

Benefits

Service

Inspection

West Somerset District Council

November 2008



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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 web site at www.audit-commission.gov.uk.

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

Summary

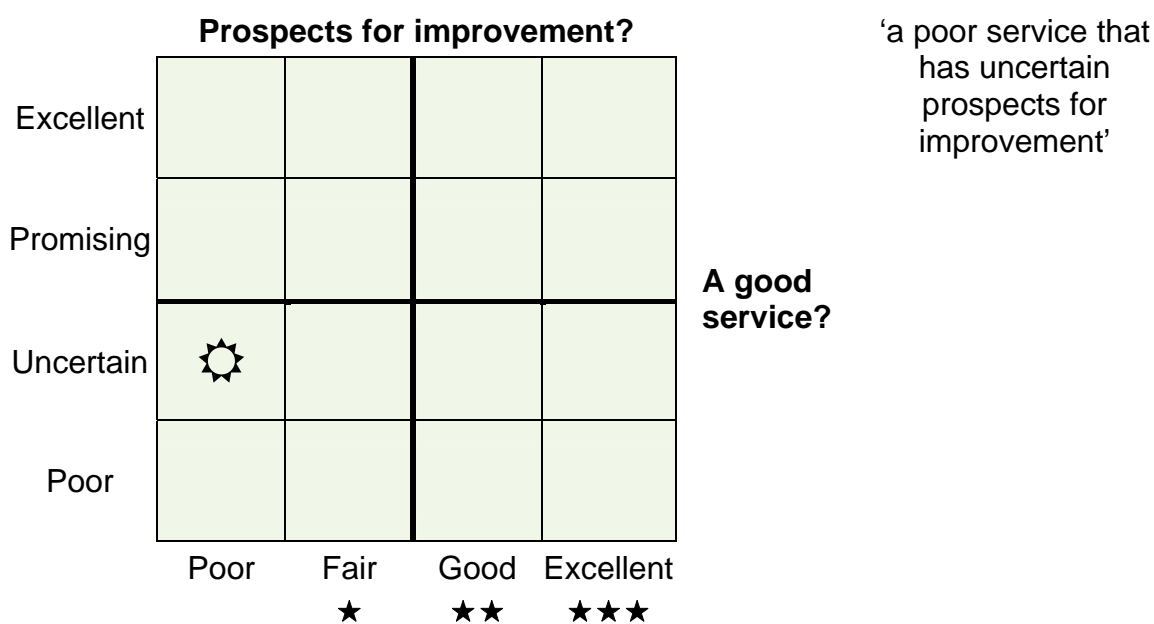
- 1 The Benefits Service (the Service) at West Somerset is poor with uncertain prospects for improvement. Although performance has improved over the last year it was in the worst 25 per cent nationally in 2007/08. In 2005/06 the Service suffered severe staff reductions which impacted upon its performance.
- 2 There is limited engagement with customers and currently the Service is not designed around the needs of local people. Consultation has been poor and there are no formal mechanisms in place to capture feedback. There are mixed relationships with partners. However the Service has become more customer focused over the last two years and access has improved with a new customer contact centre in Minehead, a recent move to new offices in Williton and improved telephone contact. There is also a wide range of information available on its website.
- 3 The Service is not maximising the take up of benefits and information provided is not easy for customers to understand. There is no proactive fraud intervention work and it does not effectively minimise fraud and error.
- 4 The Service cannot demonstrate that it delivers value for money. Costs for the Service are low in comparison with its nearest neighbours, but processing times are high, anti-fraud outcomes are poor and customer satisfaction is low. The Service and Council are proactive in delivering efficiencies through joint procurement and partnership working however, and the unaudited subsidy claim shows improvement.
- 5 The prospects for improvement for the Service are uncertain. The Service recognises many of its weaknesses and has taken action to address some of these. Performance management is improving across the Council but this does not yet cover all aspects of service delivery. Capacity is improving through training and the use of an external service provider but the Service has limited capacity. Performance within the Service has improved recently but there are no robust or SMART¹ plans in place to deliver improvement. Consequently the Council is not aware of the action required to improve or sustain the improvements delivered and there is no corporate endorsement.
- 6 The Service has made a number of improvements in the last year and this is reflected in current performance. It has invested in information technology, improved working practices and has entered into a contract with an external provider improving the continuity of service delivery. These improvements have impacted upon customers who now receive their benefit quicker and have better access through telephone, website and frontline services. The Council has focused on other priority service areas in the first year of a three year corporate improvement plan and the Service is not currently included.
- 7 Although BVPI performance slowed in 2007/08 there is strong commitment from Councillors and staff to deliver improvements and achieve financial viability. There is a corporate improvement plan in place, which is delivering the right building blocks for improvement across the Council and an Improvement Board. Continued funding for the improvement plan is dependent upon satisfactory progress against it.

¹ Specific, measurable, attainable, resourced and timed.

Scoring the service

8 We have assessed West Somerset District 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 chart²



Source: Audit Commission

9 The Service is poor because it has a range of weaknesses including:

- despite some recent improvement, performance was in the worst performing 25 per cent nationally in 2007/08. Consequently it has not provided a responsive service and this resulted in significant delays for customers;
- limited engagement with users and little evidence that it fully understands the needs of customers. Consequently there is a risk that it is not meeting the needs of the community;
- anti-fraud performance is poor and is deteriorating;
- customer satisfaction is poor; and
- it cannot demonstrate that it is delivering value for money.

² 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.

10 However, it has some strengths. These include:

- performance in the Service has improved recently and customers are receiving benefit quicker than previously;
- customer access is improving, visitors can obtain advice at both Minehead and Williton offices, the telephone customer contact centre is delivering a good service and there is good information available on the Council's website;
- proactive encouragement for customers to provide all information to allow quicker processing of claims; and
- good management and recovery of overpayments.

11 The Service has uncertain prospects for improvement because:

- currently the Council does not have robust Service improvement plans in place;
- the Service has limited capacity;
- there is limited understanding between corporate managers and Councillors of the improvements required within the Benefits Service and the Service currently has a low profile in the Council; and
- performance management is still not fully developed.

12 However,

- the Council is making progress against its corporate improvement plan to addresses cross-cutting issues that impact on service areas, such as performance management and budgetary control;
- it has realised better integration of staff, better communication and a better working environment through its move to new offices;
- there have been investments in the Benefits Service such as information technology which are helping to deliver an improved service to customers and it is introducing 'e-benefits' software which will further improve access to services; and
- it is using an external provider to ensure it delivers an adequate level of service.

Recommendations

13 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 costs³ 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 Involve customers in improving the accessibility of benefits to those who are, or may be entitled, by:

- undertaking take-up campaigns that are well planned, properly evaluated and integrated into business plans;
- understanding why people who are entitled to claim benefits do not claim benefits;
- seeking customer and internal and external stakeholders views for consideration in the design of the Service to ensure it meets their needs;
- considering the need for an out of hours service;
- promoting the visiting officer facility; and
- jointly working with public sector, voluntary and community organisations locally to improve the delivery of service.

The expected benefits of this recommendation are:

- improved understanding of the needs of people within the community which will lead to a more targeted and focused approach to take up;
- using resources more effectively to maximise benefits for customers and potential customers which will contribute directly to reducing poverty and levels of inequality;
- securing additional money into the local economy through increased levels of benefit take up;
- improved access to the Service and a more certain knowledge that customer's needs regarding access are being met; and
- increased customer satisfaction.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by July 2009.

³ Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 percent and high cost is over 5 per cent.

Recommendation

R2 Raise the profile of the Benefits Service by:

- ensuring there is an appropriate councillor champion for the Service;
- ensuring the Service realises its potential to fully support wider corporate and community aims;
- publicising anti-fraud achievements; and
- proactively communicating with internal and external partners.

The expected benefits of this recommendation are:

- strengthened political leadership for the Service;
- appropriate capacity given to the Service to enhance service delivery;
- deterrent of fraud within the district; and
- a more joined up Council for users of all services.

The implementation of this recommendation will have high impact with low costs. This should be implemented by February 2009.

Recommendation

R3 Ensure that challenging service standards and performance targets are relevant to customers needs, and met by:

- developing service standards and performance targets through consultation with key stakeholders including customers, partners and Councillors;
- promoting them to customers;
- monitoring the performance against the standards and reporting results to customers, senior managers and Councillors;
- monitoring and reporting the performance of outsourced parts of the Service such as processing, appeals and reconsiderations; and
- ensuring the Service has capacity to deliver them.

The expected benefits of this recommendation are:

- greater clarity for both internal and external customers on what the Service should be delivering;
- improved outcomes for users with a stronger focus on achieving service standards and performance targets;
- Councillors' challenge of performance will be more effective which can help drive improvement; and
- The Council should be able to demonstrate value for money and effective delivery of services for parts of the Service outsourced.

Recommendations

The implementation of this recommendation will have high impact with medium costs. This should be implemented by September 2009.

Recommendation

- R4** Improve performance monitoring and management of the Service by;
- setting, monitoring and reporting appropriate performance targets to senior managers and Councillors;
 - developing service and action plans to deliver planned improvements which are endorsed by Councillors; and
 - ensuring there are strong operational contingency arrangements in place in light of the reliance on key personnel.

14 The expected benefits of this recommendation are:

- appropriate performance measures are reported to senior managers and Councillors to ensure suitable decisions are made about the Service;
- clarity about the direction of service delivery;
- endorsement by Councillors of planned improvements in light of the financial constraints facing the Council; and
- continuity of service delivery.

The implementation of this recommendation will have high impact with low costs. This should be implemented by March 2009.

Recommendation

- R5** Reduce benefit fraud by;
- setting appropriate performance targets based on caseload and national priorities;
 - aligning resources to achieving the targets based on an understanding of the fraud risks of the local area;
 - undertaking proactive intervention work; and
 - deterring fraud through publicising successful prosecutions.

The expected benefits of this recommendation are:

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

The implementation of this recommendation will have high impact with high costs. This should be implemented by June 2009.

Recommendation

- R6** Improve awareness and delivery of value for money by;
- identifying robust indicators that measure efficiency and productivity for example claimants per assessor, cost per claim, and monitor and report these,
 - undertaking effective benchmarking with appropriate organisations and Peer reviews; and
 - reviewing alternative ways of delivering the Benefits Service using robust cost benefit analysis and options appraisals to ensure the delivery of best value for money.

The expected benefits of this recommendation are:

- improved clarity on the appropriate level of funding and resources for the Service;
- resources for continual improvement and efficiencies will be effectively targeted;
- assurance to stakeholders and Councillors that the Service is delivered in the most appropriate way; and
- the ability to demonstrate improved value for money.

The implementation of this recommendation will have high impact with medium costs. This should be implemented by October 2009.

Recommendation

- R7** For the Benefits Service to be re-inspected.

The expected benefits of this recommendation are:

- to provide assurance to council tax payers and the Government, that the planned improvements have taken place;
- to provide assurance to benefits customers that the planned improvements have taken place;
- to increase the Council's confidence that the Service delivers value for money; and
- to increase staff and managers motivation and confidence that they are delivering an improved service.

The implementation of this recommendation will have high impact with low costs. This should be implemented within a suitable timeframe to be agreed, recommendation is 24 months.

- 15** We would like to thank the staff of West Somerset District Council who made us welcome and who met our requests efficiently and courteously.

Report

Context

The locality

- 16** West Somerset is a district council, located in the county of Somerset. It covers an area of 725 sq km which includes 32 miles of varied coastline. The majority of the population live along the 'coastal strip' which includes the district's largest town; Minehead and smaller settlements such as Watchet and Williton. The majority of the district falls within Exmoor National Park and a large proportion of the remaining area is covered by the Quantock Hills Area of Outstanding Natural Beauty.
- 17** The population of West Somerset is 35,300 people; and it is estimated that 32.1 per cent of this population are at retirement age (60 years and 65 years for women and men respectively). This figure is above the national and regional average. It is predicted that the population in West Somerset will increase by 15.86 per cent over the next twenty five years (2006 to 2031). .
- 18** The largest increase is expected in the 85+ age group which will increase by approximately 140 per cent. In contrast, it is predicted that there will be decreases in the working age population within the area. Around 4.25 per cent of the population is from a BME background compared to 4.92 per cent in Somerset, 6.86 per cent regionally and 15.3 per cent nationally.
- 19** There are pockets of deprivation in the District and it is ranked 106⁴ out of 354 (where 1 is most deprived). The most deprived areas are within the wards of Minehead South, Williton and Watchet. Unemployment at 4.9 per cent is higher than the regional average of 3.9 percent but below the national average of 5.2 per cent. However, employment rates vary depending on the season and there is a large reliance on part-time labour with some wards having part-time rates of 50 per cent. The average weekly wage is £436.8 which is higher than the regional (£433.4) but lower than the national (£459.0) averages. House prices in West Somerset are above average when compared to its nearest neighbours. The average house price is approximately £218,416 and the house price to income ratio was 5.96 in 2006. The Council transferred its housing stock to Magna West Somerset Housing Association in 1998. This organisation, along with several smaller Registered Social Landlords, own approximately 2,300 properties which accounts for around 13.2 per cent of the local housing.

⁴ [Rank of Average Score \(Indices of Deprivation 2007\)](#)

20 The quality of life for residents in West Somerset compares positively with the rest of England. Education attainment at GCSE level is above average with 56.6 per cent of young people achieving grade A* to C. Life expectancy, for men and women, is significantly better than the national average at 79.2 years and 83.7 years respectively. Around one fifth of children live in households dependent on means tested benefits. There were 244 people claiming Job Seekers Allowance in July 2008; which equates to 1.3 per cent of the working age population. This is below average compared regionally and nationally. Around 8 per cent of the working age population claim incapacity benefits which is well above the regional (6.3) and national average (7.1). In 2006/07, there were 260 work registrations in West Somerset. This equates to 1.41 per cent of the working age population which is significantly higher than the regional and national average (0.59 per cent and 0.60 per cent respectively). The majority of migrant workers were from Poland, and intended to stay over 12 months.

The Council

- 21** West Somerset Council has 31 elected Councillors representing 18 wards. The current administration is an Independent Coalition. There are 16 Independent Coalition Councillors, 13 Conservatives, one Labour and one Liberal Democrat Councillors. It has been organised along a Cabinet and Leader model of governance since 2001 with eight of the nine Cabinet members each being responsible for a particular portfolio. Just over half of those elected in the May 2007 elections have no previous experience as a serving councillor (this includes over half of the Cabinet).
- 22** In 2004, the Comprehensive Performance Assessment (CPA) carried out by the Audit Commission rated the Council as weak. The Commission's follow-up report in 2007 showed inconsistent progress in some areas of service delivery and in developing a clear approach to equality and diversity. The change management programme being undertaken lacked clarity and financial and other performance management arrangements (especially risk management) were under-developed. Councillors and officers were not working effectively together and the 'use of resources' and 'value for money' scores remained at one (signifying 'inadequate performance') while the 'financial standing' score fell from two to one. There was significant budget over-spending in 2006/07 and an unqualified audit opinion was issued on financial standing and a qualified opinion on value for money arrangements. However, community leadership and partnership working was seen as continuing to improve as were plans for economic development and regeneration.
- 23** Following its weak CPA judgement in 2004 the Council began a structural and cultural change management programme called 'Destination 06'. This sought to introduce an interchangeable 'zone-based' approach that intended to remove the traditional service boundaries which the Council saw as barriers to successful service delivery.
- 24** The Council's financial position is weak. Until recently, there were major weaknesses in budget monitoring and reporting arrangements, and in 2007/08 the Council overspent against its revenue budget by £737,000. This left the General Fund £200,000 in deficit at the year-end. The Council has introduced more robust budget monitoring arrangements in the current year, and has taken other measures aimed at putting its finances on a sounder footing.

Report

25 The Council is working with its neighbours to explore more effective joint working between councils. This follows the government's decision to retain county and district structures in Somerset. 'Pioneer Somerset' involves all the district councils in the county working towards delivering ambitious efficiency savings through joint working. Progress has been made recently in delivering the corporate governance arrangements for the partnership.

The council's benefit service

26 Both Housing Benefit and Council Tax Benefit 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.

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

28 The local government white paper 'Strong and Prosperous Communities' sets out the aim to give 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 national Best Value Performance Indicators (BVPIs) and assessments including value for money and data quality;
- reporting on the Department of Communities and Local Government (CLG) 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.

29 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. With West Somerset Council the reasons for commissioning the inspection were:

- poor performance in relation to BVPIs;
- the loss of subsidy payments; and
- a significant fall in customer satisfaction.

30 The key objectives of this inspection were;

- to assess the effectiveness of West Somerset's Benefits Service in meeting the needs of the vulnerable people it serves, and
- to provide assurance to the DWP and other stakeholders regarding the quality of service provision.

- 31** The Service in West Somerset pays out around £13 million per year to:
- 3200 people claiming CTB;
 - 2500 people claiming Rent Allowance of which 1600 are tenants of Registered Social Housing (RSL) and 900 are tenants of private landlords; and
 - Of the total caseload of approximately 3,500, around 2000 people are of pensionable age and 1500 are working age.
- 32** The Service is run in-house to as part of the Paid Services Directorate with 6.46 FTE staff. The gross cost of running the Service in 2007/2008 was £633,000 of which £350,187 was funded by DWP and the balance was met by the Council.

How good is the Benefits Service?

What has the Service aimed to achieve?

The Benefits Service has stated its vision as:

Ensure the right benefit is paid first time, every time promptly and accurately to all those entitled, whilst guarding against fraud and to maximise benefit take up, for all those entitled.

33 The aims of the Benefits Service in the draft service plan are:

- to provide a modern, efficient, effective, and secure benefit delivery service, which is customer-focused, tackles poverty and isolation, and minimises barriers to work;
- assess benefit entitlement quickly and accurately;
- reduce levels and risks of fraud and error by maintaining full compliance with the Security Guidance Manual;
- provide comprehensive information to the public on benefits so that they are informed about their entitlements and enabled to claim and receive benefits;
- provide clear explanations of how decisions on claims are reached, including information about appeal rights;
- ensure the correct amounts of benefit are paid on time, with proper safeguards against fraud and abuse. Where overpayments of benefit do occur, ensure recovery is made by the most effective methods without causing hardship;
- achieve targets in line with National indicators 180/181 and Local Performance Indicators;
- ensure that the departments resources are managed economically, efficiently and effectively at all levels, and maintain financial and management information systems;
- encourage and develop staff at all levels by creating an environment that encourages both personal development and participation in the creation and achievement of aims and objectives;
- implement a robust anti-fraud strategy in order to protect public funds and to ensure that benefits are delivered to those who have a true entitlement to them; and
- provide the facility to make a claim for benefit online 24 hours a day, 7 days a week by answering simple but appropriate questions.

34 The aims of the Service are not yet endorsed by Councillors. The draft service plan has been developed as part of the overall drive by the Council to improve service planning and this follows the set format agreed with Councillors.

- 35** The Service states that it contributes to the following corporate objectives in its draft service plan:
- Housing - provide people with the opportunity for a decent home. The prompt and accurate payment of benefit will help to maintain security of tenure.
 - Children and Young People; The prompt and accurate payment of benefit will help to alleviate poverty and deprivation in young families claiming benefit.
- 36** The West Somerset Sustainable Community Strategy sets out its vision for 2020 that West Somerset is:
- prosperous;
 - welcoming;
 - strong;
 - balanced; and
 - self-sufficient.

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

- 37** The current Service is not designed around the specific needs of local people. Corporately the Council is starting to think about how data about the community can be used to inform service delivery, including the Benefits Service; however this is at an early stage.
- 38** The Service's arrangements for consulting, engaging and communicating with customers are poor. There has been no consultation activity with service users and there are no formal mechanisms to obtain feedback from customers. There are examples of where informal feedback from customers has been used to change the Service, however there has been no follow up work to establish that this has improved the Service.
- 39** The Service is becoming more customer focused. There is limited engagement with customers to establish their needs, nevertheless changing delivery methods have been designed with the customer in mind. Changes have been made to service delivery over the last two years with the aim of better meeting the needs of customers, for example, job rotation means that someone with specialist benefits knowledge is always in the customer contact centre.
- 40** The Service has mixed relationships with its partners. Some are well developed, for example with West Somerset Advice Bureau and the larger Registered Social Landlords. They have regular meetings and work together to improve outcomes for customers. Others stakeholders are less well represented such as private landlords. Attempts to engage with them have been unsuccessful, however the reasons for this have not been considered. As a result, the Service is not maximising the intelligence available on its customers' needs which could be used to drive improvement.

How good is the Benefits Service?

- 41** The Service is starting to improve access through working with outside agencies and other council departments. The Service recognises the benefits of this for customers however much of the work is at an early stage. It has strengthened relationships with Job Centre Plus by taking part in the 'In and Out of Work' pilot which aims to make the transition between working and claiming benefits easier. The results for West Somerset were very positive with improved processing times for these people. Document verification training has recently been delivered to three registered social landlords, Magma Housing Association, Knightstone Housing Association and Falcon Rural Housing, and the Housing Service. This will enable them to undertake this activity on behalf of the Service. West Somerset Advice Bureau has been verifying documents for some time. However there was no evidence of using other advice agencies or services such as social services to help customers' access benefits. This means that that the Service is not yet maximising the opportunity to provide a more 'joined up' service for its customers.
- 42** Customer access to the Service is satisfactory: For example:
- visitors can obtain advice at both the Minehead and Wilton offices. The facilities are modern, bright and clean with private rooms available;
 - the Benefits Service is part of the telephone contact centre which strives for a 'one and done' culture. This tries to avoid passing callers to different advisors so that the query can be dealt with at the initial point of contact. If the advisor does not have the necessary skills to deal with a more complex call they will pass them on to someone who can deal with it;
 - there is a wide range of information available on the Council website. There is an online calculator and forms and leaflets can be downloaded. Additionally customers can email the Service for benefits advice. There are no extended opening hours so this helps provide out of hours support to customers or potential customers of the Service who have access to the internet; and
 - the Service offers home visits to anyone who finds it difficult to get to the Council offices however this is not widely publicised and there has been low take up of this service.
- 43** The Council has not consulted customers on accessibility of the Service therefore it does not know if the above arrangements allow easy access to the Service for all customers and potential customers. The limited number of customers that we spoke to found the Service easy to access.
- 44** The Service is not proactively encouraging people to claim the benefits they may be entitled to. It has not undertaken any take up campaigns recently. The Service has only recently developed a take up policy which is very basic as it does not include any reference to analysis of caseload or demographic data to identify under claiming groups. There is no action plan detailing how or when the take up policy will be delivered, or how success will be measured and evaluated. Without a detailed action plan the Service may not be targeting its resources effectively. The lack of take up work means that the Service is not doing all it can to support the local economy and reduce poverty for those most in need.

- 45** The Service is improving the information it provides to customers. It is developing an explanatory note to accompany claims letters. Letters sent to advise customers of the outcomes of their claim (decision notices) comply with Housing Benefit Regulations but they are not user friendly. Feedback from stakeholders is that customers can not easily identify the information most important to them, for example, the amount they have to pay. There are plans to consult key stakeholders and customers to ensure the explanatory note does help customers in the way the Service intends. These improvements will help customers understand their entitlement more easily.
- 46** Benefit Service standards are comprehensive and challenging. There are also Customer Service standards in the Council's Customer Charter. However the Service standards have not been developed with customer input and the two sets of standards contradict each other. This could confuse customer expectations. The standards are available on the Council website only and currently the Service does not monitor performance against them. As a result customers do not know what level of service or response to expect.
- 47** The Service has improved its approach to dealing with new claims. It is proactively encouraging and helping customers to provide all the evidence required to process a claim. A 'clean claims' process is in place which includes completing a checklist when a claim is submitted which is reviewed quickly by an experienced assessor. This ensures that all the necessary evidence has been requested or provided. By reviewing the checklists promptly assessors can contact customers to request additional information without having to wait until the claim assessment begins. Customers are contacted by telephone, email or in writing and the Service is planning to use text messaging. This process can speed up processing times for customers which means they get quicker decisions and benefit payments.

Diversity

- 48** The Council has made slow progress in driving forward its equality and diversity agenda. The Council has achieved Level one of the local government equality standard, placing it in the worst 25 per cent nationally. 71 per cent of councils had achieved Level two or above by April 2007. The Council has set a target this year to achieve Level two by March 2009.
- 49** The Service and the Council are developing their understanding of the diversity issues within the district. West Somerset has a high proportion of migrant workers and the awareness of this is increasing. The Council is developing its engagement with the Polish migrant community and it recently held a Polish engagement evening for which it has received recognition from the Equalities and Human Rights Commission. The Benefits Service gave a presentation at this evening. There has been a large influx of Hungarian workers so the Council and the Service are considering how best to reach this group. The Benefits Service is developing e-benefits software which will allow claims to be submitted on-line and there are plans to have this available in Polish and Hungarian.

How good is the Benefits Service?

- 50** The Council has been slow to recognise, and address, the needs of older people. The district has a high and increasing elderly population however this has not been considered a priority for the Council and consequently they are only just developing an Older Persons Strategy. The link to the Benefits Service has not been fully appreciated. This means that opportunities to reach and engage with older people, and improve access and take up of benefits may be missed.
- 51** The Service and the Council are committed to supporting vulnerable groups in West Somerset. The Service has continued to use its discretion to disregard war widows/widowers war pensions in full when calculating benefit entitlement. The value of this is approximately £43,000 per annum and is note worthy given the weak financial position of the Council.
- 52** Arrangements for customers with disabilities/special needs or whose first language is not English are adequate. A range of leaflets are available in different languages and the Service has significantly improved access to its services through the provisions of new offices. There is good access in Williton and the contact centre in Minehead. Interview rooms are also accessible by those with mobility problems.
- 53** The Service is improving its use of Discretionary Housing Payments. These are payments made at the discretion of the Council, subject to an annual cash limit set by central government, in cases where the Council considers that additional help for housing costs is needed by vulnerable customers. In 2006/07 only £5,627 out of an allocation of £14,129 was paid. In 2007/08 the amount paid exceeded the allocation and £9,897 was paid. Staff have a good awareness of the availability of the fund and the Council can demonstrate that it is maximising the additional support it can give to those customers most in need without any cost to local taxpayers.

Outcomes for service users

- 54** Performance indicators for 2006/2007 show that the Service is poor and among the worst 25 per cent of councils nationally in terms of paying benefit promptly and accurately to people who claim: For example:
- new claims were decided on average in 65 days, in the worst 25 per cent of councils nationally; and
 - changes of circumstances were decided on average in 37 days, also in the worst 25 per cent of councils nationally.
- 55** Performance has improved significantly in 2007/08; however audit testing has identified weaknesses in the Council's processes for compiling the speed of processing claims performance indicators. This means that it is impossible to verify the accuracy of the figures quoted above, although it is reasonable to conclude that there was a significant improvement in performance. This performance is still amongst the worst 25 per cent. For example:
- new claims were decided on average in 33 days; and
 - changes of circumstances were decided on average in 13 days.

This level of performance would impact on the customers' ability to prevent rent arrears, council tax arrears and the consequential threat of eviction or bailiff action.

- 56** Customers who submit an appeal or reconsideration for a decision are receiving a poor service. This aspect of the Service is outsourced and performance is not effectively monitored and managed. Some appeals and reconsiderations are taking up to nine months just to be looked at and this was also verified by stakeholders. By not monitoring and managing the performance of providers of such a key part of the Service, customers are suffering lengthy delays to hear the outcome of their appeal or request for reconsideration. This can leave people in financial uncertainty for long periods.
- 57** The Service has facilitated a smooth implementation of the Local Housing Allowance (LHA). It sent letters to private tenants, put a wide range of information on the website and hosted training events for stakeholders. The rental rates are clearly visible in the Council offices and are updated as required. Customers contacting the Service were advised of the forthcoming changes and how it would affect them. This helped customers who were not moving to evaluate the costs and benefits of purposely taking a break in benefit to go on the new scheme.
- 58** The Service acts responsibly when recovering overpayments. Consideration is given to the financial circumstances of the debtor and individual instalment plans can be arranged. This helps avoid putting people under further financial pressure whilst at the same time recovering the debt.
- 59** Fraud performance is poor and deteriorating. The fraud service has limited capacity. In 2007/08 the number of investigators per 1,000 caseload was 0.18. This is likely to be in the lowest quartile when compared to others. The limited capacity has resulted in the following:
- no fraud awareness training delivered to staff, although staff did demonstrate a good awareness;
 - limited fraud awareness publicity across the district and even within Council offices, although there is evidence of some innovative publicity such as publicising the fraud hotline number on the plastic library bags;
 - the number of investigations and sanctions are amongst the worst performing councils nationally;
 - no proactive intervention work undertaken;
 - cases are not reviewed by another officer; and
 - data matching exercises such as the National Fraud Initiative (NFI) do not result in as many savings as projected because there is not the time to thoroughly investigate the matches.

All of these combined mean that the Service is not effectively minimising fraud and error.

How good is the Benefits Service?

60 The fraud service is applying lenient sanctions. The Service does not fully investigate referrals and gather enough evidence for a prosecution. This has resulted in cautions being given rather than administration penalties, or putting a case together for prosecution. Only ten cautions have been given in 2007/08. There are two cases currently awaiting prosecution, and three cases being considered by the legal department for further action. The prosecution cases are the first in two years. This does not send the right message to the community and the capacity issues means that fraudsters may not be detected or dealt with as seriously as they could be.

User experience and satisfaction

61 Satisfaction with the Service is poor. Overall only 68 per cent of customers were satisfied with the Service as measured by the Best Value Customer Satisfaction survey in 2006/07, a fall from the previous results in 2003 when 84 per cent of people were satisfied. This performance is amongst the worst in councils nationally. When contacting the Service by telephone, a significant proportion (40 per cent) were transferred between several people and 31 per cent found it difficult to speak to the right person.

62 Informal feedback does indicate that the majority of customers are satisfied but the Service has not conducted any customer satisfaction surveys, other than the Best Value survey in 2006/07. Visitors to the Customer Centre in Minehead receive a good level of customer care. The small sample of customers we spoke to were very positive about the Service they received. They found that the staff were friendly and helpful and their queries were dealt with quickly.

Is the Service delivering value for money?

63 The Council does not currently deliver value for money. It has only achieved level one, not adequate, for the Use of Resources assessment for the last three years. In response the Council has put an improvement plan and Improvement Board in place. It has strengthened its performance monitoring arrangements, with regular reporting to Councillors and senior managers and some improvements have been made to budget monitoring. However these improvements are still at the infancy stage and are not yet embedded.

64 The Service can not demonstrate that it delivers value for money. Whilst costs are low when compared to nearest neighbours, processing times are high, fraud outcomes are poor and customer satisfaction is low. This does not represent value for money. There is a poor understanding of costs and how these compare with other providers. The Service does not belong to any benchmarking groups that consider costs. Consequently it is missing the opportunity to learn from others and share experience.

- 65** Management of local authority error overpayments is improving. The DWP rewards councils where local authority error overpayments are low, as part of the subsidy incentive scheme. The DWP sets thresholds, based on total expenditure, and if the local authority error overpayments stay within these thresholds the authority receives full subsidy. In 2006/07 the Service exceeded the thresholds resulting in the loss of £89,746. The Service has made progress in reducing this type of error and has good arrangements to regularly monitor the levels. The 2007/08 unaudited claim shows local authority error levels are within the thresholds. This means the cost of these errors are no longer impacting on local tax payers.
- 66** The Service has outsourced some of its claim processing which has helped reduce overall processing times. Processing times are more than double that of the fastest working practice within the Service, for example home workers. However, the Service has not robustly compared the costs of the contract which makes it difficult to fully evaluate the cost effectiveness of arrangement.
- 67** Overpayment management is good and overpayments are being proactively recovered. In 2007/08 the Council recovered 76 per cent of overpayments raised. This is better than average performance. A range of recovery methods are being used and a recent exercise to review all housing benefits debts means the Service is only pursuing debts that are considered recoverable. This helps the Service focus its efforts and not waste resources on debts that will never be recovered.
- 68** The Service is delivering efficiencies through some joint procurement and partnership working, for example:
- the Service has purchased e-benefits software in partnership with Sedgemoor District Council resulting in a saving of 25 per cent of the purchase cost; and
 - the Council has saved recruitment costs by seconding the S151 officer from Sedgemoor District Council.
- 69** Long term cost implications are not adequately considered in procurement decisions. The procurement policies are out of date and decisions are not supported by robust business cases, for example, there is no cost benefit analysis or options appraisal. This means that procurement decisions may not represent the best value for money available.

What are the prospects for improvement to the Benefits Service?

What is the Service track record in delivering improvement?

- 70** The Council has been slow in delivering improvements. The Comprehensive Performance Assessment (CPA) carried out by the Audit Commission in 2004 rated the Council as weak. The Commission's follow-up report in 2007 showed inconsistent progress in some areas of service delivery. Recent 'use of resources' and 'value for money' scores remained at one (signifying 'inadequate performance') while the 'financial standing' score fell from two to one. The Audit Commission also reported in its Annual Audit and Inspection letter in 2007/08 that the track record for delivering improvements is weak. In 2006/07, 26 per cent of best value performance indicators (BVPIs) match the best 25 per cent of councils nationally. This is worse than 2005/06 when 31 per cent of BVPIs matched the best 25 per cent. Since 2003/04, only 50 per cent of BVPIs have improved. The Council is ranked last out of 388 councils for improvement since 2005/06 with only 28 per cent of BVPIs improving.
- 71** Performance within the Service has improved recently but the track record of sustaining improvement has been poor over the last three years. (Table 1 below). Recent contributors to Service improvements include investments in information technology, such as document management system, and changes in working arrangements for staff, including the customer contact centre, improved telephone service and flexible working arrangements. The Service has also improved its processes, including supporting claimants to provide relevant paperwork when making their claim. Consequently, the Service managers consider that the improvements achieved are more sustainable. The main contributor to the drop in performance was the loss of key staff in 2005/06. The staffing level dropped from 12 full-time equivalents (FTE) to just 9 FTEs, the current staffing level is 6.46. Table 1 shows performance in two of the important best value performance indicators over the last three years.

Table 1 Best Value Performance Indicators

Best Value Performance indicator	2005/06	2006/07	2007/08
Average time taken to make a full decision on new claims.	29.8	65.2	33
Average time taken to make a full decision on a change of circumstances.	16.5	37.2	13

What are the prospects for improvement to the Benefits Service?

Audit Commission BVPIs

- 72** Customers are now receiving their benefit quicker than they did twelve months ago and unaudited figures show ongoing improvement. The early indicators for 2008/09 are that targets are being achieved and performance is continuing to improve significantly.
- 73** The Service has improved its procedures and has invested in IT. A new document management system has delivered efficiencies in the way the Service processes claims. Improved procedures have also led to greater efficiencies. Consequently the Service is now better placed to deliver an improved service.
- 74** The Service continues to explore ways in which it can improve its service delivery. It is currently introducing e-benefits and a texting service for those that prefer this form of communication. E-benefits will provide the capability for customers to make a claim using the internet, 24 hours a day, seven days of the week subsequently improving access to the service.
- 75** Improvements in the Service have been realised through the move to new offices in Williton. This has led to a better integration of staff, better communication and an improved working environment. The Service effectively managed the move to the new offices with little disruption to overall performance as the move was well thought through and implemented.
- 76** Customer facilities have improved with the new Customer Centre in Minehead and the new offices in Williton. Benefits advice can be obtained at both. The old offices in Minehead were dark and cramped and both new facilities are modern and light with good access for disabled users and private rooms if required.

How well does the Service manage performance?

- 77** There is strong commitment from Councillors and senior managers to improving the Council. There is a corporate improvement plan in place which is endorsed by Councillors. The Council has also set up an Improvement Board with external representation, for example from the Audit Commission, Government Office and the Improvement and Development Agency for Local Government (IDeA). The actions within the Improvement Plan are funded and monitored appropriately. Each priority within the Improvement Plan has a dedicated Councillor and officer lead who get involved at project level to help drive improvements.
- 78** The Council does not have any documented future plans in place. For example, there is currently no up-to-date Corporate Plan, although there is an improvement plan and the current Administration has reviewed corporate objectives in the interim. The Council is committed to engaging with Pioneer Somerset which aims to deliver shared services and better joint working but this arrangement is still in its infancy and offers no clarity about how this will affect the Council. Service plans are still developing. Although the Benefits Service does have a draft Service Plan, but currently this is not supported by an action plan. The lack of plans about the future delivery of council services leads to uncertainty around the sustainability of improvements.

What are the prospects for improvement to the Benefits Service?

- 79** There is limited understanding between senior managers and Councillors of the improvements required within the Service. Although there has been good progress in investing in the Service and subsequent performance, future improvements are at risk if not clearly documented in robust plans and endorsed appropriately by Councillors. Staff, Councillors and customers cannot currently see how the Service will be shaped in the future.
- 80** Performance management is improving from a very low base. Because performance management is underdeveloped corporately the Council is unable to ensure service's contribution to supporting the wider corporate aims. Performance information and reporting to Councillors has improved but this is not yet comprehensive enough to cover all aspects and outcomes of service delivery. For example, the outcomes of take-up campaigns, write-offs and overpayments are not reported. Consequently there is a risk that Councillors are not aware of the full extent of any problems. As a result they cannot make informed decisions about how to manage the problems nor can they hold officers to account.
- 81** The Service monitors its processing performance well; this is undertaken on a daily basis. The amount of work being completed by the different types of workers (home workers, outsourced staff, office based, those in the customer contact centre) is monitored daily. Information is used to decide the level of support needed from the external service provider. The Service also monitors the processing performance of the service provider. It monitors the performance against agreed weekly targets and follows up any issues both informally and at formal quarterly meetings. This helps ensure that the provider delivers the level and quality of service that was agreed and is expected. Consequently the Service can maintain a good level of processing performance and resources can be increased as required.
- 82** Monitoring is poor in some important areas of service. The Council is not monitoring performance in problem areas such as claims outstanding for over 50 days, appeals and reconsiderations. The Service is only now considering how to monitor performance (other than processing). It has also stopped collecting important data because of capacity constraints within the Service despite the usefulness of that information. The Service recognises the need to develop local performance indicators that add value but currently important areas of the Service are not monitored and therefore not managed effectively.
- 83** The Service has good arrangements for ensuring business continuity. There are plans for service critical functions which are assessing claims, dealing with customers, making payments, subsidy and returns. This will help the authority maintain minimum levels of service and avoid significant performance deterioration. However, there is over reliance on key personnel in the service and operationally contingency plans are not in place. The Council is aware of this weakness and senior managers are now addressing the issue of contingency planning.

What are the prospects for improvement to the Benefits Service?

84 Staff appraisals are not effective in driving improvements. Mentors carried out the most recent appraisals and some staff found the process confusing and unhelpful. The process will be carried out differently in the future but staff are uncertain about its format. No individual performance targets are set for staff. Consequently, the Service has missed an opportunity to set and agree with staff performance targets which are SMART (specific, measurable, agreed, realistic and time-based) which can motivate staff, ensure a good standard of service delivery and support a culture of continuous improvement.

Does the Service have the capacity to improve?

- 85** The Council is in a weak financial position but Councillors and senior managers are committed to achieving financial stability. For 2007/08 the Council was forecasting just under £1 million overspend from a combination of poor financial planning and budget monitoring, redundancy costs and increasing revenue costs. Achieving financial stability is a key priority for the Council and they are addressing this well, for example through improved budgetary control arrangements. However, there is limited understanding and experience of working within a formal budget monitoring environment throughout the Council. Continuous funding to support the implementation of the three year improvement programme is dependent on satisfactory progress against the improvement plan. The Council has been successful in attracting £325,000 from South West Regional Improvement and Efficiency Partnership for the first 12 months but will need to re-apply every year for continuous support. There is a risk that the Improvement Plan will not be implemented and key personnel lost if the Council is not successful in attracting the funding.
- 86** Capacity is being improved through training. The Service is committed to training its staff and this is evidenced by the various training vehicles used and the smooth implementation of LHA. All benefits and contact centre staff have received a good level of training. Intensive basic training for customer service staff is regularly topped up and benefits staff attend training on all new issues such as LHA and Employment and Support Allowance (ESA). Staff are also confident that any training needs they identify and raise are addressed. Improvements made through training are leading to better outcomes for customers in terms of the 'one and done' culture, where this helps to ensure that up-to-date guidance and advice can be given to customers in one phone call.
- 87** The Service is making good use of new technology to improve service delivery. The Service uses the electronic document management system well and is planning to use e-benefits software in the near future. This will enable frontline staff, RSL's, social workers, the Financial Assessment and Benefits team and Novas⁵ to submit claims with customers. The software would directly populate the housing benefit system once submitted therefore saving time. It is also using technology to enable more productive home working.
- 88** Staff are competent and loyal. There is good evidence to demonstrate that despite the difficulties and disruption to service delivery staff remain positive and motivated. Consequently this commitment helps the Service deliver improvements.

⁵ Novas is a partnership of voluntary sector housing, care and social economic organisations and works across the UK and Ireland

What are the prospects for improvement to the Benefits Service?

- 89** Capacity within the Benefits Service is limited and managers work hard to deliver quality services. Since 2006 staff levels have fallen considerably from 12 FTE to 6.46. The use of the private sector helps the service manage processing performance by covering staff leave and sickness as well as peaks in the workload. However this is an exclusive contract and may bring additional risks to the Service if the performance of the private sector provider drops. Also cover is not as easy to deliver in the customer contact centre. Capacity within anti fraud and overpayments is restricted and there is a risk that fraud may go undetected. There are also limitations in operational management, such as workforce planning, daily task management, future planning, monitoring and reporting and contingency planning, although managers are now addressing this in part.

The Audit Commission

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