

Benefits

Service

Inspection

Forest of Dean District Council

June 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 coordination 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.

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

Summary

- 1 The benefits service (the service) at Forest of Dean District Council (the Council) is providing a service rated as 'fair' with 'uncertain' prospects for improvement.
- 2 The Council is providing a benefits service which generally provides the right payment to the right person at the right time. The speed of processing new claims is satisfactory with only four outstanding claims at the time of the inspection. Processing of changes of circumstances is good. The combined speed of processing up to the point of the inspection during 2009/10 was on average 14.6 days, slightly longer than the average for other councils^I. Full year figures provided immediately after the inspection showed further improvement to an average of 13.9 days. A track record of maintaining and improving the service has been established while dealing with a considerable increase in workload. Staff have shown a commitment to maintaining an effective service for vulnerable customers and managed performance well.
- 3 Customer access is easy for those who can travel to the main Council office in Coleford, where they are seen quickly and efficiently in a friendly environment. A visiting service, an effective telephone answering service, and the website address the needs of those customers who cannot travel so easily around this rural area.
- 4 Diversity considerations are being met but there are some gaps. A commitment to paying discretionary housing payments (DHPs)^{II} is made by the Council to help people whose circumstances make them vulnerable. Partnership working is helping to meet the needs of the growing eastern European population in the district, and is providing increased welfare rights advice to residents. However, diversity information is not well used to ensure that benefits are paid equally to all sectors of the community.
- 5 The service provides value for money. Costs are low by comparison with other local authorities and have fallen over the last three years whilst performance has improved. Effective arrangements are in place for identifying potential fraud and dealing with fraud when it is found.
- 6 However, the service has some key challenges. The service is not accurate in all of the benefits processing work that it does with one in five claims calculated wrongly. It is not meeting its own targets on accuracy, and potentially puts future benefit subsidy payments from the DWP^{III} at risk. The service does not have any benefits specific standards to enable customers to understand what level of service they can expect to receive. Not enough has been done to increasing the take-up of benefits across the district. Although this is starting to improve not enough targeting and activities are currently in place to ensure that people entitled to receive benefits do so.

^I Based on national data for Great Britain published by the DWP on 31 March 2010

^{II} Discretionary housing payments (DHPs) can be paid when the Council considers that a customer is facing hardship needs extra help with their rent and/or council tax. The amount awarded is at the discretion of the Council, but can not be more than the customer's eligible rent or council tax liability. These payments are not part of the housing benefit and council tax benefit scheme. There are cash limits to the payments any council can make each year.

^{III} Department of Work and Pensions

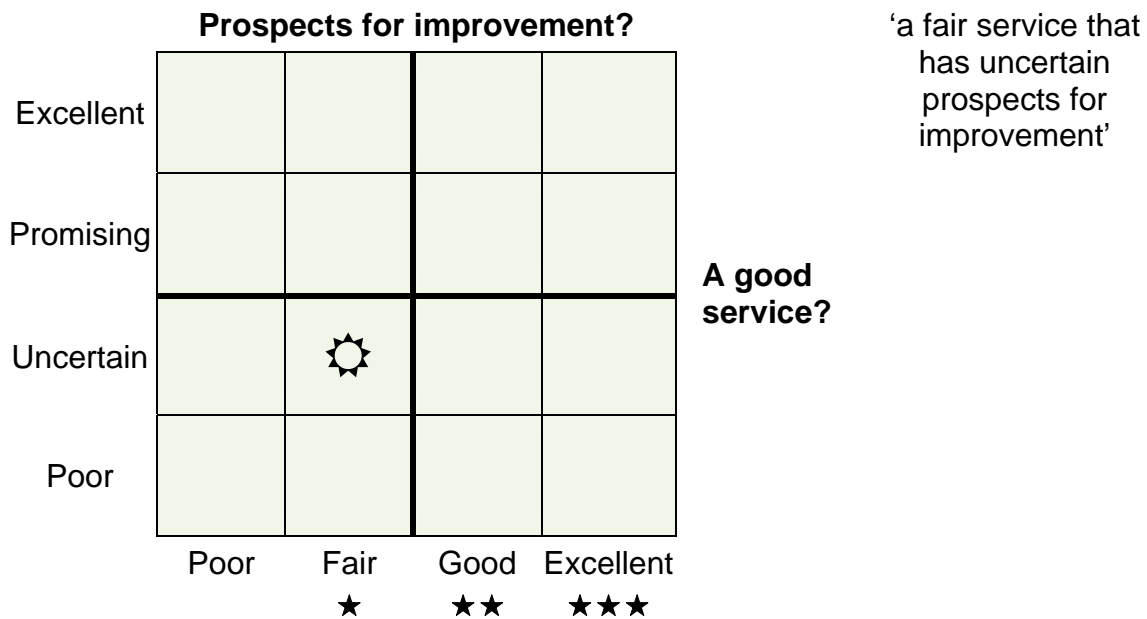
Summary

- 7 Clear strategies are not fully in place to help support and improve the current service. For example, the service does not have a customer access strategy, a benefits take-up strategy to ensure that people are in receipt of money they are entitled to or an effective way to assess and improve customer satisfaction.
- 8 Leadership is provided to the service by senior staff and councillors. It is supported by clear and accurate performance reporting and challenge to show sustained and continuous improvement. However, the service lacks a clear set of aims and objectives which are clearly understood by all, and this limits the ability of the service to improve.
- 9 Strategic development within the service is weak with a lack of defined plans, milestones and costed actions to make the service a top performer. The Council faces a difficult decision about whether to invest in structures, systems and procedures to make the service better than it is, or to join with other local authorities in providing a shared service. It does not yet have in place a business case or options appraisal to enable this decision to be made effectively.
- 10 Sufficient staff capacity is in place to deliver an effective benefits service. However, there are limits to how long the existing benefits computer system can meet the needs of the service. Decisions on the way in which this service will be delivered in the future are crucial to how investment is made in the computer system and how the service is shaped to the needs of customers.
- 11 We would like to thank the staff and councillors of Forest of Dean Council who made us welcome and who met our requests efficiently and courteously. The inspection was carried out between 15 and 19 March 2010.

Scoring the service

12 We have assessed Forest of Dean District Council as providing a 'fair', one-star service that has 'uncertain' prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

13 The service is a fair, one star service because:

- it provides an accessible service to customers in a pleasant and welcoming environment;
- benefit processing times are adequate with very few new claims outstanding and no backlog of work;
- staff are committed, enthusiastic and experienced;
- value for money is provided, with costs reducing and performance improving;
- support and advice is provided in partnership to minority communities and vulnerable people, with discretionary housing payments (DHPs) being used well; and
- the service is preventing and tackling fraud well.

¹ 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

However, there are some weaknesses including:

- little involvement of customers to influence how the service is delivered and no benefit specific standards in place;
- not making best use of alternative contact methods like making claims on-line and not answering e-mails quickly;
- the Council's own targets to determine benefit claims accurately are not being met;
- limited activity to encourage take-up of benefits and no strategy to ensure that residents are accessing money that they are entitled to; and
- the level of overpayment debt has increased.

14 The service has uncertain prospects for improvement because:

- plans, aims and objectives are not clearly expressed and understood by all, with the future of the service not currently established;
- key strategic plans are not in place;
- financial benchmarking information is not used extensively;
- there are some gaps in monitoring arrangements; and
- the existing benefit computer system remains a barrier for the service.

15 However, there are strengths:

- performance has improved recently on new claims, changes of circumstances and fraud;
- performance improvement has been secured through having a more stable and settled workforce with additional new established staff initially jointly funded by the DWP and the Council; and
- leadership has been provided by councillors and senior staff to maintain, improve and sustain effective claims processing.

Recommendations

- 16 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 Council. In addition, we identify the approximate costs¹ 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 that the Council should do the following.

Recommendation

R1 Meet customer needs more effectively by:

- developing benefits service standards that clearly set out what customers can expect to receive from the service;
- developing a customer access, consultation and communication strategy for service users and stakeholders;
- establishing a means of assessing customer satisfaction on a regular basis and using feedback to improve the customer experience;
- dealing with appeals more quickly;
- improving the range and availability of leaflets; and
- improving the clarity of benefit notification letters.

The expected benefits of this recommendation are:

- to make sure the service is meeting the needs of all local people;
- to help customers better hold the service to account;
- to make it easier for people to get information about the service;
- to get a better understanding of the needs of the local community; and
- to make it easier for customers to understand any entitlement to benefit.

The implementation of this recommendation will have high impact with low costs. This should be implemented by October 2010.

¹ 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

R2 Improve the clarity and effectiveness of strategic plans by:

- putting in place a clear vision for the service based on the needs of customers;
- more clearly linking the aims and objectives of service planning to the Council's corporate aims and objectives;
- ensuring that SMART¹ action plans are in place for all aspects of the service which include financial implications; and
- putting in place a clear plan to address ongoing benefits processing accuracy issues.

The expected benefits of this recommendation are:

- the service will more clearly address the needs of the community and service users;
- staff will have a clear understanding of what the service is trying to achieve; and
- current areas of weak performance will be addressed so customers will receive a better service.

The implementation of this recommendation will have high impact with low costs. This should be implemented by October 2010.

Recommendation

R3 Increase the take-up of benefits to which local people are entitled by:

- developing a housing and council tax benefit take-up strategy which includes targets, key milestones and responsibilities for take-up activities;
- gaining an understanding of who may not be claiming and areas of under claiming by using demographic, customer and stakeholder feedback information;
- assigning responsibility within the service for maximising take-up work; and
- identifying and implementing opportunities for increasing benefit take-up through joint working with other public sector and voluntary organisations.

The expected benefits of this recommendation are:

- additional contributions to the local economy by making more money available to local people;
- to gain a better understanding of take up activities that are most effective in the local context and where best to target activity; and
- to help those most in need financially.

The implementation of this recommendation will have medium impact with medium costs. This should be implemented by October 2010.

¹ Specific, measurable, achievable, realistic and timebound.

Recommendation

R4 Address the longer term future of the service by:

- formulating a clear action plan, with milestones and key objectives, for the future of the benefits service setting out the business case and option appraisal mechanisms;
- giving clear responsibility for setting out plans and strategies to a senior officer within the Council; and
- ensuring that the plans for the development of the Benefits' computer system are aligned with the future direction of the service and maximises use of new technology such as online claim forms.

The expected benefits of this recommendation are:

- the maintenance of an effective service for service users; and
- avoiding costly and inappropriate investment in systems which may not match future aims and aspirations.

The implementation of this recommendation will have high impact with high costs. This should be implemented by January 2011.

Report

Context

The locality

- 17 Forest of Dean District Council is located in the county of Gloucestershire. It covers an area of 526 sq km, is classified as 'significantly rural'ⁱ, and has a population of 81,900.ⁱⁱ The four main towns are Newent, Coleford, Cinderford and Lydney. The majority of the population lives in smaller rural settlements. Transport links in and out of the area are relatively good. London and Birmingham are connected by the M4 and M5 motorways respectively. Rail links to Bristol, Birmingham and London are also good, with regular services to each.
- 18 The population density of the district is low at 1.52 persons per hectareⁱⁱⁱ compared with the South West average of 2.07 persons per hectare and the national average of 3.77 persons per hectare. Forest of Dean is ranked 201 out of 354 in the Index of Multiple Deprivation, where one is the most deprived.^{iv} Since 2004, the area has become relatively more affluent.
- 19 The Council no longer owns any housing stock having transferred its stock to Two Rivers Housing in April 2003. The Council does retain a responsibility to provide affordable housing in the area. It is working with housing associations to achieve this through helping with funding to build or purchase additional homes for affordable renting. The average house price in Forest of Dean is £179,706.
- 20 According to the 2008/09 national Place Survey, 82.5 per cent of residents in Forest of Dean are generally satisfied with the area in which they live. This is above the national average of 79.7 per cent. Residents recently identified the level of crime, health services and affordable decent housing as their top three priorities for improvement. The 2008/09 Place Survey found that 91.4 per cent of residents were very or fairly satisfied with their home as a place to live^v.
- 21 The population is predominantly white British, accounting for 97.8 per cent of the population, which is above the regional and national average. Just over 2 per cent of the population classify themselves as being from a Black and Minority Ethnic Group.^{vi}
- 22 Just over 52 per cent of people in Forest of Dean are of working age. This is below the national average of 62 per cent. Forest of Dean has a higher proportion of older people (22.5 per cent) than the national average (18.9 per cent). This proportion is predicted to rise considerably over the next ten years. It is projected that in 2011, Forest of Dean will have a total of 36,000 households in the area, a figure that rises to 38,000 by 2016.

ⁱ Defra Rural Classifications post April 2009

ⁱⁱ ONS mid-2008 population estimates

ⁱⁱⁱ 2001 Census, ONS

^{iv} Indices of Deprivation 2007

^v 2008/09 Place Survey

^{vi} 2001 Census, ONS

- 23** Forest of Dean has a similar proportion to the South West average of working aged residents claiming benefits. Overall, 13.3 per cent of working aged residents claim benefits compared to 13.2 per cent regionally and 15.7 per cent nationally. In December 2009, 1,568 people claimed Job Seekers Allowance (JSA), which constitutes 3.2 per cent of the working aged population. This is above the regional (2.9 per cent) but below the national (4.1 per cent) average. Of the applicable population, 6 per cent claim Employment and Support Allowance (ESA) or Incapacity Benefit, which is below the regional and the national average. The working aged population claiming lone parent benefits stands at 1.2 per cent which is also below both the regional and national averages.
- 24** On average, jobs in the Forest of Dean pay less well than average. The majority of jobs are found within the services industry, the main sector being public administration, education and health which makes up 29.1 per cent of total employment. This is above the regional and national average. The number of jobs related to manufacturing significantly exceeds the regional (10.7 per cent) and national (10.2 per cent) average accounting for 17.8 per cent of local jobs.

The Council

- 25** Forest of Dean District Council is a Conservative controlled local authority. The Council currently operates a Cabinet structure with seven appointed councillors forming the Cabinet. Political composition is 24 Conservative members, 12 Independent, eight Labour, three Liberal Democrats and one with no political grouping. The Cabinet member for an Efficient Council is portfolio holder for the Finance team which contains the benefits service.
- 26** The Council's priorities are set out in the Corporate Plan 2009-2012 and are:
- provide value for money services;
 - promote thriving communities;
 - encourage a thriving economy; and
 - protect and improve our environment.
- 27** In the 2009 Organisational Assessment (OA), Forest of Dean scored 2 out of 4 for managing performance and 1 out of 4 for use of resources. This resulted in an overall organisational assessment score of 1 (performs poorly).

The Council's benefits service

- 28** Housing Benefit (HB) and Council Tax Benefit (CTB) are national welfare benefits administered by the Council on behalf of the Department for Work and Pensions (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.

Report

29 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 Forest of Dean Council, the reasons for commissioning the inspection were:

- headline benefit BVPIs^I in speed of processing new claims and changes in circumstances were qualified for 2007/08;
- current performance against national indicator 180, the right benefit measure, was below average;
- concerns around the accuracy of benefits assessments;
- a track record in errors when compiling the benefit subsidy claim; and
- the length of time taken to deal with appeals.

30 The key objectives of this inspection were:

- to assess the effectiveness of Forest of Dean Council's benefits service in meeting the needs of the vulnerable people it serves; and
- to provide assurance to the DWP and other stakeholders regarding the quality of benefit service provision.

31 The service in Forest of Dean Council pays out about £20 million per year to:

- 6,725 people claiming CTB; and
- 3,781 people claiming Rent Allowance of which 2,700 are tenants of Registered Social Housing and 1,081 are tenants of private landlords.

Of the total caseload of 9,384, 5,293 people are of pensionable age and 4,091 are working age^{II}.

32 The service processes around 100,000 benefits payments annually. Benefits caseload has increased significantly since May 2008 from 6,228 to 7,005 in January 2010. Three thousand, six hundred new claims and 8,500 changes of circumstances were dealt with during 2008/09.

33 The revenues and benefits service sits within the finance and property section of the Council and is headed by the Revenues and Benefits Manager. The service has 18.6 full-time equivalent (FTE) staff including two Benefit Team Leaders, eight full-time Benefits Officers, a Fraud Officer and a small number of support staff. The cost of running the service in 2008/09 was £1.04 million of which £606,330 was funded by DWP and the balance was met by the Council.

^I Best Value Performance Indicators

^{II} Source - CIPFA Benefits Administration Benchmarking Club 2009

How good is the service?

What has the service aimed to achieve?

- 34 The Council has clear Corporate priorities which are:
- provide value for money services;
 - promote thriving communities;
 - encourage a thriving economy; and
 - protect and improve our environment.
- 35 These are set out in the Council's Corporate Plan 2009-2012, but this does not set out any specific aims and objectives for the benefits service. The benefits high level improvement plan also contains no specific aims and objectives for the service, and neither does the current Finance Group service plan 2009/10. This absence of clear objectives was highlighted by our interviews with staff who were unable to explain what the current objectives of the service were. This lack of clear aims and objectives undermines the ability of the service to understand what it is aiming to achieve.

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

- 36 The assessment was based on these key issues:
- access, customer care, user and community focus;
 - diversity; and
 - service outcomes for users and the community.

Access, customer care, user and community focus

- 37 Access to the service is good. Customers calling at the office are seen without any delay, with the office open over 40 hours Monday to Friday. Telephone calls are answered quickly. Partners such as registered social landlords receive claims and will shortly have accreditation to verify claims following training given by the Council. A visiting service is also provided for vulnerable customers who cannot visit the office.
- 38 Staff have a positive approach to customer care. Customers calling at the office are seen quickly and have praised staff for being friendly, helpful and informative. Staff are also shadowing Jobcentre Plus staff to improve awareness of housing, council tax and other welfare benefits to help customers more. This means that customers receive the help and advice they need to claim and be paid benefits.

How good is the service?

- 39 New improved reception facilities at the Council have been welcomed by customers. The reception has been upgraded with people calling at the office in person commenting 'that people are treated as people'. Benefits staff were involved in the design with hubs, where staff and customers sit together and can access computer information. These hubs are used mainly for Benefits' customers. But there are privacy issues in the reception with staff not offering some customers a private interview room. Private interview rooms are also not welcoming, with desks creating a barrier, and CCTV security for these contained rooms not operating yet. This means that some customer friendly facilities are currently being provided.
- 40 Customers generally have a positive experience when contacting the Council. Most customers contacted in our telephone survey during the inspection were complimentary about the service. The new reception was praised as were staff for their help and friendliness. But a number of customers did say that it was not easy to contact the Council by telephone. A new telephone system has been put in place due to customer feedback about the number of abandoned calls previously. This is working well providing a rapid response to telephone callers. Telephone calls to the service are now answered within 15 seconds with the new system within its real-time monitoring allowing a supervisor to transfer the call to another member of staff if this target not met. However, people contacting the service by email do not receive a rapid response as it does not treat electronic enquiries as a priority.
- 41 Up-to-date benefit information is being provided on the Council's website. Customers and stakeholders can access a working online benefit calculator to see if they may be entitled to benefit or not. A number of online forms are available on the Council's website, such as a claim form to download and complete. But there is no online claim form or access to benefit details. This limits the way that customers can use the service.
- 42 The service is not seeking the views of customers to help shape the service. The Council is making use of the Forest View Forum to contribute to budgetary and other decisions, but there is little other involvement from customers to help influence the benefit service. It has not undertaken a customer satisfaction survey since 2007 and the Private Landlord Forums have been stopped. Basic consultation requirements are met with the service having a customer feedback, complaints and compliments system in place. It means the Council does not deliver the benefits service based on the views of customers or stakeholders. It has not been able to evaluate customer satisfaction to bring about improvement to the benefits service.
- 43 A strategic approach to designing a customer focused benefits service is not in place. The Council is starting a corporate Transformation Programme but no date has yet been set for a review of the benefits service. It is also not clear what involvement customers will have in the review, or how they will influence the way in which the service is delivered.
- 44 Clear links from the service to the Corporate Plan do not exist. Indirect links from benefits to the Council's corporate plan do exist but these are not clear. No customer access strategy is in place. It means that resources corporately have not been maximised to improve the benefits service.

- 45 Corporate service standards to help customers are out-of-date. Customers have not been involved in helping set the corporate standards. Some basic corporate standards are in place and the Council is at the moment trying to introduce new ones. It means that customers will not be aware of the service they can expect when contacting the Council.
- 46 Customers are not made aware of the level of service they can expect. No specific benefits service standards exist. While customers have welcomed the new reception, little written information is being provided there about benefits. Benefit information is also not available from other points of public contact across the district such as libraries or the Citizens Advice Bureau (CAB). Additionally, only limited performance information is shown on the rolling TV screens in the new reception area. Therefore customers do not know, when claiming, how quickly their benefit will be paid or have good written information to inform them about the benefits service.
- 47 Access to the service for vulnerable customers in rural areas is poor. Council one stop shops in the district were closed in 2009 without the Council fully consulting with customers and staff. The one stop shops at Cinderford, Lydney and Newent were closed because of value for money considerations without fully considering alternative ways of how customers will access the service. There was, however, some consultation with customers. This means that it will be more difficult for vulnerable customers to access the service.
- 48 Notification letters are not always complete. Benefit notification letters carry the Plain English Crystal Mark. However, information is missing on some notification letters. Examples showing this were provided by external stakeholders who are contacting the service on behalf of customers who have given their permission to do this. This means that some customers may not understand whether they are entitled to benefits or not.
- 49 Welfare and financial advice by approved partners to help customers claim benefit is not measured. Providing welfare advice has been strengthened through partnership with providers such as Gloucester Welfare Rights. The arrangement gives additional support and assistance to minority communities, provides publicity at external events, and greater contact with customers. However, the visiting service provided has only just started. This is a positive step forward in ensuring that people in the Forest of Dean know about the benefits service and can use it easily. The Council gives substantial financial support to the CAB to provide financial and welfare advice. However, the Council is not monitoring the CAB partnership properly to see whether their advice helps customers and tackles worklessness. This means that the Council does not know how successful its partnership working is in helping more vulnerable people claim benefits.
- 50 A new, more efficient claims process, requesting less information from customers, is now in place. A standard benefit claim form is used and following a review the service has streamlined the process to verify income and circumstances for new claims where ever possible. Less contact is made with customers as a result to get income verification thereby avoiding wasting time unnecessarily.

Diversity

- 51** Basic legislative requirements for equalities and diversity are achieved. The Council has separate equality schemes in place covering race, gender and disability and is currently consulting on the production of a new single equality scheme covering all of the diversity strands. The Council has an Equalities Advisory Panel of twelve members with two members representing each of the six diversity strandsⁱ. They contribute to the Council's equalities work by giving feedback on services and by helping to carry out impact assessments on policies and services. Feedback from this group is helping to identify opportunities to improve the way the Council delivers services to all parts of the community. The group was established in April 2008 and has met regularly. Equality impact assessments have been carried out within the benefits service to ensure consideration of the needs of all sectors of the community are met. This ensures that elected members help shape the way that Council services meet the needs of all potential users.
- 52** Public reception areas meet the needs of customers with disabilities. Disabled parking places are well signposted close to the entrance of the Council's main office in Coleford which meet the general requirements of the Disability Discrimination Act 2005. Automatic doors, lowered counters, good signs and hearing loops all feature in the reception area, as well as accessible disabled toilets and good wheelchair access. Access barriers can prevent all customers making use of public offices so it is positive that the Council has addressed these issues well.
- 53** Vulnerable people are being assisted through the effective use of discretionary housing payments (DHP)ⁱⁱ. DHP is a discretionary payment made to vulnerable customers in addition to any benefit payments. Expenditure on DHP payments is being maximised as the Council is using not only funding provided by the DWP but is also adding its own funds. In 2008/09, the DWP allocated £12,000 for DHP payments, but the Council actually spent £23,000 using its own money to increase the payments to vulnerable customers. In a small Council with limited resources this shows a focus on the needs of vulnerable people enabling them to remain in their own homes or keep the tenancy of their rented property.
- 54** However, despite the success spending on DHPs, the Council lacks sufficiently rigorous documented policies on their allocation to customers. Frontline benefits staff lack clear written guidance about the criteria including when they could be used and are referring all cases to their line managers their approval. This adds to workload and makes it unclear for claimants, advocates and other stakeholders about who is eligible.

ⁱ Race, ethnicity, gender, age, disability and sexual orientation.

ⁱⁱ Discretionary Housing Payments (DHPs) are payments made at the discretion of the Council, subject to an annual cash limit set by central government, in cases where the Council considers that additional help with housing costs is needed by vulnerable customers.

- 55** Partnership working is helping to address the needs of people from Eastern Europe and migrant workers. A Partnership Agreement is in place with Gloucester City Council's (GCC) Welfare Rights team to provide, among other things, support and advice specifically to the Polish and Chinese communities within the Forest of Dean district. These are seen as the most significant emerging communities in the area. The Gloucester City Council team employs a specific Polish speaking support worker to engage with Polish people in the area. This has increased the level of contact between the benefits team and parts of the community who do not have English as a first language.
- 56** Key gaps exist, however, in the approach to equalities and diversity and this is evident in a general absence of diversity monitoring and targeting of activity to reach all sectors of the community. Although some basic collection of diversity information takes place this is not systematic or properly evaluated. The service does not know, therefore, which sectors of the community may not be receiving benefits services and this prevents the service from targeting underrepresented groups or individuals. This limits the effectiveness of the service to meet the needs of all people of the Forest of Dean.
- 57** The service does not adequately assess the satisfaction of all sectors of the community. The benefits service does not systematically evaluate how satisfied customers are with the service they are receiving or to use this type of information to make the service better than it is. This is a missed opportunity to help shape the benefits service to the needs of users.

Service outcomes for users and the community

- 58** The service is good at tackling people who claim benefit wrongly. For the year so far it has successfully achieved 41 cautions and ten prosecutions¹. This compares well to the 13 cautions and six prosecutions issued in 2008/09. For 2009/10 this means the number of cautions per 1,000 caseload is 7.66. In 2008/09 the number of cautions per 1,000 caseload at other similar councils was an average of 3.59. A timely risk assessment of fraud takes place. Feedback to other staff is given on the quality of referrals. The service has only one fraud investigator but works jointly with Jobcentre Plus. Publicity of fraud cases is put on the Council's website and in local newspapers. A Fraud Prosecution policy and procedures are in place. The Council is ensuring that benefit fraud is prevented and tackled.
- 59** The Council is supporting customers through the recession particularly in redundancy situations. The service is engaging well with Jobcentre Plus to offer advice at a difficult time for customers. An example is joint working to cover large scale redundancies in local firms. This means that with partners the service is helping people facing redundancy claim benefits.

¹ Sanctions in respect of fraud can be in the form of a formal caution, administrative penalty or prosecution.

How good is the service?

- 60 Processing of benefits is being made within a satisfactory time. Performance against the 'Right time' indicator NI181 was 11.8 days during 2008/09. DWP are unable to publish any comparative data for 2008/09 because of difficulties with extracting data from council's IT systems - this is a national issue. Councils are responsible for setting their own targets to measure performance. The Council's performance is better than the average for other councils where the average is about 14 days.ⁱ The year to date figure for the service during 2009/10 shows an average time of 14.6 days. This shows that the service is continuing to process claims in a satisfactory time and ensuring that customers are paid money they are entitled to.
- 61 Customers are having their new claims processed reasonably. New claims were processed in an average of 26.4 days in 2008/09 and 26.8 days between April 2009 and February 2010. New claims processing times have been maintained despite a substantial increase in workload. All councils have an average performance of about 26 days.ⁱⁱ This means that new customers receive payment within adequate timescales.
- 62 Customers reporting changes in their circumstances receive a good service. The time taken to process changes in circumstances during 2008/09 was 6.8 days. This has lengthened between April 2009 and February 2010 to 11.7 days as increased workload has occurred, but the performance is still comparable with the average of 11 days taken by all councils.ⁱⁱⁱ It is important that changes are dealt with quickly to ensure that the right level of benefit is being paid.
- 63 The service has a good process in place to check the accuracy of claims. A manual checking process is in place, with a risk based approach. New staff are targeted with an initial 100 per cent check that is only reduced as error rates fall. Other risk factors such as the error rate of any staff member and high payments are also considered. Any error affecting the amount of benefit paid, whether not paying the customer enough or overpaying them, is logged. Results of these errors are used to inform staff training. Any errors are also discussed as part of the staff appraisal process, that the logging of all errors helps ensure the Council knows how accurate its payments to customers.
- 64 The service is not meeting its own accuracy target. In 2008/09 accuracy for all staff was 58 per cent. For 2009/10 so far this has improved to 79 per cent. This means that one in five claims are processed wrongly. Some checks are done before payment but a large number of checks are being carried out after the customer has been paid. This will increase the number of overpayments. Inaccurate claims put the Council at risk of losing benefit subsidy from the DWP and customers may be over or underpaid.
- 65 The monitoring of overpaid benefits is poor. Procedures for the administration of overpayments, such as the timely creation of invoices and other controls are in place. However, the service does not monitor the level of the debt. Not all relevant staff are aware of the level of outstanding debt for overpayments, which has increased over the last two years. This means that the service does not know if the overpayment debt is reducing or not.

ⁱ Based on national data for Great Britain published by the DWP on 31 March 2010.

ⁱⁱ Based on national data for Great Britain published by the DWP on 31 March 2010

ⁱⁱⁱ Based on national data for Great Britain published by the DWP on 31 March 2010

- 66** The service is successfully identifying undeclared changes of circumstances. It carries out a range of measures such as publicity, postal review forms and targeted visits. Information is given in letters and in person at the enquiry counter of the need for customers to advise of changes in circumstances, as well on the Council's website. The service is also using a computer system tool to identify cases on a risk basis that need targeted visits or enquiries. This helps to reduce fraud and error in the system
- 67** The service is poor at dealing with appeals quickly. In 2008/09, only 33 per cent of cases were referred to the Tribunals Service within 28 days. So far in 2009/10 the two appeals made to the Tribunals Service are taking on average 30 days to be referred. The two cases referred were part of the 33 appeals made to date this year. Of these 26 cases were changed, one further case was upheld, one was withdrawn and three cases were outstanding at the time of inspection. Customers could be paid incorrect benefit while an appeal is considered.
- 68** Activities and actions to increase benefit take-up are limited and the service does not target such activity. The service has increased its caseload during the recession but there is little evidence of take-up activity being used by the service to ensure people get money they are due.¹ The service is not targeting customers sufficiently to maximise benefit take up. A take-up exercise on increasing benefit awarded due to Child Benefit now being ignored as income has just started but it is too early to identify the outcomes from this. It means that customers may not receive the benefits they could be entitled to.

Is the service delivering value for money?

- 69** The service is delivering value for money. The Council recognises that its cost per claim is lower than average for a comparative group of similar councils. The actual cost of the service of £1.04 million in 2008/09 was around 41.5 per cent more than the administration grant received of £606,330. This is below the average of 45 per cent across all councils. Local taxpayers pay less in helping meet the cost of running the service.
- 70** The Council has a sound knowledge of the breakdown of its service costs. In the 2008/09 financial year there was an unavoidable one-off large payment. Without this the cost of providing the Council's benefits service is below average compared with other councils. Even with this the Council is continuing to reduce its service costs, reducing them in each of the last three years. The costs per head of population were £15.05 for 2006/07, £13.99 in 2007/08 and £13.10 for 2008/09. The Council is reducing the cost of the service, whilst improving performance, thereby giving improved value for money.
- 71** The Council is not effectively using information it learns from others to make improvements to its services. While the service is a member of a benchmarking club and shares information with others it is not actively using financial information available from this source to drive improvement for both cost and performance. Learning from such information will help the Council improve its benefits service and ensure value for money is achieved.

¹ 'The Money Trail' published by the New Economics Foundation estimates that for every £1 increase in benefits paid through take up work, 77 pence is spent in the local economy.

How good is the service?

- 72** Administration of the subsidy claim is good. Councils receive a subsidy payment for most of the benefit expenditure they incur providing they comply with the regulations. Audit work to check that payments are correct that was carried out in 2008/09 identified no errors that required additional testing and as a result the claim was not qualified. However the claims in 2006/07 and 2007/08 identified errors requiring additional testing and resulted in qualification. This highlights the history of poor data in the past. The performance in 2008/09 has ensured value for money in that no benefit subsidy was lost due to error.
- 73** Management of overpayments is good. The Council has procedures in place to ensure that legislation and good practice are being followed. The Council considers various options to recover outstanding money such as invoices, deductions from continuing benefit and action through the County Court. Any uneconomical debts are written off. There are a large number of overpayments, but few of them are down to council error or delay. This means that the service is not at risk of losing benefit subsidy.
- 74** Arrangements in place for managing and dealing with benefit fraud are good. The service has a prosecution policy in place and all staff receive regular fraud awareness training. Anonymous fraud referrals can be made by telephone to a free helpline and through an electronic form on the Council's website. Joint working is being undertaken effectively with local partners, such as the DWP, to investigate cases. Good arrangements are in place for risk assessed fraud referrals that are being considered quickly. Fraud staff are sharing good practice with other staff including feedback on any alleged case they forward that they suspect of fraud to ensure that best use of resources is made. The Council also publicises successful prosecutions on its website and in local newspapers. This means that the Council takes visible action against people who commit benefit fraud limiting potential losses.
- 75** The level of overpayment debt is not reducing. The debt outstanding at the date of the inspection was £566,493 compared to £490,187 at the start of the financial year. So far this year it has recovered 70 per cent of overpayments raised. Recovery action against older debt is satisfactory with the service collecting 33.3 per cent of all debt in the year to date for 2009/10. The amount of debt that has been written off is 3.8 per cent. This means that there is an increasing cost burden on the local taxpayer in running the service.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 76** The service can demonstrate a good track record of delivering an effective and adequate benefits service at a low cost. Costs of the service (excluding a one off single cost issue) are low and have been reducing over the last three years, whilst performance has been maintained or improved. This shows that the service has become progressively more cost effective, and thereby contributing towards the Council's overall efficiency agenda.
- 77** The Council is improving the customer's experience of services. A new telephone system is allowing rapid responses to customers. The new reception and interview rooms are modern, bright and welcoming and the website has been enhanced with improved ratings from external assessors. These elements combine to make the benefits service and Council services more widely, accessible and welcoming to customers.
- 78** The service lacks a solid sustained track record of improvement. Improvements to the service have not been made in all areas during the past three years. Performance has improved in some very important areas in a sustained way such as improving the speed of benefit processing. The speed of processing during 2007/08 was good by comparison to other Councils. It lengthened slightly during 2008/09 as workload increased due to the economic downturn, and also during the early part of 2009/10. However in February 2010 the time to process a new claim had reduced to 16.4 days with changes being paid in 8.8 days. Also there are only four new claims waiting processing at the time of our inspection. This means that the Council is dealing with the increase in caseload and current processing times are satisfactory.

Table 1 Comparative figures for speed of processing of benefit claims and changes

	2007/08	2008/09	2009/10 year to date to 28 February 2010
Processing speed of new claims (BV78a)	23.7 days	26.4 days	26.8 days
Processing speed of changes of circumstances (BV78b)	6 days	6.8 days	11.7 days
Average speed of dealing with all claims (NI181)	n/a	11.8 days	14.7 days

What are the prospects for improvement to the service?

- 79** Accuracy performance on claim processing has improved but from a low base. Accuracy has been a challenge to the service for the last two years with high numbers of claims being deemed inaccurate. However, the service has a risk based approach checking regime which demonstrates the importance attached to getting claims correct. In 2008/09, only 57.6 per cent of claims were processed accurately. This improved to 79.2 per cent during 2009/10. The improvements in accuracy have contributed towards the subsidy claim form not being qualified in 2008/09. Accurate processing means that the Council does not add to its workload in having to correct errors and customers receive the amount they are entitled to.
- 80** Key elements of a modern customer focussed benefits service are not in place and the track record in improving all elements of the service is weak. For example, the benefits service has no specific customer standards in place and welfare advice and customer engagement are still limited. Sufficient customer satisfaction and active feedback are not used to determine whether the service is effective in meeting the needs of all customers. This undermines the ability of the service to demonstrate that it is establishing a track record of improvement.
- 81** The Council's approach to diversity has improved but is still behind top performers. The Council remains at a 'developing' level when assessed against the new Equality Framework for Local Government. The Council has given greater recent emphasis to equalities and diversity. However, the external evaluation and challenge to demonstrate that its arrangements have moved on has yet to be completed. This means that the Council cannot yet be sure that it is effectively meeting the needs of all sectors of the community.

How well does the service manage performance?

- 82** The service manages performance well operationally but has a fundamental weakness in setting out what it is seeking to achieve and how. The Council has clear Corporate priorities which are:
- provide value for money services;
 - promote thriving communities;
 - encourage a thriving economy; and
 - protect and improve our environment.

These are set out in the Council's Corporate Plan 2009-2012, but this does not set out any specific aims and objectives for the benefits service. The Council's benefit service high level improvement plan 2009/10 also contains no specific aims and objectives for the service, and neither does the current Finance Group service plan 2009/10. This absence of clear objectives was highlighted by our interviews with staff who were unable to state what the current objectives of the service were. This lack of clear aims and objectives undermines the ability of the service to collectively aim for set objectives.

What are the prospects for improvement to the service?

- 83** Some key strategies to ensure a modern benefits service are absent. For example, no overarching customer access strategy is in place. The service also has no welfare rights and benefits take-up strategy or a strategic approach to pursuing shared service delivery with other benefits services providers. This means no strategic milestones are set in these areas, trend information is not shaping service delivery and staff remain uncertain about the collective direction of travel of the service.
- 84** Effective leadership is provided by councillors and especially the member champions for the benefits service. Councillors recognise the importance of the benefits service not just as a transactional function but as a means of ensuring the collective wellbeing of residents in the district. As a result sufficient resource and capacity has been given to maintain an effective and generally rapid benefits service through a time of increasing workload.
- 85** Leadership is being provided to the service by senior staff. Managers have provided sustained commitment to maintain and improve the benefits service through the last two years of increasing workloads. Senior staff have supported teams to continue delivering effective and rapid processing of benefits and customer outcomes have been a key part of the leadership approach. This has resulted in very few outstanding new claims and changes of circumstances are being handled well within the capacity of the service.
- 86** Accuracy reporting and monitoring of benefits performance are in place. Effective managerial and systems control of performance figures are in place so the Council can have confidence that performance is being accurately portrayed. A stringent accuracy checking regime exists, and whilst error rates are high, the service can demonstrate that the level of errors is mainly low in value for individual customers. This means that councillors can be confident that figures reported accurately reflect current performance.
- 87** The benefits service is self-aware. It knows what needs to improve and senior managers can express this well. However, the systematic setting out of these plans and ambitions is not as good as it could be, thereby reducing their effectiveness. So whilst managers and councillors know where they want the service to be, this is not backed up by rigorous and costed plans. This undermines the self awareness that is evident and means that not all involved understand how improvements to the service will be made.
- 88** A better focus on planning is a positive step forward. New service planning arrangements have come into force during 2010. The structure and effectiveness of service planning is improving with a clearer emphasis on business planning and making costed business cases for future change and sustained improvement. An improved target setting regime is in place, at a high level, with an appropriate balance between ambition and realism. Budget consultation and decision making has also been enhanced with clear engagement with residents to set budgetary priorities. This results in a clearer link between corporate priorities, service plans and meeting the needs of residents.

What are the prospects for improvement to the service?

- 89 Corporate awareness and focus on equalities and diversity has increased. The Council has recognised that its progress on these issues is slow compared to top performing local authorities. The Council was only at level two of the Local Government Equality Standard and has now migrated to the 'developing' level of the new Equality Framework for Local Government (EFLG). It is working on improving this position with a peer review planned for September 2010 to assist in reaching the 'achieving' level of the EFLG by March 2011. Additional corporate focus on equalities and diversity makes it clear to the organisation that this is an important statutory area and responsibility for all.
- 90 The service is willing to apply what it has learned that works well in other places. Staff members from the benefits service have visited other local authorities to see what works well in processing claims and prior to the development of the new council reception. Engagement with external IT providers has also shown a willingness to learn and to develop new ways of delivering the benefits service. This means that the service is not rooted into one fixed idea of how to deliver benefits but is willing to consider new ideas.
- 91 Staff management is working effectively. The service is now effectively challenging underperformance. In the past this lack of challenge had weakened performance. It was important that these issues were dealt with and the Council is now better placed to move forward.
- 92 Some key elements of a modern benefits service are still missing and plans are not advanced in resolving this in all areas. For example, the service lacks a clear and recent understanding of customer satisfaction and a clear strategy to meet and refine customer access as a result. It has no take-up strategy in place to ensure that the service is targeting those people who may not be in receipt of money they are entitled to. Sufficient engagement with customers to shape benefits services to their needs and to ensure that there are no barriers to accessing the service is lacking. Not having a clear feedback mechanism limits the ability of the service to meet customer needs
- 93 Defined milestones for some service improvements have yet to be set. The way in which benefits services are to be delivered in the future and what systems will then be needed to support the service both lack clear milestones. Additionally service plans lack financial information to support accurate decision making and to inform scrutiny arrangements within the Council. Without a clear idea of the cost of improvement progress will be difficult to measure.
- 94 Performance monitoring in some key areas is weak. For example sufficient trend information is not available to staff on performance around overpayments, appeals, and customer satisfaction. Staff do not know therefore whether they are performing better in these areas this year, than in previous years. This limits any possible incentive for staff to perform more effectively in these areas.
- 95 Monitoring of partners is not fully effective. For example, whilst the Council provides substantial funding to the local Citizens Advice Bureau it does not adequately evaluate the outcomes of the service provided and how effective it is dealing with the needs of local residents. This undermines the effectiveness of the Council's approach to partnership working.

Does the service have the capacity to improve?

- 96** Key staff are enthusiastic and committed. There has been sustained commitment from staff to deliver a quality benefits service and to maintain or improve the speed and accuracy of benefits claim processing whilst dealing with increased workload. This commitment has been made throughout the service and means that benefit claims have been dealt with effectively and with a strong focus on the needs of the customer.
- 97** Performance has improved by stabilising staff capacity. The benefits service employed more staff during 2009 and this has provided a more stable track record of improvement. New staff have been trained and inducted to initially concentrate on new claims processing and this has helped to bring processing times down, with very few outstanding claims currently. This means that the service can move forward in a more controlled and strategic way rather than having to move capacity around the department to deal with peaks and troughs of workload.
- 98** Effective use has been made of DWP recession funding to enhance capacity. Four additional benefits staff were appointed to tackle the growing workload and provide quicker and more accurate processing. The Council also part funded the new staff and are committing ongoing resources to the new staff for this key front line service. This has been a success although the staff are still bedding in and in receipt of ongoing training. This ongoing financial commitment to maintain staffing levels is a considerable investment for this small authority and shows that it is giving priority to the service. This means that the service has adequate staff resources to meet its targets and customer needs.
- 99** Partnership working has been used effectively to provide more advice and support on welfare rights, housing, and tackling worklessness. This has been through partnership working with Jobcentre Plus, contractual arrangements with Gloucester City Council and in working with the local Citizens Advice Bureau. The service is also working with local social housing providers to enable them to verify and handle benefit claims giving a more streamlined and customer focused service.
- 100** The service is now targeting weaker areas of performance by moving capacity and thereby improving outcomes. It has recognised that more attention is needed in improving performance on changes of circumstances and is reviewing how staff capacity is employed to address this and accuracy issues. This means that it will be able to make best use of its resources to make improvements to the experience of customers.
- 101** Training arrangements for staff are working effectively. Staff are able to access suitable training events in both technical aspects of the benefits service and wider customer facing and more generic training. This is important in maintaining the skills and experience of staff. A focus is now in place in dealing with issues of accuracy and staff are monitored on their performance with additional training provided where needed. This shows the service is making good use of training to improve the way the service is delivered to customers.

What are the prospects for improvement to the service?

102 Whilst the benefit computer system is reliable, working and meeting current day-to-day needs, it has limitations and due to the age of the system it is not fully helping the service in making best use of staff time. This is recognised by the Council and it is in negotiations to make changes to the system and maximise the use of new technology. An example is in being able to process on-line benefits applications. The longer term way forward for the computer system and the wider service is not currently clearly set. This means that there are potential business and service risks that the Council has yet to overcome.

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