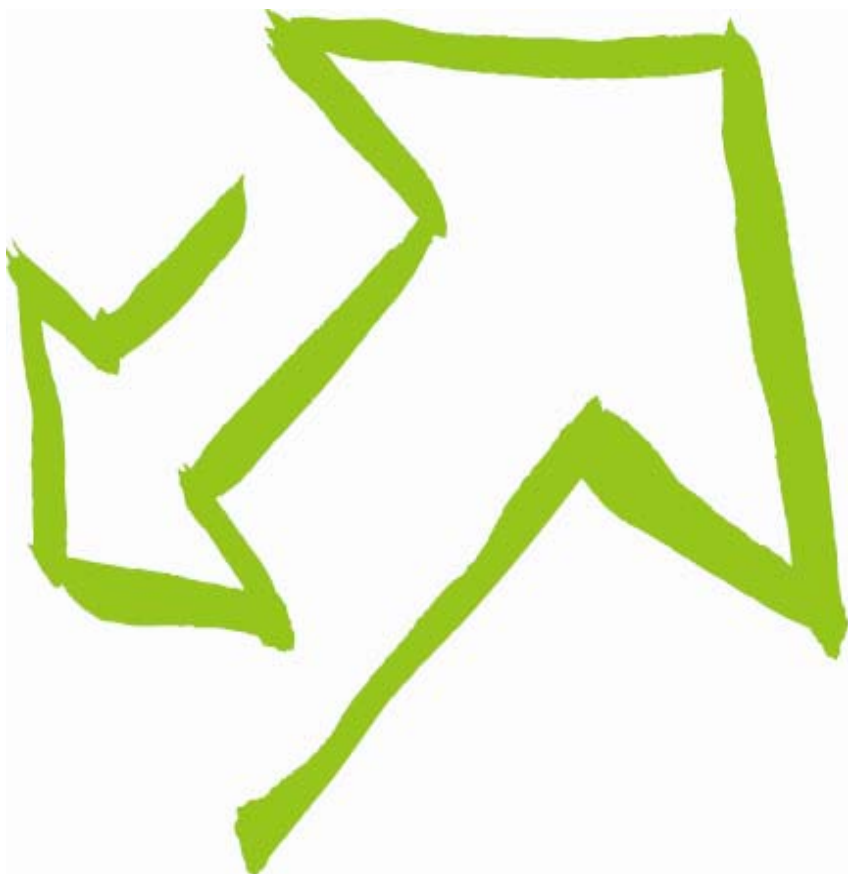


Benefits Service Inspection

Oldham Metropolitan Borough Council

July 2010



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Service inspections

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

- focus on public service outcomes from a user perspective;
- act as a catalyst to help inspected bodies improve their performance;
- concentrate inspection work where it will have most impact, so that it is proportionate and based on an assessment of risk;
- be based on a rigorous assessment of costs and benefits, with a concern for achieving value for money both by the inspected organisation and within the inspection regime itself;
- be, and be seen to be, independent of the inspected organisation;
- report in public, using impartial evidence to inform the public about the performance of public services so as to enhance accountability;
- involve collaborative working with other inspectorates and external review agencies to achieve greater 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 Oldham Metropolitan Borough Council is providing a service rated as 'fair', with 'promising' prospects for improvement.
- 2 The Council is emerging from a period of serious financial difficulties. A new administration and a new senior management team have addressed these effectively. They have taken tough decisions to remove a forecast overspend of £21 million, even though this led to the removal of over 400 council jobs. The Improvement Board set up with external members to oversee development of the Council is satisfied it has completed its work and it will end in June 2010.
- 3 Since May 2007 the Unity Partnership has provided the benefits service under contract to the Council. The Partnership is a joint venture between the Council and a private company which also runs benefits services elsewhere in England.
- 4 The Council is delivering a service that is good in some areas. These include speed of processing new claims and changes of circumstances. People have a choice of ways to make their claim, including face-to-face with a decision made whilst they wait. However, there are weaknesses. These include the time taken to deal with appeals and reconsideration of claims and ineffective arrangements for dealing with overpayments.
- 5 Performance across key areas of the service has improved but other important areas need to improve further. New claim processing times continue to improve well. In 2007/08 customers were waiting 32 days for claims to be processed; this was in the worst 25 per cent of councils nationally. This has improved to 21 days for the year to January 2010. This compares well nationally with councils processing new claims - on average in 26.5 days during the first half of 2009/10. Combined performance for new claims and changes - the National Indicator 181 - has improved from 13.4 days in 2008/09 to just over ten days for April 2009 to January 2010. However, customers have to wait too long for the service to deal with their appeals and reconsiderations. So far during 2009/10, the service has sent no appeals to the Tribunal Service within four weeks. Just under half were still waiting to be dealt with and sent after three months.
- 6 Claims are processed accurately. The service has good arrangements in place to check that claims are being processed correctly. Where errors are found these are linked into the training programme and to identify further risk-based checking that needs to be done.

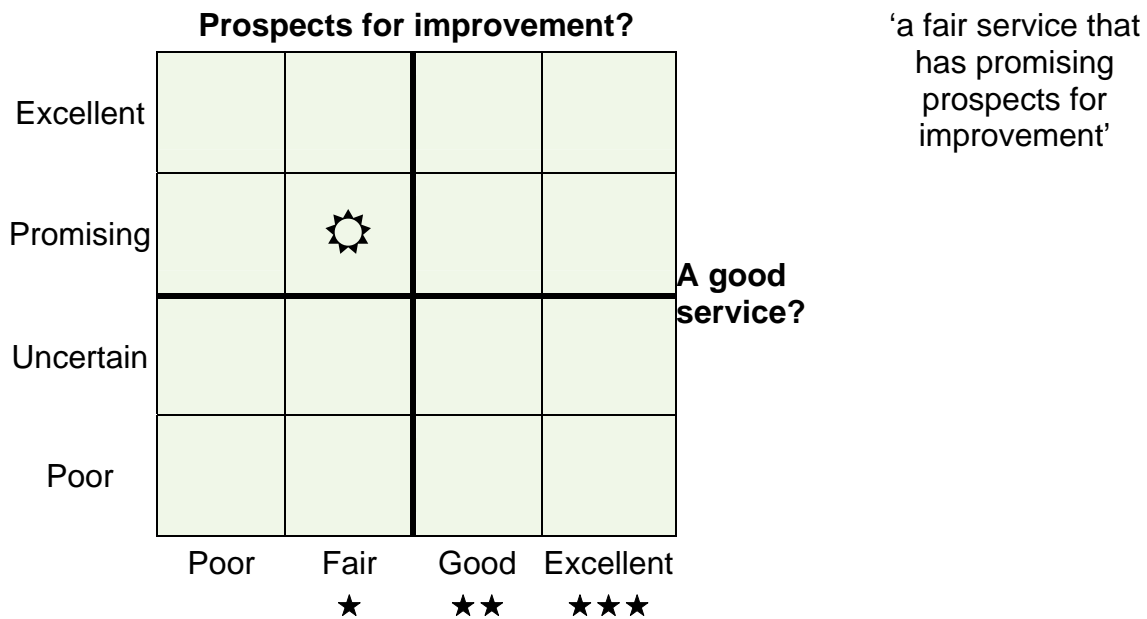
Summary

- 7 The service is working well to make sure local people are claiming Housing and Council Tax benefit if they are entitled to it and so increasing their income. A take-up strategy and action plan is helping the Council to focus its campaigns in the areas of the Borough most likely to be underclaiming. Take-up work during 2009/10 has resulted in an extra 176 claims and new awards of £102,000 housing benefit and £54,000 of council tax benefit each year. The service is making good use of Discretionary Housing Payments (DHPs). DHPs are payments made at the discretion of the Council in cases where vulnerable people need additional help with their housing and council tax costs.
- 8 The service is engaging well with partners and local groups. It holds regular meetings with the Housing and Homelessness sections of the Council and has recently reintroduced its quarterly landlord forums. It works with local groups helping vulnerable people in the area to get information and access the service more easily. However, there is a lack of focus on equality and diversity issues. The service has not undertaken equality impact assessments and there has been no recent training for experienced staff on equality and diversity.
- 9 Access to the service through the main benefits office is good. Average waiting times are about 18 minutes and the Council has done work to understand the pattern of demand so it has staff available at the right times. However, it is more difficult for customers to get through to the service on the telephone - the number of abandoned calls is high. But there are signs that the situation is improving following recent changes.
- 10 The service has a good track record of improvements. Changes have been made that have improved the customer experience, including refurbishment of the customer contact point in the Civic Centre. Performance has improved since the Partnership became responsible for delivering the service. There has been a good improvement in the time taken to process claims. Value for money has also improved as performance has gone up and costs have come down.
- 11 The strategic aims and priorities for the service are not clearly set out. Housing Benefit and Council Tax Benefit represents a significant income for local residents, a large part of which is likely to be spent locally. Thus these funds represent an important contribution to the local economy. Although councillors and managers are aware of this, increasing this income is not set out as an aim in key plans of the local strategic partnership or the Council. The priorities for improvement of the service are not clearly set out, though the service is aware of some of its weaknesses (such as appeals and speed of answering calls to the contact centre) and is already addressing them.
- 12 The working relationship between the Council as client, and the Partnership as provider, is good, professional and collaborative. The approach is to seek solutions to problems that satisfy both parties. Managers and staff in both the Council and the Partnership are competent and committed to improvement. There are good opportunities for training and development.

Scoring the service

13 We have assessed Oldham Metropolitan Borough 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

14 The service is a 'fair', one star service because it has some strengths including:

- prompt processing of new claims and changes;
- a choice of ways for customers to have their claim dealt with, including face-to-face with a decision made whilst they wait;
- good customer satisfaction with the benefits office;
- accurate claims processing and use of accuracy checks to make improvements;
- good liaison with stakeholders and community groups within the area and with other Council departments;
- an effective programme of take-up work focussed with ward and demographic information; and
- good use of the Discretionary Housing Payments fund to prevent homelessness.

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

Scoring the service

However, there are some weaknesses including:

- poor performance on appeals and reconsideration of claims;
- weak performance of the counter-fraud unit in achieving sanctions and prosecutions;
- weak management of overpayment recovery arrangements;
- poor access by telephone with a high number of abandoned calls and lengthy waiting times for calls to be answered, though there has been some improvement since November 2009;
- benefit entitlement letters that many customers do not understand;
- limited opportunities for all customers to engage with the service; and
- a limited range of customer service standards and inadequate reporting of performance against those already in place.

15 The service has promising prospects for improvement because:

- councillors and the new management team have shown that they can effectively address serious corporate weaknesses;
- a number of changes introduced since the service transferred to the Unity Partnership have improved the service significantly;
- performance has improved, including a good improvement in speed of processing;
- value for money has improved well, with improved performance and lower costs;
- councillors and managers have shown good leadership both corporately and within the service;
- there are good opportunities for training and development of staff in both the Partnership and Council; and
- there is a professional, collaborative and pragmatic management of the contract with the Partnership.

16 However, there are also some weaknesses in the arrangements for securing improvement.

- The strategic aims and priorities are not consistently set out.
- Performance management in the counter-fraud and overpayment recovery services, which support the Benefits Service, is weak.
- There has been no training on equality and diversity issues in either the Council or the Partnership recently.

17 We would like to thank the staff of Oldham Metropolitan Borough Council and the Unity Partnership who made us welcome and who met our requests efficiently and courteously.

Date of inspection: On-site week beginning 22 March 2010.

Recommendations

- 18 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the 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 Design the service to better meet customer needs by:

- extending the service standards to set out how quickly it will deal with appeals, answer telephone calls and see visitors to the benefits office, and publicising performance against the revised standards;
- reviewing current service standards to make sure they are all challenging;
- continue the work to improve the clarity of benefit entitlement letters; and
- exploring ways to integrate claims for benefits and applications for free school meals.

The expected benefits of this recommendation are:

- allowing customers to better hold the service to account and make it easier for customers to get information about their claim;
- making it easier for customers to understand the outcome of their claim and its basis; and
- ensuring a more joined-up claims process.

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

¹ Low cost is defined as less than 1 per cent of the annual service cost (or less than about £30,000), medium cost is between 1 and 5 per cent (between £30,000 and £150,000) and high cost is over 5 per cent (over £150,000).

Recommendations

Recommendation

- R2** Improve provision of information to, and engagement with, customers by:
- ensuring a consistent approach to publicising telephone opening times and the benefits office address on forms, leaflets and posters;
 - ensuring that the option of face-to-face processing is more widely publicised; and
 - using users' views gathered from user groups, customer surveys of all types of users, and oral and written complaints and compliments to drive improvement.

The expected benefits of this recommendation are:

- making it easier for customers to get information about the service and their claim; and
- making sure the service uses the views of customers to identify and prioritise opportunities for improvement.

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

Recommendation

- R3** Ensure that all customers are treated equally by:
- ensuring all staff in both the Council and the Partnership are aware of, and understand, the policy on equality and diversity;
 - providing training to all staff on these issues;
 - monitoring the take-up of, and satisfaction with, services by diverse groups; and
 - undertaking equality impact assessments on the Benefits Service and customer contact channels, and acting on the findings.

The expected benefits of this recommendation are:

- increased assurance that all customers are getting the same quality of service, without discrimination;
- increased customisation of the service to meet individuals' needs; and
- increased assurance that the Council is complying with equalities law.

The implementation of this recommendation will have medium impact with low costs. This should be implemented by March 2011.

Recommendation

R4 Improve value for money for local tax-payers by:

- improving recovery of overpayments - by setting targets for all areas of overpayment, including write-offs, and regularly monitoring and reporting against these targets;
- identifying key outcomes for the counter-fraud service and setting challenging targets for achieving the outcomes which are monitored and reported; and
- improving understanding of the total cost of the service.

The expected benefits of this recommendation are:

- a reduction in the amount of debt outstanding, a reduction in anxiety for customers waiting for decisions on overpayment write-offs, and reduced costs in pursuit of unrecoverable debts;
- improved counter-fraud performance in a way that is appropriate in the local area; and
- better understanding of value for money provided by the service, by more accurate comparison with others, and earlier identification of potential over-spending.

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

Recommendation

R5 Clarify the strategic aims for the service and its priorities for improvement over the next three years.

The expected benefits of this recommendation are:

- better understanding by councillors, senior managers in the Council and Partnership, frontline staff and partners of the role they each can play in furthering the Council's and the Oldham Partnership's aims; and
- more efficient working in the service - because everyone is clear about what most needs improving at any given time.

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

Report

Context

The locality

- 19 Oldham is one of ten metropolitan districts that make up Greater Manchester. It lies in the north-east of that conurbation, bordering on the moors of the Pennines. But 90 per cent of its population of 220,000 lives in the urban areas of Oldham, Chadderton, Failsworth, Royton, Shaw and Crompton. Some 17 per cent of that population are of Black, Asian or Minority Ethnic origin, mainly Pakistani, Kashmiri or Bangladeshi. This proportion is forecast to grow to 25 per cent by 2022, due to an increasing birth rate compounded by a forecast fall in numbers of white people.
- 20 Overall, Oldham is a deprived area. It was the 42nd most deprived district in England in 2007, with 26 per cent of neighbourhoods among the 10 per cent most deprived. Poverty is increasing, with increases in the number of households with low income, in unemployment and in poor health.
- 21 Its historical dependence on manufacturing makes the district vulnerable to recession. Although average income is rising, it is not rising as fast as the national average. In April 2009 unemployment stood at 5.2 per cent, up by 65 per cent on the previous year. Economic activity among those of Pakistani and Bangladeshi origin is well below the overall average.
- 22 The total housing stock is 95,000 homes. Of these, 78 per cent are privately owned, 15 per cent are owned by the Council and managed on its behalf by First Choice Homes (an arms-length management organisation or ALMO), and 7 per cent are owned by other registered social landlords.

The Council

- 23 At the time of the inspection Liberal Democrats held exactly half of the 60 council seats, balanced with 22 Labour, six Conservative and two independents. The Liberal Democrats ran the administration through a Cabinet of ten - nine Liberal Democrat portfolios and one Labour member without portfolio. The Deputy Leader held the portfolio for Customer Services and Unity Partnership; the Cabinet member for Finance and Resources also played a key part in the Benefits Service.
- 24 Overview and scrutiny is provided by a Management Board, supported by four Select Groups and a Performance and VFM Select Committee.
- 25 In the last two years the Council has undergone major restructuring. The Benefits Service is managed in the Customer and Business Change division of the Performance, Capacity and Services Directorate, one of four directorates of the Council.

- 26 The Council has the equivalent of 8,200 full-time staff and a revenue budget for 2010/11 of £235 million. The Council is recovering from financial difficulties and made savings of £21 million in 2009/10. The Council plans further savings of £11 million in 2010/11.

The Council's Benefits Service

- 27 Housing Benefit (HB) and Council Tax Benefit (CTB) are national welfare benefits administered by the Council for 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.
- 28 From 1 April 2008, the Audit Commission became responsible for benefits inspections, following the transfer of powers from the Benefit Fraud Inspectorate.
- 29 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 (NIs) 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 Local Area Agreement.
- 30 Our responsibility to provide assurance (to government, councils, taxpayers and benefit customers) means that we will consider inspection where there is a current or future risk to the service and its customers. The inspection of Oldham Council was commissioned because there was:
- poor performance in processing new claims and changes in circumstances;
 - poor performance in responding to customers' requests for reconsideration of their claim; and
 - poor customer satisfaction.
- 31 The key objectives of this inspection were:
- to assess the effectiveness of Oldham's Benefits Service in meeting the needs of the vulnerable people it serves, and contributing to the Council's wider corporate objectives; and
 - to provide assurance to the DWP and other stakeholders about the quality of service provision.

- 32** The service in Oldham pays out around £89 million per year to:
- 25,600 people claiming Council Tax Benefit; and
 - 9,600 people claiming Rent Allowance of which half are tenants of registered social housing and half are tenants of private landlords; and
 - 9,100 people who are tenants of First Choice Homes claiming Rent Rebate.

Of the total caseload of 44,200, 40 per cent of people are of pension age and 60 per cent are of working age.

- 33** The service is contracted out to the Unity Partnership; this is a joint venture between the Council and a private company. The Partnership is responsible for revenues and benefits, customer services, ICT, property and highways. It is directed by the Joint Venture Board and employs the equivalent of 67 full-time staff in the Exchequer Department providing the benefits service. It also employs 16 staff in Access Oldham - which provides face-to-face customer services for revenues and benefits at the Civic Centre. The Partnership also runs a telephone contact centre for revenues and benefits.
- 34** Within the Council itself there are small teams responsible for customer services, for managing the contract with the Partnership, for investigating and prosecuting fraud, and for recovering overpaid housing benefit. The Partnership Board, which is chaired by the Chief Executive of the Council and includes councillors from each of the political parties, reviews performance of the Partnership six-weekly.
- 35** The cost of running the service in 2008/09 was £3.2 million of which £2.2 million was funded by DWP, with the balance of £1.0 million met by the Council.

How good is the service?

What has the service aimed to achieve?

- 36** The community strategy was issued in August 2008 by the local strategic partnership, Oldham Partnership. It sets out three themes: economic prosperity; safe and strong communities; and health and well-being, but does not set any objectives directly relevant to the provision of benefits services. It recognises the need to raise skills to improve wages and to stimulate business growth, and the low quality and quantity of the housing stock. Oldham Partnership has a strong desire to reduce the gaps in the quality of life within Oldham, as well as the gap with England as a whole.
- 37** The Local Area Agreement (LAA) includes the two National Indicators for benefits as Tier 3 performance monitoring indicators, that is, those of least significance. No targets for these indicators are given in the first issue of the LAA or its refresh in March 2009.
- 38** The Council and the Oldham Partnership approved an anti-poverty strategy that supports work on benefits take-up in March 2010.
- 39** The Council's Corporate Plan has goals relevant to benefits under Corporate Objective 4 'Services of Choice' to:
- improve face-to-face provision and extend hours of operation, based on customer need;
 - improve online services;
 - improve quality of services and deliver consistent customer service standards; improve resolution of queries at the first point of contact; and
 - improve performance against the Equality Framework for Local Government.
- The Plan contains no numerical targets for the above.
- 40** The Council's service plan for 2009/10 that covers revenues and benefits includes key performance indicators for revenues, but none for benefits. Projects in that plan include action to increase benefit take-up as a way of reducing homelessness and personal debt.
- 41** The contract between the Council and Unity Partnership sets out key performance indicators, with numerical targets, for the speed of response to contacts and for the Benefits Service - speed of processing, accuracy of assessment and customer satisfaction.

How good is the service?

42 The overarching mission of the Benefits Service is:

We aim to pay the right amount of benefit, to the right person at the right time.

In the Exchequer and Access Oldham service plan for 2009/10 this is supported by targets for:

- 90 per cent of customers to be satisfied;
- 78 per cent of queries to be resolved at the first point of contact;
- 90 per cent of customers waiting for interviews to be seen within 30 minutes;
- benefits claims and changes to be determined within 13 days on average; and
- 95 per cent of benefits assessments to be free of financial and non-financial errors.

In addition, the monthly performance report includes measures of process (for example, the number of claims outstanding for more than 50 days and the average time to process appeals) - but no targets have been set for these.

43 There are no targets for the recovery of overpayments.

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

44 The assessment is based on the following key issues.

- Access, customer care, user and community focus.
- Diversity.
- Service outcomes for users and the community.

Access, customer care, user and community focus

45 The Council effectively takes the needs of its users and community into account when designing the service. Customers have several options for making a claim depending on their own needs. For example, customers can drop claims off in person at the benefits office with all relevant evidence and information and have their claim processed within 48 hours. Or they can make an appointment to have their claim processed face-to-face while they wait. Visiting officers routinely visit customers to collect missing evidence and make sure that they are aware of what information is still needed to support their claim. The service has several shortened claim forms for customers to use when they have a change of circumstance. It has introduced a 'trial calculation sheet' so staff can help customers check whether they may be entitled to benefit, without having to complete the full application form. Designing the service to take account of customers' needs is making it easier for customers to get the help they need, in a way that suits them.

- 46 The service has good and effective arrangements in place to engage and communicate with its partners and stakeholders. There are regular, planned liaison meetings with Jobcentre Plus, the Family Information Service, First Choice Homes and the Housing and Homelessness sections of the Council, with which the service has a joint working action plan. The service also makes links with other organisations such as supported housing providers, carers groups and community groups to help engage with harder to reach people. Where appropriate, partners are also able to provide basic benefits information. Its link with the Citizens Advice Bureau (CAB) has led to CAB staff being present in the benefits office. Some partners have a direct telephone line to a liaison person within the benefits section to resolve complex issues quickly. By working together, the Benefits Service and the Housing section have been able to increase the number of properties available to homeless people on benefit. This avoids the need for temporary accommodation. The Family Information Service signposts its customers to the Benefits Service and provide some basic information.
- 47 The service is successfully re-engaging with landlords. It has recently restarted its landlord forum and its landlord newsletter. Meetings and newsletters are planned quarterly. The service has used the Landlord Forum to communicate recent legislation changes and current performance, and to gather opinions on the quality of service. The last forum was used to publicise Discretionary Housing Payments (DHPs) and the same-day processing service. It also included a presentation from Warm Front. Landlords are positive about the forums and find them helpful. Engaging and communicating with landlords ensures the service is taking their views into account and allows them to feel that their opinions are being heard.
- 48 The service has some limited engagement and consultation directly with its customers. It routinely gathers the views of customers visiting the benefits office and those telephoning for help and advice. However, the people surveyed are not always selected at random and so the service may not be getting a true reflection of customer opinion. The service does not routinely survey customers who do not use the telephone or benefits office. Postal surveys have been ineffective; a recent postal survey of 500 randomly selected customers produced a low response rate; a further survey has been undertaken but not yet analysed. The service does not have a user group to help it engage with its customers. This means that the service has an incomplete picture of what customers think, so may miss some opportunities to improve.
- 49 The service has an acceptable complaints and compliments procedure in place. There are set timescales for dealing with complaints and a suitable escalation procedure. During 2008/09, 94 per cent of complaints were dealt with within the target time. But this has fallen to 75 per cent during 2009/10. However, the service is only formally recording and analysing complaints that are made in writing and does not include those that are made and dealt with orally - over the telephone or at the benefits office. This means the service may not be getting a full picture of where it needs to improve or where it is doing well.

How good is the service?

50 Staff have a good attitude to customer care. Our own mystery shopping exercise found reception staff to be knowledgeable about benefits and able to signpost customers competently. The service gathers the opinions of an average of 58 customers using the benefits office each month. This survey shows that over 90 per cent of customers find staff to be professional and helpful. Benefits assessment staff have recently relocated closer to the front counter area of the benefits office. This makes it easier for customer service staff to speak to an assessor about more complex cases and provide a better service for customers.

51 The service is effective in promoting and increasing the take-up of benefit and has effectively focused its campaigns on specific groups. It is starting to use its knowledge of local communities to identify areas where people may not be claiming the benefit they are entitled to. This means it can strengthen its targeting even more. As part of its benefit take-up action plan, the service has:

- taken part in the Council's 'Credit Crunch Roadshows' to promote benefits to customers affected by the recession and target its own staff who maybe entitled to tax credits or help with childcare;
- attended a Pakistani women's community event;
- contacted customers who have made an unsuccessful claim for benefit but who may have become entitled because of benefit legislation changes in October 2009; and
- directed a mobile advice centre to promote benefits to areas of the Borough based on ward information on unemployment and deprivation levels.

An analysis of local communities who may be under claiming - including older people in particular types of accommodation and families on low incomes - helped the service to target actions designed to encourage take-up. The service is working on the best method of engaging with these groups to make sure they are claiming their full entitlement. During 2009/10 this approach helped to encourage an extra 176 claims with a further £102,000 Housing Benefit and £54,000 Council Tax benefit being claimed each year. Effective promotion helps the service to ensure that local people claim the benefits they are entitled to. This helps to reduce hardship and brings extra money into the local economy.

52 Access to the service is fair, with some strengths but also some weaknesses. Strengths include:

- being responsive to customer demand through analysis of visitor numbers to the benefits office and having staff rotas that match peaks and troughs;
- an average waiting time of less than five minutes at the first reception point in the benefits office and an extra 13 minutes on average to be seen by a benefits adviser, if needed. During 2009/10 over 94 per cent of customers were seen within the target time of 30 minutes;
- customers being given a choice in how to make their claim - such as having their claim or change of circumstance processed face-to-face and being given an award letter and oral explanation there and then;

- the opening hours of the telephone service - from 8am to 6pm and on Saturday mornings from 9am to 1pm - make it easier for people in work to telephone;
- officers from the CAB available in the benefits office to provide debt, money and other advice, without an appointment;
- a wide range of leaflets available at the benefits office and on the website, some with the Plain English Crystal Mark;
- a good range of information available on the website. This includes links to partner organisations, an up-to-date benefits calculator and a claim form to download and complete; and
- introducing 'trial' calculations for officers to go through with customers so they do not have to complete a full application form to see if they will qualify for benefits.

These strengths allow customers to get the help and advice they need easily and at a time convenient to them.

However, there are some areas of weakness in accessing the service. For example:

- a lot of telephone calls to the call centre were abandoned, particularly up to November 2009 when more than one in five did not get through. In recognition of this, the benefits telephone service has now been taken out of the corporate contact centre. Abandoned call rates have since improved to 13 per cent between November and the middle of March 2010;
- customers' calls are not answered quickly. Between April and November 2009 customers had to wait an average of two minutes for their call to be answered. However, this has improved from November to an average of one minute 15 seconds;
- there is only one access point for face-to-face enquiries within the Borough;
- customers are not able to make claims online;
- customers are not able to claim free school meals on the same form as their claim for housing and council tax benefit;
- information about the opening times of the telephone service and the address of the benefits office address is not included on all forms or leaflets. For example the claim form does not give telephone opening hours or a specific address for the benefits office;
- the availability of face-to-face processing of benefits is not promoted on the application form or in some important leaflets; and
- the range and availability of leaflets and forms at other Council venues, such as libraries and health facilities, is not consistent across the Borough.

These weaknesses may lead to increased queries and customers not accessing the service at a time or place that is convenient for them.

How good is the service?

- 53** The service is good at helping customers to provide evidence in support of their claim quickly. Visiting officers receive copies of all letters that are sent to customers querying outstanding information and will visit either to make sure that customers understand what they need to provide or to collect the missing information. Customers who have all the evidence needed to support their claim can make an appointment to have their claim processed while they wait. They will be provided with the decision there and then. Appointments are available within 48 hours. By working in this way, the service makes it easier for customers to provide missing information and it has also reduced the time taken to deal with new claims. Letting people know the outcome of their claim promptly also reduces the number of queries raised.
- 54** Benefit entitlement letters are confusing. Almost everyone we spoke to said that customers do not find them easy to understand. Where multiple changes have been made to a claim, the letters may contain many pages with what customers see as repeated information. The service is not yet able to send benefit letters and amended council tax bills in the same envelope but there are plans to do this. The benefits and revenues services send their separate letters out on the same day where possible. In recognition of the concerns, the service has set up a working group to find ways of making the entitlement letters less confusing. This issue is one of the main causes of customer queries to the contact centre or the benefits office. Avoidable queries inconvenience customers and increase the number of staff needed to respond to those queries.
- 55** There are specific benefits service standards in place for customers but some of these are not particularly challenging. They are publicised in the benefits Mission Statement which is available on the website and in the benefits office. The service aims to:
- deal with new claims and changes within 30 days, or straight away if all relevant information is available to process the claim;
 - send appeals to an independent tribunal within 30 days;
 - pay benefit within seven days of making a decision;
 - take customers circumstances into account when recovering overpayments;
 - deal with correspondence within 28 days; and
 - acknowledge complaints within five days, giving a full reply within 15 days.

But there are no standards in place to tell customers how long they will have to wait to be seen at the benefits office or for their telephone call to be answered.

- 56** There is no formal reporting to customers of actual performance against standards. Although the service monitors waiting times, these are not publicised. This means that customers will not know how long they may have to wait to be seen or for their telephone call to be answered. However, the website does give customers up-to-date information on how long it took the service to deal with claims the previous month. But it does not separate how long it is taking to deal with new claims and with changes. Not setting comprehensive service standards for customers or fully reporting against those that are in place prevents customers from knowing what level of service to expect. This stops them being able to hold the service to account.

Diversity

- 57 Arrangements to embed equality and diversity issues are inadequate. The Council has achieved level 2 of the Equality Framework for Local Government but it has not done enough with the Partnership on equality and diversity issues in relation to benefits. The Unity Partnership has achieved level 1 of the Equality Framework for Local Government which was externally verified in 2008. The service has not undertaken any equality impact assessments against its policies, procedures or delivery of its service. However, an assessment of the benefits office has recently been started. Staff receive equality and diversity training as part of their induction but there has been no further training for existing staff for several years. By not undertaking equality impact assessments and not providing up-to-date training, the service cannot be sure that it is adequately meeting the needs of all sections of its community.
- 58 The service has good links with partners supporting vulnerable groups. These include local and community groups such as Housing 21 which supports elderly clients in supported accommodation, Keyring, which helps people with learning difficulties and Zinda Dil, a group that supports Asian women with mental health problems. The service has recently delivered a benefits awareness session at the Oldham Disability Information Point. Through making good links with partner organisations, the service is better placed to deal quickly with issues arising with claims from the most vulnerable people.
- 59 The service has good arrangements in place to ensure that customers whose first language is not English can easily access the service and get the information they need. It promotes the availability of forms and leaflets in other languages. The benefits website contains a link to many leaflets instantly available in a range of languages and informs customers in Bangla, Urdu and Hindi that help is available. Some frontline staff communicate daily with customers in some of the most common languages used in the Borough such as Punjabi, Bangla and Urdu. And the service uses Language Line¹ to be able to communicate in other languages. This means that customers whose first language is not English can still get information about the service easily.
- 60 The quality of provision for customers with disabilities is fair. The benefits office provides:
- reception desks and booths that are of a height suitable for all users;
 - a hearing loop facility for people with hearing difficulties;
 - a private interview room accessible by wheelchair users; and
 - automatic doors leading to level access to all areas of the benefits office.

However, there are no toilet facilities available within the benefits office and the level route from the car park to the office is not clearly signposted.

¹ Language Line is a telephone service that customer service officers can use to access interpreters for people with limited English.

How good is the service?

- 61** The service is making good use of the Discretionary Housing Payment (DHP) fund to help as many vulnerable people as possible. The Council contributes the maximum extra funding allowed to complement the DWP contribution to the fund. This has increased the money available from £30,000 to £76,000. The service has a DHP policy in place to guide staff awarding payments and ensure a consistent approach to dealing with claims. It also ensures that the Council, rather than the Partnership, makes the final decisions, in line with regulations. The service keeps detailed records of spending against the fund. This shows that the DWP contribution alone would have been spent by August 2009, and that it is on track to spend the full amount of DHP by the end of the financial year. Over the last 11 months the Council used the fund to help 151 customers to remain in their homes. This also allowed the Council to reduce its use of temporary accommodation for people becoming homeless.
- 62** The service is adequately dealing with payments of benefit to landlords for vulnerable people. But there are some inconsistencies. The positives include having a safeguard policy in place and working with the Council's housing and homelessness section and landlord accreditation scheme to allow direct payments at an early stage for those landlords taking on vulnerable people. Visiting staff are used to collect evidence in support of a direct payment request if needed and customer service staff are able to signpost customers to extra help through partners such as CAB. However, there are some examples of customers being asked to provide proof of money or health problems to support their request for direct payment. These requests can incur costs from banks or doctors. This can lead to anxiety for vulnerable customers who cannot afford the costs and to further arrears building up while extra help is sought through third parties.

Service outcomes for users and the community

- 63** Customers have their claims and changes dealt with quickly. From April 2009 to the end of January 2010 the service processed new claims on average in just under 21 days and changes in seven days. The combined figure for new claims and changes (the measure for National Indicator 181) was just over ten days. This compares well with other councils nationally. By processing claims quickly the service is ensuring that customers are able to pay their rent and council tax quickly, reduce rent arrears and reduce the number of queries customers have to make.
- 64** The service is processing claims accurately. There is a good focus on accuracy both as part of the Council's monitoring of the contractor's work and by the contractor itself. The Council checks a random sample of 10 per cent of all work processed each day. It is usually able to finish the checking within the week the sample is taken. Further checks are carried out by the contractor on a risk-based approach. The contractor looks at issues found as part of the Council's checking as well as focusing on areas of assessment where it thinks errors are likely to be made. Year-to-date figures for the 10 per cent checks show that the service is processing over 94 per cent of claims accurately. This figure takes account of all errors including those that would not affect the amount of benefit being paid. It is paying the correct amount of benefit in about 98 per cent of cases. This compares well with other Councils using the same private company to run their benefits services.

- 65 Customers have to wait too long for their appeals and reconsideration of their claims to be dealt with. On average claims are taking 29 days to be reconsidered. During 2008/09 around three-quarters of appeals were dealt with and sent to the Tribunal service within four weeks and all were dealt with within three months. However, so far during 2009/10 no appeals were referred to the Tribunal Service within four weeks and just under half were still waiting to be sent after three months. In some cases, problems in identifying appeals in the first place is leading to delays in suspending recovery of overpayments that are being appealed against. However, appeals are prioritised in cases where customers may be in danger of losing their homes. The service is aware of the weaknesses and has plans to increase resources to deal with this area of work more efficiently by the end of April 2010. Delays and poor management of appeals will cause increased anxiety for customers. It will also mean that customers will not know whether the amount of benefit they are getting is correct or whether they will have to repay money. This will affect their ability to manage their money and rent payments efficiently.
- 66 The service has suitable arrangements in place to help minimise overpayments. All changes of circumstances are dealt with quickly. Those changes of circumstances that may lead to an overpayment are prioritised and dealt with first.
- 67 The service is making good progress to minimise fraud and error entering the benefits system. This is illustrated by the following.
- Staff are given guidance on verifying original documentation and checking identification. The guidance includes case studies to highlight particular issues. Staff in the Council's housing department and First Choice Homes are trained to verify original documents.
 - A good range of accuracy checks is undertaken, using both a random selection of cases and targeted checks.
 - Customers are made aware of the need to report changes quickly. A customer's responsibility to report changes is highlighted as part of the declaration that must be signed on the benefit application form. The need to report changes is publicised on leaflets, posters, the website and benefit entitlement letters. All the customers that we spoke to during our inspection were aware of their responsibility to report changes when they occur.

How good is the service?

68 The service has sound arrangements in place for managing and dealing with benefit fraud. Some examples follow.

- It has a sound counter-fraud strategy which aims to encourage a counter-fraud culture across the whole Council and the wider community.
- Fraud referrals are scored to identify them as low, medium or high risk in a transparent and consistent way. Housing Benefit Matching Service (HBMS) information is carefully examined to make sure that only those most likely to result in a positive outcome are investigated. As a result in 2008/09 the service was the most successful of the Greater Manchester benchmarking group in either identifying an overpayment or obtaining a sanction on those cases that it investigated.
- A suitable range of management checks is in place to ensure cases are dealt with in line with the Council's policies and procedures. This is based on DWP good practice, although the frequency of checks has been changed to reflect local circumstances.
- A clear sanctions and prosecutions policy allows cases to be considered appropriately. The policy is flexible enough for cases to be dealt with on their own merits, considering customers' particular circumstances.
- The service encourages residents to report fraud. All successful prosecutions are publicised in the local press and on the website. There is a 24-hour fraud hotline direct to the service and residents can report fraud via email or by completing a referral on the website.
- Benefits processing staff, customer service staff and officers from other council departments have received recent fraud awareness training;
- There are satisfactory arrangements in place for dealing with HBMS and National Fraud Initiative (NFI) data matches efficiently. During 2008/09, all HBMS referrals were dealt with on time. NFI work has so far identified just over £8,000 of housing and council tax benefit overpayments.
- There are good arrangements in place for sharing good practice and comparing performance, through working with other local councils' fraud sections and being a member of the Local Authority Investigation Officers Group.

However, there is very little feedback to staff on the quality or outcome of referrals that they make to the fraud section. This has been recognised by the fraud section and arrangements have been made to strengthen this area during 2010/11. And fraud awareness training has not yet been delivered to partners or councillors but this should take place during 2010/11.

Having suitable arrangements in place to deal with, and publicise the outcomes of, fraud work will encourage staff and residents to report fraud more readily.

- 69** Performance in achieving sanctions and prosecutions of those who are suspected of fraud is weak. And the quality of fraud referrals has, until recently, been poor. During 2007/08 the service achieved 87 sanctions equal to 3.62 per 1,000 caseload. There was little change during 2008/09 when the service achieved 91 sanctions equal to 3.56 per 1,000 caseload. This would place it within the lowest 25 per cent of Councils nationally, based on 2007/08 data - the most recent national information available. It was placed tenth out of 14 when compared to its Greater Manchester benchmarking group, using 2008/09 figures. Performance improved during 2009/10 when the service achieved its target of 110 sanctions.
- 70** Performance by the counter-fraud team in identifying overpayments is satisfactory. The amount of overpayments being identified because of counter-fraud work has continued to improve - from £161,000 in 2007/08 to £205,000 in 2008/09 and £242,000 in 2009/10. During 2008/09 the service was seventh out of 11 for the amount of fraud overpayments identified when compared to its Greater Manchester benchmarking group. This shows the arrangements that the service has in place are continuing to help tackle fraud in the Borough.

User experience and satisfaction

- 71** Customer satisfaction with the service is mixed. Satisfaction with the benefits office is high, but customers are less satisfied with the telephone service. The service carries out daily exit surveys to gauge customer satisfaction with the benefits office. These surveys show that over 90 per cent of customers are satisfied with the overall service they receive. But data for the benefits telephone service alone shows only 72 per cent of customers rate the service they received on the telephone as good. The biggest cause of dissatisfaction on the telephone is waiting times.
- 72** Customers experience a satisfactory level of facilities at the benefits office. The office is large and bright with plenty of comfortable seating and a member of staff on hand to direct people if needed. There are free telephones and computer terminals for customers to get benefits information or contact other council services. There are private interview rooms if needed. However, there are no public toilet facilities in the office which means that customers would need to leave the building to use nearby public toilets. Having a comfortable environment helps customers feel more valued and helps to reduce the anxiety of dealing with complex benefit queries.
- 73** The Council is responding proactively to the recession. In February 2009 it set up the Credit Crunch Cabinet working with partners in the local area. The Cabinet monitors the effects of the recession on the area and has set up a 'rapid intervention fund'. The Benefits Service has taken part in the Council's 'Credit Crunch Roadshows' aimed at helping people affected by the recession. It has worked closely with a local employer making large scale redundancies to provide tailored help and advice to employees. And it has coped with an increase in people claiming benefit while maintaining or improving processing times. It has used the extra government grant to increase resources temporarily.

How good is the service?

Is the service delivering value for money?

- 74** The service is providing adequate value for money. The cost per head of population is low compared to authorities in other, similar areas - the sixth lowest out of 15. And although the cost is lower than many other similar authorities, customers are getting their claims dealt with promptly, though other aspects of the service, such as appeals and recovery of overpayments, are less good. Local Council Tax-payers contribute 31 per cent towards the cost of running the service which is better than the average of 45 per cent for all councils.
- 75** There are poor arrangements in place for managing Housing Benefit overpayments. Overpayment recovery is spread across three separate departments within the Council with no overall focus on the total level of outstanding debt or the rate of recovery. The level of outstanding debt is increasing whilst the rate of recovery is not improving. The level of outstanding debt rose from £2.8 million to £3.5 million during 2008/09. At the end of December 2009 this had further increased to £3.8 million.
- 76** The Council does not have a good understanding of its older debt. It does not normally produce an aged debt analysis. However, figures provided for the inspection for rent allowance overpayment recovery showed that during 2008/09 debts over one year old rose by about 30 per cent. These continued to rise during 2009/10. Rent allowance overpayments are normally recovered based on the largest amount first, regardless of the age of the debt. This means that the Council is not maximising its income and having to work harder to collect older debt.
- 77** There is an adequate range of methods used to recover overpayments. These include using an external debt collection agency, deductions from earnings and deductions from other DWP benefits. The service is flexible in making arrangements for customers to repay overpayments in instalments. However, there is no facility for customers to be able to repay overpayments online. Having a wide a range of methods for customers to make repayments increases the chances of recovering debt quickly.
- 78** The service is slow at writing off overpayments and does not have a planned approach to considering which debts are suitable for writing off. During 2008/09 and 2009/10 less than 1 per cent of outstanding debt has been written off. This would place it in the worst 25 per cent of Councils nationally, based on 2007/08 figures. During 2009/10 there have been delays in write-offs being approved by the Council when requests are made by the Partnership. This means that customers may be left not knowing whether they owe money to the Council or not. This could create unnecessary apprehension, and the Council potentially pursuing debts that would be uneconomical to recover.
- 79** The service takes a proactive approach to benchmarking costs and performance. It does this through membership of the Association of Greater Manchester Authorities (AGMA) and has recently used learning from this to improve some of its counter-fraud processes. As part of the benchmarking group, the service has use of a mobile advice centre and has used other Councils in the group to undertake mystery shopping exercises of its telephone and email service. This helps it to learn of good practice from others and save costs by joint working.

- 80** The service has good arrangements in place for managing the subsidy claim throughout the year. Managers monitor reports regularly to make sure staff are claiming the correct amount of subsidy. Careful monitoring ensures that the maximum amount of subsidy is claimed on local authority error overpayments. These arrangements ensure that there is less work for the service to do at the end of the year when the claim is audited and that the Council is getting the maximum amount of subsidy.
- 81** The Council is ensuring good value for money within its contract for the Benefits Service. Some examples follow.
- There is no automatic yearly price increase because of inflation which means that the Partnership must find efficiencies year-on-year.
 - The contract was awarded as a result of competitive tender which considered cost and performance.
 - Performance has improved in certain areas and the benefits office has been refurbished at no extra cost to the Council.
 - There are penalties for underperformance written into the contract.
 - The contractor is encouraged to find efficiency savings by being able to keep part of the savings; however, the Council receives at least 50 per cent of any efficiencies found.

By ensuring value for money considerations are taken into account in the contract, the service is ensuring it can continue to improve whilst still controlling costs.

- 82** The Council does not have a good grasp of the total cost of benefits-related services. In 2009 it submitted a cost of £2.2 million to a Greater Manchester benchmarking exercise, when the actual cost was closer to £3 million. A sound understanding of the cost of the service and its component costs is essential to support plans for reducing costs.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 83** The Council has made good progress in correcting its fundamental governance and financial difficulties. In the last 18 months a new chief executive and senior management team have been appointed and £21 million worth of savings (nearly 10 per cent of the revenue budget) secured for 2009/10. The Improvement Board, set up with external members to oversee the development of the Council, has confirmed that its work is complete; it will be wound up in June 2010. This shows the Council can bring about major change.
- 84** The formation of the Unity Partnership, in May 2007, was a good foundation for improvement of the Benefits Service. After a slow start, performance has improved significantly in the last 18 months. However, the Council has postponed Phase 2 of the Partnership contract, awaiting restructuring and review of Partnership performance.
- 85** There have also been some good improvements within the Benefits Service.
- 'Same-day' processing offers customers who can provide all relevant documents to support their claim an assessment of their benefits within 24 hours. This has speeded up assessments overall, reduced the number of calls from customers chasing up claims and improved customer satisfaction.
 - A call centre dedicated to revenues and benefits customers has been separated off from the corporate call centre. This has improved performance. Rostering of staff in Access Oldham now better matches the pattern of demand; analysis to enable the same to happen in the call centre is underway.
 - Increased use of Discretionary Housing Payments and close working with the homelessness team has avoided homelessness for 150 households in 2009/10.
 - The service has coped well with the recession. The number of customers rose by almost 50 per cent in March 2009 above the pre-recession level. Extra staff in the contact centre and benefit assessment have coped well and performance has continued to improve. The Council and Oldham Partnership have a new antipoverty strategy, building on the work of the Credit Crunch Cabinet on benefits take-up. Take-up work is being improved by targeting areas of greatest need by using demographic data.

These examples all show a good track record of carrying out significant changes.

What are the prospects for improvement to the service?

- 86** Other actions that show an acceptable ability to bring about change include the introduction of Local Housing Allowance and Employment Support Allowance. There has been a better focus on priorities in counter-fraud work - better discovery of overpayments, more positive outcomes from referrals and an increase in the number of sanctions (though the last is still low compared with elsewhere). This shows the service can cope with externally imposed changes and address underperformance.
- 87** There has been a good improvement in performance. The speed of processing claims has improved significantly - but from a very poor starting position. Since May 2007 the average time to handle a new claim has reduced from 61 days to 21 days, and time taken to handle a change of circumstances from 23 days to 7 days. There has been a steady improvement in the waiting times for customers in Access Oldham - up from 72 per cent seen within 30 minutes in 2006/07 to 94 per cent in 2009/10. And performance in the call centre has also improved, since it was separated from the Council's main call centre in November 2009: more calls are answered and more quickly. These improvements mean customers have a better experience when claiming and get their benefits sooner.
- 88** However, not all measures of performance have improved to that degree. Counter-fraud work has improved, but some performance remains below average compared with other local councils. The good accuracy of assessment of claims has been maintained. But performance in recovery of overpayments and speed of handling appeals worsened from 2006/07 to 2009/10. Managers need to focus on these areas.
- 89** Customer satisfaction has remained high since November 2007, but has not markedly improved. However, recent data on this may be over-optimistic as the selection of customers to take part in exit surveys is not random. This means that we, and managers, cannot be sure of what the real trend is.
- 90** There has been a good improvement in value for money provided by the service. Performance has improved markedly and unit costs have fallen. The cost per head of population has fallen from just under £20 in 2005/06 to under £15 in 2008/09.

How well does the service manage performance?

- 91** The community strategy and corporate plan provide an adequate framework within which benefits service priorities may be identified. The corporate plan sets out clear priorities for improved customer service and access to services. Managers in the service recognise that an effective benefits service is about more than efficient processing of transactions. Especially in a deprived community like Oldham, increasing take-up of benefits may significantly increase the money flowing into the local economy. However, this strategic aim is missing from the community strategy and the corporate plan. Without clarity about the strategic aims of the service, opportunities to fulfil wider ambitions may be missed.
- 92** The Council's framework for planning is adequate. It set up a new corporate Performance team in December 2009 as part of the restructuring. This unit has issued guidance on corporate, directorate and service planning, and on target-setting. Plans for 2010/11 will be approved under this new regime; those we have seen are still drafts. The guidance will put planning on a firmer footing for future years.

What are the prospects for improvement to the service?

- 93 The service plans for benefits produced by both the Council and Unity Partnership are adequate in their clarity of objectives, priorities and action plans. The Council's plan for 2009/10 and draft for 2010/11 focus on customer services and have little detail about benefits. Both plans contain adequately SMART¹ action plans. The Partnership's service plan for 2009/10 includes an action plan but with few useful deadlines. Clearer priorities and more focused action plans would increase the chance of improvement.
- 94 Priorities are not consistently articulated. Different managers and councillors gave us different ideas about what the priorities for improvement should be. They included:
- counter-fraud and overpayment recovery;
 - better use of customer feedback;
 - more systematic working with partners;
 - improving communications;
 - fulfilling the antipoverty strategy; and
 - better access to benefits services by use of libraries and the Council's website.

Some of these reflect weaknesses we have found during the inspection. However, in the absence of agreed priorities, there is a risk of time and money being wasted.

- 95 The service has a good appreciation of where some of its weaknesses lie. For example, it recently completed an analysis of appeals and has made a number of recommendations and there are already signs of improvement. Similarly, the service is aware of the limitations of the contact centre and is gathering data on call patterns to enable it to roster staff more appropriately. Within the Council, the counter-fraud team understands what needs to change. For example, it knows that feedback to staff on the outcome and quality of fraud referrals needs to improve, and that it needs to extend fraud awareness training to include councillors and partners. However, there is no action plan to improve the recovery of overpayments. Clarity about what needs improving will be the first step to gaining that improvement.
- 96 There are good strategies for customer services, for combating poverty and for tackling fraud. The customer services strategy and plan were approved in late 2009. They set out developments to improve service and reduce costs - for all council services, including benefits. A Customer Services Board has been set up to oversee implementation. The March 2010 antipoverty strategy includes actions to improve benefit take-up. The plan for promotion of benefits take-up is satisfactory for the short- and medium-term but lacks longer-term actions. These strategies, which are linked to wider aims, should help the Council fulfil its objectives.

¹ Specific, Measurable, Achievable, Resourced and Time-bound

What are the prospects for improvement to the service?

- 97 Arrangements for setting targets are adequate. The desire for continuous improvement is reflected in the annual negotiation of targets within the contract - targets for speed of processing have been made progressively harder. The Cabinet member responsible for resources identifies areas of performance where the Council wants significant improvement and then leaves officers to negotiate the targets. The Council and Unity Partnership agreed targets for Key Performance Indicators under the contract for 2009/10; targets for 2010/11 were under discussion in mid-March, during our inspection. Performance measured with other indicators ('non-key' PIs) is also monitored within the Partnership and reported to the Council, but no targets were set for these. There have been no targets for overpayment recovery or for speed of handling appeals, and those for the number of sanctions against perpetrators of fraud were not challenging. The lack of such targets may have contributed to the underperformance of these activities.
- 98 There are examples of good leadership. Recently appointed senior managers in the Council with a close interest in the service have pressed hard for improvements in performance, and have been supported in this by senior managers in the Partnership. Councillors have shown that they can take tough decisions and stick to them. - including financial cuts involving over 400 staff redundancies; 200 of these staff have already left. Councillors have also increased the budget for Discretionary Housing Payments despite the financial pressures. Management in the Partnership showed leadership when they first introduced same-day processing, in the face of reluctance from some assessors, and in persuading the Council to accept splitting the corporate call centre.
- 99 Performance management arrangements are adequate. Performance is managed through several channels:
- weekly feedback to the Partnership from the Council's accuracy checks;
 - weekly meetings of the Assistant Executive Director with the portfolio-holder;
 - monthly contract review meetings; and
 - six-weekly meetings of the Unity Partnership Board.

The last two receive detailed reports on progress, with performance tagged as red, amber or green to focus attention on areas of underperformance.

Within the Council, senior managers and all councillors, including portfolio-holders, have online access to a performance system that provides information on National Indicators, with trends and comparative information from other authorities. This is updated monthly. A more sophisticated, proprietary software system to do this went live in April 2010. Taken together, these arrangements enable managers to identify underperformance and take corrective action.

What are the prospects for improvement to the service?

- 100** There are satisfactory arrangements for management of individuals' performance. The contract with the Partnership requires it to use 'use suitably skilled and appropriately experienced personnel'. In partial fulfilment of that obligation, all staff have an annual appraisal with a mid-year review. This includes a review of performance in the previous 12 months and a look ahead at development needs and objectives for the coming year. Staff do not have personal productivity targets, though productivity is watched and action taken when it falls below expectations.
- 101** There are some weaknesses in performance management.
- There is no system to monitor overpayment recovery and the outstanding debt.
 - The Counter-fraud service reports irregularly, and on activity, not performance.
 - Checking of equality and diversity issues is inadequate. For example, the ethnicity of customers was not recorded at all until October 2009. The service has ethnicity data on about 10 per cent of claims received since that date. With such limited information it is not possible to discover whether diverse needs are being met or whether there is any discrimination in assessments.
- 102** The service's ability to learn is mixed, with some real strengths offset by significant weaknesses. The good features include:
- accuracy checks carried out by the Council feed direct into a dedicated training resource, with feedback via team leaders to individual staff members. Training is organised for groups or individuals as necessary;
 - three Service Improvement Groups capture ideas for improvement from staff and rank them according to ease of implementation and potential benefit. One such group has focused on the letters sent to customers telling them of the outcome of their assessment. It aims to make the letters more easily understood; and
 - customer complaints about delays triggered the introduction of same-day processing, which has been a significant success in terms of the number of people using this service and their comments of satisfaction with it.

Staff from both the benefits and the counter-fraud services take part in professional groups with their peers across Greater Manchester. The private company involved in the joint venture also operates benefits services elsewhere in England. The service in Oldham benefits from experience gained at those other sites. This benchmarking has led to some improvements in service in Oldham.

The overview and scrutiny committees of the Council have made little impact on benefits services. They have carried out several investigations with a bearing on benefits, but these have not resulted in any changes to the service. Customer surveys have played a part in prompting the reconfiguration of the call centre in November 2009 and some changes to the notification letters. The service recognises there are opportunities to make better use of customers' views and it plans to do more surveys, and make better use of the results. The service recognises this latter weakness and plans to do more surveys and make better use of the results. The service has not used the appeals process to identify opportunities to improve.

The service is not taking full advantage of intelligence at its disposal to help it improve.

Does the service have the capacity to improve?

- 103** Senior managers of the Council and councillors contribute well to the strategic direction of the Partnership. One councillor from each of the three main parties is a member of the Joint Venture Board. The leaders of each of the political groups on the Council, and three further councillors, are members of the Partnership Board, which the Council's chief executive chairs. The Managing Director of the Partnership takes part in awaydays with the Cabinet and Council senior team. This senior representation ensures the Benefits Service is closely monitored.
- 104** Staff in the Council and the Partnership are skilled and committed. Senior Council staff responsible for managing the contract have experience of benefits in DWP and local government. They have access to specialist legal and procurement expertise if needed and are supported by competent client officers, responsible for day-to-day supervision of the contract. Many of the staff in the Partnership transferred from the Council when the partnership was set up and have much experience in benefits. This experience is complemented by internal consultancy within the private sector partner.
- 105** The ICT tools used by the Partnership and the Council are adequate. The Partnership uses industry standard software systems for handling documents and for managing revenues and benefits. These work well and are rarely unavailable. Arrangements for data backup and for disaster recovery are adequate. Some benefits assessors work from home and communication links support that well. However, the benefits visiting officers have no portable ICT equipment, so are unable to complete a transaction from a customer's home, though tablet PCs were trialled some months ago. The Council's counter-fraud team use standard tools to match individuals in different national datasets and they are buying software to enable them to do matching on Council databases. The use of these IT systems improves efficiency.
- 106** There are adequate funds available for service improvements. These may come from either the Council or the Partnership. The Partnership funded refurbishment of the customer service point in the Civic Centre and improvements to the benefits IT system. Where a business case can be made funds are available for investments. For example, the revenue service is looking into replacing the machine used to put documents into envelopes.
- 107** Staff training and development arrangements are good, with the exception of equality training discussed earlier. As noted in paragraph 100 above, the Council has a contractual interest in the Partnership's staff. The Partnership service has a dedicated training resource and this organises training for benefits assessors and others, driven by the evidence from the Council's accuracy checks. The Partnership is funding four staff to gain the professional qualification for revenues and benefits staff. There is a good range of opportunities for management development for both Council employees and Partnership staff. The Council's Trust Oldham programme to promote the corporate values and behaviours is matched by the Pathfinder programme in the Partnership. Weaknesses in equality and diversity and customer care training have been commented on earlier. Good training is important to uphold the quality of work done and to develop managers and leaders for tomorrow. The lack of attention to equality and diversity issues reveals that the Council has not been checking that aspect of the contract.

What are the prospects for improvement to the service?

- 108** There are no significant problems with recruitment or retention of staff in the Partnership. To meet the demands of the recession extra, already-trained benefits assessors were recruited in August 2009; agency staff are also used to a limited extent. The low morale among staff revealed by a July 2009 survey was not obvious in the staff we met. Sickness absence is low for benefits assessors, but higher in Access Oldham and the contact centre; action is being taken to improve this. The ethnic mix of the workforce matches that of the local population.
- 109** The Council is adequately planning the funding of the service. The Council's February 2009 medium-term financial strategy recognises a likely increase in costs from the recession. Increases in the number of people claiming benefit, with increased Council Tax arrears, is forecast to cost an extra £100,000 a year.
- 110** Providing the service via a contract with the Unity Partnership works well. The private sector partner was secured by competitive tendering under EU rules in 2006/07. As already noted above, the contract provides for financial penalties if there is underperformance and the financial benefit of efficiency savings is shared between the Partnership and the Council. There is a good, pragmatic approach to contract management, seeking solutions to problems of interpretation of the 2,900-page contract that can satisfy the needs of both parties. The client team possesses adequate contract management skills, with access to specialist legal and procurement expertise if needed. The contract is under review, as a prelude to potentially transferring more services into the Partnership. These arrangements have secured value for money for the Council.
- 111** The service also works well with other partners and has plans to expand that collaboration. The CAB runs a drop-in advice service within Access Oldham. Discussions are under way to increase the number of hours CAB is open in the Civic Centre. The service's well-established relations with this and other partners strengthen the service it can offer to its customers.
- 112** The Council has adequate access to additional funds needed to enhance the service. For 2010/11 it will receive an extra DWP grant of nearly £140,000 to cope with the impact of the recession. During the past year the Customer and Business Change division received £250,000 from the Council's Priority Investment Fund for Discretionary Housing Payments, customer services training and improvements to the website. The Benefits Service will draw on the government's Future Jobs Fund to pay for at least three posts for 18 to 24-year-olds. The service is taking opportunities to secure and effectively use extra resources, and thus improve its services.

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

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk
