

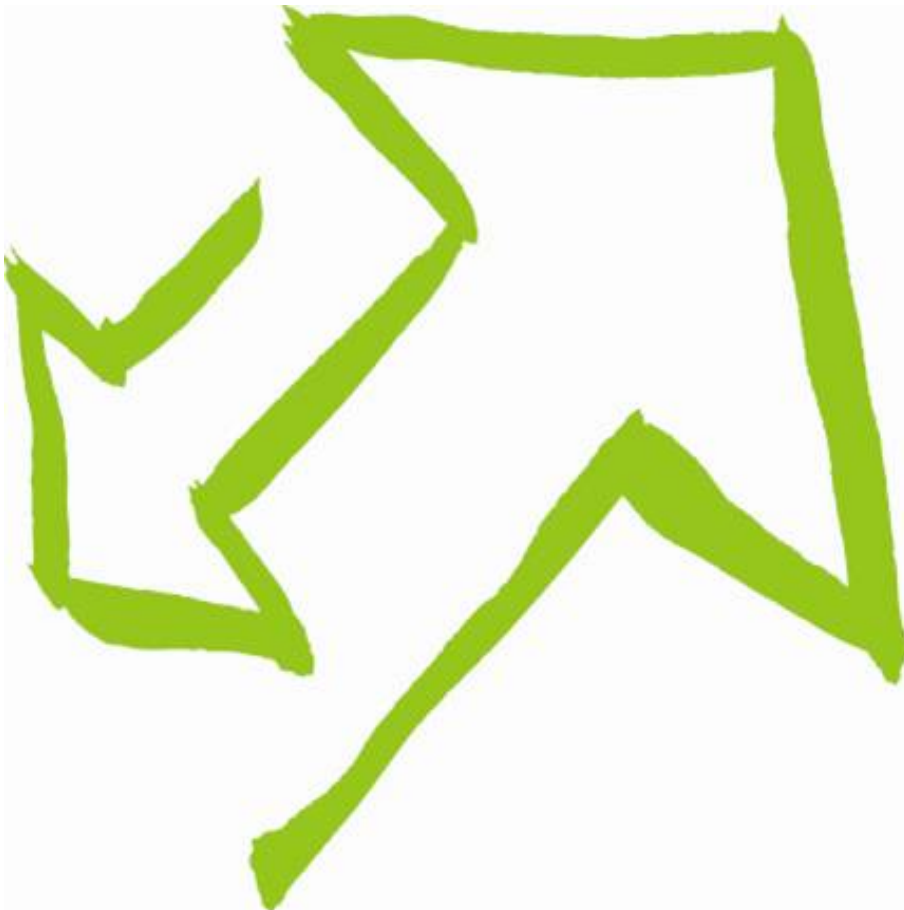
Benefits

Service

Inspection

Hart District Council

February 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 at Hart District Council is fair, with promising prospects for improvement.
- 2 Hart District Council is dealing with new benefit claims and changes in circumstances quickly and the Benefits Service is easily accessible for most members of the community. Customer care is good and users are satisfied with the service they receive. But benefit calculations are not always accurate and the Council has a lack of focus on the prevention and detection of benefit fraud.
- 3 The Service also has other strengths such as an effective welfare visiting service, which offers people help with completing claims, and is successfully encouraging people to claim additional welfare benefits. There is also a wide range of information available for customers in leaflets and on the Council's website.
- 4 However, the Service is not meeting the specific needs of all of its customers, partners and the community. Access to the Service can be difficult for some people as the counter is closed during staff meetings or staff training and emails are not always replied to promptly. The Council is not making the most of its relationship with partners to improve the service provided. For example, in exploring the possibility of partners helping to verify benefit applications.
- 5 The way the Council monitors and evaluates the delivery of value for money of the Benefits Service is weak. It has a poor understanding of detailed costs and the cost profiles of different elements of service. Also, the Council does not know whether outsourcing the Service has improved value for money compared to the previous in-house arrangements.
- 6 Overall, the Benefits Service is delivering adequate value for money. Its costs are reasonable in comparison with its performance levels and good levels of public satisfaction. The Service has been successful in reducing the amount of Local Authority error overpayments, enabling the Council to claim full subsidy¹ from the Government. There are some good examples of the Service improving value for money such as getting customers to agree to automated payments. However, the Service is not maximising its recovery of overpayments and is not making sufficient checks to be confident that its subsidy claim is accurate.
- 7 The Service has promising prospects for improvement. It has a track record of making successful changes and has improved its capacity by outsourcing the benefits administration to an external provider. A recent extension of the outsourcing contract to cover central services will improve the Benefits Service, initially through improvements to the reception area and its plans for a community engagement strategy. The outsourcing contract contains clauses requiring the contractor to continuously improve the Service. The Council is now developing a long term vision for the Service that takes account of the wider impact that it has on helping to deliver the Council's key priorities.

¹ Housing Benefit Subsidy is paid to local authorities by central government to contribute to money paid out as Housing Benefit and Council Tax Benefit.

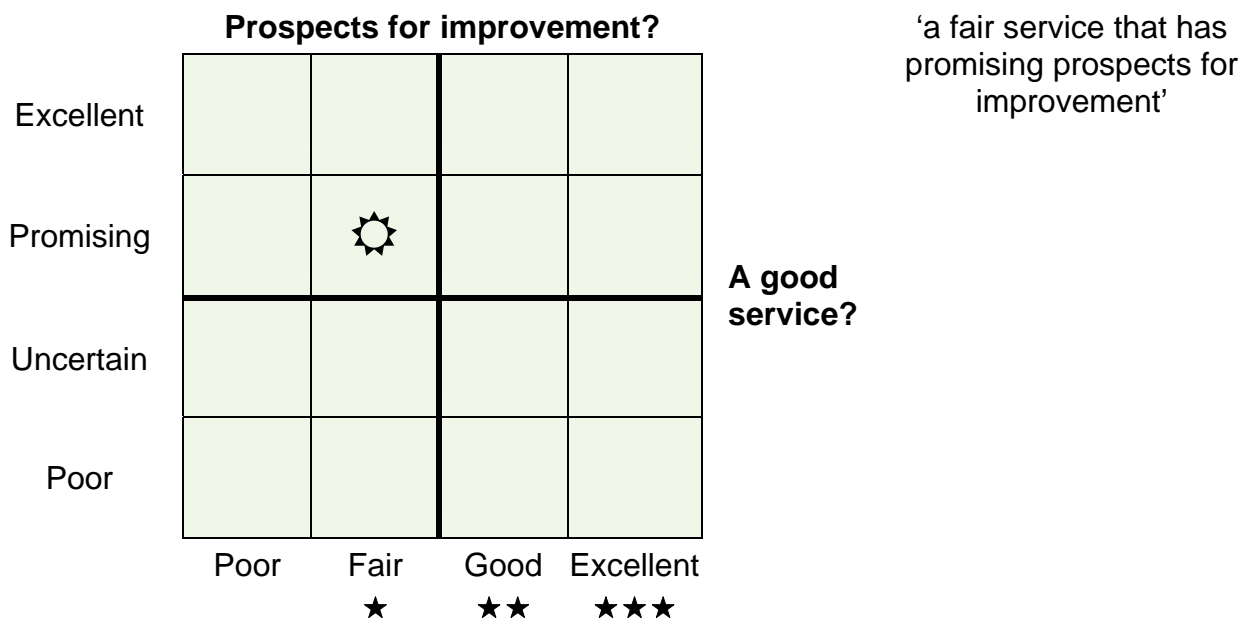
Summary

- 8 Performance management is effective but it mainly focuses on the contractual performance indicators such as the speed of processing claims. Such limited coverage of performance monitoring means the Council does not have a complete view of the Service and is less able to target improvement action effectively.
- 9 A lack of benefits skills and expertise within the Council is restricting the leadership of the Benefits Service. Outsourcing the Service has left the Council with no specialist knowledge of benefits at senior management level and among councillors. The current client arrangements do not help to fill this gap and this means that political and strategic direction and challenge to the Service is limited.

Scoring the service

- 10 We have assessed Hart District 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 chart¹



Source: Audit Commission

- 11 The Service is a fair, one star service because:

- it pays benefit and deals with changes in circumstances promptly;
- it deals with requests for appeals and reconsiderations promptly;
- staff provide a high level of customer care;
- it has had success in increasing benefit take up through targeted campaigns;
- customers are satisfied with the service provided;
- there is a wide range of good quality, informative written leaflets for customers;
- the Council's website is clear and provides a range of benefits information; and
- it provides effective help to vulnerable people through its welfare visit service and signposting to other benefits and advice agencies.

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

12 However, it has some weaknesses. These include:

- benefit calculations are not always accurate;
- insufficient understanding of how the Service is meeting the diverse needs of customers;
- relationships with external partners and stakeholders are under developed;
- a lack of focus on counter fraud outcomes;
- the Service can be difficult to access; and
- the Service does not fully understand its costs and whether it is delivering value for money.

13 The Service has promising prospects for improvement because:

- it has a recent track record of delivering improvements;
- it has begun to develop a clearer vision and strategy;
- capacity has been strengthened through outsourcing to a large private company;
- there is a contractual requirement for the contractor to improve;
- performance management is effective in the areas covered;
- staff are committed to improving the Service and are responding positively to their new employers; and
- staff training and development is being approached in a structured way within the Service.

14 However:

- there is no specific service plan for the Service and detailed improvement plans are not clear;
- performance monitoring does not give a complete view of the Service;
- not all parts of the Service have targets that will help assess performance and progress;
- the role of Overview and Scrutiny is not well developed; and
- there is a lack of specialist knowledge of benefits within the Council that restricts leadership of the Service.

Recommendations

- 15 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 Provide a better service to benefits customers by:

- seeking their views on the Service and addressing the needs identified;
- improving access to the Service, for example by:
 - always keeping the benefits reception open during advertised hours;
 - identifying and addressing the needs of customers who find the office location and opening times inconvenient; and
 - improving privacy and confidentiality at Council offices;
- improving accuracy of benefit payments;
- building more effective relationships with stakeholders;
- using customer data and local demographic information to improve the Service; and
- improving value for money, for example by:
 - developing an effective approach for regular monitoring, evaluation and delivery of value for money; and
 - maximising the recovery of overpayments.

The expected benefits of this recommendation are:

- making the Service more accessible to all its customers;
- increased customer satisfaction;
- a better understanding of customers views so that the Service can better meet their needs;
- better value for money; and
- a reduced level of overpayment debt owed to the Council.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by September 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 Provide clear direction and leadership of the benefits service by:

- improving client arrangements to ensure that the Council has access to the skills and knowledge needed to make informed decisions on the future of the service;
- developing and implementing a service specific plan that sets out the aims and objectives of the Service and how these will be met;
- identifying and delivering actions and targets in the plan that are challenging and written in SMART terms (specific, measurable, achievable, resourced and time-bound); and
- developing performance indicators to give a wider view of service quality, which are regularly monitored and managed.

The expected benefits of this recommendation are:

- a better understanding of the needs of the Benefits Service and its customers so that improvements can be targeted at the right things;
- a clear vision for the Service; and
- improved ability to measure success and address failures at the earliest opportunity.

The implementation of this recommendation will have high impact with low costs. An action plan to achieve this recommendation should be adopted by March 2010, with appropriate milestones to achieve the objectives in the period up to September 2010.

Recommendation

R3 Tackle benefit fraud more effectively by:

- delivering wider fraud awareness programme across the Council and stakeholders;
- setting and delivering against appropriate performance targets based on caseload and national priorities; and
- providing resources to match the fraud risks of the local area.

The expected benefits of this recommendation are:

- public reassurance that there is a robust approach to investigating and detecting benefit fraud;
- potential fraudsters are deterred;
- protection of the public purse; and
- improved value for money by eliminating fraud from the system.

The implementation of this recommendation will have medium impact with low costs. An action plan to achieve this recommendation should be adopted by March 2010, with appropriate milestones to achieve the objectives in the period up to September 2010.

Report

Context

The locality

- 16 Hart District Council covers an area of 215 square kilometres and is in the north-east of Hampshire. It has a population of 90,600 residents¹. The main towns of Fleet, Yateley and Blackwater are located in the north east with much smaller towns and villages to the west and south. Around 90 per cent of the area is open countryside.
- 17 The proportion of the population who classify themselves as white British is above the regional and national average at 94.4 per cent. Around 5.6 per cent of the population are from Black and Minority Ethnic Groups with the largest proportion classing themselves as white, other.
- 18 Hart is an affluent area. It is officially the least deprived area in the country, being currently ranked 354 out of 354 on the Indices of Multiple Deprivation (IMD).² Resident's wages are high. In 2008, the average weekly pay in Hart was £637 compared with £523 for the South East and £479 for Great Britain. Over 70 per cent of the working population commute outside the area to work. The area has high levels of educational attainment, good health and an active population. Crime levels are low.
- 19 In comparison with the South East region, Hart has a smaller proportion of working aged residents claiming benefits. Overall, 5.9 per cent of working aged residents claims benefits. Unemployment is relatively low. In September 2009, 997 people claimed Job Seekers Allowance, which makes up 1.8 per cent of the working aged population. This is below the regional (3.0 per cent) and national (4.2 per cent) average.³ 2.2 per cent of the applicable population claim Employment Support Allowance (ESA)⁴, which is below both the regional and national average. 0.6 per cent of working aged population claim lone parent benefits which is above both the regional and national average.⁵
- 20 The average house price in Hart is £264,444 is significantly above the national average of £155,968 (August 2009).⁶
- 21 The district has good road and rail links to London and Southampton, with some bus services around Fleet. Elsewhere in the district, transport into the main centres is difficult and most people living in rural areas rely on cars or community transport schemes.

¹ Office of National Statistics mid-2008 population estimates

² Where 1 is the most deprived, IMD 2007.

³ NOMIS

⁴ Formerly Incapacity Benefit

⁵ NOMIS

⁶ [Land Registry](#)

The Council

- 22** The Council comprises 35 councillors, of which 17 are Conservative, ten Liberal Democrats, six Community Campaign Hart and two Independent. The Conservative party gained effective political control in May 2008, with the support of one Independent councillor. The Council is governed by a leader and cabinet of six portfolio holders and is held to account by the Overview and Scrutiny Committee.
- 23** The Council employs 251 full-time equivalent staff. It is managed by a chief executive and two corporate directors. Head of Finance/Section 151 officer responsibilities and legal services are provided by Basingstoke and Deane Borough Council on a shared basis.
- 24** The gross revenue budget for 2009/10 is £30.5 million. The Council receives the lowest per capita level of Revenue Support Grant of any council. This, coupled with the council tax capping regime, heavily constrains the Council's finances and has meant that the Council has had to make severe cuts in its budget in each of the last three years.
- 25** Hart District Council does not own any housing, having transferred all its housing stock to Sentinel Housing Association in 1994.
- 26** The Council is a key member of the Hart Local Strategic Partnership which has adopted a Sustainable Community Strategy for 2008-2018. The Vision for Hart is: 'To improve, sustain and promote the social, economic and environmental wellbeing of the communities in Hart District'.
- 27** The Community Strategy has six priorities.
- An Environmentally Conscious Community and a Sustainable District.
 - Affordable, Safe, Well-Maintained, Sustainable Housing.
 - One of the Safest Districts in the South East.
 - A Beacon of Good Health.
 - A Diversified and Balanced Economy.
 - A Sustainable and Accessible Transport System.
- 28** The Council also has a Corporate Plan for 2007-2011. Its key aim is to be an outward looking, high performing council, working closely with residents and partners to keep Hart a clean, healthy and safe community, where quality of life matters by:
- conserving the environment of the District for the safe and peaceful enjoyment of residents and wildlife;
 - ensuring everyone has access to good quality affordable housing; and
 - providing the highest quality of public service we can afford.
- 29** The Corporate Plan has two priorities – the environment and affordable housing.
- 30** The Hampshire Strategic Partnership's Local Area Agreement has eight themes. None relate directly to the Benefits Service but it can contribute to areas such as affordable housing and supporting people to live independently.

- 31 A council wide Access to Services Inspection assessed the Council as fair with uncertain prospects for improvement in June 2009.

The Council's benefits service

- 32 Hart's Revenues and Benefits department, consisting of 23 staff, was outsourced to a contractor in May 2008, working to a contract let under the Southampton Strategic Partnership framework. The aim of this change was to provide financial savings, a better standard of customer service and a more resilient service than the Council was able to provide. Since September 2008 the Council has been paying for client officers at another council to conduct day-to-day monitoring of the contractor's performance, while keeping overall responsibility for service provision.
- 33 The Council has recently extended its outsourcing with the same contractor to include a contract for its central services such as Human Resources, Information Technology, Finance and Customer Services. The benefits that the Council wants to achieve from this is are: 'to achieve a transformation in the way the it works, to improve its efficiency and effectiveness, to better serve its customers, to improve value for money, and to engage better with the people it serves, including a better understanding of their needs and aspirations.'
- 34 The cost of running the Benefits Service in 2008/09 was £775,388 of which £391,418 was funded by Department of Work and Pensions and the balance was met by the Council.
- 35 The Benefits Service in Hart paid out around £12 million in 2008/09 to:
- 2,839 people claiming Council Tax Benefit; and
 - 2,139 people claiming Housing Benefit.

Background to the inspection of benefits services

- 36 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.
- 37 From 1 April 2008, the Audit Commission became responsible for benefits inspections, following the transfer of powers from the Benefit Fraud Inspectorate.
- 38 The Local Government and Public Involvement in Health Act 2007 sets out the framework for giving local people and local communities more influence and power to improve their lives. Councils must therefore provide a service that meets ever changing customer and legislative requirements including:
- reporting on the Department of Communities and Local Government National Indicators with effect from 1 April 2008; and
 - contributing to the delivery of other national, regional and local priorities aimed at reducing poverty and addressing social and economic inequity, including targets within the LAA.

39 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 Hart District Council, the reasons for commissioning the inspection were:

- the speed of processing new claims and changes in circumstances appeared to be extremely good but the Best Value Performance Indicators (BVPIs) for these areas had both been qualified as a result of the data quality audit in 2008;
- the subsidy losses suffered by the Service were at odds with the reported speed of processing and as such may be indicative of underlying problems;
- accuracy levels were low and deteriorating which means that customers may not be receiving the correct entitlement or decisions regarding their claims; and
- the Service had failed to demonstrate continuous and sustainable improvement over a period of time when most councils were improving.

40 The key objectives of this inspection were:

- to assess the effectiveness of Hart's Benefits Service in providing an effective and efficient service to the vulnerable people it serves; and
- to provide assurance to the DWP and other stakeholders regarding the quality of service provision.

How good is the service?

What has the service aimed to achieve?

- 41 There are no explicit aims for the Benefits Service in the Community Strategy, Corporate Plan or LAA. However, the Service is implicitly covered by a Corporate Plan aim, 'to seek maximum efficiency and effectiveness' by:
- ensuring the best use of resources and assets;
 - listening to the needs and views of those who use our services;
 - developing effective relationships with our partners; and
 - being willing to embrace radical change where it benefits those who use our services.
- 42 The overall objectives of the Revenues and Benefits Services expressed in the outsourced contract specification are to:
- get things right first time;
 - target the Services at the right people, for the right amount and at the right time;
 - provide modern and customer focused Services that are financially sound and offer best value to its customers;
 - support the most vulnerable members of the community through prompt and accurate payment of Housing and Council Tax Benefits;
 - ensure the Authority can afford to provide essential services to the community by maximising its income through effective collection of Council Tax;
 - be sensitive and responsive to its customers needs; and
 - minimise fraud.
- 43 A Vision and Strategy for the Benefits Service is being developed. The draft vision is:
- providing a modern, customer-focused, efficient, effective and secure benefit system that is continuously seeking to improve;
 - paying the right amount of benefit to people who are entitled to it as quickly as possible;
 - encouraging the take up of the Benefits scheme by those entitled to benefits and ensuring the Service is accessible to everyone in the community;
 - reducing the risks of fraud and error;
 - delivering an effective Benefits Service that is set within the broad context of the Council's corporate priorities;
 - delivering a cost-effective service which provides value for money within the limited financial resources available;

How good is the service?

- supporting key local partnerships with welfare benefits delivery where they help achieve this vision; and
- helping to address social exclusion.

This vision and strategy is only in draft form. It has not been formally adopted or consulted on and it lacks supporting targets and milestones.

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

Access, customer care, user and community focus

- 44 The Service cannot be sure that it is aiming to deliver what users want and need. There has not been regular engagement with the community and so there is only a basic understanding of the needs of local people and whether the Service meets these needs. The Service has recently developed a vision and strategy but this has not been based on consultation and engagement with users. The Council is working on producing a customer engagement strategy and a customer access strategy. This project is in its early stages. A customer survey has recently been issued to gather feedback on the service and to look at areas for improvement. Understanding the needs of the community means that the Council can be certain it is designed to meet those needs.
- 45 Frontline staff provide good customer care. Advice given over the telephone is helpful and staff are polite and knowledgeable. Staff know many of their customers by name and treat them with dignity and respect.
- 46 Customer access to the Service is mixed. There are some positive aspects of access to the Service.
- A telephone service is available outside office opening times, until 6.30pm and on Saturday mornings. This helps customers who are working to be able to access the Service at a time convenient to them.
 - Customers do not experience long waits at the counter or on the telephone. Feedback from customers shows that, on the whole, waiting times are not excessive.
 - A visiting service provides help for elderly and disabled customers to complete their claim.
 - Information on the website is clear and well written. The website includes general information on benefits, a benefits calculator and links to useful websites.
 - A wide range of information is available from leaflets. These are clearly on display in the reception area. The information contained in them is clear and the Council has been given an award for issuing leaflets that are written in plain English.

- 47 However, there are areas where access to the Service is difficult.
- Access to the Service at the counter can be difficult. The Service has closed the counter to carry out staff training and hold meetings. At such times Housing staff are able to take in documentation but not to offer specialised advice. The Council only tells customers of these closures by a poster on the desk. Customers could have a wasted journey and may be put off making a claim for benefit or telling the Council of a change in circumstances.
 - Speed and quality of response to emails is inconsistent. We found that one response was received immediately offering excellent advice. But another email received an acknowledgement to say a reply would be sent in ten days and despite a chasing email being sent after the ten days no reply was received.
 - The Housing Benefit reception area is poor. The counter area has adequate facilities for disabled users but there are no signs on show offering translation facilities. There is a bell to ring for attention but it is not clear where this is. Interview rooms do not provide confidentiality as conversations can be overheard. An environment that is not welcoming and confidential could deter customers from contacting the Service in this way.
- 48 Customers are not informed about the level of service they can expect from the Service. Although the Council has set clear customer standards for benefits, they were not developed in consultation with users. Performance against them is also not publicised. Without clear, realistic standards and information on performance against those standards, customers do not know what service they should expect to receive.
- 49 The Service is successfully encouraging people to claim the benefits they may be entitled to. The Council has a take up strategy and a Welfare Visiting Officer who carries out proactive take up work. This includes carrying out talks at sheltered housing and community groups and targeted take up campaigns such as giving leaflets to schools and nurseries prior to the benefit regulations being changed for Child Benefit. The Welfare Visiting Officer also communicates regularly with the Pension Service, Citizens Advice Bureau (CAB), housing associations and wardens and they refer people who may be entitled to benefits. Entitlement to further benefits are identified by the Service staff during general welfare visits and in visits to assess entitlement to Council Tax disabled relief where checks are made to ensure that the customer is receiving all the benefits they could do. This proactive work has resulted in over £246,000 in extra benefits being paid into the local economy since April 2008 and customers receiving more income.
- 50 The Council is good at identifying customers who need money advice and helps them to get it. The Service holds face-to-face meetings with people who have received overpayments to discuss recovery methods and for them to complete a household money planner. The leaflet on overpayments contains advice on where to get help with debts including contact details for CAB, National Debtline, Advice UK and Consumer Credit Counselling Service. The Service is making it easy for customers to get advice on money management and so minimising the risk of hardship.

How good is the service?

- 51** The benefit application form is easy to understand and written in plain English. It gives details of the evidence needed and areas where proof is required are highlighted. Details of changes in circumstances that need to be advised are included in the declaration. The form advises that help can be given with the application form and there is information available in large print and in other languages. A clear and easily understandable application form helps customers to provide all the information needed to complete their claim at the first point of contact.
- 52** The Service makes sure that customers provide the information needed to decide their claim quickly. Where a customer has not provided the proof within 14 days a reminder is issued and if the proof is still not received, a Visiting Officer visits the customer in order to collect it. Offering this help to customers reduces the number of incomplete claims, minimises delays in processing claims and helps customers receive the benefit they are entitled to as quickly as possible.
- 53** Benefit notification letters meet statutory requirements and are clear. Information is contained about appeal rights, duty to notify changes in circumstances and signposting to other benefits and Job Centre Plus. Feedback from customers indicates that they do not have difficulty in understanding the letters. When customers receive clear and accurate information about their claim, it reduces the need for the customer to contact the Council for a further explanation.
- 54** The Service is not maximising the effectiveness of relationships with local partners. It is not making best use of partners such as Sentinel Housing and other departments such as the Housing Service to verify documents submitted by claimants. This could make it easier for customers and would save them time in completing claims. There are liaison meetings held regularly with some partners, but not all. Service level agreements are in place with Job Centre Plus, Department of Work and Pensions (DWP), Pensions Service, Citizens Advice Bureau and Sentinel Housing. In most cases, these are standard agreements and have not been tailored specifically to meet the Council's requirements or have not been reviewed and updated. Effective liaison and joint working means that partners can work together to improve outcomes for the customer.
- 55** However, some joint working with the Council's Housing Service is effective in contributing to the wider aims and local priorities. The two Services share a counter and deal with enquiries on each other's service. The Services work jointly to ensure that claims are fast tracked if there is any risk of eviction and people coming in with mortgage arrears are referred for Council Tax Benefit. The Visiting Officer will collect information on housing needs on home visits and can give information to tenants who are facing homelessness on how to apply for a home and complete the application form for the housing register. Taking this action is making sure customers have access to affordable rented housing and helps prevent homelessness.
- 56** Engagement with landlords is poor. Landlord forums are infrequent and the Council has not given landlords the opportunity to help to shape the Service. Communication of relevant issues is not effective. For example, landlords are not aware of Discretionary Housing Payments (DHP) and are therefore not in a position to advise tenants who could benefit from this. Good engagement with landlords could help them to make a more effective contribution to the provision of affordable rented housing in the district.

Diversity

- 57 The Service has not developed effective measures to ensure it meets the needs of all potentially vulnerable groups. The Service has not identified all of its hard to reach groups and so has not engaged with those communities that could be disadvantaged. The Council has recognised this and work on the customer engagement strategy is seeking to address this. Equality and diversity data is collected from application forms and complaints but this is not used. Without looking at the monitoring information and access to the Service in detail to see if particular groups are potentially being disadvantaged, the Service cannot know whether it is providing equal access.
- 58 However, the Service has responded to some individual and community needs and is taking action to ensure equal access to the Service for some vulnerable groups. The welfare visit service helps vulnerable customers complete their application forms and provide necessary proof. The Service also provides customers with help and assistance on other benefits. Overpayment recovery takes account of individual circumstances and treats people fairly. Adequate access for users with disabilities is provided in the Council offices. Information and application forms are available in large print on request and translation is offered through Language Line. The website allows the size of the font to be adjusted and it is compatible with software that allows the content of the website to be spoken.
- 59 The Council has effectively used Discretionary Housing Payments (DHP) and its direct payment policy to help vulnerable people and prevent homelessness. The Service has a clear and inclusive DHP policy in place, making awards to those who are in need. The policy and an application form are available on the Council's website. The Service has worked closely with Housing in order to ensure that those people who are at risk of homelessness apply for DHP. Despite this, the Council has not spent up to its limit in each year and the amount allocated by the Department for Work and Pensions has decreased. To compensate for this and so that the Service can continue to help those most in need, the Housing Service is contributing £5000 to the DHP budget for this year. There is a comprehensive direct payment policy in place for private tenants claiming Local Housing Allowance (LHA) which explains when payments can be made direct to the landlord. Direct payments are made to protect the customer's tenancy where there is a likelihood that rent may not otherwise be paid. Help for vulnerable people can prevent financial hardship and homelessness.
- 60 The Council's outsourcing arrangements do not encourage a focus on diversity and equality issues. The Council revised its Corporate Procurement Policy in 2008, but the policy does not include any specific mention of requirements in contracts and outsourcing arrangements around equalities and diversity issues. The equalities impact assessment of the Service relied on the contractor following Hart policies, but there are no arrangements in place to monitor this and the contractor has received little direction from the Council. The Council cannot be sure that its contractors are working in line with the Council's equalities and diversity policies and providing a fair and equitable service to its customers.

How good is the service?

- 61 Staff and councillors have a basic understanding of the Council's equalities, diversity and key legal responsibilities. Staff are aware of the corporate equality scheme and all staff have received basic equality and diversity training recently, but this has not yet been given to councillors. Awareness of diversity and equality issues ensures that staff and councillors consider equal access implications in their day to day work and the service they provide.

Service outcomes

- 62 Benefit customers in Hart have their claims dealt with promptly. Actual performance for 2008/09 in Hart was 21.1 days for new claims and 7.2 days for changes in circumstances. This is better than the average performance being achieved by councils in 2007/08¹ of 25 days for new claims and nine days for changes in circumstances. The first seven months of 2009/10 show similar performance in new claim processing at 21.2 days and changes in circumstances are being processed in 6.94 days. The Service has maintained its performance despite an increase in caseload of 16 per cent since May 2008. The Council's calculation of its performance against the 'Right time'² national indicator (NI181) was 8.05 days as at 31 March 2009, but this was only measured through part of the year. Performance in the first seven months of 2009/10 is 9.25 days. Due to difficulties nationally in extracting data from council's IT systems, comparative data for 2008/09 has not been published, but the Service's performance was better than its target of 14 days. Dealing with claims and changes in circumstances promptly reduces the likelihood of customers suffering financial hardship and minimises payments of incorrect benefit that can lead to overpayments or underpayments.
- 63 The Service actions new claims promptly. It indexes and pre-assesses claims within 48 hours of receipt so that any further information needed is requested at the earliest opportunity. The Council has no claims that have been outstanding for more than 50 days and has not had since November 2008. Low levels of work outstanding means that customers are more likely to have their claims or changes dealt with quickly.
- 64 The Service has taken satisfactory measures to successfully identify undeclared changes in circumstances. The Service carries out a range of activities including publicity on application forms and notification letters, targeted visits and leaving a letter at all visits detailing changes in circumstances that need to be notified. This helps to reduce fraud and error in the system.
- 65 The Council is participating in the 'In and Out of Work' scheme. This means that customers who are moving in and out of work can notify their changes to Job Centre Plus who then take all the necessary information and pass this to the Council. This is in the early stages and the Council has only received a very small number of claims by this route so far. This makes it easier for customers to change their circumstances and so encourages them to take up employment without having to worry about delays to their benefits.

¹ 2007/08 is the last year that comparative data is available for.

² This measures the average processing times for new claims and change events.

- 66** Benefits are not always paid accurately. In 2007/08, only 93.18 per cent of decisions checked were correct which was poor compared to other councils nationally. Accuracy in 2008/09 was 91.22 per cent but this was based on a different assessment method, which means it cannot be compared to others. This has improved to 94.79 per cent in the first six months of 2009/10 against a relatively low target of 95 per cent set by the Council. Inaccurate benefit calculations can lead to incorrect payments for customers who may be receiving too little or too much benefit.
- 67** Overpayment recovery is not being monitored effectively by the Council. It does not measure performance in terms of the percentage of recoverable overpayments recovered, but has a target to reduce outstanding debt by £20,000 in 2009/10. Performance against this varies significantly month to month and depends on the number of overpayments raised in each month. The Service cannot evaluate the effectiveness of its recovery policies and procedures without monitoring recovery percentages.
- 68** The Service has a good record in dealing with requests for reconsiderations and appeals. Customers can request a reconsideration of their claim if they believe that the assessment does not accurately reflect their personal circumstances. A benchmark of four weeks is widely recognised by local authorities and the DWP as a reasonable time for dealing with this type of work. Despite publicising appeal rights on letters and leaflets the Service receives few requests for reconsiderations (13 to date in 2009/10). Of these, ten were reconsidered within four weeks, two were not because further information was requested from the customer and one was delayed. Following reconsideration only one appeal has recently been received this year. If appeals and reconsiderations are dealt with quickly customers do not experience financial uncertainty or hardship which could have a serious impact on their lives.
- 69** The Council has a lack of focus on reducing benefit fraud. The Service has adequate arrangements for the prevention and detection of benefit fraud and there is a clear benefits fraud prosecution policy in place. It gives guidelines for employees to consider in administering prosecutions and gives guidance on offering administration penalties. But the Council has not specified any targets about benefit fraud for its contractor to achieve. However, the contractor has recently adopted its own range of performance measures and targets and is working towards them. These have only been adopted during 2009/10 and were not measured in the first year of the contract. Councillors have a lack of awareness about their responsibility in preventing and detecting fraud. Councillors have not received fraud awareness training. A better councillor awareness of fraud would improve the direction of the Service and help it to be more effective in reducing fraud and error.

User experience and satisfaction

- 70** Customer satisfaction is good. The Service has recently issued a customer survey and feedback forms at the counter. Although detailed analysis of the results has not yet been completed, early signs are that the feedback from customers is positive. The last Best Value User Survey was completed in 2006/07 and overall satisfaction was 85 per cent, which was above the national average. Regular testing of customer satisfaction helps the Service to respond swiftly and effectively with action to improve.

How good is the service?

71 The Service provides a good level of customer care on the telephone and at council offices. We found the service provided to be helpful, courteous and friendly and this view was reinforced by feedback from customers and stakeholders during the inspection. The Service has only had one complaint in the last year. The majority of customers are receiving a service that they are satisfied with.

Is the service delivering value for money?

72 The Council's approach to monitoring and evaluating the value for money of the Benefits Service is weak. The Service has a poor understanding of its detailed costs and the cost profiles of different elements of service. And it is not benchmarking the delivery of value for money with other councils and services.

73 The Council is unable to show whether the outsourcing of the Benefits Service has improved value for money compared to the previous in-house arrangements. The Council invited tenders using the framework contract of another council but only received one acceptable bid. The original financial case for outsourcing was a marginal decision based on a number of assumptions. The Council has not reviewed these assumptions since the contract became operational but it is clear some anticipated savings have not been realised, such as client costs and accommodation. Also, the decision to use another council for client management was not based on a rigorous analysis of value for money or by testing of the market and there has been no subsequent scrutiny of the service provided. Ongoing challenge of the service arrangements will give the Council assurance that value for money is being delivered.

74 The Service is not maximising its recovery of overpayments. The Council is taking appropriate action to minimise overpayments. This includes prioritising work that will cause an overpayment, regularly reminding customers of changes to report and encouraging customers to provide details to enable underlying entitlement¹ to be calculated on leaflets and letters. But the Council is not using all available methods of recovery in that it has chosen not to pursue debtors through the County Court. It has also not evaluated the cost effectiveness of different ways of tracing people who owe money to the Council. Using all methods of recovery available maximises the amount recovered and also sends out a message that the Council will actively pursue the recovery of overpayments.

75 The Council does not have sufficient assurance that information used to complete its subsidy claim² is accurate. The Council has not completed regular, ongoing checks of the claim. There are plans to introduce monthly checking of individual cells but currently this is not in place. Some checking occurs at the time of submission and subsidy for individual claims is included in the client check. Ongoing checks for accuracy mean that problems can be identified at an early stage and training needs identified or working practices changed.

¹ Amount of benefit a person would have been entitled to had benefit been assessed on their correct circumstances at the time.

² Local authorities complete a claim for Housing Benefit Subsidy from the government. Subsidy is paid by central government to contribute towards the amounts that local authorities pay out as Housing Benefit and Council Tax Benefit

- 76** Overall, the Council's Benefits Service is delivering adequate value for money. The cost of benefits administration per head in Hart in 2008/09 was below average when compared with similar areas, though the number of benefit claims is also low. Customer satisfaction with the Benefits Service was high, at 85 per cent, when last measured in 2006/07, while performance has been good in terms of speed in dealing with claims. Achieving better than average results at a lower than average cost gives assurance that value for money is being achieved.
- 77** There are some good examples of the Service achieving better value for money. For example, the Service has been successful in encouraging more customers to accept payment by the Banks Automated Clearing Service (BACS), which is cheaper than payment by cheque. A very high percentage of payments, 96 per cent, are now being made by BACS, which is helping the Service to reduce its costs. In addition, the computerisation of the overpayments system is saving staff time. By identifying more efficient ways of delivering the Service value for money is being improved.
- 78** The Service has been successful in reducing the amount of local authority (LA) error overpayments. During 2006/07 and 2007/08, the amount of benefits overpaid due to LA error was above the upper threshold set by the DWP. This meant that the Council lost subsidy due to the high value of these errors. In 2008/09, the Service reduced LA error overpayments to £6,508 lower than the minimum threshold, meaning that the Council could claim its full subsidy, totalling £53,454.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

79 The Council has a track record of successfully implementing changes to the Service that have delivered improvement. The Service received funding from DWP in 2005, which helped to reduce a backlog of work and improve its speed of processing from below the national average to be better than the national average. In May 2008, the Council outsourced the Service to improve the service provided to customers, improve resilience and provide improved value for money in the longer term. Since then, performance levels have been maintained despite experiencing rising caseloads due to the recession. The Council has a track record of turning around the Service to deliver improved outcomes in the speed of processing and has managed to maintain this during periods of high demand.

Best Value Performance Indicators

Hart District Council performance against national averages

Best Value Performance Indicators	2005/06	2006/07	2007/08	2008/09	2009/10 (31/10/09)
BV78a - average no of days taken to make a full decision on new claims (national average)	34.4 (32)	21.0 (28.7)	24.6 (Qualified) (24.7)	21.1	21.2
BV78b - average no of days taken to make a full decision on changes of circumstances (national average)	12.7 (13.5)	5.5 (11)	6.1 (Qualified) (9.1)	7.2	6.94
BV79a - accuracy of processing HB and CTB claims (national average)	94.00% (98.2%)	94.44% (98.4%)	93.18% ¹ (98.6%)		
Internal accuracy indicator (a wider measure, not comparable with BV79a)				91.22%	94.79%

Source: Audit Commission

¹ Assessment methods changed after 2007/08, which is the last year that comparative data is available for.

What are the prospects for improvement to the service?

- 80** However, the Council has only recently delivered improvements in accuracy of benefits claims. Historically, accuracy has been poor and performance has been well below the national average. Poor accuracy levels resulted in the accuracy of Best Value Performance Indicator 78a and 78 being qualified by auditors. The Service has taken steps to address this by introducing more rigorous and targeted checking, addressing poor performance and carrying out retraining. The accuracy levels are now improving with performance at 94.79 per cent in the first seven months of 2009/10. This has been confirmed by auditors during the audit of the 2008/09 subsidy claim where improvements are evident. The Service has recognised where it needs to improve and is successfully focusing attention on improving this area.
- 81** Recent improvements in accuracy of claims by the Service have significantly decreased the number of local authority error overpayments. This has resulted in the Council being able to claim full subsidy for its local authority errors in 2008/2009 and the Council is on target to do so again in 2009/10. This has resulted in more income for the Service and so contributes to improving value for money.
- 82** The Service has taken actions that have significantly improved outcomes for users. Despite an increased workload over the last 18 months there has been a reduction in the amount of outstanding work. There are no new claims that have been outstanding for more than 50 days and this has been the case since November 2008. The Service holds monthly service meetings with the contractor and these have resulted in improvements such as extended telephone opening hours and payment of benefits by BACS. The Service has learnt from reports by internal audit and has implemented changes such as automating the overpayment recovery process in order to improve service delivery. Focussed work on increasing take up of benefits has improved outcomes for users and the wider community. The Service is actively seeking new ways of working to deliver improvement and improve outcomes.

How well does the service manage performance?

- 83** The Council's future improvement plans for the Benefits Service are still being developed and are not yet clear and comprehensive. A draft 'vision and strategy' document has been drawn up and this is intended to provide strategic direction for the Service. It sets clear aims and objectives and describes how the Service intends to provide a good service to customers. Importantly, the document shows links to corporate and local objectives such as supporting the provision of affordable housing and addressing social exclusion. However, the vision and strategy has not yet been agreed by the Council and the public and stakeholders have not been engaged or consulted in its preparation. The vision has not yet been translated into the actions needed to achieve the outcomes and no measurable targets have been set to monitor progress. Without a comprehensive long term improvement plan it is difficult for the Council and its managers to effectively manage performance.

What are the prospects for improvement to the service?

- 84** Improvement and service planning, as a process, is underdeveloped within the Service. Service plans are fairly basic in their content. They describe routine actions and activities rather than areas for improvement with clear outcomes, milestones and measurable targets. The Service's contribution to wider local, regional priorities and national priorities is not clear and there is no evaluation of current progress. A strong service planning process with clear responsibilities, targets and timescales helps improvements to be monitored and outcomes to be achieved.
- 85** The Council is improving its approach to customer engagement and consultation. It is working on a customer engagement strategy and has started work on this by learning from other councils who are performing well in this area. The Council aims to use information on customer needs to improve services and help review plans and strategies. The work will be informed by a county wide project that will provide an accurate profile of residents' characteristics based on post-code data. The Council has recognised that it needs to improve in this area and has embarked on a plan to do so.
- 86** The Service is effective at managing performance in areas that are clearly defined, including tackling poor performance. A Revenues and Benefits Performance Framework has been agreed for 2009/10 to provide clear guidelines for monitoring the performance of the Council's contractor. It sets out clear roles and responsibilities, reporting frequencies and the key performance indicators to be monitored. The arrangements are overseen by external client officers who monitor the contract effectively. The contractor sets personal targets for staff and takes appropriate action if they are not met. The Council's Management Team monitors benefits performance monthly and reports to Councillors at quarterly intervals. An annual report is also presented to Councillors by the contractor. These arrangements have contributed to good performance figures and have also helped to deal with poor performance of individuals not meeting personal targets.
- 87** However, the coverage of performance monitoring is narrowly focused and this means the Council does not have a complete view of the Service and is less able to target improvement action effectively. The scope of regular monitoring does not cover all aspects of benefits work. There is a strong focus on national and contractual performance indicators, for example those that cover speed and accuracy. However, some wider areas are neglected. For example, customer standards have been adopted in a customer charter, but performance against these standards is not monitored or reported. There is also limited reporting of performance by the Council on other areas such as fraud, benefit take-up and level of overpayments
- 88** The Benefits Service has not been rigorously scrutinised for its effectiveness by councillors. The Overview and Scrutiny Committee has considered only the performance of the contractor so far, and has not looked at the client arrangements. The focus has been on key performance indicators while neglecting wider aspects. For example, the Committee has not examined value for money, customer service or how the Benefits Service can contribute to corporate priorities. Councillors currently lack sufficient knowledge of benefits to challenge effectively much of the detailed parts of the service.

What are the prospects for improvement to the service?

- 89 The Service is weak at managing value for money. It does not have a good understanding of the cost of different parts of the Service. It has not established any performance indicators that link costs to the level of performance achieved. Benchmarking of value for money is not well developed as a result. While there is effective budget monitoring, there is insufficient integration of performance and financial management information to give assurance about ongoing value for money.
- 90 The Council has shown willingness to learn from others but is not maximising opportunities close to home. It has recognised good performance in neighbouring authorities and plans to visit them to learn more but has not engaged with other authorities regularly to share examples of best practice. There is little learning from internal intelligence such as complaints and contact information. Customer data is not being used to drive improvement although the Service is beginning to look at this.

Does the service have the capacity to improve?

- 91 Outsourcing the Benefits Service has significantly increased the Council's capacity to improve. It has provided access to a much wider network of skills and experiences than would normally be available to a small district. Working through a national contractor means there is a larger pool of staff that can be used, which improves the Service's ability to cope with difficulties such as staff shortages. The more recent outsourcing of central support services (Finance, Human Resources, Information Technology and Customer Services) will also have a positive impact on the Benefits Service. The Benefits Service will benefit from initial plans to improve the reception area and the adoption of a community engagement strategy.
- 92 The Council has established some effective arrangements and policies for identifying and delivering improved capacity. The outsourcing contracts now include a clause that requires the contractor to actively seek continuous improvement. A financial target is included for the efficiencies required over the eight years of the contract. Each year the contractor is required to produce a business case for improvements for the Council to consider. Monthly service improvement group meetings take place and examples of improvements made in the last year are the provision of extended hours telephone support for benefit queries, and the payment of benefits by BACS rather than by cheque. The Council is also improving its capacity through its partnership policy which encourages the development of shared services.
- 93 The Service has good capacity in its personnel. Staff have responded positively to being transferred to a contractor and historic staffing issues have been addressed by effective performance management. Staff are capable and knowledgeable and demonstrate a high degree of commitment to the Service. This increases the prospects for successful outcomes for customers.

What are the prospects for improvement to the service?

- 94 Staff are well trained. Training needs are assessed by the contractor in regular personal appraisals and staff have good access to training through the contractor's wider network. Cross-training is taking place within the benefits team so that staff can deal with a wider range of benefits tasks and provide assistance to the Revenues Service. This helps to increase resilience, improve customer service and provide better job satisfaction and prospects. There is good liaison with the contractor on the findings from monitoring work to establish training needs and evaluate the effectiveness of training delivered. Regular team meetings keep staff well informed about current issues. Well trained staff who are well informed have greater confidence and are better placed to help in improving the delivery of the service.
- 95 A lack of benefits skills and expertise within the Council is restricting the leadership of the Benefits Service. Outsourcing the Service has left the Council with no specialist knowledge of benefits at senior management level. While senior managers are clearly committed to improve the service they are not always targeting the right things, such as making plans to improve processing speeds that are already good. Councillors also lack an understanding of the Benefits Service and how it can contribute to corporate priorities. This has been recognised by councillors asking for a benefits guidance document to be written for them to improve their specialist knowledge of benefits. This means that political and strategic direction and challenge to the Service is limited. The current client arrangements do not help to fill the skills gap. The arrangements mainly provide for a service to monitor and manage the terms of the outsourcing contract. There is no specific responsibility or requirement to provide help to improve the Service or advise the Council on the needs of customers. This means there is a lack of clarity about who is responsible for improving the Service. This is resulting in an absence of informed challenge to performance, which restricts improvement.
- 96 Capacity within the Service has been improved. Additional funding provided by the DWP has been used effectively to provide an extra member of staff to help with an increased caseload in 2009/10. The Service has managed to cope with a 16 per cent increase in claims received while outstanding cases have been reduced. However, the Council has limited financial capacity to deliver improvements in the Service. The Council receives the lowest per capita level of Revenue Support Grant of any principal authority. This, coupled with the council tax capping regime, heavily constrains the Council's finances and has meant that the Council has had to make severe cuts in its budget in each of the last three years. This means that any improvement to the Benefits Service that requires significant amounts of new funding may be difficult to achieve.

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