

	<p style="text-align: center;">RESOURCES & PERFORMANCE MANAGEMENT SCRUTINY & PERFORMANCE PANEL</p> <p style="text-align: center;">7 OCTOBER 2004</p>	<p style="text-align: center;">Agenda Item</p>
<p>INDEPENDENT REVIEW OF WELFARE BENEFITS</p> <p>Ward(s): All</p> <p>Portfolio: Councillor J G O'Hare – Deputy Leader</p> <p>Service: Finance</p> <p>Summary of report: This report summarises the findings and recommendations of an independent review of welfare benefits, as requested by Cabinet on 3 March 2004.</p>		
<p>Background papers:</p> <ul style="list-style-type: none"> • Cabinet resolution 3 March 2004. • Report of the health and social care scrutiny and performance panel to Cabinet 3 March 2004. • Implementation of fairer charging report to health and social care scrutiny and performance panel 15 January 2004. • DWP report Link-Age Developing networks of services for older people • Clarion Public Sector Ltd report on the Review of Welfare Benefits in Walsall MBC. 		
<p>Reason for scrutiny</p> <p>The 2003/4 strategic choices exercise identified the need for a fundamental review of existing arrangements and strategy for welfare benefits and anti poverty, which had recently been brought under one service head as part of the directorate restructure, and the delivery of the new fairer charging regime. This review process was begun with a view to optimising customer service, maximising value for money, improving efficiency and embedding performance management throughout the service. In January 2004 the social care and supported housing scrutiny & performance panel, in scrutinising the implementation of fairer charging, recommended that cabinet consider a properly funded cross agency approach to welfare benefits and anti poverty strategy.</p> <p>Cabinet noted the recommendation on 3 March 2004, and in so doing also requested a fundamental review of existing arrangements using best value principles to: support the delivery of a cross-cutting cross-organisation strategy for welfare benefits and anti poverty, that will provide a seamless integrated welfare benefits and assessment function which delivers the council's vision aims and objectives, maximise benefits take up and delivers prompt financial assessment and a function that provides value for money and cost efficiency in delivering these aims.</p> <p>Cabinet asked for the review to address clear output deliverables including mapping of current and future activities, critical evaluation of costs and funding streams, and assessment of alternatives, identifying savings options, efficiencies, and investment</p>		

requirements.

Both welfare benefits and the anti poverty unit fall within the remit of the resources & performance management scrutiny panel. Therefore the outcomes of the independent review are being reported here to enable the panel to consider and discuss the appropriateness of the proposals contained within the independent report and how it can support and contribute to the desired performance improvement. The panel may wish to make recommendations to Cabinet.

Signed

Executive Director: Carole Evans 29.09.04

Resource and legal considerations

The medium term financial plan assumes savings of £250,000 in 2006/7 from within the wider welfare benefits and fairer charging functions. These are currently 'in scope' for the Putting the Citizen First project and the potential strategic partners will be expected to deliver these savings from a range of efficiency, productivity and customer service improvements.

Citizen impact

Implementation of the recommendations will produce a more joined up seamless and proactive service, offering more effective targeting of support and advice to our citizens.

Environment impact

Reduction in the use of paper and transportation through use of digital technology.

Performance management and risk management

Implementation will improve performance against national targets on speed and accuracy of processing (BVPI 78 BVPI 79); customer satisfaction (BVPI 81); and welfare benefit maximisation for joint team working (BVPI31).

It will ensure the commitment to and delivery of an agreed anti poverty strategy to meet quality of life outcomes as part of the proposed criteria for the revised comprehensive performance assessment.

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1 REASONS FOR AND SCOPE OF THE FUNDAMENTAL REVIEW

- 1.1 The strategic choices exercise of 2003/4 identified the need for a fundamental review of existing arrangements and strategy for welfare benefits and anti poverty. This process was begun by the management team. In January 2004 the social care and supported housing scrutiny and performance panel, in scrutinising the implementation of fairer charging, passed a resolution to cabinet recommending consideration of a properly funded cross agency approach to welfare benefits and anti poverty strategy.
- 1.2 Cabinet noted the panel's recommendation on 3 March 2004. Cabinet then requested a fundamental review of existing arrangements using best value principles to support the delivery of a cross-cutting cross organisation strategy for welfare benefits and anti poverty; that would provide a seamless integrated welfare benefits and assessment function which delivers the councils vision aims and objectives; maximises benefits take up and delivers prompt financial assessment; a function that provides value for money and cost efficiency in delivering these aims.
- 1.3 Cabinet asked for the review to address clear output deliverables including comprehensive mapping of current and future actives; critical evaluation of costs and funding streams, and assessment of alternative options identifying savings options efficiencies and investment requirements.
- 1.4 Following Cabinet's decision on 3 March 2004 the two work streams were combined into a single review of the benefits system. A number of independent analysts were invited to tender and Clarion Public Sector was appointed. Clarion have wide experience of working with lcal authorities in the areas of housing and council tax benefits administration, housing benefits overpayments, council tax, business rates , sundry debtors collection and recovery assignments. Their findings are summarised in the following paragraphs. In addition there will be a more detailed presentation on the key issues at the panel's meeting.

2 CURRENT AND FUTURE ACTIVITY

- 2.1 Currently, 30,000 housing and council tax benefit claims processed each year, together with 2,500 fairer charging assessments. The service processes 7,550 applications for free school meals as a separate and unconnected activity. Welfare benefits advice is provided both within social care directorate (care workers and specialist advisors) and finance directorate (anti poverty unit (APU) and the housing benefit teams).
- 2.2 Administration of welfare and housing benefits is increasingly complex due to complicated legislation and multifaceted government initiatives. Advice and training is provided throughout the council at various levels.
- 2.3 At the time of the review, the APU were engaged on four targeted campaigns; focussing on maximisation of benefit take up, and additional support for vulnerable groups.
- 2.4 The number of citizens requiring these services is likely to increase due to an ageing population, the success of current take up campaigns, and new government

targets and initiatives to promote joint team working with the Department of Works and Pensions.

3 FUNCTION OBJECTIVES

- 3.1 All the functions have a common objective of maximising income for citizens. Each plays a separate, but co-terminus role in achieving this outcome, from identifying need to completing applications to processing and paying benefit. This in some way goes towards supporting the council's vision (8) to strengthen the local economy.
- 3.2 Two of the services; benefits and fairer charging are delivered under statute and guidance. The former is subject to rigorous audit and performance standards which inform the council's CPA rating so linking to the council's vision (10) transforming Walsall into an excellent local authority.
- 3.3 The role, responsibility and strategy of the APU is in need of clarification in order that its future direction, priorities and performance can be established and managed, as the council currently has no anti poverty strategy and funding streams for this service have been mainly short term and ad-hoc.
- 3.4 A well thought out anti poverty strategy should lie at the heart of the strategic health partnership and should be defining the outcomes for citizens to improve their quality of life and be funded to long term to an agreed level.
- 3.5 The structure of service delivery should support a holistic approach that is efficient, effective and pertinent to citizens' needs and delivery of the strategy.

4 PERFORMANCE

- 4.1 The independent analysis confirmed the assessment of the current management team that there are significant gaps in performance management information across all aspects of the service. This is partly being addressed with the implementation of new systems within revenues and benefits. It is recognised that process review is required in all areas, and performance improvement targets estimated at between 25% to 30% could be achieved through a combination of business process re-engineering linked to new systems, performance management and reorganisation.
- 4.2 Housing benefits is currently not fully achieving the performance standards and targets set by government. There are number of reasons for this which though not significant in their individual state, combine to impact upon performance against BVPIs. The most significant finding is the inability to process a large number of claims when first received due to lack of relevant information, from claimants and other agencies, and the subsequent time consuming re-working that is required in order to fully process claims.
- 4.3 Post LSVT; housing office staff, by law, could no longer check and verify claims for benefit, thus reducing the capacity for all information to be collected at the start of the process. The council no longer has a housing stock, all former council tenants become registered social landlords, and more information is required from tenants of registered social landlords than for council tenants.

- 4.4 A further consequence of LSVT was that benefit staff could no longer be located in the same local office as the housing trust and so were relocated to the civic centre. The move reduced the capacity for supporting information for benefits claims to be collected and checked locally. In addition there is increased complexity in processing claims as information that was formerly held and accessed via the housing rent system was no longer available to benefit staff. This information is now required from customers direct and many customers are not used to providing it. As a result more claims are being received that subsequently need follow up, and this is delaying the time taken to process claims; causing backlogs (work in pending) and an increase in the level of enquiries from customers waiting for their claims to be processed.
- 4.5 In response to the issues already identified by management, a revised structure for revenues and benefits, proposes that claims are verified at point of receipt to ensure all relevant information is received and followed up immediately. In addition The verification framework is being implemented (during August to December 2004) to enable registered social landlords to verify claims. Meanwhile, a pilot is now in place with whg offices to enable joint working on verifying information
- 4.6 Fairer charging has recovered from a period of backlog. The current process has been reviewed within the staffing restructure to enable better data sharing and scheduling of joint visits within the service area and with the DWP.

5 SUMMARY OF PROPOSED STRUCTURE/PROCESS CHANGES

- 5.1 The independent analysts review has strengthened the case for the proposed staffing structure in revenues and benefits. The management team has shared some early thinking about these potential changes with staff through a series of briefing sessions and further detailed consultation is planned with staff and their representatives, both directly and through the standing JNCC (Joint Negotiating and Consultative Committee for Finance, Legal and Performance Directorate. In summary, these include the following.

5.2 Benefits service

- Free school meals be incorporated as an integral part of the benefit assessment through the restructure and included within the benefit claim form.
- A move away from geographical assessment work split to a one borough approach with specific focus on claim types (i.e. new claims/change of circumstances; these directly relate to BVPI 78.
- Introduction of a coach/senior officer role to reduce the 'span on control' in order to support and improve learning and measure and monitor quality (BVPI 79 accuracy)
- Creation of a business improvement team with key responsibilities of performance improvement; quality control; policy interpretation, formulation and development, procedures, knowledge management, coaching and accreditation. 4 new training and development posts are being created within this team.

- All visiting officers (including fairer charging) be brought together into one team to support joint working (including with DWP), reduce duplication of visits to customers and share information. .
- Housing overpayment and recovery of local tax collection be combined into one team to enable a joined up approach to customer contacts and payment arrangement.
- In common with the approach taken in many excellent local authorities, and reflecting best practice, more generic working formalised within job descriptions will add value to the new systems one joint data base so reducing need for dual data input and potential error. Electronic document management will further support this process through workflow and improved performance data.
- Consideration of options to mainstream funding (to take place as an integral part of the strategic choices budget process), the inclusion of the anti poverty unit within revenues and benefits and merger with the current welfare rights service to ensure a borough-wide and consistent proactive approach to benefit maximisation.

5.3 Planned outcome of these changes

- Changing and streamlining processes will lead to better performance combined with better monitoring. This will release current excess capacity for investment either in quality improvement or to meet the MTFP, which calls for savings.

5.4 Anti Poverty Unit

- Subject to an anti poverty strategy being defined (this is currently being worked on by the assistant director of finance, the chair of health and social care scrutiny panel, and the executive director) there should be consideration of the potential to commit a greater proportion of main stream funding to maintain some permanent infrastructure within the council. This should also consider the appropriate degree of support from the Council's mainstream budgets for the ad hoc funding projects, and joint working initiatives (council tax/housing benefit, social care APU/ fairer charging) and with other external partners (DWP, CAB, Age Concern, PCT). These options will be considered within the forthcoming 'strategic choices' policy led budget process exercise for 2005/06.
- Performance management arrangements within the APU to come under the umbrella of the new performance management team outlined above

5.5 Planned outcome of these changes

- Improved quality of life for citizens, through a logical, creative and clearly defined commitment to joined up services, shared goals and targets, common data and knowledge base, and unified processes, and supported by improved benefit take up

6. FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 The medium term financial plan assumes savings of £250,000 in 2006/7 from within the wider welfare benefits and fairer charging functions. These are currently 'in scope' for the Putting the Citizen First project and the potential strategic partners will be expected to deliver these savings from a range of efficiency and productivity improvements.
- 6.2 At this stage other than for the Anti-Poverty Unit (as outlined in 5.4 above), the costs of the revised revenues and benefits staffing structure can be contained within existing budgets.
- 6.3 The issue of potentially increasing the level of the Council's mainstream funding of the Anti-Poverty Unit, in support of a broader anti poverty strategy, will be considered as part of the 'strategic choices' policy led budget process exercise for 2005/06.

7 SUGGESTED POINTS FOR SCRUTINY PANEL CONSIDERATION

- 7.1 A presentation of the key issues will be made at the panel's meeting and will include an opportunity to ask questions about current performance, proposed structural changes and how these changes are anticipated to improve performance. More specifically:
 - The need for and placement of an anti poverty strategy within the council
 - How active the panel wishes to be in the development of an anti poverty strategy
 - The appropriate level of future investment to deliver the council's desired outcomes.
 - To comment on the outcomes defined within this report.
 - To comment on the proposals for the restructuring of the revenues and benefits function