available.
  - Home visits are available.
  - Interpretation facilities are available either through customer facing staff or by the City Council in-house interpretation and translation service or through a commercial interpreting facility through the telephone.
  - Information leaflets are available and can be translated upon request.
  - The website provides translated help to people who speak Arabic, Bengali, Chinese Spanish and Portuguese. We found that the Chinese and the Bengali translations did not work when we were on site, but this was corrected soon after we left.

Frontline staff are aware of the help that is available to customers. This allows all customers to have good and equitable access to information about benefits.

**63** The Discretionary Housing Payment (DHP) fund is targeted well to support vulnerable people. The City Council contributes more than the amount paid into the fund through grant from the DWP. The amount spent in 2009/10 was £236,500 of which £29,241 was paid by the City Council. This included 15 tenants of temporary accommodation moving into work for the first time. It has also secured additional money to help fund the extra payments. The City Council is one of only ten councils that the Department of Children, Schools and Families has selected to take part in the Child Poverty Local Authority Innovation Pilot. The City Council's bid included using the DHP fund to incentivise and support parents moving into work. This was identified as one of the key reasons Westminster's bid was approved. Good use of the DHP fund can help people into work and can help vulnerable people, especially those who are new to the benefit process because of the recession.

### Service outcomes

- 64** Workloads are well managed. The client-side team monitor the contractor's outstanding work to make sure that it is dealt with quickly. There were no backlogs of work during the period of our inspection. New claims and changes are progressed within two working days from when they are received. Changes in circumstance are dealt with as a priority so customers are not over or under paid benefit. All staff, including those who deal with customers, are kept up-to-date with the work position so they can advise customers about when they will hear from the service, for example, the outcome of a claim or a reply to a letter. By managing work well the service can meet customer expectations and avoid unnecessary contact from customers checking progress.
- 65** Customers have their new claims dealt with slowly. For the year up until the end of February 2010, the service processed new claims in 31.3 days on average and changes in 12.2 days. The combined figure (the measure for NI181) for new claims and changes during the same period was 15.3 days. New claims do not compare well with other Councils nationally. Although the service has a target to achieve the NI 181 Right Time of 16 days it does not have a customer target for processing new claims. This means that new customers do not have a true view of how long they may wait for their benefit to be paid.
- 66** Vulnerable people receive a thoughtful and caring service that matches their personal circumstances. Where a customer has not provided all the information required to evidence a new claim or change, a month is allowed for that evidence to be provided. If the evidence is not provided the service can then terminate the application as being defective because not all the evidence has been provided. If the customer subsequently provides the extra information, the customer will have to make an appeal or will have to make a new claim and a request for that claim to be backdated. The service has an approach where it will allow customers the time they need to provide the evidence before it considers the claim should be closed down. However, customers are encouraged to provide the information as the following shows.

## How good is the service?

- Three days after receipt of the application form, if the customer has not provided documentary evidence or has provided only some of the evidence, either the customer is written to for the evidence or, if it is something that is simple to resolve, the customer is contacted by phone or a visiting officer is asked to visit to get the evidence.
- At 14 days after receipt, if the evidence has not been received, a letter is sent to the customer telling them a telephone call will be made.
- After 21 days the customer is either telephoned or visited.
- At 31 days the customer receives a further reminder.

After all the above have been exhausted, the contractor may set a further period of time based on the circumstances of the case. If that period expires without the evidence being provided, the contractor has to ask the client team to make the claim defective.

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### Table 1 Case studies

We asked the service to demonstrate the type of claim that is allowed to run over the calendar month time frame

Examples of where extra time has been allowed to provide documentary evidence.
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The claimant is a single parent and after providing partial evidence, a further request for the additional evidence was made and the time limit extended. On providing some more information the claimant requested more time to provide the remaining evidence. The information has now been received and the claim has been assessed and paid. This took 56 days to pay.
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Self-employed claim. Partial information was provided. A letter was sent to ask for the rest of the information and granting an extension of ten days to provide the rest of the information. More information was received but this led to another request relating to the percentage of expenses that actually related to the business. A further extension was granted. More information was subsequently received which led to a new request for information and a further extended 'provide by date' was set. The information was subsequently received and the claim has been assessed. This took 64 days to pay.
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- 67 Customers receive accurate benefit payments. The service checks every claim before it is put into payment which means that nearly 100 per cent of claims paid are accurate. All new claims and changes are checked by the service's determination team. They check that the information on the claim form has been correctly used and the right evidence has been requested to allow payment to be made. This can increase the time it takes to process a claim by two days. The determination team also check the decision notice to ensure it explains correctly the amount that has been awarded for a new claim, why a change has been made or where there has been an adjustment to a customer's claim. This reduces the number of housing benefit overpayments caused by the service's error rather than where a customer has failed to notify the service of a change.

- 68** The service responds satisfactorily to requests from customers who ask for a decision about their claim to be looked at again. The service has set a target "to provide a response to appeals within one month in 80 per cent of cases". The service standard was introduced from 1 October 2009 and by the end of February 2010, 100 of the 102 appeals received had a response within the service standard. For 2009/10 around three-quarters of appeals were sent to the Tribunal Service within one month and 95 per cent of appeals were completed within three months. However, in the 18 per cent of cases that are not dealt with within one month, the customer receives a letter a month after their request that tells them the status of the enquiry. The service recognises that this may be a long time to wait to receive a letter and has started telling customers that their request for a reconsideration or appeal has been received. A speedy and transparent service helps to keep customers informed about the process of their appeal.
- 69** There are good arrangements in place for preventing fraud and error entering into the system. The service demands a high level of evidence before a claim is put into payment. The level of evidence required is set out on the website and is sent out with every new application form. The client team then check 100 per cent of claims before they are put into payment therefore helping to reduce the level of error that can get into the benefit system. Visiting officers, CityWest Homes and the ten RSLs are trained to verify documents. This not only helps reduce error but also helps the customer to know the level of evidence that is required for their claim to be paid.
- 70** Overpayment recovery is good. The amount of debt raised up to the end of February 2010 was £6.9 million. This was a small increase of 1.6 per cent on the previous year at the same stage. The service increased the amount it recovered from £5,947,498 to £6,002,268 and, of this, £6 million was recovered either through deductions from ongoing benefit (£4.5 million) or through other recovery methods (£1.5 million). This equates to 87 per cent of current year debt. The overall debt outstanding is £11 million. Effective debt recovery allows the City Council to recover debts quickly and does not allow customers to build up large debts they cannot afford to pay.
- 71** The service has good processes to deal with vulnerable people when recovering overpayments. There are two main ways in which overpayments are recovered, either through a deduction from the benefit the customer is getting or by sending an invoice where a customer is no longer receiving benefit. For both methods of recovery, the service does not take any positive action to recover a debt until the customer's appeal rights have expired. The service will also help vulnerable people who find the debt too large to pay in one amount. Instalment plans are offered to customers to help spread the payment over an agreed time. This is good practice as it allows customers to make adjustments to their financial arrangements before the service tries to recover the debt.
- 72** The service has sound arrangements in place to deal with potential fraud.
- It has an effective prosecution policy in place; there is discretion not to prosecute when it is not in the public interest.
  - An easily accessible fraud hotline is widely advertised across the City.
  - Fraud awareness training is delivered to assessors and partners such as CityWest Homes and RSLs, who carry out verification of documents for the service.

## How good is the service?

- A quarterly newsletter is sent to assessors and partners to keep people abreast of current fraud issues.
- All investigators and managers are professionally trained.
- Work is carried out with partners especially DWP investigators and the UK Border Agency.
- Data matches such as those from the Housing Benefit Matching Service and the National Fraud Initiative are dealt with quickly.
- Successful prosecutions are publicised in the local and national press and on the City Council's website.

Ensuring that fraud and error is minimised through fraud awareness, good quality referrals and well managed investigations will help the service to prevent and detect fraud. This will help reduce the burden on the public purse.

**73** The service has a good approach to investigating potential fraud. Its work is shaped around the number of successful referrals it receives from the public, data matches and from assessors and stakeholders. The service knows that its most successful referrals are from the information provided by the Housing Benefits Matching Service (HBMS) followed by referrals from benefit assessors. It also knows that the most successful HBMS referral was Job Seekers Allowance/Income Support matches. This level of information allows the service to target the right type of referrals to achieve the maximum effect. Each year the service aims to carry out a minimum of 600 investigations in a year. As at the end of February 2010, 117 investigations had resulted in cases where the service had considered that a prosecution would be appropriate. This is an increase on the 114 number of cases achieved in 2008/09. But not all the cases were prosecuted as the following figures show:

- 26 received a local authority caution;
- 80 people had accepted an administrative penalty; and
- a further 11 cases were prosecuted.

The service has also used the Proceeds of Crime Act to recover fraudulent overpayments and has managed to recover £159,600 and £30,800 in costs. In one case, the service was able to recover £11,000 and £5,000 costs through the sale of the claimant's house. An effective counter fraud team provides a high-level deterrent to those who think they may not be caught.

**74** Performance in achieving sanctions and prosecutions is below average. During 2008/09, the service achieved 114 sanctions, equal to 4.52 per 1,000 caseload, which would place it within the third quartile of councils nationally based on 2007/08 data. Performance improved during 2009/10 (end of February 2010) to 117 sanctions. This is equal to 4.76 sanctions per 1,000 caseload. This would still place it in the third quartile nationally based on the 2007/08 dataset.

- 75** The service works well with partners to deter fraud. It has worked with the UK Border agency to investigate identity fraud linked to fake European identity cards. It has worked well with the police. Examples include: customers are visited who have failed to attend interviews under caution; and a targeted campaign to investigate claims at two large residential blocks which identified substantial sub letting and benefit fraud. Targeted work can help highlight successes and increase the profile of the fraud team as a major deterrent to fraud.

### User experience and satisfaction

- 76** Customers are satisfied with the service they receive. The service carries out an annual survey. The survey is sent out to customers who have been in contact with the service in the last year. The last survey had a 44 per cent response rate. The annual survey is supplemented by a monthly telephone survey of those who have been in contact with the service and comment cards. In addition chief officers are encouraged to carry out mystery shopping and as a result a new leaflet was created to provide a comprehensive list of welfare benefits and contact information. The service's annual survey identified that:

- 79.1 per cent are satisfied with the service;
- 75.6 per cent are satisfied with how long it took the service to tell the customer if their claim was successful or not;
- 96.3 per cent are satisfied with the opening times at the access points in Vauxhall Bridge Road and Orchardson Street; and
- 96.2 per cent were satisfied with the opening times of the telephone service.

Our own discussions with customers and partners confirmed that they were pleased with the service they received. Out of 12 exit interviews, only one person was critical and that was about the time it took to get through on the telephones. Good levels of customer satisfaction indicate that the service is providing the type of service customers want.

- 77** The service has good and knowledgeable staff, who help customers through the benefit process. Our mystery shopping exercise received good responses to the technical questions we posed. But there were times where there could have been better signposting and further information provided. Good customer care makes the customer know they have been treated well and competently.

## How good is the service?

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### Is the service delivering value for money?

- 78** The service delivers satisfactory value for money. The total cost of the service, as submitted to the Department for Communities and Local Government (CLG), for both the benefits service and benefits fraud contracts, including client-side costs, was £13.2 million in 2008/09. This is the figure that was used in the Audit Commission's value for money tool. However, the Council now recognises that this figure was incorrect. If the lower figure of £7.98 million, provided by the service during the inspection, is used, the cost of the service is still higher than most English authorities. This figure still does not provide the true picture as not all indirect costs are included. Council tax payers contribute an additional 58 per cent above the administration subsidy received from DWP while on average, council tax payers in England contribute 45 per cent. However, this is delivered alongside high levels of accuracy, good customer satisfaction and below average speed of processing new claims.
- 79** The City Council's approach to outsourcing the benefits service contract has contributed towards achieving value for money. The original contract was let in 1998 and achieved £800,000 annual savings at that time. It was extended for a further seven years from 2008 and the City Council negotiated a £1 million annual reduction in the price, which took effect from 2006, ie nearly two years in advance of the contract end date. This means that the base contract price for the service is now lower than when the City Council originally let the contract. The City Council made an informed evaluation of the value for money of extending the contract. The City Council assessed the options of re-tendering instead of renegotiating. However, it is impossible to be certain that the City Council could not have achieved greater savings by re-tendering.
- 80** The service takes an effective long-term approach to value for money. The outsourced contract gives long-term stability in costs. The service has delivered improvements and handled a six per cent increase in caseload over the past year within the same contract cost. Where the DWP provided extra grant funding for specific regulation changes, the service has a policy of insisting that the contractor provides costings to identify how the extra grant will be spent. For example the DWP provided extra funds to help with the increase in caseloads. Instead of just passing the whole amount to the contractor the service asked the contractor to provide detail as to how it intended to use the money. This reduces the cost to City Council taxpayers as the balance of the money can be used in other aspects of the service.
- 81** The service cannot demonstrate that the 100 per cent checking process is good value for money. Checking every assessment has a financial cost and adds, on average, two days to the processing elapsed time. However, it:
- ensures that all benefit assessments/payments are accurate;
  - protects the City Council's annual Benefit Subsidy (£240 million per annum); and
  - reduces fraud and error within the benefit system.

Until evidence can be provided that there are significant subsidy savings and that fraud is prevented from getting into the system the service will struggle to show that the checking process gives good value for money.

- 82** The level of accuracy is good. Approximately 16 per cent of claims are returned to the contractor with financial error. The contractor is obliged to make corrections before the cases are put into payment. As a result, payments made to customers are nearly 100 per cent correct. This level of checking means that the claim to DWP for subsidy is very accurate. In 2008/09, the net adjustment to the £240 million subsidy claim was only £20,000, ie 0.008 per cent. The City Council also received 100 per cent subsidy from DWP for overpayments created as a result of local authority error. However, although the service knows the level of error created by the contractor it has not gone on to quantify the net value of errors prevented. To calculate the net value of error would be a good measure of value for money for the service's checking regime.
- 83** The service has made a saving in staff costs in the client side. As part of corporate staff reductions, the determination team was reduced by one member of staff from nine to eight. The service is piloting increasing the number of checks carried out by the contractor to compensate. This is intended to maintain the service level at reduced cost.
- 84** The service does not have a thorough understanding of its own costs or make use of benchmarking. The service does not have up to date benchmarking data for costs. There was some limited benchmarking of the outsourced fraud service two years ago through an exercise run by the London Boroughs Fraud Investigation Group. This showed satisfactory performance but the client side has not specifically benchmarked the costs of the fraud service. The lack of benchmarking means that the service does not have a full picture of how it compares to others.
- 85** The service has effective arrangements for managing overpayments. There are defined procedures to minimise overpayments and to identify when they have occurred and recover them. A full range of recovery methods are used, from deductions from ongoing payments through to court action, depending on the level of debt. The service keeps the twenty highest debts under close review to ensure that effective recovery is in place. Management information includes analysis of the reasons for overpayment to help identify improved procedures that could help to maximise subsidy. This should help to ensure that losses from overpayments and unnecessary impact upon benefit recipients are minimised.
- 86** The service is slow to write off old debt. Of the £11 million owed approximately £7 million is owed between 1999 and 2008. Unless debts are collected quickly the older they become the harder they are to collect. The service has started to write the debts off so as to provide a true statement of what is actually available to collect. Keeping a high level of debt where the prospect of collection is unlikely is costly for the service to maintain.

## How good is the service?

- 87 There is an effective value for money approach to managing and minimising fraud. The City Council has outsourced investigation of benefit fraud as part of a contract also covering general fraud and internal audit. The contract is based upon a target to complete 600 completed cases per year at a fixed cost per case and 617 cases were completed in 2009/10. The contractor is only paid for closed, completed cases, although there is a provision to value part completed cases at year-end. In the year to date, the City Council had prosecuted in seven cases and issued an official caution in 22 cases. Administrative penalties were levied in 69 cases. A total of £113,000 was recovered across overpayments and fines comprising 30 per cent of the total. The City Council has a policy to use restraint of assets as part of its approach to fraud. To date assets worth £2 million have been restrained.

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# What are the prospects for improvement to the service?

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## What is the service track record in delivering improvement?

- 88** The City Council overall has a strong track record of delivering improvements in service delivery. The service operates within a strong improvement culture. The 2009 organisational assessment found that the way in which the City Council monitors and reviews its performance and that of its partners is very effective and has resulted in service improvements for local people. The City Council is strongly placed to make more improvements in the future.
- 89** The service has successfully implemented a wide range of changes identified both internally and from external sources.
- It has worked with CAB to introduce a debt management service that people can access to help them through the recession.
  - It has piloted a fast track process. If the customer brings all the required information, the claim will be assessed within 48 hours. Since October 2009, 143 cases have been through the process and 73 per cent had their claim assessed in two days. To facilitate this, documents are scanned as received at the two service access offices. Currently this service is only publicised at these offices but it will be publicised more widely. Although there is not yet a good forecast of the total numbers of cases that will go through this route and the impact on the overall average time to handle all new cases, this clearly provides a better service for some customers.
  - The estate offices of CityWest Homes and a number of RSLs are designated points for their tenants to provide documentation to support their claim. The offices can validate documentation including using ultra violet scanning, make electronic copies and forward these to the contractor. The CityWest office has an on-line portal that allows staff to log a claim and forward the form electronically. This speeds up the processing time and helps to minimise the risk of arrears building up at the start of a tenancy.

These changes have contributed to reducing rent arrears to £600 thousand over three years.

- 90** Customers have also benefited from a range of other improvements. These include:
- merging the pre-assessment and assessment teams handling new claims in October 2009 which reduces double handling and should cut processing time once staff are fully familiar with the new work;
  - flexibility about the standard of evidence required so that claims can be processed more quickly if it is clear that the customer is entitled to benefit;

## What are the prospects for improvement to the service?

- a leaflet giving details of the full range of other benefits to which customers may be entitled;
- relocation of one reception point from Westbourne House to Orchardson Street, which is a better location for many tenants;
- acknowledgement of appeals to provide appellants more information about progress if the appeal is complicated;
- a newsletter so that customers are better informed; and
- plain language accreditation of forms and leaflets so that they are easier to understand, which will particularly help some vulnerable customers.

These changes help customers to be better informed and make it easier to claim.

- 91 The service can show a sustained improvement in key performance indicators over the last four years. In particular, claims processing time has improved, although new claim remain slow compared to most councils nationally, and satisfaction rates have improved.

**Table 2 Trends in performance indicators**

The service shows improving performance

Indicator	2006/07	2007/08	2008/09	year to date February 2010
New claims (days)	39.8	33.7	30.6	31.3
Change of circumstances (days)	24	18.8	15.5	12.2
Accuracy (percentage)	100	100	100	100
Satisfaction (percentage)	72	n/a	80.5	79.9

Source: Audit Commission and Westminster City Council

- 92 The City Council overall uses its resources effectively and was assessed as 3 out of 4 in the 2009 organisational assessment. It delivers excellent value for money. Over 60 per cent of local people agree that the City Council provides value for money. Financial management is strong and the City Council's understanding of its costs and performance and its approach to achieving efficiencies is excellent. The City Council has an excellent track record of delivering savings through for example the award winning 'Worksmart Programme', which ensure that City Council departments are working in the most effective way. This means that the City Council will continue to seek value for money from the service.

## What are the prospects for improvement to the service?

- 93 The service has achieved value for money improvements. It negotiated a significant reduction in the contract price when the contract was extended. The client-side reduced the determination team by one member of staff. When there has been additional grant to fund changes to the service the service has required the contractor to provide costings for the extra work and only passed on the appropriate amount. There is a programme of incremental improvements to the service at no increase in the contract cost. The contractor has handled a 6 per cent increase in caseload in the last year within the contract cost. As a result council tax payers benefit from an increased or improved service at no more cost.

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## How well does the service manage performance?

- 94 The service's aims and objectives effectively support corporate priorities. These are linked through the Finance Department business plan. For the service, this particularly relates to addressing worklessness and the City Recovery programme and the target to reduce the number of children in poverty. The service has played a significant role in improving access to debt management advice and providing more general advice about wider benefits. The service has a 'cause and effect' model to develop the 2010/11 business plan. One example of joined up outcomes from this is the Family Recovery programme, which includes benefits advice as part of the approach to support 50 families.
- 95 There is a detailed improvement plan in place. This is jointly owned by the client side and contractor. It is a contractual requirement that the contractor maintains an improvement plan. The plan lists nearly 150 items grouped under headings such as:
- to provide a prompt and accurate assessment of benefit entitlement and to provide a service that is efficient and value for money;
  - to give an accessible, fair and accurate service;
  - to deliver a customer focused service in accordance with the requirements of the Westminster Standard;
  - to recover overpayment of housing benefit fairly and effectively; and
  - to reduce the levels and risks of fraud.
- 96 The plan shows the timescale for each item, identifies who is responsible for it and provides a comment on the current status. However, it does not link improvements to the service performance indicators or outcomes and actions are not prioritised. Progress on the plan is monitored primarily by client-side management. Detailed improvement plans that are effectively monitored help ensure continuous improvements.

## What are the prospects for improvement to the service?

- 97 Longer-term plans for the service are being coordinated with the rest of the City Council. The City Council has an aim to develop more joined up frontline services. The plan is to move from three One Stop Shops to offering more integrated services in locations such as children's centres and libraries. It also wants to improve communication flows and share better between the contractor who runs the benefit access points and the contractor who manages the One Stop Shop. This would also give the service more visibility of demographic data. However, this has not yet reached the point of definite plans.
- 98 The City Council has strong political and managerial leadership. The City Council's culture is open and there is a clear focus on delivering high quality services efficiently. Officer and councillor capacity is strong. Councillors and staff work well together and the City Council carries out its community leadership role well. Meeting local people's needs is at the core of City Council business. This provides a good corporate environment for managing the service.
- 99 The way the City Council manages its performance is strong and well established. The City Council monitors and reviews its performance very effectively and this has resulted in service improvements for local people. The City Council regularly reviews its performance management system to ensure that it meets changing needs. This has resulted in a move to a 'cause and effect' model building on its success in this area to date. The performance management framework effectively provides information to support decision makers. The monthly performance report includes a full range of information and uses dashboards, exception based reporting and graphics. The City Council's track record in managing performance is strong and future prospects are strong.
- 100 Managers within the client side are clearly committed to improving the service. This can be seen from the ownership of actions in the action plans and the degree of engagement in the inspection process. A number of points raised were quickly addressed during the inspection. For instance, the City Council's corporate website was changed to include a quick link to the Housing Benefit area and acknowledgement letters were introduced for customers who had made an appeal. The service has shown willingness to take major decisions such as relocating one of the access points.
- 101 There is adequate information to manage the contractor's performance. The service level agreement (SLA) between the City Council and the benefits service contractor is reviewed annually. The SLA sets out the overall service standards. It has a detailed description of each service element and sets out relevant monitoring information against each of the service elements. It also requires the contractor to provide a monthly information pack containing agreed statistical information on performance in the previous month and year to date figures. The pack also includes statistics regarding all agreed national and local indicators. This ensures that the client side are able to ensure that the contractor is providing the required service to customers.

## What are the prospects for improvement to the service?

- 102** The SLA lacks clear requirements for the accuracy of determinations. Thirty per cent of determinations are returned to the contractor is high. The financial error is as much as 16 per cent and nearly 14 per cent of claims are returned for some other non-financial reason. Each of the claims where this is the case requires extra work by the contractor. There is not a formally documented upper limit that the service would define as unacceptable and impose a penalty upon the contractor. Without an upper limit the service will not be able to consider penalising the contractor if its performance deteriorated.
- 103** The service receives good performance monitoring information. The client team receive quarterly performance information reports from the contractor that include the speed of processing broken down by new cases and change of circumstances and levels of outstanding work. The information is reported to the Cabinet Member each quarter and the performance against service standards is published on the City Council's website. There is information on trends in overpayments recovery rates and outstanding work levels. There is also overall information on performance against service standards such as: processing time, interview waiting time, phone answering time, correspondence/e-mail answering time and waits for appointments. This is published at the access points and on the website. But there are some areas where reporting could be improved such as numbers of cases exceeding target times and longest waits in the period. Good comprehensive reporting information helps the service to understand the contractor's performance.
- 104** Performance monitoring of the service at corporate levels is good. Benefits performance forms one part of the quarterly finance business plan monitoring report. This shows performance on target at the end of December 2009. Corporate level monitoring includes timeliness of benefit and quarterly customer satisfaction tracking. The Westminster Standard is also monitored. The Performance Board and Cabinet receive performance reports on an exception basis. However, the Cabinet Member for Finance and Support Services holds weekly meetings with the Strategic Director, Finance and Performance to discuss performance and other matters. The Assistant Director of Revenues and Benefits also attends these meetings fortnightly. This enables a closer focus on the service.
- 105** At a corporate level, financial control and budget monitoring, including of the service, is strong. Monthly monitoring information to senior managers and councillors contains financial and non-financial information including performance indicators, achievement of growth and savings targets, A monthly challenge session between the Deputy Director of Finance and the service department finance teams incorporates the full range of financial data and trend analysis, to stimulate reliable and consistent forecasting information.

## What are the prospects for improvement to the service?

- 106** The client side maintains an effective relationship with the contractor. It aims to work in a constructive partnership rather than in an adversarial manner. The contractor and client side meet formally every two months. This involves all London based contractor managers, the Assistant Director of Revenues and Benefits and the Head of Benefits. There are also quarterly meetings between the contractor's client director and other senior contractor staff and the City Council's Strategic Director, Finance and Performance. Performance, improvements and issues are discussed at these meetings. Informally there is daily liaison between contractor and client side staff. This enables issues to be identified and resolved quickly and helps drive improvement.
- 107** The City Council manages the outsourced counter fraud service well. The service covers internal audit, benefits fraud and general fraud. The contractor provides a monthly status report setting out details of internal audit and counter fraud activity. The client side manager checks a sample of both current and closed cases for quality and timeliness by reviewing the paper files and case management system. There are standard checks for live investigations older than six months. The client side meets formally with the contractor each month. The Process and Audit group of the Audit and Performance Committee take an interest in the fraud workload and meet quarterly with the senior managers on the contractor and client-side. Councillors have also attended interviews and exercises. This provides assurance that the contractor is following agreed processes and tackling fraud effectively.
- 108** The City Council has good staff performance management arrangements. Clear outcome focused targets set by the Westminster City Partnership are reflected in the City Council through the three year Business Plan. These targets are integrated into Service Plans and through them into staff targets. The system is reinforced by senior managers having targets for meeting corporate and departmental targets, financial targets, equalities and WorkSmart objectives as part of their appraisal.
- 109** The service has ensured that its contractor has competent staff. The contractor also has performance management arrangements for their staff. These include: individual objectives cascaded from the business objectives; quantitative and qualitative targets; meetings at least quarterly to review and document performance and progress; and annual appraisal of core competencies and behaviours. Poor performers are subject to a performance improvement plan and more formal monitoring. These arrangements should help ensure that all staff are operating effectively.
- 110** The service takes an active approach to learning. This can be seen in four areas:
- complaints are reviewed which has resulted in additional targeted training;
  - benefits managers attend the London Councils' benefit forum to share and learn from good practice;

## What are the prospects for improvement to the service?

- the Assistant Director of Revenues and Benefits reviews all Audit Commission benefits inspection reports to identify any aspects of good practice that could be applied at Westminster; and
- the service self assessed against the inspection Key Lines of Enquiry and identified areas for improvement. Some of these have already been implemented, such as: providing a better way of reporting a change of circumstance at the two access points, providing hearing loops in all interview booths, and improving the clarity of all its forms and leaflets.

This approach will help the service continue to drive improvement.

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## Does the service have the capacity to improve?

**111** The City Council has strong capacity overall to continue to improve. The Audit Commission's organisational assessment found that the City Council overall has strong capacity to deliver the City Council's priorities. Strengths included:

- strong political and managerial leadership;
- strong financial management and an excellent approach to achieving efficiencies;
- efficient, economic and effective commissioning and procurement;
- performance management with a focus on vulnerable or potentially disadvantaged groups; and
- good staff performance management with low sickness levels.

**112** Staff have the skills to deliver the service. All staff undertake a detailed induction programme upon joining. The contractor has a centralised training team, which is responsible for delivering all technical benefits and systems training to its staff. This is a modular programme for all assessment, pre-assessment and customer services staff. A dedicated Customer Services Training Team is responsible for the delivery of customer service focused skills. All staff must undertake online learning covering topics such as data protection, fraud prevention and security awareness.

**113** The service's client side is well resourced with skilled staff. The City Council is currently being restructured. This includes reducing the number of council staff by 10 per cent, delivering nearly £12 million annual savings as well as improving services. With this in mind, the restructure rightly focuses on further improving the quality and responsiveness of public services and will concentrate on back-office functions rather than customer facing services. It therefore anticipates that the client-side will retain the capacity to manage the service satisfactorily.

**114** The service is making good use of information technology. It has an up to date core benefits application, electronic document management, call centre technology at the benefits call centre, queuing systems at the reception points and video conferencing for internal communications. The City Council's web site has downloadable forms and information leaflets as well as an on-line benefits calculator. The service is planning to pilot an on-line claim form. Use of mobile technology is currently limited but the potential to develop this further is kept under review.

## What are the prospects for improvement to the service?

- 115 The City Council has successfully brought additional funding into the service. Westminster obtained money from the Department of Children, Families and Schools (DCFS) to run a pilot aimed at reducing child poverty. Westminster's pilot runs from September 2009 to March 2011 and is designed to promote work by providing extra help with childcare and housing costs. The aim is to move 100 families into work over the 18 months that the pilot will run. The help with housing costs takes the form of a discretionary payment that meets all of the difference between in-work housing benefit entitlement and the full rent for six months. After six months, a further discretionary claim will be invited. The payments made under the pilot will be funded through money the City Council has received from DCFS.

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# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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