

# Benefits Service Inspection

Torbay Council

February 2010



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# Service Inspections

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

- focus on public service outcomes from a user perspective;
- act as a catalyst to help inspected bodies improve their performance;
- concentrate inspection work where it will have most impact, so that it is proportionate and based on an assessment of risk;
- be based on a rigorous assessment of costs and benefits, with a concern for achieving value for money both by the inspected organisation and within the inspection regime itself;
- be, and be seen to be, independent of the inspected organisation;
- report in public, using impartial evidence to inform the public about the performance of public services so as to enhance accountability;
- involve collaborative working with other inspectorates and external review agencies to achieve greater coordination and a more holistic approach to the assessment of performance by audited and inspected bodies;
- share learning to create a common understanding of performance that encourages rigorous self assessment and better understanding of their performance by inspected organisations;
- be carried out objectively by skilled and experienced people to high standards and using relevant evidence, transparent criteria, and open review processes; and
- enable continuous learning so that inspections can become increasingly effective and efficient.

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

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

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# Summary

- 1 The Benefits Service (the Service) at Torbay Council (the Council) is 'fair' with 'promising' prospects for improvement.
- 2 Outcomes for people are mixed. The speed of processing claims is good but accuracy is relatively poor and the Council does not deal quickly enough with appeals. The Council deals well with vulnerable people. It is effective at detecting benefit fraud despite the limited resources it has for dealing with fraud.
- 3 The Council is committed to involving local people in helping to shape its services and has made changes as a result of customer suggestions. The Council's own satisfaction survey shows that customers are happy with the Benefits Service although not many people were involved in the survey.
- 4 Access to the Service is mixed. People can access the Service in the normal ways including discussing benefits in person and on the phone and the Council's website contains some helpful information. In addition, other organisations, such as registered social landlords and Age Concern can deal with people's benefits claims in Torbay. But there are some problems with phone access being too slow and some information is difficult to find on the website. The Council is working to improve this.
- 5 Benefits service standards are not clear and the information the Service provides is not always consistent, suitable or timely and the quality of written communications like letters is variable. This means that the Council spends too much time dealing with unnecessary queries.
- 6 The Council works well to increase the number of people who get access to the benefits they are entitled to. For example it has run campaigns in the poorest neighbourhoods in Torbay encouraging people to take up the benefits they are entitled to. And it uses discretionary housing payments well to support people facing financial hardship. The Service also works well to combat recession, worklessness and deprivation issues including proactive work with employers and helping people back to work. The Service is sensitive to the needs of people from different walks of life. It has improved the way it delivers the Benefits Service to specific groups such as Polish people and older people.
- 7 The Service is comparatively expensive and has failed to minimise the loss of government subsidy in the past. Costs are relatively high but the Service does understand why this is. The Council is now focused on reducing delays and errors in processing claims to ensure that it minimises the loss of government subsidy in the future.

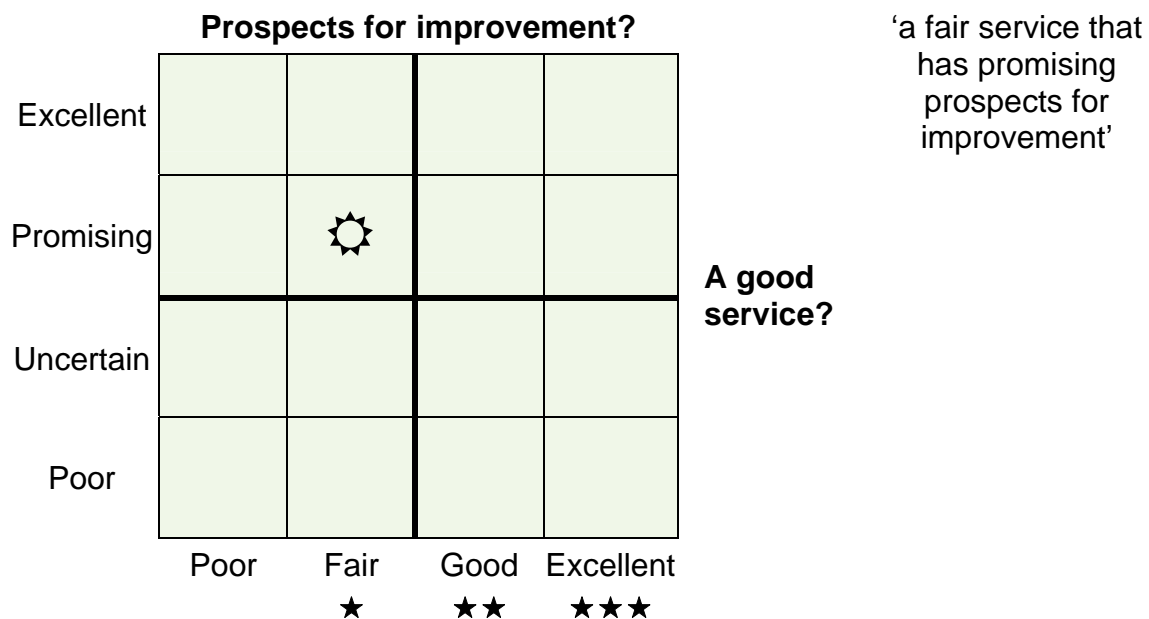
## Summary

- 8 Historically the Service was not focused on improving value for money. It failed to qualify for over £1m in government subsidy in the last four years by failing to deal effectively with delays and error. The Service recognises the need for change and improvement. It has carried out a significant review of the benefits service that resulted in comprehensive changes to working practices. It has already improved processing times and accuracy rates as well as improving the customer focus of the Service. And the Council has recently changed the way it recovers overpayments resulting in significant improvements.
- 9 Leadership is mixed. Officer leadership of the Service is strong. But councillors recognise that the Benefits Service has not had a high political profile that has resulted in poor accountability and this needs to be addressed.
- 10 The Service has a culture of openness to change and improvement and seeks to learn from others. It involves customers and staff in improving the Service. Empowered, enthusiastic staff ensure the Service has the capacity it needs to deliver improvements. The Council considers relevant issues when setting targets and performance management is improving. Staff management and training is strong but service and improvement planning is underdeveloped.
- 11 The Council works well with partners to increase the capacity of the Benefits Service and uses external funding and information technology to help improve the Service.

# Scoring the service

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

**Figure 1** Scoring chart<sup>1</sup>



Source: Audit Commission

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

- users are involved in helping to shape the Service;
- people can access the Service from a range of organisations including the Council, Age Concern and landlords;
- the Service actively encourages people to get the benefits they are entitled to;
- the Service contributes well to combat recession, worklessness and deprivation issues;
- the Council has improved the way it delivers the Benefits Service to specific groups such as Polish people and older people; and
- the Council considers the needs of vulnerable people in the way it delivers the Benefits Service including helping some people on very low incomes who are facing financial hardship by giving them extra money to help cover housing costs.

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

## Scoring the service

### 14 However, weaknesses include:

- amount of time it takes customers to get through on the phone sometimes;
- lack of benefits service standards resulting in customers receiving inconsistent information about how long it will take to pay claims;
- letters not as clear as they could be resulting in avoidable enquiries;
- speed of dealing with appeals;
- accuracy levels of benefits payments; and
- comparatively high cost service.

### 15 The Service has promising prospects for improvement because:

- it has recently improved processing times, accuracy and recovery of overpayments;
- it has recently introduced significant changes to working practices to improve performance and customer experience;
- it has a culture of openness to change and improvement;
- staff and customers are involved in improving the Service;
- staff have a genuine wish to improve the Service for customers;
- it works well with partners to increase access and capacity; and
- it manages and trains its staff well

### 16 However barriers to improvement include:

- a lack of focus on value for money resulting in a loss of over £1m subsidy over the last four years and a lack of transparency about this for senior managers and councillors; and
- lack of clarity about political ownership and accountability of the Service;

# Recommendations

- 17 To rise to the challenge of continuous improvement, councils need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the Council. In addition, we identify the approximate costs<sup>1</sup> and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Council should do the following.

## Recommendation

**R1** Design the Service to meet customer needs by:

- developing benefits service standards, in consultation with benefits customers and staff, that clearly set out what they can expect for time to pay benefit and where they can access the Service (including approved partners);
- working with partners such as registered social landlords, private sector landlords, Torbay Pound, Age Concern, Citizen's Advice Bureau, Job Centre Plus to routinely capture benefits customer feedback and measure satisfaction with the Service.
- Talking to registered social landlords about the possibility of using tenant panels for regular consultation;
- working with partners and customers to review and inform improvements to letters;
- asking benefits service users about what they think the strengths and weaknesses of the service are and what they would like to see delivered differently; and
- monitoring take-up initiatives and campaigns to learn what works well and what doesn't.

The expected benefits of this recommendation are:

- increased benefits customer satisfaction; and
- a better understanding for the Council of the views of customers to help determine the future of the service.

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

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

## Recommendations

### Recommendation

**R2** Improve access to the Service by:

- ensuring benefits service standards are clear and readily available to customers;
- ensuring that the new electronic claim form is fully linked to the back office as soon as possible;
- promoting use of the electronic claim form to approved partners such as Age Concern and registered social landlords and advertising the electronic form on the website and in offices to improve customer awareness; and
- advertising clearly to customers the facilities that are available to them such as portable loops for people with hearing aids and private meeting rooms for people who wish to have confidential conversations.

The expected benefits of this recommendation are:

- improved understanding for staff about what service levels to expect and where customers can access the Service;
- improved efficiency in handling benefit claims;
- streamlined access to benefits for customers from the Council and approved partners; and
- improved access to facilities to help some customers.

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

### Recommendation

**R3** Improve management information available to councillors, managers and staff by:

- ensuring benefits service standards, such as the time to pay benefits claims, are readily available to staff;
- reviewing use of the new performance management software to ensure that it clearly records progress against key actions in the improvement plan;
- reviewing reports from the new performance management software to ensure that they contain relevant, accurate and timely information; and
- ensuring that senior managers and councillors are informed about progress and any issues quickly and use this knowledge to effectively challenge service performance.

The expected benefits of this recommendation are:

- improved understanding for staff about what service levels to communicate to customers;
- improved awareness for staff, managers and councillors of issues that impact on performance and value for money; and
- improved management information for staff, managers and councillors to better understand progress with planned improvements and day to day performance.

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

- 18 We would like to thank the staff and councillors of Torbay Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 14 to 18 December 2009.

# Report

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## Context

### The locality

- 19 Torbay is an urban area in South Devon in a region known as the English Riviera. It is a popular tourist destination with 35 kilometres of coastline. Most residents live in the towns of Torquay, Paignton and Brixham.
- 20 There is a static population of over 134,000 which can rise by as much as 50 per cent during the busiest holiday periods. The age profile is older than average and the ethnicity of the area is mostly white, with numbers of black and minority ethnic people below average.
- 21 Like other seaside resorts, deprivation – poverty, poor housing and health - is worse than the national average. Unemployment and the number of people who claim housing benefits are high. Compared to the rest of the South West, Torbay has a larger proportion of working aged residents claiming benefits: 4.5 per cent claim Job Seekers Allowance (JSA), 10.1 per cent claim Employment Support Allowance (ESA) and 2.1 per cent claim lone parent benefits. All are above the regional and national averages. The local economy relies on tourism for many jobs and this contributes to seasonal employment and low wages. Many local people depend on rented property for housing with one of the largest private rented sectors in England. And Torbay has comparatively few socially rented (housing association or ex-council) houses.
- 22 Most jobs are in the services industry particularly the distribution; hotels and restaurant; public administration; education; and health sectors. The area also has an above average proportion of jobs in the tourism industry. Wages in Torbay are considerably lower than the national average. House prices are also below average although, as of 2008, the income to house price ratio is higher than both the regional and national average.

### The Council

- 23 Torbay Council is a unitary authority with an elected Mayor and cabinet system. The Council is made up of 24 Conservative, nine Liberal Democrat and three Independent councillors. The mayor and councillors are supported by council officers. The officers are led by a chief executive and four commissioners.
- 24 As part of the Comprehensive Area Assessment, the Audit Commission assessed the Council as performing adequately. (We judge councils to be performing either poorly, adequately, well or excellently.)

## The Council's benefits service

- 25** Housing Benefit (HB) and Council Tax Benefit (CTB) are national welfare benefits administered by the Council on behalf of the Department of 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.
- 26** From 1 April 2008, the Audit Commission became responsible for benefits inspections, following the transfer of powers from the Benefit Fraud Inspectorate.
- 27** 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.
- 28** 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 Torbay Council, the reasons for commissioning the inspection were:
- speed of processing claims appears to be good but auditors are not sure that the information the council uses to show this are reliable;
  - continued loss of government subsidy payments; and
  - lack of evidence to demonstrate sustainable and continuous improvement across all areas of administration at a time when most councils are improving.
- 29** The key objectives of this inspection were:
- to assess the effectiveness 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 regarding the quality of service provision.
- 30** The Service in Torbay pays out around £62.7 million per year to:
- 16,847 people claiming council tax benefit, of which 6,303 are solely claiming council tax benefit and 10,544 combined rent allowance and council tax benefit; and
  - 12,318 people claiming Rent Allowance of which 3,891 are tenants of Registered Social Housing and 8,427 are tenants of private landlords.

Of the total caseload of 18,716, 7,684 people are of pension age and 11,032 are working age.

## Report

- 31 The Service is run in-house as part of the customer contact business unit with 60 FTE staff. The cost of running the Service in 2008/09 was £2.2 million of which £1.7 million is funded by DWP and the balance is met by the Council.

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# How good is the service?

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## What has the service aimed to achieve?

- 32 The Local Area Agreement (LAA) sets out the priorities for the area agreed between central government and Torbay's Community Partnership (a partnership of key public sector agencies that deliver services in Torbay). Torbay's LAA includes a target to reduce the number of working age people claiming out of work benefits from 30.1 per cent in 2008/09 to 28.8 per cent in 2010/11.
- 33 The Council has a clear vision for the Benefits Service. The strategic aims of the Service are reducing poverty, tackling the benefits culture and worklessness and increasing the income of residents in the Bay. Torbay's approach is to ensure that income to vulnerable households is maximised, thus reducing economic hardship and increasing the amount of money available to be spent in the local area.
- 34 The Corporate plan does not specifically include reference to the benefits service. It is not clear from the Corporate plan what plans the Council has to contribute to the LAA target of reducing the number of people claiming benefits.

## Diversity, access, customer care, user and community focus

- 35 The Council is committed to involving local people in helping to shape its services. The Council has used a customer forum of 105 people (including 40 benefits customers) to consult about customer contact services and to ask some specific questions about how to improve the benefits service. Letters sent to participants following the meetings contain honest and open feedback and how the Council plans to make genuine improvements to services as a result. And the Service provides information in benefits leaflets about what customers said and how it has changed the Service as a result.
- 36 Access to the Service is mixed. People can discuss benefits in offices in Brixham, Torquay and Paignton. They can also telephone the Council to speak to staff about claims and some useful information is on the website including a benefits calculator, although not all information on the website is easy to find. The telephone service is available on Saturday mornings which is useful for low wage benefits customers who may work at other times. But people telephoning the Service can have unacceptable delays. The Council is aware of this and is addressing it but at the time of our inspection, this was still a problem. The Council has recently changed the way that it gives work to benefits assessors which means the same person will deal with a claim from start to finish. This makes it much easier for customers to know who they need to talk to about their benefit claim.

## How good is the service?

- 37** The Council works well with partners to improve people's access to benefits. For example, some local registered social landlords and Age Concern in Torbay are approved to handle benefits claims. As part of its work, Age Concern carries out home visits to older people to help them with their benefits claims. The Council also provides training to other agencies including registered social landlords, Age Concern and other voluntary sector organisations. Having organisations trained and accredited to deal with benefits claims means that customers and potential customers have a wider range of ways to access the Service.
- 38** Service standards are not clear and the information the Service provides is not always consistent, suitable or timely. The lack of clear, published standards for benefits covering things like how long it will take to pay a claim, means that not only is this not clear to customers, but staff give out mixed messages about this when people ask. And sometimes staff ask for unnecessary personal information before understanding the nature of a query. It is not always necessary to ask for lots of personal details if the customer is asking a quick question about benefits entitlement and this can be off-putting. And the Council provides private rooms but staff do not always make this clear to customers who visit the Council's offices.
- 39** Written communication is mixed. The Service has improved its claim forms including provision of an electronic claim form that asks for relevant and appropriate information tailored to individual responses. And the Service has produced some shortened claim forms for specific situations, for example to report a change of address or other circumstances and for people who have been recently widowed. Claim forms also contain full details of changes that should be reported that will impact on benefits. This is important to help reduce fraud and other types of over or under payment. But claim forms are not clear about all the ways that people can access the Service. For example the form does not state that people can access the service through some registered social landlords or through Age Concern. And some of the letters the Service produces are not clear, particularly the letters telling people the amount of benefit they are entitled to. The Council recognises this and is planning work to improve the letters.
- 40** The Council spends too much time dealing with unnecessary queries. The Benefits Service has identified that nearly a third of enquiries from customers could be avoidable if the Service provided better information in the first place. The two main types of avoidable contact are chasing up progress with a claim and asking for help to explain confusing letters.

- 41 The Council works well to increase the number of people who get access to the benefits they are entitled to. The Service regularly attends events and works with partners to increase take up. Examples of the events that it uses to promote benefits take up are markets, jobs fairs, volunteer days, awareness days for black and minority ethnic groups and carers days. The Service also targets employers to make sure that people on low incomes, or who are in and out of work, get access to the benefits that they are entitled to. Benefits advisers and assessors also visit different parts of Torbay monthly to provide help and advice to people about the benefits that they might be entitled to. The Service also commissioned the Citizens Advice Bureau to do outreach in GP surgeries. From next year, once advisers are trained in a wide range of advice provision, the Council's own staff will carry out these outreach surgeries. Effective take-up campaigns help more local people become aware of benefits they may be entitled to, which can increase their income and bring extra money into the local economy<sup>1</sup>. But the Council is not clear about which of its initiatives and campaigns are the most effective and this is important so that the Service knows which ones to try again.
- 42 The Service contributes to combating recession, worklessness and deprivation. Several benefits staff and managers are involved in partnership activity aimed at supporting people through the recession, helping people back into work and specifically targeting people in deprived wards. For example, the benefits service is proactive in passing on information to other agencies about the profile of new customers. This helps organisations involved in supporting businesses to target specific sectors where the benefits profile information shows that people are being laid off and therefore businesses may need targeted support. Benefits staff are also well-connected with other agencies to help signpost people to opportunities. For example benefits staff have put customers in touch with volunteering opportunities that have then resulted in full-time work. And the Service has run take up campaigns in the most deprived wards in Torbay. It worked with local community partnerships to decide the best way to do this in each ward. This resulted in mailshots in one ward and using an outreach caravan in another two.
- 43 The Council uses discretionary housing payments well to support people facing financial hardship. It actively promotes the availability of this money to help ensure that those most likely to be in need of help can access it. The Service provides guidance to staff about when to use this money to make additional payments and it decided, because of the current economic climate, to increase the money available for discretionary housing payments. Councils receive money from the government to allocate as discretionary housing payments and Torbay Council decided to increase the money available by assigning some of its own funds too. In 2007/08 the Council awarded £72,146 which was above the DWP allocation of £50,904 for the year. In 2008/09 the Council paid out £112,068 compared with a DWP allocation of £94,569.

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

## How good is the service?

- 44 The Service is sensitive to the needs of people from different walks of life. For example, the Service identified the largest group of non-English speaking customers are Polish. As a result, some benefits staff learnt Polish and the Council produced a welcome pack that it gives out to all new Polish residents in the Bay when they contact the Service. The Service regularly attends local Polish events to encourage take-up among the community and responds to requests to translate all correspondence into Polish.

### Service outcomes for users and the community

- 45 The speed of processing benefits claims in Torbay is mixed. The Benefits Service met its National Indicator (NI181) target in an average of 20 days for 2008/09 to process new claims and change events. This could be split out as 23 days for new claims and 13.5 days for changes of circumstances. Unaudited year to date performance provided by the Service, from April 2009 to September 2009 shows it is now taking an average of 12 days (against its new target of 10 days) to process new claims and change events. This can be split out as 23 days for new claims and 10 days for changes. The data for December, although not finalised when we saw it, shows deterioration in this performance. Processing new claims and changes of circumstances promptly ensures that customers receive a quicker decision on their claim leading to faster payments.
- 46 Accuracy levels in processing benefit claims are poor. The Council's accuracy for processing claims is 92 per cent, which is low compared with other councils. This means that nearly 1 in 10 claims assessed are initially wrong although the Council corrects these claims before it pays the customer. It is important to ensure that claims are awarded accurately and quickly to ensure people receive the correct amount of benefit as fast as possible.
- 47 The Council uses limited resources effectively to detect benefit fraud. The Service carries out a range of measures such as publicity, postal review forms and targeted visits to reduce error and detect fraud. Information about when people need to report changes in their circumstances affecting their benefits is given on claim forms, on the website, in letters, in leaflets, on posters and in person at the customer counter. People can report suspected fraud anonymously and staff receive training in how to deal with these allegations. The service also works well with the Job Centre Plus to tackle fraud and publicises successful prosecutions. The Council increased the number of fraud sanctions and prosecutions it delivered this year.
- 48 The Service is not dealing with appeals quickly enough. The Service carries out a comprehensive review of a claim before referring the case to an appeal tribunal. This helps to ensure it corrects any errors without the customer having to go to a tribunal, but it means that some customers wait too long for an independent person to hear their appeal. In 2008/09, the Council took longer than four weeks to submit 43 per cent of appeals and longer than three months to submit 6 per cent. This means customers are waiting longer to receive the correct benefit they are entitled to if the Council has made the wrong decision.

- 49** The Service takes satisfactory steps to protect vulnerable people who may be the subject of fraud investigations. It also puts mechanisms in place to support people with overpayments and provides some support for people who wish to appeal. For fraud investigations, the Council follow DWP guidelines and points out to people that they can attend interviews under caution with support from various sources. Staff carry out a full risk evaluation to ensure that they consider issues like the mental health of clients in each case. In the case of overpayments, officers telephone the customer and if necessary send a visiting officer. They arrange individual payment plans depending on what people can afford and signpost people to other agencies (such as debt counsellors) for support. For appeals, officers work with individuals to help them through the process if necessary - for example appeals do not have to be put in writing and officers will also signpost people to other agencies for support.
- 50** The Council does not yet have comprehensive satisfaction information from benefits customers. Some benefit customers are happy with the Service. A survey of 64 customers carried out in November 2009 showed that over 80 per cent of customers described their overall satisfaction with the service as good (53 per cent) or excellent (28 per cent). Over 80 per cent also described their satisfaction with information and the correct assessment as good (56 per cent) or excellent (28 per cent). And nearly 70 per cent described their satisfaction with speed of processing as good (50 per cent) or excellent (19 per cent). These results are encouraging but the number of people who took part is very low given the number of cases the Council deals with.

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### Is the service delivering value for money?

- 51** Value for money of the Service is mixed. The Council recognises its costs are high but understands the reasons including many transient and seasonal workers. The cost per claim is third highest for a comparative group of similar councils and cost per head on benefits administration is well above average. However, local taxpayers contributed 37 per cent towards the cost of running the Service in 2008/09, which is below the average of 39 per cent across all councils. And the cost per transaction is comparatively low because the Council deals with a large number of changes of circumstances due the seasonal and transient nature of many of the workforce. As mentioned earlier, the Council's activities in detecting and dealing with fraud represent good value for money with a comparatively high number of sanctions per staff member. It is important that councils understand the reasons for their relative costs so they can maximise value for money.
- 52** The Council is now focused on reducing delay and error in processing claims. It is suspending individual cases where any reported change is likely to create an overpayment until it has all the information to process the case. The subsidy claim is yet to be audited but the Council's performance monitoring information shows that it is on target to be paid the extra subsidy given by the DWP for the first time in five years. Minimising subsidy loss could mean extra investment in this key service to the vulnerable in the community.

## How good is the service?

- 53** The Service is effectively recovering overpayments. So far this year it has recovered 95 per cent of overpayments. Recovery action against older debt is satisfactory with the Service collecting 34 per cent of all debt in 2008/09 which is above average. The recovery of outstanding debt reduces the cost burden on the local taxpayer in running the Service.

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# What are the prospects for improvement to the service?

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

- 54 Historically the Service was not focused on improving value for money. It lost over a £1m in government subsidy in the last four years by failing to deal effectively with delays and error. The Council lost benefit subsidy from the DWP focusing on new claims rather than processing changes in circumstances that have led to overpayments. The Council recognises that it has historically focused too narrowly on a few targets and is putting actions in place to deal with this.
- 55 The Service recognises the need for change and improvement. In 2008/09 it carried out a significant review of the benefits service that resulted in comprehensive changes to working practices. The review, known as a business process re-engineering review, examined all the ways the Service used to do things and introduced changes aimed at improving efficiency and the customers' experience of the Service. This included changing how the Service assigns work to assessors to improve ownership as well as developing a new electronic claim form that will directly populate the back office system. It has already improved processing times and accuracy rates as well as improving the customer focus of the Service. The backlog facing the Service is now lower than it has ever been and customers report improvements in the Service that they receive, including having one assessor dealing with their claim so they know who to talk to.
- 56 The accuracy of benefit claims is improving but from a low base. The Service has a history of focussing on speed rather than accuracy. The Service has recently increased its target for accuracy from a very low target of 80 per cent to 92 per cent. It has plans to further increase this target to 98 per cent in 2010/11. Managers and staff are now taking actions to achieve increased accuracy. For example managers now check 20 claims for each staff member over a four-week period and 100 per cent of claims processed by new staff. This checking for new staff is reduced as the number of errors reduces. Other checks are conducted, such as for high amounts of payments.
- 57 The Council has recently changed the way it recovers overpayments resulting in significant improvements. The overpayments recovered increased from 67 per cent in 2008/09 to over 95 per cent for the first six months in 2009/10. The Council's Corporate Debt Team now collects overpayments so the Council can look at all debts outstanding to increase recovery.

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

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### How well does the service manage performance?

- 58 Leadership is mixed. Officer leadership of the Service is strong. Staff and partners recognise the contribution that managers make to improving the Service and to the contribution of wider objectives such as reducing worklessness. But councillors recognise that the Benefits Service has not had a high political profile resulting in poor accountability and this needs to be addressed.
- 59 The Service has a culture of openness to change and improvement and seeks to learn from others. For example, the Council explored working with another council that uses the same software to cover peaks and troughs in activity. The pilot did not result in continuing with the arrangements but this was for valid reasons and the pilot does show the Council's openness to exploring new ways of working. As part of the business process re-engineering exercise, the Council visited other councils to learn about improvements they have made such as improving communication with customers at Sedgemoor.
- 60 The Service values staff views in shaping the service. Staff were heavily involved in the review of the Service and have several opportunities to contribute to service improvements. For example the Council carried out a suggestion from a benefits assessor shadowing a customer service adviser about putting dates of benefit payment runs around Christmas on plasma screens in the reception area. Benefits and council tax staff have carried out mystery shopping to ensure a good, effective service and promote greater back office staff involvement in customer services. Customer service advisers can make suggestions to their back office colleagues, who will discuss them at regular office meetings. Staff welcome the fact that managers value and seek their input.
- 61 The Council involves service users in improving the benefits service. Benefits customers were involved in the design of the electronic claim form. The Council also uses complaints to improve the benefits service. Some complaints have been upheld and the Service has made changes to the service as a result or reminded staff through meetings and training of agreed procedures. The Service is using an approach called journey mapping to involve customers to further improve the Service. This involves providing a customer with a video camera that they record all their interactions with the Council on. The Council can then use this footage to see what works and what doesn't and where inefficient or unhelpful steps are in the process from a customer perspective. Involving customers in service design and improvement is important to make sure that service changes will genuinely help customers. Customer views fed into some of the improvements that are planned following the review of the Service, such as improvements to notification and other letters.

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

- 62 Performance management is improving. The Council is improving its corporate performance management approach and the Service has a strong focus on performance. New and improved arrangements are in place to allow senior managers and councillors to more easily examine service performance. The Service uses performance information to improve services. For example, because of increased benefit demand shown through an increase in claims, the Council recognised that it needed to earmark extra money to discretionary housing payments. It used £35,000<sup>1</sup> of recession funding to do this. But historically, there has been an over-focus on a limited number of performance indicators to the detriment of the Service. In the past, the Service was so focused on speed of processing claims that accuracy suffered. As a result, not only did people not receive the correct benefits, but the Council lost out on subsidy from the government. And senior managers and councillors did not receive appropriate information to allow them to know that this was happening. Senior managers and councillors now recognise this and have a more rounded approach to managing the performance of the Service that considers a much wider and more suitable range of issues.
- 63 Service and improvement planning is mixed. The Council no longer needs managers to produce annual service plans. Instead, managers use a piece of performance management software to monitor and manage their service. But the Benefits Service is not yet using this to cover all aspects of service and improvement planning and not all the information recorded in it is accurate. For example, the Service has an improvement plan that includes actions resulting from, for example, the business process reengineering review. But managers have not put these actions into the new software. This means that managers and councillors cannot easily review progress of these actions. Staff and managers do meet regularly to discuss progress against the improvement plan but this is not clearly documented and so progress is not as clear to senior managers and councillors as it could be. And some of the most recent performance information that we reviewed in the system appeared to be inaccurate.
- 64 The Council considers relevant issues when setting targets. For example, it changed targets for processing times during a time of significant change because it recognised that a dip in performance was likely. And it has increased its accuracy target from 80 per cent (which is very low) to 92 per cent. This target is still low but the Service recognises this and plans to revise it to 98 per cent in 2011 if monitoring information shows that progress is being made. The reason for the initial low targets was to allow planned changes to settle in. And without national comparison data for national indicators, the Council has set itself targets to improve its own performance on the time it takes to process claims and the avoidable contact that customers have with the Council.

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<sup>1</sup> The Council received £225,000 recession funding from the DWP in 2009/10.

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

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### Does the service have the capacity to improve?

- 65** Empowered, enthusiastic staff ensure the Service has the capacity it needs to deliver improvements. Benefits assessors and customer service advisers work well together, with well trained customer advisers providing a range of help and advice. Assessors provide technical backup when needed by attending customer appointments, drop-ins, and carrying out call backs daily. Changes to the way of organising the workload have resulted in increased ownership of cases by assessors which enables them to provide a better and more accessible service. The Council encourages staff to come up with ideas for improvements to the Service and to take actions to make these happen. One example is a customer contact advisor suggestion to publicise Christmas payment times better in reception offices. This means that staff are committed to delivering improvements to the benefits service that local people receive.
- 66** The Service provides a sound training programme for benefits staff. Trainers provide an extensive induction course for new staff as well as regular updates to keep staff up-to-date with changes and respond to individual needs. Managers check the quality of work every month and the training section receives a report of errors that it uses to identify individual or group training needs. Each assessor has a training progression plan to identify training needs and help job progression. And there is an electronic training program that staff find helpful. The Council also supports people to take a national qualification in customer care and provides a corporate leadership and development programme and other training such as IT, project management and financial training.
- 67** The Service manages staff well. Managers hold regular one-to-one meetings for each member of staff as well as annual appraisals and 6 monthly reviews. Staff have targets linked to delivering the right benefit in the right time. The Service understands the reasons for high sickness levels and takes proper action to manage this. And the Service has introduced home working for some benefits assessment staff. This has improved flexibility, improved staff retention and helped some people who have been on long-term sick leave return to work.
- 68** The Council is working with others to increase the capacity of the benefits service. It plans to increase staffing levels in its fraud team in recognition of a small team in comparison to its caseload. Extra funding will be used to increase capacity through a shared approach to tackling fraud between Job Centre Plus, Torbay Council and Teignbridge District Council. And the Council is training some customer advisers in a wider range of information provision and advice. This will enable these assessors to provide a greater range of advice and help to customers with complex needs such as providing debt advice and signposting people to other agencies who can provide support. This initiative is part of a Torbay wide programme of joint training across various organisations that provide advice and help to people to ensure a consistent approach. The Service is also combining some staff into one generic visiting team who will be able to help people access benefits and provide more advice if necessary. This team will help reduce the duplication currently in the Council and deliver a more joined up service for local people.

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

- 69 The Council uses external funding and information technology to help improve the Service. The Council used some funding from DWP to improve technology including improved systems for managing documents and an online claim form. It provides internet access for customers to use in its contact centres, has increased the use of BACs to pay customers and landlords and introduced an electronic claim form that integrates with processing systems. And plans for further use of technology include automation of registered social landlord rent increases and automation of error reports. The Council also used some recession funding from the DWP to increase the number of assessors available to process benefits claims. These improvements are important during the current increase in the number of people claiming benefits because of the economic downturn.
- 70 The Service believes it has access to enough resources but it is too soon to be clear about this. The Council plans to reinvest additional subsidy in the Benefits Service. And the Council also believes there may be savings from a review of support services and increased exploration of shared services with other councils which could result in increased capacity. The Council also plans to review its use of recession funding in 2010. It has spent some of the extra funding assigned to it by the DWP but wishes to review how to spend the rest once it has a full quarter of performance data available (in January 2010) to understand how new processes and practices are impacting performance.

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# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

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