



**RESOURCES & PERFORMANCE MANAGEMENT  
SCRUTINY & PERFORMANCE PANEL**

**Agenda  
Item**

**4 NOVEMBER 2004**

**INDEPENDENT REVIEW OF WELFARE BENEFITS**

**Ward(s):** All

**Portfolio:** Councillor J G O'Hare – Deputy Leader

**Service:** Finance

**Summary of report:**

This report provides additional information relating to the independent review of welfare benefits as requested by this panel on 7 October 2004.

**Background papers:**

- Independent Review of Welfare Benefits report to resources and performance management scrutiny and performance panel 7 October 2004
- 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.

**Reason for scrutiny**

This panel considered a report on the independent review of welfare benefits at its last meeting on 7 October and resolved that further detailed consideration of this review take place at this meeting. In particular, this should include consideration of options for the appropriate level of mainstream funding for the Anti-Poverty Unit (APU) in 2005/06 and beyond.

The outcomes of the independent review were originally 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 27.10.04**

**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 and the development of joint visits and generic working methods.

**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 INDEPENDENT REVIEW OF WELFARE BENEFITS

- 1.1 This panel considered a report on the independent review of welfare benefits at its last meeting on 7 October and resolved that further detailed consideration of this review take place at this meeting. In particular, this should include consideration of options for the appropriate level of mainstream funding for the Anti-Poverty Unit (APU) in 2005/06 and beyond. This report provides the details requested.
- 1.2 The main findings from the independent consultants review were:-
- Benefits Service
    - high level of claims reworking due to poor business processes
    - 25-30% potential for improvement
    - lack of effective performance arrangements.
  - Anti-Poverty Unit
    - no policy framework or overall strategy for anti-poverty within the council
    - no effective performance arrangements
    - uncertainty about long term funding
  - Joint Working
    - need for more effective co-ordination of work within the council and with external agencies.
- 1.3 The consultants review provided independent corroborating evidence to support the assessment of the current management team. Action is already underway to implement a series of structure and process changes within the service. This includes ongoing consultation with the staff and their trade union representatives.
- 1.4 These proposed changes were presented to this panel on 7 October and, as a reminder, included the following proposals:
- free school meals be incorporated as a integral part of the benefit assessment and be included within the benefit claim form
  - a move away from a geographical assessment work split to a one borough approach with specific focus on claim types
  - introduction of a coach/senior officer role to reduce the span of control in order to support improved learning and measure and monitor quality
  - creation of a business improvement team with key responsibilities of performance improvement, quality control, policy interpretation, formulation of development procedures, knowledge management, coaching and accreditation
  - all visiting officers including fairer charging be brought together into one team to support joint working
  - housing overpayment and recovery of local tax collection be combined into one team to enable a joined up approach to customer contacts and payment arrangements
  - in common with the approach taken in many other local authorities reflecting best practice, more generic working with formal job descriptions will add value to the new systems joint data base so reducing the need for dual input and potential error
  - consideration of options to mainstream funding, the inclusion of the anti-poverty unit within revenues and benefits and merge with the current welfare

rights service to ensure a borough-wide consistent proactive approach to benefit maximisation

- anti-poverty unit – subject to an anti-poverty strategy being defined, there should be consideration of the potential to commit a greater proportion of mainstream funding to maintain some permanent infrastructure within the Council.
- performance management arrangements within the APU to come under the umbrella of the new performance management team outlined above.

## **2 ANTI-POVERTY UNIT**

2.1 At the time of the consultants review, the APU were engaged on four targeted campaigns; focussing on maximisation of benefit take up, and additional support for vulnerable groups.

- Campaign 1: health of the household survey and welfare benefit take-up
- Campaign 2 : benefits take-up initiative initiative
- Campaign 3 : maximisation of income
- Campaign 4 : warm front

2.2 These campaigns were analysed by the independent consultant who looked at the staff time involved to handle the caseloads and numbers of claimants. The consultant recognised that it was very difficult to compare these campaigns with other aspects of the benefits service and that it is also difficult to compare with 'anti-poverty' activity in other local authorities. However he did conclude that each of the campaigns undertaken was "somewhat labour intensive".

2.3 This may well be because the operating approach used by the APU in Walsall is primarily a home visiting service using 'door-to-door' surveys, whereas other places have more contact via the telephone or in writing. In addition, there are records of the 'activity' levels of APU staff and of the amounts of benefits income generated on behalf of those clients visited. However the lack of effective performance management information for the APU, highlighted by the consultant, makes it very difficult (if not impossible) to make an evidence based judgement of the overall economy, efficiency and effectiveness of the activities of the APU.

2.4 It is proposed that the performance management arrangements within the APU should come under the umbrella of the new performance management team, as part of the new staffing and management structure for the revenues and benefits service.

2.5 The role, responsibility and strategy of the APU is also 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. This has an effect on the APU's capacity to plan and deliver. The lack of mainstream funding (for all but 2 of its staff) means that the retention of skilled and specialised staff is becoming increasingly difficult. Whilst staff commitment is very high, staff morale is affected by the ongoing uncertainty about funding.

### 3 STRATEGIC CHOICES

- 3.1 The current medium term financial plan assumes savings of £250,000 in 2006/07 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.
- 3.2 At this stage, other than for the Anti-Poverty Unit, the costs of the revised revenues and benefits staffing structure can be contained within existing budgets.
- 3.3 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. The issue is about 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).
- 3.4 The key driver for the medium term policy led budget process for 2005/06 is the Council's Vision 2008. There are clear links to the work of the APU and an anti-poverty strategy and in fact they contribute to four of the ten council priorities in Vision 2008:
- **No.5: Make Walsall a healthy and caring place** – welfare benefits take-up reduces health inequalities
  - **No.7: Make it easier to access local services** – through benefits take-up and associated signposting
  - **No.8: Strengthen the local economy** – increased benefits take-up brings additional spending power and generates additional economic activity through the multiplier effect
  - **No.10: Transform Walsall into an excellent local authority** – maximisation of benefits has positive impact on local tax collection rates and key BVP's thereby contributing to overall excellence
- 3.5 At the last meeting of this panel, there was debate about the question of "what is the appropriate level of future investment to deliver the council's desired outcomes". Any additional resources for the APU will need to be considered alongside other bids as part of the 'strategic choices' policy led budget approach. **Appendix 1** attached summarises the information that has been submitted into this process for the APU.

3.6 In overall terms £88k (15%) of the overall costs of APU (£600k) are funded from mainstream budgets. **Appendix 1** shows those posts and that the remaining 85% (£512K) are funded by non-mainstream and external sources in 2005/06.

- A : 7 permanent staff £227K
- B : 6 fixed term contract staff £160K
- C : 4 current vacant posts £125K

The funding for the 7 permanent staff (£227K) expires on 31 March 2005. Any decision not to pick-up these costs from mainstream council funding would mean redeployment (or redundancy) for these 7 staff. These staff would otherwise annually undertake surveys of 5,000 properties (9,000 residents) and generate potentially £3m of new benefit payments from central government, so this productive output would be also be lost.

3.7 At this stage, notwithstanding the links to the Vision 2008, the current absence of effective performance management arrangements and information for the APU (as outlined in 2.3) means that it is more difficult to justify any further mainstream funding (over and above the £227K for the permanent staff with time expiring funding) for the fixed term contract staff and the existing vacant posts.

3.8 If mainstream funding for the £227K were to be approved, then this would mean that just over half (£315K of £600k) of the APU's funding in 2005/06 would come from the Council. This would provide a sound basis for stability for the unit and its skilled and specialised staff and enable the APU to plan and work with some certainty in support of the developing an overall anti-poverty strategy. In addition it would still enable the APU to respond flexibly to new funding opportunities, as and when they arise.

3.9 Other things being equal, the effect on the council tax of funding the APU at the various levels identified in **Appendix 1** are as follows

- A : 7 permanent staff £227K = +0.27% on council tax
- B : 6 fixed term contract staff £160K = +0.19% on council tax
- C : 4 current vacant posts £125K = +0.15% on council tax
- **Total** £512K = **+0.61% on council tax.**

3.10 The panel may wish to consider the appropriate level of future investment in order to deliver the Council's desired outcomes and may also wish to make recommendations to Cabinet

SERVICE AREA: Anti-Poverty Unit (excluding fairer charging)

| Manager : ENTER GM NAME<br>Andy Burns/Elizabeth Kennedy  | COUNCIL VISION | ANNUAL NET COST |                |                |                |                 | CAUSE OF INVESTMENT<br>L, D, G, I, O | REPORTED to CABINET / COMMITTEE<br>Date/Comm / Report Title   | DETAILS OF INVESTMENT  | DETAILS OF HOW THE INVESTMENT MEETS THE COUNCIL'S VISION  | CONSEQUENCES / RISK OF NOT GOING AHEAD |
|--|----------------|-----------------|----------------|----------------|----------------|-----------------|--------------------------------------|---|--|---|--|
|  |                | 2005/6<br>£000  | 2006/7<br>£000 | 2007/8<br>£000 | 2008/9<br>£000 | 2009/10<br>£000 |                                      |   |  |   |  |
| STRATEGIC CHOICE / INVESTMENT BID  | Priority No    |                 |                |                |                |                 |                                      |   |  |   |  |
|  |                |                 |                |                |                |                 |                                      |   |  |   |  |
| Sub-total P - confirmation 05/6 effect of bids approved 04/5   |                | 0               | 0              | 0              | 0              | 0               |                                      |   |  |   |  |
| A: Anti-Poverty Unit - 7 FTE permanent staff engaged in welfare benefit take-up campaigns                                | 5, 7, 8, 10    | 227             | 227            | 227            | 227            | 227             | G                                    | To pick up the fall out of time expiring NRF funding for 7 permanent staff only (not fixed term contract staff) | 5: welfare benefits take-up reduces health inequalities thereby contributing to making Walsall a healthy & caring place                                      | A: Redeployment (and/or) redundancy costs for 7 staff whose funding expires on 31/03/05. A & B: Lost productive output from staff who would otherwise annually undertake surveys of 5,000 properties, 9,000 residents and generate approx. £3m of new benefit payments from central govt. |  |
| B: Anti-Poverty Unit - 6 FTE fixed term contract staff   | 5, 7, 8, 10    | 160             | 160            | 160            | 160            | 160             | G                                    | To pick up the fall out of time expiring funding of Sure Start, HAZ etc   | 7: benefits take-up & associated sign posting makes it easier to access local services   |   |  |
| C: Anti-Poverty Unit - 4 FTE current vacant posts  | 5, 7, 8, 10    | 125             | 125            | 125            | 125            | 125             | G                                    |   | 8: increased benefits take-up strengthens local economy. Each £1 of additional benefit paid generates £4 of local economic activity (thru multiplier effect) |   |  |
| <i>(N.B: in addition to the above, there are 2 FTE posts already funded from mainstream Walsall MBC revenue budgets)</i> |                |                 |                |                |                |                 |                                      |   |  |   |  |
| Sub-total N - New pressures emerging in 05/6 onwards   |                | 512             | 512            | 512            | 512            | 512             |                                      |   | 10: maximisation of benefits has positive impact on local tax collection rates, key BVPI's, thereby contributing to overall excellence                       |   |  |
| <i>Saving must be identified along with year saving arises</i>   |                |                 |                |                |                |                 |                                      |   |  |   |  |
| Sub-total I - Invest to Save   |                | 0               | 0              | 0              | 0              | 0               |                                      |   |  |   |  |
| Total for Service Area   |                | 512             | 512            | 512            | 512            | 512             |                                      |   |  |   |  |

SUMMARY

| TYPE OF INVESTMENT                          |   |     |     |     |     |     |
|---|---|-----|-----|-----|-----|-----|
| P - 2005/6 EFFECTS OF 2004/05 BIDS APPROVED | P | 0   | 0   | 0   | 0   | 0   |
| N- NEW BIDS                                 | N | 512 | 512 | 512 | 512 | 512 |
| I - INVEST TO SAVE                          | I | 0   | 0   | 0   | 0   | 0   |
| Total for Service Area                      |   | 512 | 512 | 512 | 512 | 512 |
| CAUSE/ REASON FOR INVESTMENT                |   |     |     |     |     |     |
| L - LEGISLATIVE                             | L |     |     |     |     |     |
| D - DEMAND RELATED                          | D |     |     |     |     |     |
| I - INVESTMENT TO IMPROVED SERVICE DELIVERY | I |     |     |     |     |     |
| G - FALL OUT OF GRANT                       | G | 512 | 512 | 512 | 512 | 512 |
| O - OTHER                                   | O |     |     |     |     |     |
| Total for Service Area                      |   | 512 | 512 | 512 | 512 | 512 |

COMPLETED BY

Andy Burns

DATE APPROVED BY SMT / EXECUTIVE DIRECTOR

30th September 2004