

# Benefits

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# Service

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# Inspection

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Mendip District Council

August 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 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 inspections can become increasingly effective and efficient.

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

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

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# Summary

- 1 The benefits service at Mendip District Council (the Council) is fair with promising prospects for improvement. The Council is addressing previous failings and this is mirrored in the benefits service. The service recognises most of its weaknesses and is tackling them. But this work is in the early stages and improvements are recent.
- 2 Benefit customers now have their claims and changes processed within a satisfactory time. During the first half of 2009/10, customers had to wait too long for their new claims and change of circumstances to be dealt with but this improved significantly in the second half of the year. The Council's annual performance against the 'right time' national indicator in 2009/10 was about 12 days. This is better than the average of 14 days for England for the first half of 2009/10. The Council has a robust approach to ensuring accuracy and deals with customers' appeals in a timely fashion. If customers wait too long and experience delays, this can lead to financial difficulties.
- 3 The service is accessible for most residents through a range of locations and websites. There are offices located across the district and telephone answering has improved. Customers enquiring by email or over the internet receive a good service. Waiting times for visitors at the main Council offices are short. Some people have recently had their claims dealt with on a 'while-you-wait' basis. However, there are shortcomings in the quality of advice from telephone responses and signage and privacy in some offices is inadequate.
- 4 The service works well with partners to help reduce disadvantage in the local area. For example, it provides named contacts for registered providers of social housing (registered providers) and has a fast track arrangement in place to deal with claims promptly where the customer is facing legal action or eviction. Arrangements are in place for Flourish Housing Association and other registered providers to verify claims. Working closely with partners has led to improvements in the service provided for customers.
- 5 However there are some weaknesses. The Council is not tackling benefit fraud effectively. Results of counter fraud work are poor with only three cases recommended for prosecution and three cautions issued in 2009/10. This is 0.7 for each 1,000 of the caseload. This would place it within the lowest 25 per cent of councils nationally, based on 2007/08 data - the most recent national comparable information available. The Council is not successfully identifying fraud and protecting public money.
- 6 Restricted opening hours make access to the service difficult for working people. Correspondence is unclear and difficult to understand. A lack of a dedicated and publicised home visiting service could prevent some vulnerable customers from accessing the service. If access is difficult customers could be deterred from claiming benefits.

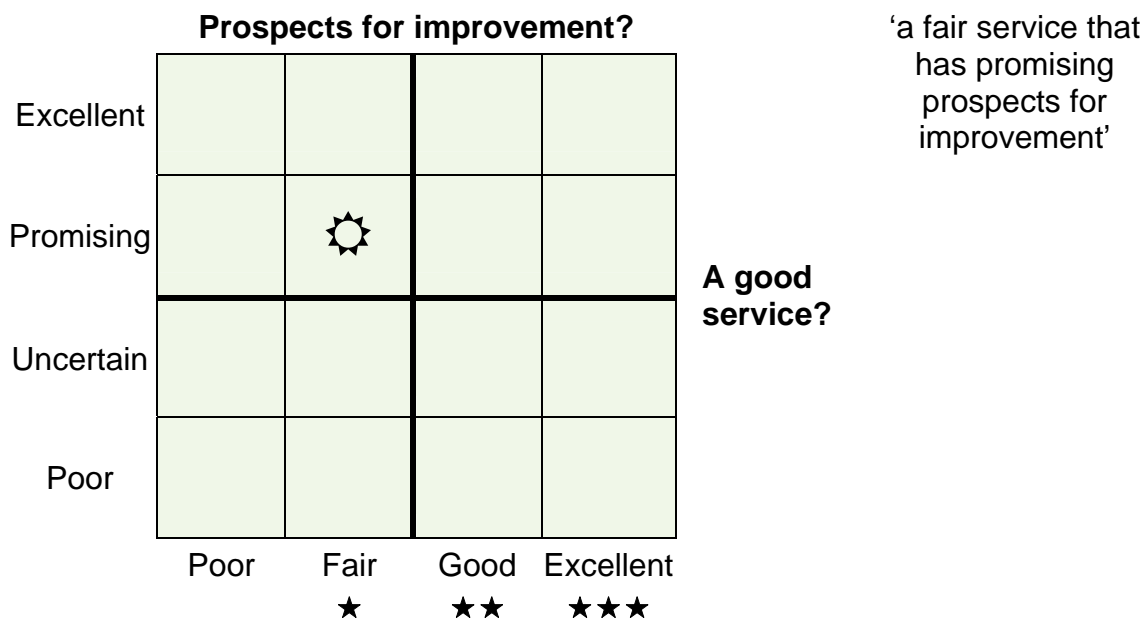
## Summary

- 7 The focus on identifying customers' needs is weak. The service has not asked customers about key issues, such as service standards and does not know about customer satisfaction. The approach to equality and diversity is not fully effective, and the service has not consulted with all customers to know whether it is meeting the needs of all vulnerable groups. This is important for a service whose purpose is to help reduce disadvantage in the local population.
- 8 The service is not delivering value for money - costs are average but outcomes for customers have, until recently, been poor. The Council has not developed a thorough approach to learning from others and does little benchmarking with other councils.
- 9 The service has promising prospects for improvement. There has been a marked recent improvement in processing times, despite an increase in customer demand. In particular, the service understands its weaknesses and how important it is to keep improving. The service has invested in additional IT such as systems to support a while-you-wait assessment process. The Council has completed several fundamental reviews of aspects of the service, such as the Fraud Unit, resulting in plans for further improvements. The Council manages the performance of its contractor well.
- 10 Leadership of the service is clear and improving, and there is a strong and robust relationship with the contractor. Staff are positive and support the Council's objectives. The Council's use of an external service provider increases its capacity and resilience to changes in demand, and has brought about improvements in value for money.
- 11 Much of the improvement in the service has been within the last year. Forward planning for the service is good but is only short-term. The service has experienced skills shortages that have reduced the effectiveness of some areas, such as fraud investigation. But the Council has commenced workforce planning and a recruitment process to address the current skills gaps.

# Scoring the service

- 12 We have assessed Mendip 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 chart<sup>i</sup>



Source: Audit Commission

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

- benefit customers now have their claims and changes processed within a satisfactory time;
- the service is accessible from a variety of locations across the district;
- the service is providing a good service for those enquiring by the internet or email;
- waiting times for visitors at the Council offices are short. Some people have recently had their claims dealt with on a 'while-you-wait' basis;
- there is a robust approach to ensuring accuracy;
- the service is recovering current overpayments effectively; and
- the Council has good joint working between its services, through the active support of councillors, and by working well with the external service provider and local partners.

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

## Scoring the service

14 However there are some weaknesses. These include:

- some customers had to wait too long to have their claims and changes of circumstances dealt with in the early part of 2009/10;
- the Council is not tackling benefit fraud effectively. Numbers of prosecutions and sanctions are low;
- the service has not engaged well with its customers;
- customers' satisfaction with the service is not known, and there is inadequate learning from feedback from customers;
- the approach to equality and diversity is not fully effective, and the service does not know whether it is meeting the needs of all vulnerable groups; and
- the service does not demonstrably deliver value for money.

15 The service has promising prospects for improvement because:

- the speed with which claims are determined has improved in the last six months, despite an increase in demand;
- it has established a track record of working well with housing staff, with the external service provider and with external agencies in pursuit of the Council's overall goals;
- its leadership is clear and improving. Staff are positive and support the Council's objectives;
- the Council's use of an external service provider increases its capacity and resilience to changes in demand, and has resulted in improvements in value for money;
- the service understands its weaknesses and is developing a culture of continuous improvement. The improvements in the service reflect those of the Council; and
- there are effective performance management and business continuity arrangements.

16 But there are some weaknesses:

- the service has only very recently shown improvements. In particular, the speed of determining claims and change of circumstances did not improve over the last three years, except during the last six months;
- skill gaps have reduced the service's effectiveness in investigating fraud;
- forward planning for the service only covers the short-term. The service workforce and financial requirements over the medium-term are unclear; and
- the Council has not developed a thorough approach to learning from others and benchmarking.

# Recommendations

- 17 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 costs<sup>i</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Council should do the following.

## Recommendation

- R1** Provide a better service to benefits customers by:
- understanding the diverse needs of existing and potential customers and stakeholders;
  - completing an equality impact assessment for the benefits service;
  - seeking customers' views on the service and addressing issues identified;
  - working with partners to target take-up more effectively and recording outcomes; and
  - improving the management of complaints and reconsiderations to enable the service to learn from these and use this information to provide a better service.

The expected benefits of this recommendation are:

- increased customer satisfaction; and
- securing a better understanding of customers' views so the service can better meet their needs.

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

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

## Recommendations

### Recommendation

- R2** Ensure the service is accessible to all potential customers, by:
- improving signage to clearly show where benefits advice is available;
  - reviewing opening hours, so they reflect the needs of customers;
  - reviewing the effectiveness of Council Information Points;
  - reviewing access by telephone and the quality of advice given and addressing any issues arising; and
  - improving the information in leaflets and correspondence to ensure it is written in a way that customers understand and includes all relevant information, for example encouraging customers to apply for underlying entitlement.

The expected benefit of this recommendation is:

- improved access to the service for all customers and potential customers, making it easier for customers to claim benefit and to report changes in their circumstances.

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

### Recommendation

- R3** Tackle benefit fraud more effectively by:
- developing an understanding of the potential fraud risks and providing resources that match the fraud risks of the local area;
  - delivering wider, regular fraud awareness programmes across the Council and stakeholders;
  - setting and delivering against suitable performance targets based on caseload and national priorities; and
  - utilising data matches such as the National Fraud Initiative to address fraud.

The expected benefits of this recommendation are:

- public reassurance of a robust approach to investigating and detecting benefit fraud;
- deterring potential fraudsters;
- protecting public finances; and
- improving value for money by eliminating fraud from the system.

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

### Recommendation

- R4** Ensure that the service is providing good value for money, by:
- developing a detailed understanding of the costs of the service;
  - benchmarking with other local authorities to identify opportunities for learning; and
  - reducing old overpayment debt by actively pursuing where possible or considering write offs where applicable.

The expected benefits of this recommendation are:

- assurance that the service is striking the right balance between cost and service quality in relation to its corporate priorities; and
- assurance that the service compares favourably with other similar councils in terms of cost and quality.

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

### Recommendation

- R5** Improve long-term service planning and contract monitoring by:
- developing a business plan for the service with a horizon longer than the current operational year;
  - ensuring that resources are in place to deliver the objectives in the business plan; and
  - reviewing the resources needed and currently available to monitor the contract with the external service provider and act on the outcome of the review.

The expected benefits of this recommendation are:

- to ensure that the long-term future of the service is clear, resourced and rooted in the Council's corporate priorities;
- to ensure that staffing resources are matched with delivery of the service; and
- to ensure that the external service provider meets the Council's requirements.

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

# Report

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## Context

### The locality

- 18** Mendip District Council is a rural area in Somerset. Three-fifths of the 110,100 residents live in the towns of Frome, Shepton Mallet, Wells, Glastonbury and Street. The population is mainly white British, with numbers of black and minority ethnic people similar to the England average. However, there has been recent inwards economic migration from other EU countries, especially Poland and Portugal. Overall, 86 per cent of residents are satisfied with the area in which they live. This is above the national average of 79.7 per cent.
- 19** Deprivation - poverty, poor housing and health - is relatively low, but has worsened since 2004. Unemployment is relatively low at 2.6 per cent (September 2009) but is generally at least twice this rate in most of the towns. The area suffers from lower than average incomes and high house prices. This makes property less affordable in Mendip than the regional average. Approximately 19 per cent of households receive Housing and/or Council Tax benefit.

### The Council

- 20** Mendip District Council consists of 47 councillors representing 34 wards. The Council is Conservative-led with 24 Conservatives, 21 Liberal Democrats and two independent councillors. The Council uses the 'Leader and Cabinet' style of governance model. Ten Cabinet members each have responsibility for a specific service area or council function. The Access to Services Portfolio Holder leads on Revenues and Benefits in Cabinet.
- 21** The Chief Executive leads the Council's officer structure, assisted by one Director. Six Group Managers lead the service and support functions. The Revenues and Benefits Service is located in the Access to Services Group. The Audit Commission's 2009 organisational assessment considered the Council to be performing poorly.

### The Council's benefits service

- 22** The Council outsourced its Revenues and Benefits Department, consisting of 22 staff, to an external service provider ('the contractor') in 2005 under a framework agreement. The Council retains 4.6 staff in the client team which forms part of the Council's Access to Service Group. This team oversees the day-to-day operations of the contractor's performance, deals with counter fraud work, and determines the strategic direction of the service. The Access to Services group also includes Customer Services. Council staff deliver frontline customer service at the Council office in Shepton Mallet and at Council Information Points (CIPs).

23 The contractor also runs an off-site processing centre from Mendip District Council premises. This was negotiated as part of the original contract terms to bring employment to the district.

24 The service in Mendip pays out around £33.9 million per year to:

- 8,180 people claiming CTB; and
- 6,500 people claiming Rent Allowance of which 4,020 are tenants of Registered Social Housing and 2,480 are tenants of private landlords.

Of the total caseload of 8,917 (at 31 March 2010), 4,166 people are of pension age and 4,751 are working age.

25 The cost of running the service in 2009/10 is £1.96 million of which £861,433 is funded by Department for Work and Pensions (DWP) and the balance is met by the Council.

### Background to the inspection of benefits services

26 Housing Benefit (HB) and Council Tax Benefit (CTB) are national welfare benefits administered by the Council on behalf of the DWP. A complex legal framework is in place to define who is entitled to benefit and to reduce fraud and error in the system.

27 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 Mendip District Council, the reasons for commissioning the inspection were:

- data quality – following the qualification of the benefits BVPIs 78a and b for 2007/08;
- a weak track record in terms of accuracy of payments – and a lack of current information around accuracy;
- potential weaknesses in the approach to anti-fraud work with relatively low levels of sanctions;
- some delays in submitting appeals to the Appeals Service; and
- reduced spending on discretionary housing payments (DHPs).<sup>i</sup>

28 The key objectives of this inspection were to:

- assess how well the benefits service meets the needs of the vulnerable people it serves; and
- provide assurance to the DWP and other stakeholders regarding the quality of service provision.

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<sup>i</sup> 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

# How good is the service?

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## What has the service aimed to achieve?

**29** The Council has clear aims for the benefits service. These are expressed in the 2010/11 Service Plan. They include providing an accessible service, accurately calculating benefit entitlement and promoting benefit take-up. The service has clearly identified how these aims contribute to the overall corporate objectives. The vision for the service is:

'Mendip District Council is dedicated to providing an efficient, effective and accessible benefit service to all.'

**30** The Access to Services Group mission statement is:

'To deliver modern, efficient and secure services that maintain strong partnerships, deliver mutual benefits and savings and provide a highly trained, flexible workforce, capable of delivering the excellent service that our customers deserve.'

**31** The Somerset Local Area Agreement (LAA) sets out the priorities for the area agreed between central government and a partnership of key public sector agencies that deliver services in Somerset. Somerset's LAA priorities include ensuring economic wellbeing, to which the benefits service can contribute.

**32** The Mendip Community Strategy, Corporate Plan and LAA do not include any direct aims for the benefits service. However, the service sees itself as contributing to the corporate objectives as follows:

- supporting the local economy through uncertain times;
- supporting community and individuals to maintain and improve the quality of life; and
- enhancing Mendip as a place to live.

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

**Access, customer care, user and community focus**

- 33** The service is beginning to understand the needs of its customers. The Council has not fully engaged with customers in the design and delivery of the service and did not consult customers when creating its Customer Excellence Strategy. But, as part of its review of Council Information Points (CIPs), the Council used information from a satisfaction survey of customers to inform decisions about opening hours and locations. Plans for an extensive customer survey are in the early stages. The Council is basing decisions on its own understanding of the needs of customers from using data mapping and detailed analysis of visitors to CIPs. The 2009 corporate restructure improved the Council focus on customers by promoting closer working between the Benefits, Customer Services and the Housing Options Teams. If the Council asks customers what they need, it can be certain it is aiming to improve the right things.
- 34** The Council does not know whether customers are satisfied with the benefits service overall. The Council has carried out exit surveys at CIPs and these were extremely positive with 100 per cent of people satisfied with the service provided. However, the Council has only just introduced a general satisfaction survey for the benefits service. This started in February 2010 and involves 100 telephone calls each month to customers who have made contact with the service. It is too early to report any significant outcomes. If the service does not measure customer satisfaction systematically, it cannot be sure it is meeting customers' needs.
- 35** Face-to-face access to the service is satisfactory. The service is accessible from the Council offices in Shepton Mallet and from CIPs in Shepton Mallet, Frome, Glastonbury, Wells and Street. CIPs offer general advice on all Council services and do not have access to the benefits IT systems. If customers require more specific advice about their claim, CIP staff have a direct line to staff in the back office who can answer more detailed queries. The opening hours of these offices vary with some opening from 9.00am until 4.30pm and others opening at 10.00am. Customers are satisfied with the service offered by CIPs but have expressed concerns about a lack of privacy. The main Council offices are easily accessible by public transport and car, with free parking for customers. But there are not enough signs showing that benefits advice is available. Feedback from customers we spoke to shows that, on the whole, waiting times (where known) are not excessive. The Council has only recently started monitoring waiting times at the office in Shepton Mallet. This monitoring shows the Council has seen 97 per cent of visitors to this office within the standard of 15 minutes. Access to the service across the district addresses the rural nature of the area making it easier for customers in rural locations to get general advice and help with completing application forms.

## How good is the service?

- 36** Access to the service by telephone is improving. The Council transferred benefits calls to the contractor's call centre from February 2010. Before this, customers found it difficult to get through. The Council did not have the technology to identify levels of abandoned calls or call waiting times but feedback from customers we spoke to shows that this was a significant concern. Since February, the contractor has answered 90 per cent of all calls in 20 seconds and feedback from customers and stakeholders confirms the service is now easier to contact. However, callers have to ring a '0845' number and this can be expensive if dialled from some mobile networks. Additional costs may also deter people from providing the service with useful additional information or reporting a change in circumstance. Improving waiting times on the telephone makes it easier for customers contacting the service to receive advice.
- 37** The service is not easily accessible to working people. Opening hours make access to the service difficult for working people. The telephone contact centre is open from 8.30am until 5.00pm. Each CIP opens at different times during the day and they all close at lunchtime. There is no late opening or Saturday opening. Customers who work could find it difficult to contact the service at a convenient time. In an area where earnings are lower than average, workers that could be entitled to benefits could be prevented from claiming.
- 38** The quality and accuracy of advice given to customers is inconsistent. Customers who visit the offices receive good advice. Replies to emails are timely and of a good quality. However, our own mystery shopping and feedback from customers shows that when they telephone the service they are not always able to speak to someone with sufficient knowledge to help them with their query. On occasions, customers receive the wrong advice. For example, our mystery shopper received advice to look for a three-bedroom house when Housing Benefit would only cover a two-bedroom house. If customers receive incorrect advice or have difficulty in receiving advice this could lead to uncertainty and, possibly, financial difficulties.
- 39** Management of customer complaints is poor. The Council's commitment is to reply within 28 days. This is too long and monitoring of complaints shows that, sometimes, responses have taken even longer than this. The Council has recognised the inadequacy of this standard and has reduced the target time to ten days from June 2010. Customers do not receive timely responses to complaints and this can lead to periods of financial uncertainty.
- 40** Benefits correspondence is difficult to read and understand. Notification (entitlement) letters include all the information required by law but customers say they are not written in clear language and are often lengthy and repetitive. The content of benefits leaflets is good and they have received a Crystal Mark accreditation for plain English but the font is small and the leaflet does not clearly point out the availability of alternative formats or translation facilities. Leaflets do not contain contact details so customers have to look elsewhere for that information. If the service gives customers clear information and the outcomes of their claim they are less likely to contact the Council for further explanations.

- 41 Service standards are clear, comprehensive and challenging but customers have not been involved in their development. Both Customer Services and Benefits have set standards and these are available on the website, on posters at CIPs and on a television screen in the Council reception. However, the television screen is difficult to read. The service does not publicise its performance against all the standards so customers do not know if they are being met.
- 42 The service has developed a comprehensive take-up strategy. During 2009/10, it has begun to carry out targeted take-up campaigns in some of the most deprived areas and for some groups such as older people who are under claiming. To encourage customers who are reluctant to claim benefits, the service has advertised in leaflets that customers can complete their claim with Flourish Housing Association or at the Citizens Advice Bureau. The service has also visited local companies to offer benefits advice to people facing redundancy. The Council has plans for further activities during 2010/11.
- 43 However, the service can not demonstrate the effectiveness of its benefit take-up work. For example, there has been a 2.5 per cent rise in claims from older people since March 2009 but the service cannot be certain that this is because of proactive take-up work. Monitoring the outcome of campaigns would allow the Council to evaluate its effectiveness and identify the contribution made to the local economy.<sup>i</sup>
- 44 The benefit application form is clear. The form provides guidance on what accompanying information and proof is required. A checklist shows what proof is acceptable for each section. A clear form which offers help to customers on completion is more likely to lead to the customer providing all the required information when claiming.
- 45 Customers are helped to supply the information needed to complete their claim as quickly as possible. The service has analysed the reasons for incomplete and defective claims and this led to changes to the application form. The pre-assessment team phone customers and send out a letter to tell them what extra information is required. The service has tried home visits to collect information but found that customers preferred to send in information themselves. A while-you-wait assessment process for new claims has been introduced at the main Council office. Appointments are made and claims completed using an electronic claim form allowing the assessor to process the claim while the customer waits. Since the launch of the scheme in October 2009, the service has completed 36 appointments of which 30 have resulted in an immediate assessment. However, some customers still have difficulty providing all the information necessary to complete their claim. Customers and stakeholders say the service requests information more than once and issues reminders to customers which do not explain what information is still required. Not making it clear what information is outstanding means that customers need to contact the office which leads to delays in processing the claim.
- 46 Information about benefits is easy to find on the Council's website. Information is informative, of good quality and includes a benefits calculator and downloadable forms. A good website can help cut down on the number of calls people have to make in person or by telephone.

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<sup>i</sup> '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?

47 The service works well with local partners. It regularly attends well-established liaison meetings and has developed a quarterly stakeholder forum. Stakeholders meet to discuss issues about the service. This has led to improvements for customers, such as:

- named contacts for registered providers (RPs), Citizens Advice Bureau, YMCA and Women's Refuge allowing them to contact a benefits officer to discuss their tenants' claims;
- the service alerts RPs when claims are suspended so Housing Officers can visit the customer to collect any necessary information helping to prevent arrears;
- Flourish Housing Association, other registered providers and the Supported Housing Forum have received training to allow them to verify claims. This means they can deal with their tenant's benefit claim at the time they take on a tenancy;
- the Youth Housing Forum has received training sessions and information on benefits such as a session on housing benefit for under 25s and homelessness. This allows them to offer relevant advice to their tenants; and
- an arrangement to fast track claims where there is a threat of eviction or legal action. The service received 147 fast track referrals in 2009/10 where eviction was a possibility. This arrangement has worked well in preventing court costs and ultimately preventing eviction.

Good partnership working provides people with a better service and helps to limit the pressure on the service.

### Diversity

48 The service is making some progress in understanding whether it is equally accessible to all, but there is more to do. It is starting to identify its hard-to-reach and potentially vulnerable groups. Data mapping of current claims has identified that older people and single parents are hard-to-reach groups and the Council is beginning work to consult with these groups and address their needs. While the service is reactive to some individual groups' needs, a lack of consultation with customers means it cannot be certain it is meeting the needs of all. The service has not yet consulted with users when completing Equality Impact Assessments and they have not identified any potential barriers. The service does not carry out effective diversity monitoring to ensure that diverse groups are accessing the service and there is no monitoring of diversity and equality issues in the outsourced contract. The service does not know whether it is providing a service that is equally accessible to all.

- 49 However, the service has responded well to some individual and community needs and is taking action to ensure equal access to the service for some vulnerable groups. The service attends meetings with the Migrant Workers Forum and this has resulted in more training to raise awareness for staff dealing with claims from persons from abroad and a desk aid to inform staff when advising customers. A Polish member of staff offers translation for Polish customers. Leaflets are available on request in various languages and staff have access to Language Line which offers translation. This is also publicised on the Council's website. The service has recognised a need to involve itself with groups representing older people and other groups but this engagement is yet to fully develop. Close engagement with these groups allows the service to identify any potential barriers.
- 50 The Council does not fully meet the needs of customers with disabilities. The service does not have a dedicated and publicised home visiting service although this is to be addressed shortly. This can mean that customers with disabilities or older people have difficulty accessing the service. Council offices comply with Disability Discrimination Act requirements and the website provides for alternative accessibility functions. Hearing loops are available in some Council offices, but the main reception at Shepton Mallet is waiting for one to be fitted. The Council has not given enough thought to the design of leaflets for those who have eyesight problems. Some leaflets such as the leaflet for pensioners has small text. The information advising that leaflets are available with large text, Braille or as an audio version is not clearly visible and is found on the last page or back cover. If customers with disabilities have difficulties in accessing the service they could be deterred from making a claim.
- 51 Staff have a basic understanding of the Council's equalities, diversity and key legal responsibilities. Staff receive training on appointment but Council staff do not receive regular refresher training. The contractor has delivered training to its staff on equalities and diversity issues and this has been refreshed regularly. Regular training allows staff to be kept informed of any developments and raises awareness.
- 52 The Council has not maximised its use of Discretionary Housing Payments (DHP) to help prevent hardship. Frontline staff are fully aware of DHP and adequately promote it. All customers who receive below the full entitlement of Housing Benefit receive a leaflet about DHP. Despite this there appears to be a reluctance to claim DHP in the district and the service has not used its full allocation of funding from the DWP. This means its allocation has reduced year-on-year. Effective management and use of DHP can help prevent hardship.
- 53 The service is good at offering customers further advice and considers all of their circumstances when dealing with applications for DHP. Comprehensive guidance is available for staff that includes looking at outstanding debts with other parts of the Council and considering whether these should be written off. If the Council identifies that a customer's tenancy is vulnerable because of hardship and rent arrears they refer them to the Housing Options Team for further advice. The service is able to target those customers that are potentially more vulnerable and in need of extra support.

## How good is the service?

**54** The Council uses its direct payment policy well to help vulnerable people and prevent homelessness. A comprehensive direct payment policy is in place for private tenants claiming Local Housing Allowance (LHA) which explains when the service can pay direct to the landlord. The service has worked well with partners to raise awareness of the policy and 87 per cent of applications for direct payment have been paid direct to the landlord. Paying direct to the landlord can protect the customer's tenancy where there is likelihood that the customer may not pay the rent. Help for vulnerable people can prevent financial hardship and homelessness.

### Service outcomes

- 55** Benefit customers now have their claims and changes processed within a satisfactory time. The Council's reported performance against the 'right time' national indicator (NI181)<sup>i</sup> in 2009/10 is 11.8 days<sup>ii</sup>. Full year comparative data is not available but the Council's full year performance is better than the average (median) for England for the first half of 2009/10 which is 14 days<sup>iii</sup>. This performance has been sustained in the first month of 2010/11 when performance was just under 12 days. Dealing with claims and changes in circumstances quickly, reduces the likelihood of customers suffering financial hardship and incorrect benefit payments.
- 56** However, in the first half of 2009/10 customers still had to wait too long for new claims to be paid. For the first six months of 2009/10 the Council took 29.5 days to process new claims compared with the national average of 26 days. It has improved this performance in the second half of the year and in the last quarter of 2009/10 took an average of just over 19 days. Delays in dealing with new claims can discourage customers from taking up employment because of concerns about paying their rent while waiting for the Council to process their claim.
- 57** Customers also waited too long for a change of circumstances to be dealt with in the first half of 2009/10. The Council's figures show that it processed a change of circumstances in 12.6 days compared with the national average of 11 days. In the second half of 2009/10, it improved this performance to reduce the average over the year to 8.3 days. Delays in dealing with a change of circumstances can lead to incorrect benefit payments being made and over or under payments.

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<sup>i</sup> This measures the average processing times for new claims and change events.

<sup>ii</sup> Full year performance is based on the Council's own data as data has only been verified by DWP for quarter 1 and quarter 2 of 2009/10

<sup>iii</sup> This is the only period for which comparable data is currently available.

- 58** The Council now has a robust approach to ensuring accuracy. In 2009/10, only 93.7 per cent of decisions checked were correct. However, this was based solely on the checking of high-risk cases such as cases assessed by less experienced staff. The Council has strengthened its focus on accuracy in recent months and has introduced additional random checking to its risk based checking. The Council wants to improve accuracy and has negotiated an improved target of 97 per cent with the contractor to drive improved performance. Accuracy levels for the first month of 2010/11 are close to this target at 96.9 per cent. However, in 2009/10 the service received 62 appeals of which 38 (61 per cent) were revised in favour of the customer. This indicates that the service is not getting it right first time. The Council monitors the reasons for any appeals and errors identified in order to identify potential training needs. Incorrect payments can lead to overpayments which then need to be recovered, or underpayments from which customers can experience financial hardship.
- 59** The Council deals with customers' appeals in a timely fashion. Twenty two appeals were sent to The Tribunal Service in 2009/10. In two of these cases the outcome was notified to the customer within 28 days, and 17 were within three months. The remaining three were awaiting more information. The Council does not measure response times to reconsiderations. If there are delays when dealing with appeals and reconsiderations, customers can experience financial uncertainty or hardship which could have a serious impact on their lives.
- 60** The Council and its contractor work closely together to prevent homelessness. The service aims to pay benefits at the right time and accurately but also recognises its contributions to corporate and local objectives. Close working with the Housing Options Team contributes effectively to reducing homelessness. In 2009/10, the service fast-tracked 147 claims in 24 hours because they were under the threat of court action or eviction and referred eight customers who were at risk of homelessness to the Housing Option Team, thus preventing homelessness. Officers have carried out mutual training in both services, and Housing staff prepared a briefing for use by the call centre. This means that staff are able to offer general advice to customers on each service. Effective joint working is enabling the service to effectively contribute to wider corporate and local objectives.
- 61** The service has taken satisfactory measures to identify undeclared changes in circumstances and to reduce overpayments. It publicises this on application forms and notification letters. A change of circumstances form is on the website and is included with notification letters. The Council uses data matches received from the Housing Benefit Matching Service to identify undeclared changes and carries out regular reviews of all claims. This helps reduce fraud and error in the system.

## How good is the service?

- 62** However, the Council is not tackling benefit fraud effectively. In 2009/10 it issued only three cautions, and only three cases were put forward for prosecution. This is 0.7 for each 1,000 of the caseload. This would place it within the lowest 25 per cent of councils nationally, based on 2007/08 data - the most recent national comparable information available. The Council has recognised this as an issue and has carried out a fundamental review of the Fraud Investigation Service. There have been vacancies in the team and the Council has employed agency workers. These agency workers have contributed their wider knowledge and experience to the review, resulting in a report with recommendations for the future. The Council has written a Sanction and Prosecution Policy as previously it was incorporated in the Council's Anti Fraud Policy and is now recruiting new members to the team. Mendip District Council has not been fully participating in the National Fraud Initiative. The Council has only recently begun to submit data in some areas. Improving the focus on fraud improves the likelihood that the Council will deliver improved outcomes in counter fraud work and protect the public purse.
- 63** The Council has not raised awareness of fraud effectively. The Council benchmarked itself against other councils, finding that it was receiving a low number of referrals of suspected fraud (24 for each 1,000 caseload compared with an average of 40). It identified that fraud awareness training has been weak and has started a programme of training. This covers benefits staff, CIP staff and the benefits stakeholder forum. The Council has updated the fraud section of its website and this now includes a statement from the portfolio holder and examples of frauds and how to report them. Improving awareness of fraud increases the likelihood that good quality referrals will be received and the Council will be alerted to areas of potential fraud.

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## Is the service delivering value for money?

- 64** The service is not providing good value for money (VFM). Costs are around average, but performance has been weak and customer satisfaction is unknown. It has carried out limited benchmarking on costs but some of the authorities it has benchmarked against are not comparable. Benefit administration costs are high when compared with similar authorities. The Audit Commission VFM tool shows that in 2008/09 local taxpayers contributed 45.1 per cent towards the cost of running the service, which is average when compared across all councils. The Council cannot show that it is systematically exploring the cost of the service and learning from benchmarking but recognises this as an area to focus on. Instead, it has identified one other comparable high-performing council and sought to learn from its practices. Understanding costs can enable the Council to make effective comparisons with other councils.

- 65** The Council's approach to overpayment recovery is satisfactory. It has performed well against its target to recover 55 per cent of all recoverable overpayments identified during the year, recovering 91.7 per cent. However the total amount of outstanding debt has remained the same as at the end of 2008/09 at approximately £1.1 million. Performance is reported to the Partnership Operating Board monthly with details of the amount in each recovery stage. The Council is using all available methods of recovery including a debt recovery agency and considers the cost-effectiveness of this before chasing debts through this means. But, the Council's overpayment write off policy is out-of-date and does not reflect what is happening in practice as it does not suggest that debts are written off if uneconomical to recover. The Council is effectively recovering recent overpaid benefits but it is not succeeding in reducing the old debts outstanding. As debts become older the likelihood of recovering them decreases.
- 66** The service does not adequately encourage customers to provide details to calculate underlying entitlement<sup>i</sup> on its leaflets and letters. Customers may be being pursued for overpayments they may not have had to pay.
- 67** Arrangements for claiming government subsidy are adequate. The external auditor has minimal concerns about the accuracy of data used to complete the subsidy claim<sup>ii</sup>. The contractor carries out regular checks of the claim and the client carries out checks on subsidy as part of regular accuracy checking. The audit of the 2008/09 subsidy claim identified only minor concerns which the Council addressed following recommendations in a detailed report on the benefits claim. Regular checks for accuracy mean the service can identify problems at an early stage to address training needs and change working practices.
- 68** The service has maximised the subsidy received for local authority (LA) error overpayments. The value of local authority error<sup>iii</sup> overpayments for 2008/09 was within DWP thresholds, thus remaining eligible for full subsidy in this area. The service is also on track to receive full subsidy in 2009/2010. Minimising error has resulted in more income for the Council and so improved value for money.
- 69** The Council actively reviews the contract with its contractor to improve value for money. The Council completed a value for money review of the contract resulting in changes to the new contract from 2005. This included a new management structure, more robust governance and a framework agreement to allow other authorities to share best practice. The Council has negotiated year-on-year cost reductions within the current contract. Council staff monitor the day-to-day operations of the contractor's performance. The contract requires the contractor to deliver agreed levels of performance, and penalties are charged if the contractor does not meet minimum performance levels. Through a 'Gainshare' agreement to encourage efficiency gains the contract allows the contractor and Council to deliver cost savings and share the financial savings. The Council is continually reviewing arrangements to ensure the contract is offering value for money and costs are linked to performance.

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<sup>i</sup> Amount of benefit a person would have been entitled to had benefit been assessed on their correct circumstances at the time.

<sup>ii</sup> 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

<sup>iii</sup> Local authority error overpayments are overpayment caused by the authority's failure to action change of circumstances on time or overpayments caused by mistakes made by the authority.

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# What are the prospects for improvement to the service?

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

- 70** Within the last year, the Council has improved the way it is run and this improvement is reflected in the service. A corporate restructure in April 2009 helped the Council to focus better on achieving its corporate priorities. This was achieved by cutting the number of senior officers and integrating the service into a broader Access to Services Group. During the second half of 2009/10, the service has achieved some notable service improvements. These have resulted from some changes to processes.
- 71** The service has introduced changes which have benefited customers. Claims are now dealt with more quickly. A while-you-wait claims processing service has been introduced, although with very limited take-up. The service is also working well with Housing officers to fast track those claims where local people are about to be evicted, thus helping to prevent homelessness. The Council has introduced a dedicated call centre phone number for enquiries and this has the capacity to handle more calls. Customers we spoke to confirmed that they found it easier to get through first time. The dedicated service also allows benefit assessors to concentrate on processing claims by avoiding the interruption of telephone calls.
- 72** Over much of the past three years, the Council has not been improving its claims processing times. The average time to process new claims has risen each year from 2007/08 to 2009/10. For changes in circumstances, there was an improvement in 2008/09, but this deteriorated again in 2009/10. This means that, on average, customers have had to wait longer each year to receive the money to which they are entitled.

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**Table 1**      **Benefit processing times**

There is not a sustained long-term track record of improvement

Average speed of processing claims in days	2007/08	2008/09	2009/10
New claims	23.5	24.8	25.3
Changes in circumstances	7.5	6.8	8.7

Source: DWP

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

- 73** The Council improved its claims processing time during the second half of 2009/10. Processing times for new claims were much higher than the published English average for the first half of the year. They remained high until September 2009. The poor performance in the first half of the year was caused by a backlog of claims resulting from a 5 per cent increase in demand for the service, after which improved processes and additional resources transformed performance. After September 2009, processing times improved significantly so by the year-end, customers were having their cases determined ten days faster than at the start of the year. The average time for processing change of circumstances reduced from over 12 days at the beginning of the year to an annual average of 8.73 days at the end of the year. The Council's response enabled it to deliver an improved performance.
- 74** The Council is continually improving the value it gets from the contract with its external service provider. Careful cost comparisons were made when the service went to open tender in 2005. An annual step-down in the contract price has reduced the annual fee by £250,000 which contributes to the Council's efficiency savings. The external service provider has shown additional flexibility to support the Council's need to make savings. More claims have been processed and in less time during the second half of 2009/10 with only a slight increase in staffing and no additional contract cost.

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## How well does the service manage performance?

- 75** The service has clear aims that link effectively to the Council's priorities. Two of the Council's priorities are supporting the local economy; and supporting communities and individuals to maintain and improve their quality of life. The leadership of the Council sees the service as critical to achieving these aims. The Council makes clear links between the service, housing and the relief of poverty. The Council's 2009 reorganisation helped to focus the efforts of the service on achieving these corporate priorities.
- 76** The service has clear short-term plans. The service has a vision for the short-term in its business plan for 2010/11. Objectives are clear and links are shown to corporate priorities. But the aims are mainly to address recognised weaknesses in the service and no long-term aims are included. To ensure continuous improvement it is important to have a vision of where the service eventually wants to be so key steps can be taken to get there in the short and medium-term.
- 77** The service is aiming to improve the right things. Benchmarking and performance results have shown that there is an issue with outcomes around fraud so the Council has carried out a review and identified actions needed to deliver improvement. The Council intends to become more customer focused, in response to the Place Survey which showed that only 46 per cent of people were satisfied with the Council as a whole. This has resulted in the development of a Customer Excellence Strategy and plans to carry out an extensive customer survey. The Council is also proposing changes such as different opening hours for the CIPs, and to introduce a drop-in and appointments system. It is also carrying out a pilot to monitor waiting times in Revenues and Benefits.

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

- 78** Improvement planning is well established and working well within the service. This is largely because of the strong governance in the relationship between the Council and the contractor. The group plan, service development plan, monthly reporting to Partnership Operating Board, and programme management reporting are all mature processes within the Business Support Services contract. This has brought about improvements for customers. The strong governance arrangements also keep both sides focused on seeking new ways to improve efficiency.
- 79** Leadership of the service is clear and improving. The Council's 2009 reorganisation clarified and focused senior managers' responsibilities on corporate objectives. The quality of leadership from councillors has also improved, with a keen interest in the delivery of the service, a sound grasp of the broader issues and less concern for operational detail. The mature relationship between the Council and the contractor allows issues to be discussed and resolved quickly. Clear leadership allows the service to remain focused on its goals.
- 80** Business continuity planning is robust. A good business continuity plan is in place for the service. This is up-to-date, and has been jointly written by the Council and the contractor. The overall approach deals with the period between the service being interrupted and restored. The response is determined on whether the risk is likely to occur and what the impact would be if it did, which is shown in a traffic light format. Different types of response are then driven by the risk identified. The back-up plan is enhanced by the fact that the contractor can draw on resources elsewhere in the country to cover any difficulties at Mendip.
- 81** The Council manages the contractor's performance well. Good quality and up-to-date performance information is produced by the contractor and there are robust arrangements for review and challenge by the Council. The contractor is clear about what quality of service the Council expects. Measures of performance are changed to enable progress to be assessed on issues of concern. There is strong attention to the accuracy of the data produced. Portfolio holders receive regular information on performance within the service which is clearly presented using a traffic light format. This enables councillors to be easily alerted to areas of concern and to challenge the service on these areas. Progress against targets is also regularly monitored by Cabinet, Scrutiny and Audit Committee. This robust approach to performance management allows the service to be actively reviewed.
- 82** The service actively manages the contractor's performance to help deliver improved levels of value for money. The contract arrangements between the Council and the contractor encourage continuous improvement through a 'Gainshare' agreement which allows the Council to secure 50 per cent of any efficiency savings made. This encourages both parties to identify areas for improvement. The contract also provides the Council with a deduction from the agreed price if the contractor fails to deliver the service to the agreed levels of performance. The agreed measures of performance are reviewed annually to ensure a focus on areas where improvement is required. Currently, accuracy is an improvement area. If speed of determination were included, it is more likely that turnaround times would improve.

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

- 83** The approach to learning is mixed. The service has taken the opportunity to learn from other councils. A recent review of the Fraud Service drew on practice elsewhere, partly by employing experienced fraud investigators from larger authorities. The service has also identified a council similar in characteristics to Mendip, from which it can learn good practice. The service contributes to and learns from other local councils, through the quarterly Somerset benefit managers' meetings. The service also makes changes in response to learning from its own experience. Stakeholder and user forums are being used to obtain feedback, but are a relatively recent initiative. Benchmarking with other councils has been of limited value.

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## Does the service have the capacity to improve?

- 84** The restructure of the Council in April 2009 has enhanced its capacity. This reorganisation included the formation of specialist teams and the establishment of team-leader roles within the Council. It sent a powerful message about the quality of delivery required from staff and that the Council was prepared to make difficult decisions (such as making some officers redundant) to ensure that this quality was achieved. The creation of a group structure strengthened links between the service and the corporate centre, with a better focus on cross-cutting services contributing towards corporate goals. These changes have been introduced thoughtfully and with appropriate consultation and training/development. The changes have already led to improved prevention of homelessness from better joint work between benefits and housing staff.
- 85** The Council's senior manager and councillor capacity has improved. Portfolio holders have a good understanding of the service and its contribution to the achievement of corporate priorities. They are knowledgeable about and committed to the improvement needed and occurring in the Council in terms of business planning, organisational development and value for money. The perspective and commitment of senior managers has also now changed and they have improved and constructive relations with councillors. Both councillors and senior managers have received considerable training, development and coaching to help them work well together.
- 86** Corporately, the Council has a productive and skilled workforce. A recent cross-Council survey showed that three-fifths of staff are satisfied with their job and just over one-quarter are dissatisfied. There have been no significant changes in Council staff turnover, grievances, or poor performance during the last year. Sickness absence, though rising, is lower than average. The majority of recent leavers said that the Council met their expectations. Less is known about the benefits service, but staff are generally enthusiastic about their job and speak well of the Council's senior managers, and of the journey of improvement in the last year.

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

- 87 Currently, the Council's client team is not adequately staffed. The Revenues, Benefit and Fraud Manager's post is covered by agency staff and a new manager has been appointed. There have also been periods where maternity leave has temporarily removed local knowledge from the small client side team. However, the Council has taken action to fill vacancies with agency staff and there has been little impact on the overall monitoring of the contract. But vacancies in the fraud team have contributed to poor outcomes from counter fraud work. Contract staff have covered the posts at times and the Council is now recruiting a second permanent officer. The client side of the service is small so it is important for the Council to undertake planning and to ensure that it fills vacant posts quickly.
- 88 The Council's capacity in the service is stronger because of its relationship with the contractor. The Council benefits from the shared knowledge, experience and resources of a national contractor. Relations between the contractor and Council are mature and constructive. During the recession the Council has been able to use additional resources (at no extra cost) from the contractor's benefits processing centre which serves other councils but which is based on the Council's campus in Shepton Mallet. This provided the Council with resilience in the event of fluctuating demand for the service. This resource also helps to achieve one of the Council's corporate priorities by providing additional jobs in the town and drawing in external expertise. The contractor has also freed up its assessors' time by diverting benefits telephone enquiries to its offsite call centre. This has allowed assessors to concentrate on processing claims and avoid the distraction of telephone calls, but is not yet delivering a wholly satisfactory telephone enquiry service.
- 89 Stronger efforts are being made to improve value for money by tackling benefit fraud. The Council has recently undertaken a review of its fraud service leading to an improvement plan designed to increase the focus on detecting and minimising fraud. A permanent investigation officer is being recruited to assist the existing officer. The service is raising awareness of fraud. The Council's website has been updated with examples of potential fraud and how to report them. Identifying fraud reduces the incorrect payment of benefits and protects public money.
- 90 The service's financial resources are secure in the short-term. During 2009/10, the number of new benefits customers increased by 9 per cent, as the recession took hold. The Council (along with all councils) received additional funding in 2009/10 and 2010/11 from DWP for increased resources to meet need. This extra money is being used to pay for extra resources from the contractor and to put more resource into the client team. The situation is being reviewed on a three-monthly basis. The Council's Medium Term Financial Plan is aligned with its corporate aims to ensure the resources are in place to deliver required outcomes. And the Council has given a commitment to continued funding of the service during 2009/10 in order to respond to the increased levels of demand resulting from the recession. Longer-term funding is not clear, partly because business planning has not extended beyond the current financial year.

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

- 91 Information technology support for the service is mixed. The ICT service is provided by the same contractor as for the benefits service, with the advantages that brings of access to wider skills and capacity. Current initiatives which enhance the service include improved benefits information on the Council's website, and an online benefits calculator. Work is currently underway to develop online access for customers which could result in a reduced need for contact with the service, freeing up staff to process claims. Previously, CIP staff were able to access the benefits ICT system but this is no longer possible.
- 92 The Council does not know what staff it needs in the future to make sure local people get a good service. A workforce strategy has been developed at the corporate level, recognising the connection between the corporate plan and the workforce needed to deliver it. The strategy sets out the principles for how more detailed service workforce planning will be done. Workforce planning for the service is being addressed as part of its 2010/11 service plan, alongside a more detailed examination of the characteristics of the Council's workforce.
- 93 The contract with the external service provider helps ensure that adequate resources are available to process claims. The contractor's business continuity plan covers for the possibility of a 20 per cent or higher level of vacancies or sickness. In this event, a minimum of 10 per cent of Mendip's work would be redirected to another of the contractor's processing teams (depending on the length of time that the issue persisted). There are similar contingency plans in the event of utility failure or inability to gain access to the Council's offices. This robust approach is possible because of the contractor's national network.

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