

Benefits

Service

Inspection

Stafford Borough Council

March 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.

Inspection of Housing Benefit and Council Tax Benefit services

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

From 1 April 2008, the Audit Commission became responsible for benefits inspections, following the transfer of powers from the Benefit Fraud Inspectorate.

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) with effect from 1 April 2008; and
- contributing to the delivery of other national, regional and local priorities aimed at reducing poverty and addressing social and economic inequity, including targets within the Local Area Agreement.

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 Stafford Borough Council, the reasons for commissioning the inspection were:

- poor performance in the right benefit measure (NI 180);
- failure to support the most vulnerable customers through use of Discretionary Housing Payment (DHP) funding; and
- loss of subsidy because of delays in amending claims following a change of circumstance.

The key objectives of this inspection were:

- to assess the effectiveness of Stafford Benefits Service (the 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.

Summary

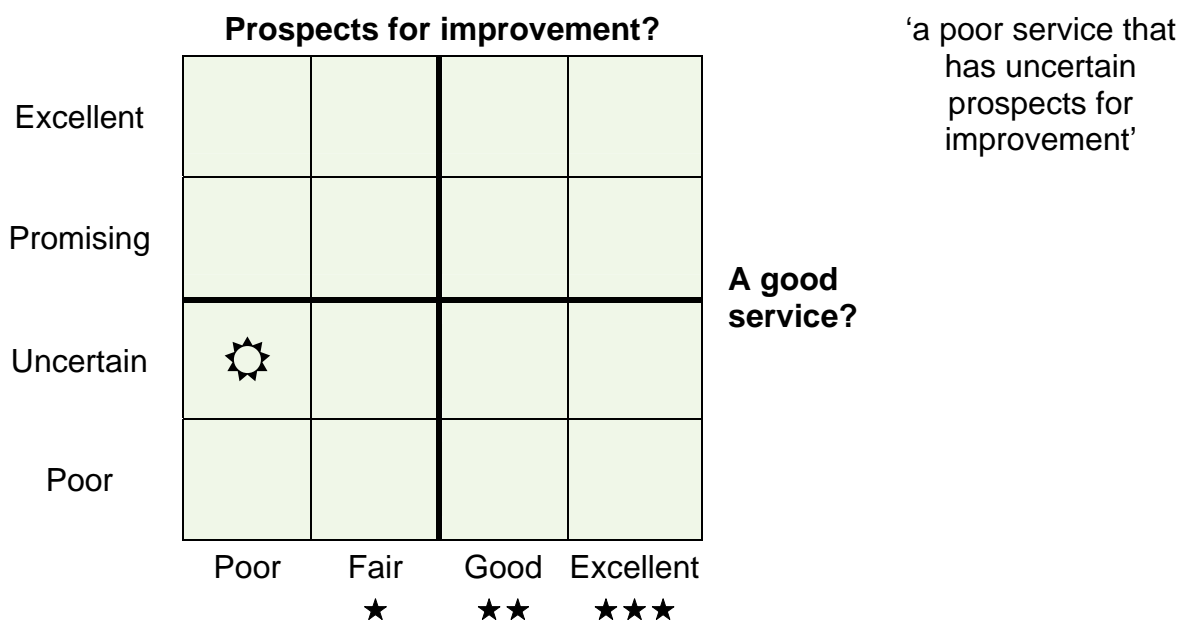
- 1 Stafford Borough Council's Benefits Service is poor with uncertain prospects for improvement. People are waiting too long for their benefit claims to be decided. In 2006, the Service experienced difficult implementation of a new IT processing system. As a result, backlogs of work grew. An increase in caseload because of the economic conditions, staff shortages and IT problems increased backlogs in 2008/09. This resulted in customers waiting an average of 44 days for new claims to be processed and 15 days for changes of circumstances to be dealt with.
- 2 Access to the Council's offices is difficult for some customers because of the location and opening hours. Telephone access is poor with a high rate of abandoned calls. Letters to customers do not provide clear information that most customers can understand. However, frontline staff have a positive approach to customer care.
- 3 The Service has limited engagement with customers to enable it to understand fully whether it is meeting their needs and has limited understanding of what access customers want. The Service has started to involve customers but this is at an early stage. It has not done enough to encourage residents to claim the benefits they may be entitled to. The Service has developed a take-up strategy and is starting to be more proactive in encouraging customers to claim benefit.
- 4 The Service does not provide value for money. The cost of the Service is low compared to similar councils, but performance is poor. It has not been maximising the government subsidy which is available to run the Service. Recovery of overpayments is average but there are signs that it is improving.
- 5 The prospects for improvement of the Service are uncertain. Over the past three years the Service has not had enough clear strategic leadership and the Council has not set priorities for investment and improvement in the Service at a corporate level. Although improvement plans are being developed, these have not yet sufficiently addressed the need for a clear vision to transform the Service to one that is strongly focused on customer needs and views. The improvements being considered are mainly about internal systems designed to deliver improved processing times. Although this is important, more needs to be done to address the wider customer care agenda.
- 6 Over the past three years there has been no sustained track record of improvement in the key performance areas of the Service - its processing times and its customer care. Customers are waiting too long to get their claims assessed. In addition there has been no clear, sustained improvement in value for money with variations in cost not always linked to improvements in performance. Finally, there has been an over-reliance on high-cost agency staff and a lack of certainty for staff over longer-term staffing arrangements.

- 7 Following the engagement of consultants in early 2009, there are clear signs of improvement. Working with the consultants has led to some recent improvements in processing times and call abandonment rates. In addition, there is, now, a developing, high-level approach to improving the Service, linked to new IT and clearer staffing structures, which is backed by Councillors and costed. The Council has well developed plans to develop a shared services model with Cannock Chase Council and to procure and install a new benefits IT system by the end of 2010.
- 8 Importantly, the Council has a strongly motivated and committed group of frontline staff who are well placed to be part of the solution to past performance problems. There has been a recent positive change in performance culture with more focused, hands-on management and an emphasis on individual staff development. Also, there are improving arrangements to manage performance, monitor projects and develop improvement plans.
- 9 The Audit Commission will consider a re-inspection within 24 months. This will provide assurance to stakeholders such as benefits customers, local taxpayers and the DWP that planned improvements and outcomes have been delivered.

Scoring the service

10 We have assessed Stafford Borough Council as providing a 'poor', no-star service that has uncertain prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

11 The Service is a poor, zero-star service due to the following reasons.

- It has not provided a responsive service in processing new benefit claims and dealing with changes of circumstances quickly. This resulted in significant delays for customers. Processing new benefit claims and dealing with changes of circumstances is a core part of the Service.
- It is not designed around the specific needs of local people. As a result:
 - access to benefits for some people is difficult, particularly telephone access with high levels of abandoned calls;
 - improving access through working with outside agencies is at an early stage;
 - information provided to customers is not easy to understand;

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.

- the approach to encouraging people to apply for housing benefit (HB) and council tax benefit (CTB) is not yet fully effective;
- the Service has not fully developed effective ways of consulting, engaging and communicating with customers; and
- it does not provide value for money.

12 However, it has some strengths. These include:

- frontline staff providing good customer service; and
- initiatives which are beginning to improve the speed of processing claims and some customers are receiving payment more quickly than before and reducing avoidable overpayments.

13 The Service has uncertain prospects for improvement because:

- the Service has suffered from poor, strategic focus and leadership;
- there is no clear vision for transforming the Service to one that is strongly focused on customer needs and views, although improvement plans are being developed;
- a track record of improvement in the key performance areas of the Service has not been established and sustained - processing times and customer care; and
- there has been no clear staffing strategy with an over-reliance on high-cost agency staff.

14 However, the Service has some strengths, including:

- use of, and learning from, consultants in 2009 which has led to good, recent improvements in processing times and call abandonment rates;
- a developing, high-level approach to improving the Service, linked to new IT and clearer staffing structures, which is backed by Councillors and resourced;
- a recent positive change in performance culture with more focused, hands-on management with an emphasis on individual staff development; and
- improving arrangements to manage performance, monitor projects and develop improvement plans.

Recommendations

- 15 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the Council. In addition, we identify the approximate costs¹ and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Council should do the following.

Recommendation

- R1** Improve the accessibility of the Service for those who are, or may be, entitled to benefits. It can do this by:
- developing a more consistent and comprehensive approach to consulting with service users to establish their needs;
 - improving access channels for customers and reducing waiting times;
 - reviewing the approach to complaints and learning from complaints and establishing more robust promotion of the complaints process across the Service;
 - working more closely with the advice sector in Stafford to:
 - share, assess and act on performance and customer quality data; and
 - improve the accessibility of the Service for those who may be entitled to benefit or in need of debt advice;
 - undertaking take-up campaigns that are:
 - targeted towards identified under-claiming groups,
 - properly evaluated, and
 - integrated into business plans; and
 - promoting the availability of discretionary housing payments.

The expected benefits of this recommendation are:

- improvements to the services offered to customers and potential customers;
- a greater customisation of service delivery;
- better targeting of resources and the maximisation of entitlement of benefit to vulnerable people;
- more money brought into the local economy through effective take-up; and
- reduced demand on homelessness budgets, through support for those at risk to stay in their own homes.

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

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

Recommendation

- R2** The Council should improve its overall approach to performance management to improve the service to customers. It can do this by:
- a more consistent approach to target setting, with clear descriptions of specific actions and milestones to be achieved on the way to achieving the target;
 - publicising clear and challenging targets and service standards, which are regularly monitored and reported to senior managers, Councillors and customers;
 - a more rigorous approach to performance reviews and target setting for individual staff;
 - more involvement with stakeholders (landlords and the advice sector) in performance management; and
 - developing the role of Overview and Scrutiny to enable it to contribute more fully to the improvement agenda within the Service.

The expected benefits of this recommendation are:

- performance issues are tackled more quickly;
- customers will be clear about the standard of service they can expect to receive;
- improved outcomes for customers;
- an improvement in the quality and impact of proposed service changes, and
- performance reporting that enables effective challenge and decision making.

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

Recommendations

Recommendation

- R3** The Council needs to improve the way it manages and seeks to improve value for money in the Service. It can do this by:
- implementing a more consistent approach to measuring a wider range of performance;
 - benchmarking its cost/performance/satisfaction ratios with similar councils
 - using this benchmarking data to probe, where relevant, into the costs of specific parts of the service. For example, the cost to assess each claim, undertake a visit or fraud investigation, recover an overpayment, deal with an appeal or customer transaction;
 - implementing a more consistent approach to measuring and monitoring customer satisfaction across the service;
 - setting targets to improve the cost/performance/satisfaction ratios;
 - improving the management and collection of all housing benefit overpayments:
 - reviewing the roles and responsibilities for recovery;
 - reviewing debts and improving procedures for recovery, monitoring and management.

The expected benefits of this recommendation are:

- an improvement in the value for money of the Service and a greater focus on cost, performance and satisfaction;
- a reduction in the amount of overpaid debt outstanding, and
- to reduce and manage debts held by vulnerable people.

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

Recommendation

- R4** The Council needs to do more to learn the reasons behind the successful transformation of services and apply these lessons to the Benefits Service. It can do this by:
- learning from its own improving services such as waste/recycling; and
 - learning from a wider range of benefits services, particularly those who have significantly reduced processing times and have developed a strong customer ethos.

The expected benefits of this recommendation are:

- being able to transform and improve the Service quickly as a result of using methods that have been successful elsewhere.

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

Report

Context

The locality

- 16 Stafford is the county town of Staffordshire, south of Stoke-on-Trent and north of the West Midlands conurbation. The borough is mainly rural and covers almost 600 square kilometres. The major urban centres are the towns of Stafford and Stone. The population of around 124,700 is projected to increase at a greater rate than nationally up to 2020. Around half the population lives in Stafford and about 14,000 live in Stone with the remaining population in rural villages. The proportion of older people in the borough is higher than average. The black and minority ethnic population in Stafford, 4.4 per cent of the overall population, is lower than the regional and national averages.
- 17 The area is relatively affluent and is ranked 253 out of 354 (where 1 is most deprived). However, there are notable pockets of deprivation within some of the urban areas that have income and employment deprivation, high percentages of teenage pregnancy and children who are low achievers.
- 18 Unemployment is lower than the regional and national average. In June 2009, just over 6 per cent of the working age population were unemployed, compared to 8.6 per cent in the West Midlands and 7 per cent nationally. As a result of the recent recession the housing and council tax benefit caseload increased by around 11 per cent from November 2008 to September 2009. The Borough has 56,000 households and of these, 8,119 households are claiming housing and/or council tax benefit. Eleven per cent of households receive HB and 14.5 per cent of households CTB.
- 19 Residents are relatively highly qualified and highly skilled, and wage levels are higher than average. The proportion of employment within the public administration, education and health sector is almost double the regional and national average.
- 20 House prices in Stafford are some of the highest in Staffordshire, and higher than the regional average, although lower than the national average. The Council no longer owns or manages its own housing stock, which was transferred to Stafford and Rural Homes in 2006.

The Council

- 21 Stafford Borough Council has adopted the cabinet and scrutiny committee model of governance. The Council has 59 councillors, elected every four years. There are 41 Conservative councillors, 12 Labour, 4 Liberal Democrat and 2 Independent.
- 22 The Council's senior management team is the Chief Executive, Deputy Chief Executive and eight heads of service. The Chief Executive oversees customer facing services while the Deputy Chief Executive manages the support services.

Report

- 23** The Benefits Service is the responsibility of the Head of Finance. The Council has a corporate customer contact centre which provides the first point of customer contact for all Council enquiries including benefits. The customer service team are the responsibility of the Head of Policy and Improvement. These two heads of service report to the Deputy Chief Executive.
- 24** In 2008/09 the council had to make significant savings to achieve a balanced budget. As a result there was an 11 per cent reduction in staffing across the Council.
- 25** The Council has beacon status for 'increasing prosperity for the community through partnership work'. In 1998, the Council formed a partnership with 12 key service providers which attracted the inward investment needed to restructure the local economy. In the last five years the partnership, which includes Staffordshire County Council, Staffordshire University and parish councils, has helped deliver a total investment of £16 million, 538 new jobs and 123 new businesses.
- 26** In 2009, the Audit Commission's organisational assessment rated the Council as performing adequately overall. It manages both its performance and its resources adequately.

The Council's benefits service

27 The Benefits Service in Stafford pays out around £25 million a year to:

- 7,530 people claiming CTB; and
- 5,740 people claiming rent allowance of which 4,390 are tenants of registered social landlords (RSLs) and 1,350 are tenants of private landlords.

Of the total 8,119 cases, 3,879 people are of pension age and 4,222 are working age.

- 28** Between November 2008 and September 2009 claims for HB have increased by 11 per cent and claims for CTB have increased by 9.6 per cent.
- 29** The Service is run in-house as part of the finance directorate with 23.71 FTE¹ staff. The corporate contact centre has dealt with customers' enquiries for the Service since June 2007. The customer contact centre consists of two teams, a core team of 9.5 FTE and a revenues and benefits team of 6.5 FTE. The cost of running the Service in 2008/2009 is £754,000 of which £708,000 is funded by DWP and the balance is met by the Council.

What has the service aimed to achieve?

- 30** The Council has a six-year corporate plan taking it up to 2014. Within the plan the Council has identified four priorities.
- Prosperity for all.
 - Cleaner, greener, safer communities.
 - Health and well being.
 - Delivering for our communities.

¹ Full time equivalent

- 31 Under its 'Prosperity for all' priority the Council identifies promoting the take-up of benefits as a key action. Key measures of success are to help residents to claim an extra £200,000 by March 2010 and an extra £400,000 by March 2014.
- 32 The vision for the Revenues and Benefits Service is to collect revenues and pay benefit correctly, on time, with courtesy and respect. The Benefits Service objectives within the service delivery plan are:
- promote the take up of benefits;
 - ensure that the organisation can demonstrate value for money and remains fit to meet future challenges; and
 - ensure the Council is seen as a customer first organisation.
- 33 The service delivery plan covering the three year period 2009 - 2012, links the service objectives to two of the corporate plan objectives; 'Prosperity for all' and 'Leading and delivering'.

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

Access, customer care, user and community focus

- 34 The design of the current Service does not take account of the specific needs of local people. Corporately the Council is starting to think about how to use data about the community in planning service delivery. In the Service, similar work is starting but is at an early stage. Analysis of recently developed ward profiles has resulted in identification of a specific local area where take-up work may be effectively targeted. A survey, recently added to the Service's webpages, seeks feedback on how customers would like the Service to be delivered. Designing a service around the needs of the community enables appropriate targeting of resources and increases satisfaction.
- 35 The Service's arrangements for communicating with individuals and organisations affected by it are mixed. The Service has regular formal discussions with its landlords but is only just developing a similar dialogue with other relevant groups such as advice agencies. As a result, the Service is not making best use of information about its customers to which other agencies and organisations have access. Effective dialogue can be used to drive service improvements.
- 36 The Service's arrangements for consulting, engaging and communicating with customers are not fully effective. A corporate mechanism is in place for consulting with customers through its people's panel set up in 2008. There are some Benefits Service customers on the panel. However, consultation on the way the Service is delivered has not taken place and the only formal mechanism for getting feedback from customers is through the complaints procedure.

Report

- 37 Limited learning from complaints takes place. The complaints process is not well-developed or promoted. Promotion of the complaints process is through a link on the Council's website and leaflets which are available in reception areas. Informal complaints are not captured and initial complaints resolved by services are not collated and analysed. Analysis of complaints referred to the Chief Executive, when customers are not satisfied with a service's response, is done annually. The unsystematic approach to recording and monitoring complaints and comments limits the opportunities to learn from customer experiences to inform service development.
- 38 Front line staff have a positive approach to customer care. Staff are polite and try to resolve queries at the first point of contact. However, support for them to do this is limited to contact numbers for other Council departments and organisations such as the Citizens Advice Bureau (CAB) and a list of staff who speak a second language. Until very recently they did not have access to important information to help them resolve queries at the first point of contact such as information from DWP. As a result the outcomes for customers depend on the skills and knowledge of the individual they are speaking to.
- 39 The Service is not maximising the take up of benefits for those who are entitled to them. General information about HB and CTB is provided for example with council tax bills and summonses and on the Council's website. There has been no analysis of the outcomes. The Service has only recently started to take the initiative in encouraging the take up of benefits. It has developed a take up strategy, which is a positive first step to increase take-up. A key action within it is to analyse caseload and demographic data to identify under claiming groups. This means that currently the Council may not be reaching customers most in need¹.
- 40 Customer access to the Service through its website is adequate. The Service is using the website positively to enable customers to see if they may qualify for HB and CTB through an online benefits calculator. Customers can also use the website to report fraud and make general enquiries. No facility to view the progress of a claim online exists. The customer has to print and sign forms which are available, such as a claim form or to report a change of circumstances. Access by this route is cost effective and helps provide out of hours support to customers or potential customers of the Service who have access to the internet.
- 41 However, access for those wanting to speak to a member of staff is weak.
- Accessing the Service by telephone is difficult. The number of calls to the revenues and benefits team abandoned before reaching a member of staff is high. Between October 2008 and September 2009 the abandoned call rate each quarter was consistently above 25 per cent and increasing slightly each quarter. Since September abandoned call rates have reduced with 17 per cent abandoned in October and 13 per cent in November.

¹ 'The Money Trail' published December 2002 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.

- Visitors can get advice at the Civic Centre in Stafford. Access from many parts of the district for those reliant on public transport is poor. The office is open 8.30 - 5.00 Monday - Thursday and 8.30 - 4.30 on Friday. Accessing the Benefits Service reception area on the second floor is not well signed and customers have to negotiate double doors which can be a problem for wheelchair users and those with prams or pushchairs. However, once reached it provides a pleasant environment in which to have face-to-face contact with staff. Waiting times for enquiries are not monitored.
 - Publicity about opening hours is confusing. The telephone service is available from 8.00 - 5.00 Monday - Friday, longer hours than the Civic Offices. However publicity does not make this clear.
 - The criteria for home visits are restricted to those who cannot leave their homes because they are elderly, or because of serious illness or disability. Promotion of the home visit service is limited to a note on the claim form and there has been low take-up.
- 42 The Service is starting to be more customer focused. It is exploring the use of recently opened Signpost centres. The Signpost centres, a local strategic partnership initiative, are designed to provide easier and quicker ways for local people to access services and advice within their community. The Service already has a presence at the first Signpost Centre in the Highfields estate in Stafford. However, take-up of this service has been low.
- 43 Comprehensive and challenging service standards have not been developed and communicated to customers. The Council has a corporate customer charter, which covers all services, but it is basic and does not include waiting times for customers visiting the offices. It was developed without involving customers. There are no Benefits Service specific standards. However, development of service standards involving customers and stakeholders has begun and a review of the customer charter is planned to be part of the refresh of the Corporate Plan.
- 44 The standard of benefits letters is poor. They are difficult to interpret, the intended message and the implications for customers are not clear and contact centre staff often have to explain the contents to customers. Using letter formats that are difficult to understand creates more work for the Service and customers and may deny correct benefit payment.
- 45 The Service does not have a clear picture of customer satisfaction. Customer satisfaction as measured by the best value satisfaction survey in 2003 had reduced by 2006. Overall satisfaction went down from 80 per cent to 76 per cent, below the national average. Until recently this was the only information on customer satisfaction held by the Service. However, the contact centre has started to conduct telephone satisfaction surveys. The small numbers of customers surveyed are generally satisfied with the handling of their query. But there is no feedback on any other aspects of the Service. Surveys of visitors to the enquiry counter are planned. Regular testing of customer satisfaction could help the Service to respond swiftly and effectively with remedial action to improve the service provided.

Diversity

- 46 The Council's performance in driving forward its equality and diversity agenda has recently improved, and meets basic requirements. In common with the majority of councils it assesses itself as meeting level 2 of the former equality standard for local government. The Council has produced a new single equality scheme and is at level 1 of the new equality standard. It plans to reach level 2 by December 2010. It is embedding equality and diversity across the organisation through equality impact assessments and some training.
- 47 The Service does not make full use of funding to support vulnerable people in the community. It did not spend its full allocation of DHP in 2007/08 and just failed to spend its allocation in 2008/09. The purpose of DHP is to provide extra financial support to the most vulnerable customers receiving HB and CTB where the full cost of their rent or council tax is not met by their benefit entitlement. Each year, the DWP allocates funds according to the spending in previous years. In 2006/07 the Council's allocation was £19,099. By 2009/10 it had fallen to £13,580. Councils are able to top up the fund using their own resources at their discretion. The Council historically under spent its DHP budget and as a result the funding provided by DWP has reduced. Frontline staff, benefit assessors and homelessness staff are aware of the fund. However, there is little information about the scheme for customers and there is no commitment to provide any extra funding. This may mean that some people in need of extra help do not know it is available and may be missing out on help with their rent and council tax.

Service outcomes for users and the community

- 48 Benefits customers wait too long for their claims to be decided. For paying new claims promptly, performance indicators for 2007/08¹ showed the Service to be poor and among the worst 25 per cent of councils nationally. It took an average of 33 days to decide claims. Performance worsened in 2008/09 to 44 days. In 2009/10 performance improved slightly. The average for the period April 2009 to November 2009 is 37 days.
- 49 Changes in circumstances are not dealt with quickly. Performance indicators for 2007/08 showed the Service to be in the top 50 per cent nationally when it took on average nine days to deal with a change of circumstances. Since then performance has worsened. In 2008/09 it took on average 15 days. In the first eight months of 2009/10 it has taken an average of 16 days. The prompt processing of changes of circumstances is as important as the prompt payment of new claims. It can help smooth the transition back into work for customers starting work and reduce overpayments.

¹ Due to changes in the way DWP collect performance data, 2007/08 is the most recent year for which comparative performance data is available.

- 50 Performance for the 'Right time'^I indicator NI 181 in 2008/09 was slow at 21.6 days. DWP are unable to publish any comparative data for 2008/09 due to difficulties with extracting the data from councils' IT systems. This is a national issue. Councils are responsible for setting their targets and the Service had a target of 18 days for 2008/09. It has a target of 16 days for 2009/10 and its performance up to the end of November 2009 was 22 days.
- 51 Customers who appeal or ask for a decision to be looked at again wait too long for an outcome. The Council receives few appeals. However, it takes more than four weeks to prepare a submission to the Tribunals Service. The Service referred only two appeals to the Tribunals Service in the first eight months of 2009/10. One took over five months to send. The other received in 2008 took over a year. In 2009/10, 56 per cent of requests for decisions to be looked at again were decided within three weeks. However, 8 per cent took over 50 days to deal with and 6 per cent, outstanding for more than three weeks, had not been decided. Customers can suffer lengthy delays to learn the outcome of their cases, leaving people in financial uncertainty for long periods.
- 52 Accuracy rates are low. Performance in relation to the accuracy best value performance indicator (BVPI) in 2007/08 was in the worst 50 per cent of councils nationally. The quality checking regime used by the Service is more comprehensive than the BVPI requirements. Using this method of calculation in 2008/09 the accuracy rate was 84 per cent. In 2009/10 the number of cases sampled increased and between July and December the accuracy rate was 85 per cent. Now however, identified training needs are addressed more quickly through more regular training. Accurate payment of claims is as important as prompt payment to keep error out of the benefits system and improve outcomes for customers.
- 53 The framework for detecting benefit fraud is satisfactory. This includes:
- a clear sanction and prosecution policy in place which was revised in 2009 following an equality impact assessment^{II};
 - effective joint working with DWP;
 - clear guidance for staff to consider when deciding to give formal cautions, to offer administrative penalties or prosecutions. It includes considering the public interest and individual circumstances. As a result fewer administrative penalties are imposed than at other similar councils;
 - intervention visits to review claims and identify under and overpayments of benefit;
 - a high numbers of investigations relative to caseload;
 - all investigators qualified to 'Professionalism in Investigations' standards; and
 - publicising in the media successful prosecutions cases.

This makes it clear to those attempting to commit fraud that they are likely to be caught.

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

^{II} An equality impact assessment (EIA) is a tool for identifying the potential impact of a council's policies, services and functions on its residents and staff. It can help staff provide and deliver excellent services to residents by making sure that these reflect the needs of the community. By carrying out EIAs, a council may also ensure that the services that it provides fulfil the requirements of anti-discrimination and equalities legislation.

Report

54 However, the Service is not currently fully effective in detecting fraud. This is due, in part, to problems caused by delays in processing claims and in part to the need to review working practices following a reduction in the number of investigators. The result has been:

- high volumes of data matches caused by delays amending benefit claims following a change of circumstance;
- delays making any necessary amendments to claims following an investigation;
- fraud awareness training only recently reintroduced and made available through an on-line course to all Council staff; and
- no proactive fraud drives, although through its IT systems it has access to enough data to allow it to effectively target campaigns.

This means the Service is not effectively minimising fraud and error to reduce the burden on the public purse.

Is the service delivering value for money?

55 Overall the Service does not provide value for money. Although the cost of the Service is low, performance in key areas such as speed of processing is poor and satisfaction is not known, though it was low when last formally measured in 2006. The Service has a good understanding of some areas of high cost such as agency staff and is developing the use of benchmarking through the CIPFA club. However, there are no arrangements in place to set value for money targets or regularly review cost effectiveness in relation to performance and quality of services.

56 The Council's overall arrangements for managing its resources are adequate. The Council was rated as adequate in the Audit Commission's 2009 Use of Resources assessment.

57 Capacity to deliver future improved value for money has been increased through investment in the Service. The Council has invested in reports and support from consultants. This investment has resulted in some improved outcomes such as shorter waits for decisions on claims. It has invested local authority business growth incentive (LABGI) funds to provide extra staff within the customer contact centre for two years. It has also provided extra funding to the CAB locally to support the provision of welfare and debt advice. However, it is not monitoring any improved outcomes from this investment and so cannot be sure it is delivering value for money.

- 58** Management arrangements for the completion of the subsidy claim form are improving. In 2008/09 the Council's subsidy claim was £22.5 million. Councils receive, for most of the benefit expenditure they incur, a subsidy from DWP providing they comply with the regulations. The system for claiming this money is the subsidy claim form. This claim form has to be certified by external auditors to ensure it has been completed correctly and that only eligible expenditure is included. Before the introduction of its current benefits IT processing system the Service was good at managing its subsidy claims. But many errors were identified during the audit of its 2006/07 subsidy claim after the implementation of its current system. Though there remained errors in the 2007/08 claims the number and types of errors reduced. For the 2008/09 claim the Service had put in place a programme of measures to identify and remove errors from the benefit subsidy claim. This included checks on assessors, and checks on particular areas known to have been the source of errors previously, such as backdates. The result was a much more accurate claim.
- 59** The Service is proactive at collecting overpayments and uses various recovery methods. It uses deductions from DWP benefits, blameless tenant recovery, debt collection agencies and general management of invoices. Because it is managing its HB overpayment debt on three different systems it has recognised the need to improve its processes for ensuring it takes recovery action quickly. However, there are no targets for recovery and no one takes overall responsibility for recovery of debt. Staff are aware that customers with overpayments may have some underlying entitlement to benefits and encourage customers to provide information so overpayments can be reduced. Staff take account of customers' individual circumstances when they contact the office to agree payment arrangements. Good overpayment management is important to maximise income for the Council.
- 60** Performance recovering overpayments is average though improving. Table 1 below shows performance recovering debts since 2006/07. Compared to other councils' performance for in-year collection in 2007/08, it was in the worst 25 per cent nationally. The top 25 per cent of councils reported recovery rates of more than 80 per cent. Recovery of HB overpayments as a percentage of total debt was in the top 25 per cent of councils nationally in 2006/07 and 2007/08. The total debt outstanding is £596,000. The loss of revenue through uncollected debts increases the cost of running the Service to all local taxpayers.

Table 1 Overpayment recovery

Best Value Performance Indicator	2006/07	2007/08	2008/09
Recovery of HB overpayments as a percentage of overpayments identified in the year	53.5 %	60.5 %	68.7 %
Recovery of HB overpayments as a percentage of total debt	33.7 %	39.4 %	34.5 %

Stafford Borough Council

- 61 Prevention of overpayments that occur because of local authority error or delay is poor. As part of the subsidy incentive scheme the DWP rewards councils that have avoided, or reduced, overpayments because of their own error or delay (known as local authority error overpayments). The DWP sets thresholds, based on total benefit spending and if local authority error overpayments stay below these thresholds, subsidy is payable to the Council. Because of delays the Council has created unnecessary overpayments which it now has to work to recover. In addition it has not received £379,000 extra income over three years. It has now cleared a backlog of work and is on target to achieve its incentive payments from DWP for 2009/10. The costs of its delays have an impact on customers who have overpayment debt to repay and on council tax payers as the Council has lost income.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 62** The Council, until very recently, has had a poor track record of delivering improvement for its benefits customers. Problems with introducing a new IT system in 2006, coupled with the IT system being underdeveloped at that time, resulted in much worse performance than previously experienced. Not enough attention was paid to training and support for assessment staff which resulted in staff having to learn to use the new system while inputting new work. As a result the time taken to deal with both new claims and changes of circumstances in 2006/07 was very poor at 67 days and 24 days respectively. Although this improved in 2007/08 to 33 days and nine days, performance worsened in 2008/09 with new claims taking, on average, 44 days to process and changes of circumstances 15 days.
- 63** Management arrangements for the completion of the subsidy claim form have improved following a fall in accuracy after the implementation of its new IT system. Performance in overpayments and counter-fraud has been generally stable over the past three years. Prompt recovery of overpayments improved between 2006/07 and 2008/09 but remained below average compared to other councils. Although counter-fraud activity dipped in 2007/08 when resources were reduced, by 2008/09 it was back to pre-2007/08 levels.
- 64** Strategic leadership has been poor. Until recently senior officers and Councillors did not give sufficient priority to the Service. It was viewed as principally a back-office processing function with limited scope for improvement. As a result, there was very little focus on the needs of the Service's customers and, until recently, no clear improvements for customers in terms of service accessibility or quality. In 2008 the Council began to address these weaknesses and as a result customers started to experience improved outcomes towards the end of 2009.
- 65** Since the introduction of the revenues and benefits customer contact centre in 2007 the Service has gradually been able to focus more on the needs of its customers. However, the Council did not assess the impact of these changes on customer service at the time and has only recently started to measure improvements in the quality of service to both telephone and personal callers. In 2005 the Council successfully introduced an electronic document management system into the Service. In 2007 this system was extended to the customer contact centre resulting in an improved service for customers with more queries able to be dealt with at the first point of contact.

What are the prospects for improvement to the service?

- 66 Although there is no clear track record of improvement over the past three years, there is evidence of some, recent improvements across some parts of the Service. These improvements, which became apparent in late 2009, stem from the decision by the Council, in late 2008, to engage consultants to assist in improving the service. The consultants worked with benefits staff to improve a number of processes and to develop a greater degree of confidence among assessment staff in the IT system. This intervention led to an improved understanding of the Service by senior managers and Councillors and a greater focus on addressing its performance issues. It also generated a greater engagement by service managers with staff in addressing some of the performance issues. The number of assessment staff increased through the use of agency staff. Although solutions to many of the problems could have been found by better consultation with existing staff, the role of the consultants has been the catalyst to improved performance.
- 67 Because of the renewed focus on the Service, there have been clear improvements in processing times and in the quality of service to customers over the past few months. In the first quarter of 2009/10 new claims took 51 days to process and changes of circumstances 24 days. This improved to 38 days and 19 days in the second quarter and then to 24 and 9 days in October 2009. The most recent data, for November 2009 shows new claims taking just under 20 days and changes of circumstances just under 9 days. The service offered to telephone callers has improved with abandoned calls falling from around 30 per cent in August and September to 16.7 per cent in October and 12.9 per cent in November. At the same time there are clear signs of better communication and joint working between the customer contact staff and the assessment staff. However, as the Council does not measure waiting times in the benefits reception area, any improvements in this aspect of customer care are not known.
- 68 Liaison and contact between the Service and external stakeholders is improving. Communication between the Service and both registered social landlords and private landlords has recently improved with managers at the Council being more proactive and helpful in resolving issues with landlords. For example, the Council has worked with private landlords to improve access to direct payments of benefits for landlords where appropriate. This has led to an increased willingness among private landlords to take on benefits claimants as tenants.
- 69 Along with improvements in processing times, the Council has taken steps to improve the value for money of the Service in recent months. Establishing a track record of value for money improvements is difficult as the Council has not actively measured and managed value for money. However, the poor value for money provided to local people in the past, mainly due to poor performance, has improved recently. Although the Council has invested in the Service, and as a result increased the costs, this has clearly led to performance improvements and signs of improvements in customer and stakeholder satisfaction (although this is not well measured).

What are the prospects for improvement to the service?

- 70 At a corporate level the Council has a reasonable record of improving some key frontline services. The most impressive example is in waste and recycling which is the fifth most improving service nationally with recycling levels increasing from 33.6 per cent in 2007/08 to 48.4 per cent in 2008/09. A further, more long-term, example is economic regeneration where the Council has invested well in improving job prospects and, as a result, has been awarded beacon status. However, despite these strengths, there is limited, formal learning by poor services from the more successful areas of service delivery.

How well does the service manage performance?

- 71 One of the key reasons for the poor performance of the Service over the past three years has been the lack of clear strategic leadership for the Service. There has not been enough focus on improving the service offered to the customer and no active development of a performance culture within the Service. The focus of the Service has been inward facing with little evidence of managers seeking external challenge or input to service improvements. In addition, until recently, there has been no clear vision for moving the Service from this traditional, process-orientated approach to an external, customer-focused service where performance against clear targets is managed. Finally, the dual management of the Service (with different heads of service for the customer contact team and the assessment team) has, in the past, acted more as a barrier to good performance than as a lever. Managers have often had to compete for resources and delays to improvements have resulted from the need to formalise working practices through service level agreements.
- 72 The way the Service is viewed by the Council has changed recently. The focus on performance is sharper. Commitment by senior managers and Councillors to identifying the reasons for poor performance and investing in improvement has increased. One of the key obstacles to improvement was a perception held by junior managers and staff that senior managers did not fully understand the Service and the resources needed to run it. Recent improvements have been characterised by senior managers listening more to the views of junior managers and staff. In addition, junior managers have been much more hands-on in their management, encouraging and achieving improvements in staff morale. As a result, there is a better focus on team targets, improved team spirit and better communication including more regular meetings with stakeholders.

What are the prospects for improvement to the service?

- 73** Over the past three years the Council has not fully engaged with the advice sector in Stafford to develop a joint approach to improving the Service in general, and to improve the customer experience in particular. Although there has been liaison between the Service and the advice sector, with some of this leading to good specific initiatives such as the Signpost centres, the approach has been done for particular reasons to respond to specific problems, rather than strategic and planned. At a strategic level there has been no overall plan between the Council and the advice sector to improve the Service. Operationally the advice sector is not provided with performance data, has not been proactively approached to improve the quality of written communication, has not been involved in discussions about planning take-up campaigns or around value for money and is not aware of the Service using data on diversity and equality to improve service. Although there are no specific plans to address these weaknesses, there is, now, a clear acknowledgement by managers of the need to develop a much stronger partnership with the advice sector.
- 74** The Council has not made full use of its overview and scrutiny function in designing its improvement plans for the Service. The resources scrutiny committee regularly carried out its scrutiny function by receiving performance information and discussing the reasons for poor performance with officers. However, the overview side of the committee's work has not been sufficiently developed to allow it to make a full contribution to the improvement agenda within the Service. As a result, the consideration of possible strategies for improvement, by senior managers and cabinet members, was not as informed as it could have been.
- 75** The Council's approach to service and improvement planning has strengthened, following a period when the plans were not sufficiently robust to deliver improvement. Traditionally there has been no involvement of staff and stakeholders in developing improvement plans. This is changing with staff much more involved in discussing with managers what actions are needed to improve performance. However, there is no clear approach to bringing stakeholders and users into discussions about improvement planning.
- 76** The approach to ensuring that business/project plans are in place to manage the transition from one service model to another is improving. The Council has recognised the need for a detailed project plan to manage the migration of data to the new IT system during 2010. Although this has not yet been developed, the Council has appointed consultants to deliver this by early 2010. Similarly, the Council has put in place a timescale for the development and production of a business case setting out the actions required to deliver the shared services model for the Service with Cannock Chase District Council. These two developments mean that the Council is better placed to manage service transformation and, as a result, improve performance.
- 77** The process of setting targets for improvement is improving from a poor position. Traditionally staff and users have had little involvement in setting targets and, where targets have been set, there were no clear trajectories or milestones. Staff are now more involved, although there are no plans at present to involve users. Milestones are being developed for processing time targets, but targets for overpayments and counter-fraud are less developed.

What are the prospects for improvement to the service?

- 78** Processes for managing performance at a corporate, service and individual level have not been robust in the past, but are now improving. Corporately the Council has introduced its 'In pursuit of success' model for reporting performance and has set up performance clinics to enable a robust, detailed challenge to performance levels. Although there is little evidence yet of the direct impact of these changes, it is clear there is a sharper, more focused approach to managing performance within the benefits teams. The revenues and benefits manager reports data on new claims and changes of circumstances to the Head of Finance monthly. Contact centre performance is reported weekly to the Head of Policy and Improvement who discusses the information with the Cabinet Member for Resources. However, there is no formal reporting of fraud performance or overpayment recovery.
- 79** Team targets are set and team leaders share with staff daily and weekly performance against these targets. Team leaders are aware of the relative performance of individual benefit assessors and this is allowing them to direct their tutoring and support. Although individual targets are not currently in place, there are plans to do this, now that processing times have improved and there is no longer a backlog. Also, although individual annual performance assessments have not been regularly carried out for all staff, the close, one-to-one performance monitoring is giving managers a good knowledge about staff performance. Although performance management is improving for assessors, similar processes are not yet in place for other staff within the Service. For example, targets for the technical support team are not specific or monitored so that managers have no firm data on whether performance is improving. And, in line with the generally underdeveloped approach to customer focus, data on how the performance of the Service impacts on different vulnerable groups in the community is not collated or reported.
- 80** The process in place to address the quality of assessments is adequate. Corporately the Council has a robust data quality policy. There are systems in place within the Service to check four per cent of the work carried out by assessors weekly, though training to address issues identified has not been consistently delivered until recently. Previous audits of national indicators did not raise any issues around accuracy. In addition, there is regular in-house monitoring of contact centre calls with all calls recorded and three calls a month for each adviser listened back to by managers. Issues from this process are used to identify training needs for staff.

Does the service have the capacity to improve?

- 81** The Council is starting to develop an adequate long-term, strategic approach to improving the Service. It has identified three possible ways of significantly restructuring its service and improving customer service. The first of these, and its current preferred option, is to develop a shared services model with Cannock Chase District Council. It carried out some work early in 2009 to develop a high-level model which was agreed by elected members in both authorities. Subsequently, a more detailed document has been produced setting out the desired outcomes of the shared revenues and benefits service which contains some estimations of cost and a timetable. The initial focus is on producing a business plan by March 2010 which will set out how the two services will work together.

What are the prospects for improvement to the service?

- 82** During development of the business plan, detailed work between the two authorities has been progressing well. This work began in September 2009 and focused initially on the revenues service. Work on benefits issues was due to start in mid December 2009 once the consultants' contract ends. An action plan has been produced which sets out in detail the work that managers from Cannock will undertake at Stafford from January 2010. One of the key pieces of work already addressed is the introduction of the assessment staff to the proposed new benefits IT system. However, customer contact staff have not yet been involved in this work.
- 83** The Council has a good approach to improving its IT capacity within the Service. It has to replace its current benefits IT system by December 2010. As part of the move to a shared services model, the Council has decided to replace its current benefits IT system with the system currently used by Cannock Chase Council. The Council is aware there are significant risks associated with the move from one system to another, but is taking good steps to mitigate these risks. By choosing the system used by Cannock Chase Council it can use the knowledge and experience of Cannock's managers and IT staff. In addition, the Council recruited, in September 2009, a temporary member of staff who has a background in system implementation. Also, the Council recognises that it needs external support during the implementation work and has invited three companies to quote for a contract to provide project management and conversion support.
- 84** The Council has adopted a good approach to developing alternative improvement strategies if the shared services model does not deliver service improvements. The first of these is to work with an external consultant who has already provided the Council with a package of potential interventions. The second is to consider possible outsourcing of the service in partnership with a Derbyshire council. However, at present, the Council's preferred route is to continue the shared services model with Cannock as it considers this the best long-term solution and one which should bring about efficiencies as well as improvements to customers.
- 85** The Council is responding well to the need to review its staffing structures and levels in the Service. During the past 18 months the Service and contact centre had several vacant posts which remained unfilled at a time when caseload and demand were increasing. The Council has now recognised that whatever long-term model of improvement is adopted, it needs to address the issue of staffing levels as agency staff have been used to fill a number of long-term vacancies in the teams. This approach has helped to improve performance, but is not sustainable in the long-term as it does not provide best value for money. The Council has, very recently, produced a report setting out possible changes to the staffing in the service. These proposals, which are costed, recognise the need for additional, temporary staff over the system conversion period but also recognise that, once the new system is in place, there is a need to move to a reduced number of permanent staff.

What are the prospects for improvement to the service?

- 86** The quality and commitment of frontline staff is a major factor in strengthening the Council's capacity to improve. Both back-office and customer contact staff have a good customer service ethos, have a pride in their work and are very focused on delivering an improved level of performance. Managers now recognise these strengths, which have not been fully used over recent years and staff are increasingly being involved in developing improvement plans. Staff are beginning to benefit from a training and development plan which has recently been put in place, based on a training needs analysis carried out in September 2009.
- 87** Sickness levels within the Service have been improving over recent years. In 2007/08 staff took an average of 15.3 days off sick. However, this figure reduced to 9.6 in 2008/09 and, for the first eight months of 2009/10, it was 6 days. This has contributed to the improvements in processing times.
- 88** The arrangements in place for dealing with peak demand are adequate, both through membership of a national organisation which provides assistance in managing high work loads, and by the operation of processes within the Service for managing day-to-day workflow issues. In addition, there are arrangements in place to share staff between the assessment team and the customer contact team in the event of sickness or high demand. However, these arrangements are not yet formalised and, therefore, not yet adequately monitored. A corporate business continuity plan is in place in the event of IT failure.
- 89** The Council has an adequate approach to financial planning within the Service. The planning for 2009/10 assumed expenditure on consultancy and agency staff to support improvement. This meant that the total budget for 2009/10 (£999,240) was significantly more than the budget for 2008/09 (£754,773). The projected cost of the Service for 2010/11 is £830,720 reflecting the fact that most of the additional costs for consultancy support and agency staff in 2009/10 have ended. Also, the 2010/11 budget reflects the proposed changes to the staffing levels within the Service referred to above.
- 90** The Council, at a corporate level, is reasonably well placed to improve the extent to which it understands its customers and, as a result, to improve the way in which services focus on customer needs. It has obtained a large quantity of data on the demography of the borough and there is a good understanding of the need to use this data to develop the Service so it fits better with customer needs and expectations. The Service has recently used it to target a take-up campaign in Barlaston, identified as a deprived area. However, there is, as yet, no coordinated, resourced plan to do this within the Service.

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