Benefits administration performance
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Michelle Boath and Victoria Hogg are Senior Consultants with Risk Solutions; Helen Wilkinson is one of Risk Solutions’ partners. Risk Solutions is a management consultancy specialising in the application of risk-based methods and approaches to help managers and policy makers make better decisions in the face of risk, uncertainty or complexity.
Summary

Introduction

The performance standards for the delivery of Housing Benefit (HB) and Council Tax Benefit (CTB) were launched by the Department for Work and Pensions (DWP) in April 2002 and updated in May 2005. To support the Performance Standards framework, DWP invested approximately £200m through the Performance Standards Fund over a period of three years (2003/04, 2004/05, 2005/06), which was then extended into a fourth year. Local Authorities (LAs) were able to submit bids for funding to implement performance improvement plans.

Performance (as indicated by performance measures) has generally improved, but there remain wide variations between LAs. The DWP commissioned Risk Solutions to undertake research into:

- the factors that drive differences in performance between LAs;
- which performance enablers most directly support good sustained performance;
- good practice ideas that might assist LAs to improve their performance.

During the period March to June 2007, we visited 21 LAs asking benefits’ managers and some team members a set of open questions regarding the activities and policies that they believe help them improve their performance.

The resulting discussions were recorded and compared across different LAs to see where there exist consistent drivers of good performance, and consistent barriers to good performance.

This report presents the findings of the research.
Findings

We found that good performance appears to rely on ‘balanced’ performance across the three areas of:

• people;
• processes;
• systems.

Supported by a positive performance oriented culture and leadership.

First-class performance in one area cannot compensate for poor performance in another; to achieve good performance overall, attention must be paid to each of these areas.

Recognising that good administration requires many tasks and activities to be undertaken, we have characterised the key features of good performance as:

• right first time claims – form correctly completed with full set of evidence submitted;
• right first time processing;
• minimising overpayments.

This requires good performance across the whole range of activities, not just processing new claims and change of circumstances, but dealing with appeals and preventing and detecting fraud and error.

We have identified the following ‘attributes’ of good performance that deliver these features:
We find that most of these performance attributes are reflected in the existing performance standard enablers. Those that do not (either in part or in full) are all ‘softer’ attributes dealing with human factors and behavioural issues, while the current enablers, understandably, tend to focus on ‘hard’ factors. We recognise, therefore, that several of these are difficult to frame in terms of enablers, but they are factors that seem to make a difference. It should be noted that where targets are set in a number of areas, organisations tend to focus on these, and that sometimes other areas might be neglected.

We have identified a number of examples of what appear to be good practice in the approaches used by various LAs to deliver HB and CTB from across the range of LAs – not simply the higher-performing LAs. These should be treated with care; research of this nature is necessarily subjective, and we found no evidence that any of the activities we found had been subject to formal evaluation, but overall, we find that our observations are consistent with the findings of previous research.

We have provided recommendations in the areas of:

**A. Culture, motivation and ‘soft’ issues**

A key finding of this research is that cultural and ‘softer’ management issues can have a significant effect on performance, and that these are currently not well represented in the Performance Standards framework. Ways of raising the awareness of LAs of the issues, and providing them with tools to help assess and improve in this respect should help improve performance.
B. Measures, targets and benchmarking

In this work, and the related study into the new PM10 measure, we found that attitudes to, and use of, targets and enablers varies considerably across LAs, but that they can be significant drivers of LA behaviours and activities. DWP and LAs are moving to a regime in which there will be fewer, more focused, targets set at the centre, with greater responsibility for setting and reviewing targets passed to the local level. The likely impact of this on performance and the support LAs will require to manage the transition should be explored. This will include understanding how benchmarking can be more effectively enabled.

C. Efficiency and effectiveness

Efficiency was not the major focus of this study; however, the research does conclude that cost efficiency does not appear to have a very high profile in LA strategies and plans, at least at the level of the benefits managers and their staff. (Note that we were not able to explore this aspect with all LAs in the sample). We have recommended measures to help improve the profile of efficiency and improve the evaluation of the efficiency and effectiveness of measures.

D. Where DWP might help

We have identified a number of areas were DWP can help LAs improve effectiveness.
1 Introduction

In April 2002, the Department for Work and Pensions (DWP) launched a set of performance standards for the delivery of Housing Benefit (HB) and Council Tax Benefit (CTB). An updated framework was published in May 2005 together with an electronic self-assessment tool to allow Local Authorities (LAs) to assess their own performance against the standards. The Performance Standards framework comprises a set of key enablers reflecting strategies, policies and practices that should be in place to ensure good performance, and a larger set of good practices and processes that have demonstrated to underpin good performance, or are generally desirable but may not be appropriate for all LAs.

To support the Performance Standards framework, DWP invested approximately £200m through the Performance Standards Fund over a period of three years (2003/04, 2004/05, 2005/06), which was then extended into a fourth year. LAs were able to submit bids for funding to implement performance improvement plans.

Local Authority Benefits Administration Performance (as indicated by performance measures) has generally improved, but there remain wide variations between LAs. DWP is seeking to understand what factors drive differences in performance between LAs, to identify whether any changes to performance enablers appear to be indicated. In addition, DWP would like to identify any further good practice ideas that might assist LAs to improve their performance. The Department commissioned Risk Solutions to undertake research through interviews with benefits staff at a number of LAs.

The DWP selected a number of LAs to be asked to participate in the research, allocated to different performance groups categorised as ‘sustained excellent’, ‘sustained positive transformation’ and ‘medium’ in terms of performance. The research sought to identify whether any systematic or general differences were apparent between these groups. Lower-performing LAs were not included in the research, as the Department has a good understanding of the issues facing these LAs, owing to its generally higher level of engagement with these LAs.

Chapter 2 outlines the research methods used, while Chapter 3 discusses what we found. Chapter 4 presents the key conclusions of the research.
2 Research methods

2.1 Introduction

The Department selected 21 Local Authorities (LAs) to be invited to participate in the research from three different categories relating to their performance in Housing Benefit (HB) and Council Tax Benefit (CTB) administration. The three categories were designed to show different performance characteristics against time, to allow comparisons to be made that might yield useful lessons. The performance categories and number of LAs in each was:

1. Sustained excellent: nine LAs;
2. Positive transformation: six LAs;
3. Medium: six LAs.

The resulting sample was checked to ensure a reasonable spread of the following characteristics:

- size of case load;
- risk profile of claimants;
- rural v. urban v. city;
- geographic spread (England, Scotland, Wales);
- range of IT providers.

1 Alongside the interviews for this research we discussed matters relating to the new PM10 (reductions in benefits) measure. Five of the LAs we visited were chosen primarily because they had achieved good performance against this measure in 2006/07, before it was introduced formally. The performance of these LAs was reviewed by the Department for Work and Pensions (DWP) and one was allocated to ‘excellent’, two to ‘transformation’ and the remaining two to ‘medium’.
The DWP produced a letter outlining the research and asking LAs to participate. We sent this letter to named contacts (generally the Benefits Manager) by email. Twenty of the 21 LAs invited to participate agreed to take part. One of the LAs initially invited declined, and a replacement LA was invited; this LA agreed to participate. The resulting sample of 21 LAs comprised:

- five Metropolitan authorities (including one large city);
- eight Shire District authorities;
- three London Boroughs;
- five Unitary authorities (including Welsh Unitary and Scottish Unitary authorities).

We adopted a largely inductive approach to the research – developing theory from observations. This type of approach is considered ‘more likely to fit data and thus more likely to be useful, plausible and accessible, especially to practicing managers’2. To this end the research was based primarily on interviews conducted with personnel from the participating LAs and involved:

- developing a ‘topic guide’ for the interviews;
- conducting interviews with personnel from participating LAs;
- analysing interview data to draw out differences and common themes between performance groups;
- developing a theory of what was driving or enabling good performance, and what presents barriers;
- testing the theory against the interview information;
- reporting.

We carried out the programme of visits between March and June 2007.

2.2 Interviews

Prior to each interview the researcher who was scheduled to visit the LA telephoned named contacts to confirm arrangements, answer any queries, and clarify which officers the researcher would like to speak to. The number of officers we spoke to varied, in part due to the size of the authority and the associated management structure. In general, we conducted interviews with:

- Benefits Manager;
- Fraud Manager;

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• Interventions/reviews manager;
• two team leaders and/or assessors.

We offered LAs the choice of individual or group discussions. This flexibility appeared to be welcomed as it allowed LAs to tailor a timetable according to the availability of those we wished to talk with. Most LAs chose group discussions. Generally, managers were interviewed separately to team leaders and assessors. Sometimes, team leaders were included in the managers’ group.

Appendix A shows the questions used to guide our interviews with the LAs. The starting point for constructing this ‘topic guide’ was to identify factors that might help to explain the differences observed in performance characteristics, including a brief review of the Performance Standards framework. However, the research was exploratory in nature, intended in part to uncover factors not previously considered that might have an impact on performance. We recognised that in practice, important new factors may be identified through the interviews. For this reason, Appendix A was not used as a questionnaire, but as a guide as follows:

• The researcher began each discussion by asking a series of open questions, asking officers for their views on what helped them to achieve sustained good performance, what had led to their improving performance, or what would help them to achieve better performance.

• Issues raised were then discussed, to allow ideas and explanations not anticipated to be explored, so that discussions moved from the general to the more specific.

• Finally, where time allowed, the list of detailed and specific questions included in the topic guide was used as a ‘checklist’, to ensure that issues that were considered to be of potential importance at the beginning of the research were discussed at each of the LAs visited. This was to enable comparisons to be made between the different LAs.

We used a voice recorder, with permission from the participants, and used the recordings to produce a written record after each visit.

Part-way through the programme of visits, we were asked to include an additional question on the topic of efficiency to all subsequent interviews. The question we added was ‘To what extent does efficiency form part of your overall strategy and planning?’

The aim of this question was to identify whether consideration of efficiency went beyond reacting to recommendations, e.g. from audits and inspections to being an integral part of a continuous review and planning process.
2.3 Analysis

The written record from each visit was entered into a spreadsheet with one ‘row’ per question from the topic guide and one ‘column’ per LA interviewee/interview group. This allowed us to analyse LA responses by topic guide question. This helped identify the range of current practice in specific areas and to investigate potential correlations between approaches to particular activities and performance group. The spreadsheet also supported analysis of the overall picture for individual LAs. This helped identify the general themes associated with HB administration and performance across the different LAs.

The qualitative information provided at interviews was supplemented in some areas by quantitative analysis of HOBOD data but no financial or cost data were obtained or analysed as part of the research. Hence the research does not include any analysis of costs or levels of investment associated with any of the activities, practices or measures identified through the interviews. This type of analysis was beyond the scope of the research.
3 Findings

We did not find any single preferred model for administering Housing Benefit (HB) and Council Tax Benefit (CTB). Rather, we found that effective administration of these complex benefits depends on the successful implementation of many interconnected tasks and activities, and that this can be achieved in a number of different ways.

The research does not suggest a specific list of activities or local practices that all ‘good’ performers have in common, and that others do not. Rather, ‘good’ performance results from a successful combination of local practices.

Appendix B of this report describes the range of current practice we found across the sample of Local Authorities (LAs). From this, we have identified a number of attributes of good performance. These are described in this section, along with some of the tools and approaches used by different LAs to deliver them. The section finishes with a summary of findings on the subject of efficiency and a summary of other observations made during the course of the work.

3.1 Attributes of good performance

We found that effective LAs focus on achieving:

- right first time claims – form correctly filled in with full set of evidence submitted;
- right first time processing; and
- minimised overpayments.

This requires good performance across the whole range of activities, not just processing new claims and change of circumstances, but dealing with appeals and preventing and detecting fraud and error.

Our analysis suggests that the following attributes support good performance:
**Good processes**

1. Effective work processes – allowing claims to be processed quickly, accurately and efficiently and that identify and deal with downward changes and fraud promptly.

2. Productive work environment – ensuring maximum productivity.

3. Good business planning and management – this includes planning and management of all aspects of the HB administration, including business processes, organisational structure, IT systems, resource planning, physical office environment, planning for change and business improvement.

**Effective systems**

4. Effective IT systems – reliable systems that support local processes.

5. Good access to accurate information to support claims – effective systems for obtaining information about claimants and supporting the processing of claims.

6. Good management information systems and effective use of the performance information they provide.

**Competent staff**

7. Competent management and staff – competence includes the knowledge, experience, motivation and attitude of staff and management. A key factor within this attribute is ‘low staff turnover’ which supports creation and maintenance of a knowledgeable and experienced team. We also include here issues of management competence, including management styles of Team Leaders and HB Managers.

8. Good working relationships – internal (intra and inter-departmental within the LA) and external (with outside agencies/organizations associated with the delivery of HB).

**Culture and past performance**

9. No backlog – a necessary pre-requisite for good performance is that any backlog should be quickly cleared.

10. Performance-oriented culture and leadership – a culture amongst management, staff and senior managers that actively promotes good performance within the LA. This affects performance across all the above categories.

11. Active promotion of good claimant culture – a culture among the claimant population of, e.g. producing information/evidence and reporting Claims of Circumstances.

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3 Note that claimant culture depends on many factors outside the LAs control, however, LAs can influence it in a number of ways.
We compared these attributes with the findings from two recent studies on benefits administration. Management Styles and Characteristics of Local Authority Housing Benefit Managers\(^4\) was designed to ‘identify the ‘hallmark’ management and leadership practices and skills employed by managers of high performing, or rapidly improving, HB services’. The Audit Commission’s efficiency challenge report\(^5\) was aimed at identifying ways in which LAs can improve the efficiency of administering revenues and benefits.

Attributes from our research that were also identified in these two studies are:

- Good business planning and management – These are identified as important skills for managers of high performing LAs. A dedicated resource for business planning is also identified as important\(^6\).

- Good working environment – The Audit Commission\(^7\) identifies one of the benefits of home working as providing an improved working environment.

- Effective IT systems – An ‘appropriate attitude towards and skills in managing IT’ and the need for dedicated IT resource are identified as important aspects\(^8\). The Audit Commission identified modern IT was also identified as an enabler for change, supporting innovative new ways of delivering benefits\(^9\).

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\(^4\) Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.


\(^6\) Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.


\(^8\) Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.

• Competent management and staff – training is noted as important, with dedicated training resources considered particularly important. Ways of improving staff retention are highlighted with for example, flexible working seen as key retention tool\(^\text{10}\). The benefits of home working in improving absenteeism and retention are also noted by the Audit Commission\(^\text{11}\). Key management competencies highlighted in previous research\(^\text{12}\) include having an ‘approachable, listening style of management – encouraging team work and communications’ and also ‘investing in a softer management style that concentrates on people management’.

• Good working relationships – the benefits of having close working relationships with internal and external partners are noted in previous research on management styles\(^\text{13}\) and by the Audit Commission\(^\text{14}\).

• No backlog – identified as key to enabling headroom for managers\(^\text{15}\).

• Performance oriented culture and leadership – important aspects highlighted include the need to ‘operate customer first principles’, a ‘desire and determination to succeed’, ‘focus on outputs’; ‘championing high performance’ and ‘skilled in managing performance (rather than simply measuring against indicators)’.\(^\text{16}\)

The previous research also concluded that there was no ‘one size fits all’ answer to good performance.

3.2 The process, systems, people and culture model

The attributes identified above have been grouped under the headings ‘Process, Systems, People and Culture’. This is similar to the well-known ‘McKinsey 7-S’ framework developed by Peters and Waterman\(^\text{17}\). It defines seven independent

\(^{10}\) Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.


\(^{12}\) Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.

\(^{13}\) Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.


\(^{15}\) Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.

\(^{16}\) Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.

variables that Peters and Waterman report ‘any intelligent approach to organising has to encompass and treat as independent’. These are:

- structure;
- strategy;
- systems;
- skills;
- staff;
- style;
- shared values.

The last four factors in the 7-S framework are ‘soft’ factors. Peters and Waterman found that most successful companies work hard at these soft areas. It is also notable that change programmes (such as might be needed to effect sustained performance improvement) can be helped or hindered by these soft factors.

The simplified ‘Process, Systems, People and Culture’ model is shown in Figure 3.1. The model provides a useful framework for understanding both the current performance of LAs and how LAs (and indeed organisations in general) can improve performance. It is also important to consider factors over which the LA may have little or no control when making any overall assessment of the level of performance. For the purposes of this report however, which is concerned with what LAs and the Department for Work and Pensions (DWP) can do to improve performance, we have focused on factors over which they have some direct influence. In this model, ‘People’ and ‘Culture’ are soft factors, while ‘Process’ and ‘Systems’ are hard factors, which are more straightforward to identify and assess.
We assessed each of the LAs in our sample against this model. Our initial assessment is shown in Figure 3.2 in a performance dashboard.
Figure 3.2  Performance dashboard diagram
The dashboard has not been developed on the basis of any formal audit, and so must only be taken as indicative; it represents our judgement of how each of the LAs performed in each of the four performance attribute areas. However, it does highlight some interesting observations.

We find that ‘sustained excellent’ performers tend to have been delivering the majority of the attributes in each of the four areas (process, systems, people and culture) for some time, i.e. their processes and procedures are relatively stable and embedded, so that their processes, systems, people and culture are strong (shown as green in the dashboard).

‘Positive transformation’ LAs tend to be delivering most of the attributes but they may have some attributes still in development, in place for a relatively short period of time or in need of further development (shown amber in the dashboard). Red shows the presence of a significant issue in an area.

‘Medium’ performers generally need further development in two or more areas. For example, they may have a new IT system that is still in its implementation stage and is not supporting their local processes, or is very unreliable at present, plus a significant staff retention problem resulting in high staff turnover and therefore problems with staff competence.

Our general observations about the three performance groups (‘sustained excellent’, ‘positive transformation’ and ‘medium’) are drawn from a review of the combined dashboard results for the LAs that comprise each group. When interpreting the data there are some apparently anomalous results for a small number of individual LAs. There are a number of reasons why this may be the case:

- The allocation of LAs to performance groups was made early in the research; the LAs were visited between March and June 2007. It is possible, although perhaps unlikely, that their systems, processes etc may have changed materially since the allocation was made.

- The dashboard reflects how well we believe the LAs are performing against the 11 performance attributes identified above. Our proposal is that good performance against these attributes will translate to good delivery of outcomes as expressed by the performance category (‘sustained excellent’, ‘positive transformation’ and ‘medium’). However, two limitations of the model must be borne in mind:
  - Firstly, the performance category is an attempt to express many dimensions of delivery of ‘outputs’ and ‘outcomes’ over a sustained period in a single descriptive measure.
  - Secondly, the attributes generally concern activities and processes. There are a number of factors not included in the model that will contribute to good performance. These include contextual factors, such as the mix of claims, and inputs, such as the level of investment.

Figure 3.3 shows the relationship between these various factors.
Examining the data in more detail we did not find any strong correlation between individual attribute and performance. A similar number of ‘greens’ occur across all four performance areas; ‘Systems’ had the most ‘amber’ ratings – where this is primarily because of issues with IT systems; ‘Processes’ was the only performance area with any ‘reds’ – where this is primarily because of problems with the planning and implementation of IT systems.

This raises a difficulty we encountered determining whether an issue with IT is associated with the system itself or with the planning and implementation of the system. Where LAs had recently installed a new IT system (as was the case with a number of LAs in our sample) it is reasonable to expect a transition period. During this transition period the new system is ‘de-bugged’ and fine-tuned to meet LA-specific requirements, and staff are being trained and getting used to the new system. We therefore often found it difficult to assign, unambiguously, an issue with IT to an attribute. What the assessment does demonstrate however is that issues with IT systems can have a material impact on effectiveness and that careful specification, planning and management of the introduction of these systems is important.

3.3 Comparison with performance standards enablers

We carried out a mapping between the performance attributes identified in Section 3.1 and the DWP performance standards enablers. The results are shown in Figure 3.4.

We find that most of the performance attributes map onto existing performance standard enablers. Those that do not (either in part or in full) are listed below. These are all ‘soft’ attributes dealing with human factors and behavioural issues, while the current enablers, understandably, tend to focus on ‘hard’ factors. We
recognise, therefore, that several of these are difficult to frame in terms of enablers, but they are factors that seem to make a difference.

- **Productive work environment** – evidence from the interviews suggests that the main issue here is reducing distractions. A particular example is reducing the numbers of telephone calls taken in processing offices or by assessors engaged in processing claims. Existing solutions include moving phones out of the processing office to a separate room, manning phones by either dedicated telephone staff, or by assessors on a rota basis – so assessors effectively either answer calls or process claims, but not both at the same time. Other solutions include outsourcing telephone answering services altogether, although the general view among the LAs we visited was that having assessors answer calls is more effective for processing claims and responding to queries. Home working has also been found to contribute to productivity by reducing distractions.

Other environmental factors affecting productivity include the standard of office accommodation and the adequacy of IT equipment e.g. the provision of two screens or one large screen to enable split-screen working, where this is felt necessary to support the systems used.

This is discussed further in Section 3.6.2.

- **Good working relationships (particularly within the LA)** – while LAs generally have Service Level Agreements (SLAs) with other departments in their authority, good communication goes beyond this and encompasses a willingness to assist, and a sense of shared purpose, generally to serve the customer, or to help the LA achieve good Comprehensive Performance Assessment (CPA) scores. This ‘willingness’ element is currently missing from the performance enablers.

This aspect is discussed further in Section 3.6.8.

- **Competent management and staff** – a key contributor to this attribute is having low staff turnover and low levels of absenteeism. Many LAs talked about the positive impact on performance of low staff turnover. The performance enablers refer to ‘skilled and competent staff’, but not to the specific issue of managing staff turnover. Experienced staff have more knowledge than recent recruits of benefits and the underlying regulations, and also have more local knowledge, relating to claimants and employers, for example. In addition they are more likely to have developed formal and informal communications networks within and beyond the LA, helping secure timely access to accurate information. Low staff turnover reduces the time and cost of recruiting, training and supervising new staff; it also avoids the expense of employing Agency staff. As discussed earlier, some LAs face more challenges in this area than others, and there is no single solution to this issue.

A further component of ‘competent staff’, and closely related to retention, is motivation. While it may be difficult to define specific enablers in this area, it is worth noting that many LAs regard having motivated, dedicated staff, who strive to perform well, as a performance enabler.
A final issue for competent staff is management training and management style. As mentioned above, the performance enablers refer to ‘skilled and competent staff’. However, our research suggests that LAs’ efforts in this area tend to concentrate on the competence of assessment and processing staff, with less attention being paid to the competence of managers. This observation is consistent with the findings of previous research on management and leadership styles in high performing LAs\textsuperscript{18}. Given the important role of managers and management in the delivery of good performance, we would suggest that the enablers in this area should be modified to include some reference to the competence of managers.

These aspects are discussed further in Section 3.6.7.

- Performance oriented culture and leadership – whilst the performance enablers refer to performance targets, none refer to leadership or to the general issue of having any ‘drive’ for excellence within the LA. This is discussed further in Section 3.6.10.

- Good claimant culture – whilst the enablers include measures to encourage benefits take-up, they do not include any specific measures to encourage claimant compliance, e.g. with rules regarding notification of Changes of Circumstances. This is discussed further in Section 3.6.11.

\textsuperscript{18} Management styles and characteristics of local authority housing benefit managers DWP Research Report No. 218.
Figure 3.4  Mapping to performance enablers

Attributes of good performance

Good processes
1. Good work processes
2. Productive work environment
3. Good business planning and management

Effective systems
4. Good IT systems
5. Good access to information
6. Good management information systems

Competent staff
7. Competent staff
8. Good working relationships

Culture, environment and past performance
9. No backlog
10. Performance oriented culture and leadership
11. Good claimant culture

Security
- Security of administration
  - Verification of evidence
  - Provision of data to HBMS
- Counter fraud activity
  - Fraud referrals
  - Risk profiling referrals
  - Action on referrals
  - Fraud investigators code of conduct
  - LA fraud policy
- Sanctions
  - Balanced sanctions policy

Resource management
- Strategic management
  - Managing the benefits service
  - Monitoring performance
  - Providing for a skilled and competent workforce
- Achieving value for money
  - Achieving value for money
  - IT systems
- Assurance
  - Internal control mechanisms
  - Secure administration
3.4 Efficiency

The focus of this study was effectiveness, however as part of the interviews we did ask to what extent efficiency considerations formed part of the overall strategy and planning. We also reviewed the interview information for:

- any measures that LAs said they had taken specifically to improve efficiency or that they said they had found to be more efficient;
- measures introduced by LAs for reasons other than efficiency but that we thought could improve efficiency as a secondary benefit.

We found that the focus on efficiency varies. One LA told us they had a ‘corporate efficiency team’ – aimed primarily at finding Gershon savings. Another LA told us that while there were always budget constraints, in recent years ‘money (i.e. efficiency) has not been as important as performance’. Efficiency was described by one LA as ‘an underlying theme, rather than a specific target’. Our understanding is that DWP does not set targets relating to efficiency, and while managers at some LAs try to benchmark cost per claim against other, similar LAs, they generally report that they find this difficult. Many of the managers we spoke to had limited control or influence over budget-setting and some felt that they would benefit from more training in financial aspects of management. These factors all tend to reduce the emphasis on efficiency.

While there may be limited emphasis on cost efficiency at the operational level in many LAs, managers’ actions and plans aimed at improving the effectiveness of the service can result in efficiency change, even where this is not overtly a part of their overall strategy. We have listed initiatives that managers or assessors consider have led to efficiency improvements at least at the local level, and when measured in terms of assessors’ time, in Appendix C. However, it is important to note that none of these measures appear to have been formally evaluated and that while some may result in improved efficiency measured by reference to, e.g. time to process a claim, they may not overall lead to cost savings. Also, some of these measures, while delivering savings in operating costs, require initial up-front investment for savings to be realised. Nevertheless, by helping to reduce staff turnover, manage backlogs and peaks and troughs in workload (thus reducing the need to use expensive agency staff), reduce overpayments and the need to pend claims etc. many of these measures do have the potential to directly improve efficiency.

The practices and initiatives quoted by LAs include local measures aimed at improving processes and the working environment, which can generally be implemented by the benefits management team, and broader organisational initiatives such as

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19 For example, one manager was concerned that meaningful comparisons were difficult because it was hard to identify LAs with similar circumstances such as caseload mix, and also because different LAs deal with recharges for central services in different ways.
home working or partnering, which would generally require support from senior management and some level of investment to achieve. Previous work on efficiency conducted by the Audit Commission\textsuperscript{20} also identified a number of these types of measure. In particular:

- Modern IT – identified as an enabler for change and supporting innovative new ways of delivering benefits. In particular, electronic document management (EDM) systems where these ‘provide an opportunity for work to be transferred quickly to staff at a variety of locations’, e.g. remote back offices and home workers.

- Home working – a case study describes how introducing home working for benefits and revenues staff within one LA resulted in a 29 per cent reduction in sickness and a 15 per cent increase in productivity. Having fewer people in the main office also eased pressures on accommodation, giving office-based staff an improved working environment.

- Re-location of back office function – the Audit Commission recommends that London councils relocate their transaction processing out of London to deal with the problems of high accommodation costs and costs associated with poor staff retention (where staff leave to work for neighbouring LAs or for Agencies).

- Shared services with other councils – including shared back office processing functions.

In common with our research, the Audit Commission said that they found ‘little proof that councils had assessed the cost-benefit of their efficiency initiatives prior to commencement and consequently few were able to show any efficiency gains’. They go on to say that this makes it ‘difficult for other councils to assess the potential benefit of these measures because the financial outcomes are not clear’. We believe that planning for evaluation is an area where significant improvements could be made in the future.

3.5 Other observations

Appendix C discusses some other observations identified in the course of this study including those listed below.

**DWP Information** – Several LAs provided positive feedback on Customer Information System (CIS), HB Direct and DWP circulars. LAs generally see CIS as a great improvement over Remote Access Terminal Server (RATS) although some LAs find it difficult to cope with unplanned outages, and some were concerned that the information on the system is not always up to date.

Accuracy – We looked to see whether there appeared to be any correlation between accuracy performance measures (PM6) and performance groups of different LAs. We found that medium performers in particular are more likely to be less accurate – but there was no simple one to one correlation between levels of accuracy and performance group. There was anecdotal evidence that some LAs may be using different methods of measuring accuracy. This latter point is discussed in more detail in Appendix C.

Impact of HB joining CPA – Several LAs told us that joining Comprehensive Performance Assessment (CPA) had raised the profile of the benefits department and improved their overall ‘focus’. Others said that joining CPA had no impact as they already had all the associated enablers in place. One LA said that joining CPA had had a negative impact as it distracted managers by making them more focused on political issues.

Audit – We explored with LAs the impact of internal audit processes on performance. One (sustained excellent) LA said it had introduced a major change (introduced a new debtor system) as a result of an audit. However, the majority of LAs said that there had been no major changes as a result of audits.

Stability of caseload – We investigated the possible influence of the level of caseload ‘churn’\(^{21}\) on LA performance. We did not find evidence of any strong correlation between this parameter and the performance of LAs.

Commonality of views expressed by managers and Team Leaders/Assessors (TLs)/assessors – Where managers, team leaders and assessors all provided information about the same topic, we generally found good agreement between the views they expressed – suggesting similar ideas and understanding of the issues affecting the LA. Exceptions to this were:

• at one medium performing LA, managers and team leaders had a much more positive view of communications than assessors. This applied to internal as well as external communications. Also managers and team leaders had a more positive view of IT systems than assessors (who identified a number of issues with existing functionality);

• assessors at one (positive transformation) LA said they felt that appraisals did not help them focus on performance improvements; they know what needs to be done;

• at one medium performing LA assessors told us that they would like own a new claim or change of circumstances report from beginning to end, rather than having pended claims picked up by the next available assessor (as they find this more satisfying). The assessors said they would also like more variety in their work, e.g. to do some visits and/or some verification work with claimants.

\(^{21}\) As a proxy measure for caseload churn, we looked at the numbers of new claims in a year as a percentage of the average total number of claimants.
3.6  Good practice

In the following sections we look in more detail at examples of ‘good practice’ in each of the attributes identified in Figure 3.1.

3.6.1  Effective work processes

Effective work processes are important for accurate, speedy and efficient processing.

Effective processes make the best use of available resources, of staff skills and time (including front office, back office, visitors). LAs need to understand how resources are used and in particular where bottlenecks and pinch points etc occur so that these can be reduced. Standard, well thought-out processes facilitate the training of new staff and help to ensure consistency of approach.

Examples of good work processes (contributing to right first time claims, right first time processing and minimized overpayments) identified from interviews include:

- Fast-track claims – a small number of LAs in the sustained excellent and positive transformation LAs report the introduction of a fast-track system for claims that are presented with all necessary information and evidence. A promise is made to process these within a few days (typically one to five days).

- Paperless new claims – one sustained excellent LA enables claimants to claim benefit without the need to fill in a form. When a new claim enquiry is received, the assessment team take basic details over the phone and arranges for an assessor to ring the claimant back (within three hours or the next morning). The assessor goes through the claim by phone making sure that the claimant understands each question. They run a quick check to see if the claimant is likely to qualify while they are on the phone. This saves time for all if they are not going to qualify. The resulting claim print-out is sent to the claimant with the list of required evidence. A visit is arranged within three days to go through the claim verification and collect the evidence required.

- ‘On-the-spot’ processing teams – one positive transformation LA has teams that deal with claims at the point of customer access to the housing service. These teams assess claims within one to three days. They have agreements with the LA housing service and temporary accommodation providers, and RSLs. The teams are exploring the use of mobile technology to assess claims in people’s homes.

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22 Where this is defined as practice (i.e. activities, methods, tools) that LAs felt had resulted in good performance and that we subsequently aligned with one or more of the performance attributes identified through the course of this research. Note that none of these have been formally evaluated.
• Assessors take ownership of pieces of work – several LAs have processes where the assessor who starts a piece of work, e.g. a new claim or change of circumstances, sees it through to completion. LAs that have adopted this approach say it improves efficiency as the assessors know the background to the work when they pick it up – it seems to be a more efficient way of working, and both managers and assessors said that assessors prefer it.

‘Once we have written out and pended a case, any new communication, letters, evidence, get routed automatically to the person who started the claim, so they deal with it – and they are the person most likely to know about that claim and be able to deal with it. You know your own notes – it saves time.’

(Benefits assessor)

• Dealing with claims face-to-face – one medium performing LA is putting assessors in front offices, so that they deal with claims from first customer contact to determination.

‘The biggest single factor for us is to get our staff out in front of customers… Two years ago…we put staff back out there in front of the public. At an LA level we have reduced the numbers of customer services officers and replaced them with benefits assessors. They are in the customer services centre but at a dedicated benefits desk. They do the whole thing end to end. It takes 45 minutes to an hour to deal with a new claim or a change of address (in this way)…We have analysed processing times for claims dealt with in the front office compared with those processed in the back office and there is a real difference.’

(Benefits manager)

• Prioritising claims – approaches to prioritisation vary with some LAs prioritising only if and when they develop a backlog, while some others prioritise all the time. Methods also vary – most commonly LAs prioritise new claims, downward Changes of Circumstances (CoCs) and/or pended pieces of work. One (sustained excellent) LA determines priorities depending on the contents of in-trays, and reviews this daily. One (positive transformation) LA has provided additional training to indexing teams to look at items of post in more detail to support more complex indexing, to allow more sophisticated prioritisation.
• Checking – many LAs target checking, by competent staff members, either on particular staff (new starters, ‘poorer’ performers, those recently returned from long-term absence etc), claim type, or on a particular aspect of processing. Where claim types are targeted, some LAs look at determinations by payment value (high value claims, e.g. >£500), and some by time to process (shortest and longest to process as LA experience shows these are most likely to affect performance figures, and most likely to include errors). Many LAs also carry out checking on particular areas of processing, for example, if a new regulation has been introduced that requires a change in process, they will carry out checks on that part of the process for a period of time. Nearly all LAs said that results from checking are fed back to teams and to individual assessors and are used to inform training plans.

• Verification – almost half of the LAs we visited reported that Registered Social Landlord (RSL) staff carried out verification activities (taking in new claims and changes of circumstances from their tenants) on their behalf. LAs mostly felt that this helped improve performance.

Fraud

Many LAs identified the importance of a proactive approach to fraud management – keeping fraud out of the system – as opposed to relying on detecting fraud once it has occurred. The most effective measures for preventing fraud were considered to be:

• verification;
• good training for front-office and assessment staff; and
• publicity – particularly publicising successful prosecutions in the national and local press.

Other counter-fraud activities considered successful included:

• data matching;
• the use of public fraud hotlines and on-line reporting facilities; and
• joint working with Jobcentre Plus and DWP.

One sustained excellent LA reported that it avoids sending out pre-populated review forms – purposely sending out blank forms for claimants to fill in ‘from scratch’ so that they can check that the information they give matches that provided previously.

‘Lots of LAs were sending out pre-populated review forms – saying “here’s what we hold about you, is it still correct, can you check and sign”. We don’t – we start with a blank form. We ask for evidence on postal forms, even if they say their pay hasn’t changed, and we look at bank statements again.’

(Manager, Sustained Excellent LA)
None of these measures have been formally evaluated.

3.6.2 Productive work environment

Measures used by LAs to promote a productive work environment include:

- home working (among other things this improves productivity by improving the work environment, e.g. because home workers rarely take work related phone calls);

- moving telephone support out of the back office to a separate room (or location), manned by dedicated telephone staff;

  ‘We reduced noise and interruptions in the benefits office by introducing a dedicated telephone enquiry room, with a rota of benefits staff to man the phones. This helped people processing claims to do their work more efficiently.’

- providing two computer screens/split screen capability where this is needed to support IT systems used by assessors.

3.6.3 Good business planning and management processes

The main issues here were:

- managing workflow (peaks and troughs in demand);

- planning for change (e.g. new IT systems, uprating information);

- approach to continuous improvement.

Managing workflow

Effective systems for managing workflow help to reduce and ultimately remove backlogs. They help to prevent them building up again and reduce the need to use (expensive) agency staff. Example approaches for managing workflow include:

- generic revenues and benefits teams, where this ‘removes delays and manages demand better’;

- co-location of HB and Council Tax (CT) teams, where this improves workflow by improving communications;

  ‘CT was something we sorted out a long time ago – new people need to be registered on the CT system before we can touch them – so working with CT has helped [improve performance].’

  (Benefits assessor)

- sharing work processes and IT systems with neighbouring LAs to enable sharing of assessor resources to deal with peaks and troughs – one LA was working with neighbouring LAs on the possibility of sharing resources in the future;

- good planning, where this helps deal with seasonal (foreseeable) peaks in demand.
‘They [pension credit upratings] arrive, lots of them, between Christmas and New Year, and that’s when the clock starts ticking, and no-one is here to deal with them. It has a real impact on our resources in January and February. We have learned to get things as up to date as possible before Christmas and then focus on Pension credit uprating in the New Year.’

Planning for change

Several LAs talked about the disruption caused by change – mainly the introduction of new IT systems and bringing outsourced services back in-house. Interestingly, very few LAs mentioned disruption resulting from changes in legislation or policy, whereas this was an important factor affecting performance identified in two recent studies\(^ {23} \) \(^ {24} \). Example approaches to reducing the disruption caused by change include:

- working to reduce workload before change is introduced – ‘Before we closed our old system, we put all the resources we could into assessing. We also phoned claimants to get information and evidence so we could get our workload to zero before closing the system and installing the new one. It took a lot of planning but it went well’;

- planning actions to help cope with change:
  
  ‘A dedicated telephone team helped take calls for six to nine months during IT installation.’

  ‘When we introduced the new (IT) system there was a lot of planning ahead to try to introduce it as smoothly as possible.’

Continuous improvement

By continuous improvement, we mean that the LA has a process and culture for reviewing its working procedures and processes and making sure they remain fit-for-purpose and reflect appropriate best practice. This includes, not only reviewing how well current processes are working, but also why they are needed and whether they are still appropriate.

We looked at this in terms of single and double loop learning\(^ {25} \). Figure 3.5 illustrates these. Single-loop learning looks at current processes and considers whether changes are needed within these in order to produce the desired outcome. It can be thought of as ‘playing within the rules’. Double-loop learning looks beyond this to include a review of the desired outcomes themselves, why these are needed

\(^{23}\) Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.


and what the best ways to produce them are (where this might involve new or different processes altogether). It can be thought of as ‘changing the rules’.

Most LAs showed evidence of single loop learning; reviewing existing processes when performance information suggests a problem and identifying training needs from checking:

‘We review things constantly. On Stats 124 we look at things and say “why has that new claim taken longer?” and try to put in a new process to address it. We run reports and review the process in response.’

‘We have spent a lot of time looking at things that took too long to work out why – is the process right, did staff do something wrong or not do something they should have, can we improve things, change things. (Look at processes, training issues).’

Figure 3.5  Single and double loop learning

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One positive transformation and one medium LA also showed evidence of double loop learning by (respectively):

- reviewing the resource associated with processing claims received from different ‘points of entry’ to the benefits system. This was then used to drive improvements, e.g. migrate people from walking in to using self-service channels where the review suggested this would be more efficient;

- producing process maps of actual processes as a starting point for process review – what happens from the first point of contact to completion of the claim. This helped demonstrate inefficiencies and the need for new ways of working, e.g. putting assessors into front offices to assess claims at the point of entry.

3.6.4 Good IT systems

IT systems are needed that:

- support local processes;
- are integrated (where they need to be);
- are reliable;
- function at an appropriate speed.

Previous research\textsuperscript{27} has also identified IT systems as important enablers for change.

Examples of good practice identified through our research include:

- use of mobile technology for visits and home working that allows information to be immediately up/downloaded to the main processing system – the key is that data is only input to the system once;
- IT for home working having an ‘up-to-speed’ link to the main system.

As noted previously planning to ensure smooth introduction of new IT systems is essential.

3.6.5 Good access to accurate claim/claimant information

The main issues here are with CIS, Pensions Service, Jobcentre Plus and Her Majesty’s Revenue and Customs (HMRC) information. Many LAs made negative comments about the accuracy and availability of current information. However, it does not appear to affect performance significantly at present. For CIS, LAs generally preferred it to RATS; access to information was much improved and this saved time – both actual time taken to complete the task, and elapsed time. However, there were some concerns that the information was not up to date.

\textsuperscript{27} Audit Commission (2005), The efficiency challenge – The administration costs of revenues and benefits, Audit Commission Publications, Wetherby.
Some examples of LAs contributing to initiatives aimed at improving information include:

- joint working with the Pension Service for visiting. In some cases, this extends to sharing information, with benefits staff seeking information from the Pension Service before visiting pensioners and to help with take-up;

- establishing links with Jobcentre Plus that include joint working on counter fraud, shared investigation officers, benefits staff visiting Jobcentre Plus to see their processes, and some return visits so Jobcentre Plus staff have a better understanding of the benefits process and what information they require.

Many LAs have established Service Level Agreement (SLAs) with other Agencies (Jobcentre Plus, Pensions Service) for information (as per the performance standard enabler E44). They also have regular liaison meetings to maintain communications. In some instances, most notably with Jobcentre Plus, some LAs told us that communications had deteriorated some time ago, but were now improving again as Jobcentre Plus reorganisation was largely complete.

### 3.6.6 Good management information systems

Good performance is supported by systems that can provide accurate, useful and timely management information on performance. They support useful analysis and can be readily accessed and interrogated. Information from these systems can then be used as a basis for learning and improvement, by identifying areas where there is scope for improved performance. Examples of good practice in this area include:

- several LAs run reports designed to help prioritise work, looking, for example, at the age profile of different document types on DIPs;

- we also found examples of other types of analyses including:
  - comparison of PM1 data for claims received from different sources (front office, Customer Management System (CMS), post) or processed via different routes (face-to-face versus in the back office). This information was used to introduce new work processes aimed at channelling more claims down those processing routes that were found to deal with claims more quickly. It was also used to review processes to identify transferable lessons to improve routes with slower processing times;
  - comparing the productivity of home workers and those who are office-based, to support evaluation of the initiative;
  - running reports to identify cases that have taken considerably longer than average to process to identify why delays occurred, whether they could have been reduced, and whether there are any lessons to be learnt for the future.

### 3.6.7 Competent staff

A competent workforce possesses the qualifications, skills, experience, knowledge and attitudes required to deliver the service. Competence is maintained through
recruitment, training, supervision and motivation. Low staff turnover supports the maintenance of a competent workforce by ensuring that a pool of experienced staff exists. Clearly, low staff turnover can also reduce costs, by reducing time spent training and supervising new staff and the need to use agency staff to cover shortfalls. However, it should be noted that very low turnover may lead to risks of ‘stagnation’ in terms of skills, ideas and motivation.

We have examined the following aspects of competence:

- staff training;
- retention and motivation;
- performance management;
- management competence and styles.

**Staff training**

Staff training includes initial training for new starters and ongoing training for existing staff.

For initial training, it is important to note that a ‘one size fits all’ approach is not required; as noted earlier, some LAs have very low staff turnover and it would, arguably, be inefficient to maintain a tailored induction and training programme. However, many LAs do recruit new starters on a regular basis and examples of good initial training for this group include:

- 13-week training course based on the DWP training plan\(^ {28}\). Includes shadowing an experienced assessor and ‘supported input’ on live system;
- visits to Jobcentre Plus to see how their processes work;
- structured progression and mentoring support – e.g. induction training followed by a six-month probationary period then staff placed on a trainee scale for two years. A mentor supports and trains new starters on the job with real cases. The LA finds this approach requires less supervision over time;
- ‘training the trainers’ training for Team Leaders where they are expected to perform a training role for new starters.

All these examples come from ‘sustained excellent’ LAs.

Examples of good ongoing training for existing staff include:

- on-line training for all assessors on an annual cycle, supplemented by in-house courses;
- use of training plans, which are reviewed annually. Monthly monitoring also identifies training needs;

• periodic half-day closure for assessor training;
• encouraging staff to gain appropriate NVQs.

These examples come from ‘sustained excellent’ LAs and the last from a ‘positive transformation’ LA.

Retention and motivation

There are many theories of motivation that can be used to aid an understanding of motivation at work. Some focus on content, or needs; these seek to identify what motivates people. Other theories focus on process, or how people are motivated. One content or needs-based theory is Herzberg’s Two-factor Theory. Herzberg distinguished between hygiene factors, which should be present to avoid dissatisfaction (why work here?), and motivators, factors that help improve performance (why work harder?). The theory has been criticised, for example, for failing to take account of the effect of different personality traits; however, it remains a useful starting point for considering what might help to improve staff retention (hygiene factors) and what might help to improve motivation (motivators). Table 3.1 lists some of the factors identified by Herzberg.

Table 3.1 Summary of motivation factors

<table>
<thead>
<tr>
<th>Hygiene factors (why work here?)</th>
<th>Motivators (why work harder?)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salary</td>
<td>• Sense of achievement</td>
</tr>
<tr>
<td>• Job security</td>
<td>• Recognition</td>
</tr>
<tr>
<td>• Working conditions</td>
<td>• Responsibility</td>
</tr>
<tr>
<td>• Level and quality of supervision</td>
<td>• The work itself</td>
</tr>
<tr>
<td>• Company policy and administration</td>
<td>• Personal growth</td>
</tr>
<tr>
<td>• Interpersonal relationships</td>
<td>• Advancement</td>
</tr>
</tbody>
</table>

Examples of specific measures to improve staff retention and motivation identified through this research include the following.

Hygiene factors (aid retention):
• increased pay to match neighbouring LAs;
• staff retention bonuses: rewarding staff for loyalty;
• home working and flexible working (if these are considered desirable by staff and they support local working practices);
• supervision: reducing team size to improve the quality of supervision;

29 For example, while some individuals might welcome increased responsibility, others may not.
• supervision: changing management style to a more open, engaging, listening style;
• interpersonal relationships: teambuilding events.

Motivation factors:
• sense of achievement: allowing assessors access to information on personal achievements such as work completed, and accuracy of work;
• recognition: one-to-one feedback on performance;
• recognition: progression to higher pay scales based on performance;
• recognition: departmental or team events to recognise achievements such as improved performance;
• responsibility: assessors dealing with pieces of work from start to finish;
• responsibility: giving team leaders primary responsibility for managing team performance;
• personal growth: opportunities for training and development including studying for NVQs;
• increasing opportunities for advancement: promotion to senior assessment officer based on competence, not on availability of vacancies;
• increasing opportunities for advancement: decreasing the size of teams thus increasing the number of team leader posts available (note, however, that the main driver for this was to improve the quality of supervision).

Performance management
Most of the LAs interviewed use targets as part of their performance management regime. The motivators discussed above are concerned with addressing the question ‘why work harder?’, targets and performance measurement are used to help focus effort on the most valuable activities and objectives.

The majority of LAs had team targets for performance and several also had individual targets. In some instances, managers have made a conscious decision not to cascade targets to individuals. In some cases this is because managers have had previous bad experience of the use of targets, finding that they result in adverse consequences, such as a focus on volume at the expense of accuracy and teamwork. In several LAs, there is an expectation about the volume of work that officers should get through, but no formalised targets.

Where targets are used they need to be used constructively, and staff must have timely and accurate feedback on their performance. Examples of the use of targets included:
• balanced set of targets for assessors – reflecting overall PMs (i.e. volume and accuracy\textsuperscript{30});

• individual targets tailored to individual abilities – most of the literature on motivation and targets indicates that targets should be realistic (or people will feel they cannot achieve them and will not try) but stretching (so that they can drive performance improvement);

• linking performance against individual targets to rewards. Typically, progression from one pay scale to the next may be dependent on meeting targets.

In most LAs, team leaders have day-to-day responsibility for monitoring and managing the performance of assessment staff. One LA told us they had introduced an additional grade between assessor and team leader with specific responsibility for assisting other assessors with technical queries – both on regulations and on use of systems – to allow team leaders more time to manage performance and motivation.

We note that the previous study on management and leadership styles in high performing LAs\textsuperscript{31} also found a ‘dichotomy of views’ on the relative benefits of team versus individual performance monitoring. In particular, they found examples of LAs using team-based performance monitoring but with the aim of moving to individual performance monitoring in the future, and of LAs ‘benchmarking’ the performance of individuals against the highest and lowest individual performance of the team. They comment that the top performing organisation in the study was ‘steadfastly against such an approach, considering it to be an old fashioned, time and motion approach to raising performance’.

\textit{Management competence and styles}

This section is concerned with the competence management of managers and the management and leadership styles adopted at benefits manager and team leader level as opposed to leadership styles adopted by senior managers within the LA, which are covered in Section 3.5.10.

\textsuperscript{30} There is a wealth of literature on the use of performance indicators and targets. The tension between volume targets and quality targets is well-known, and highlights the importance of ensuring that accuracy does not suffer by implementing only volume targets.

\textsuperscript{31} Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.
Management and leadership styles

There is a considerable body of literature on management and leadership styles, and this report has already referred to previous research commissioned by DWP in this area. Common systems for classifying leadership styles include:

- Harbison/Myers: autocratic, paternalistic, consultative and participative;
- Vroom: leader decides, consults, shares, delegates;
- Hersey/Blanchard: telling, selling, participating, delegating.

Most of the LAs we talked to described practices and characteristics of leadership styles to the right of these classifications, i.e. consultative, participative, sharing, participating, delegating. Leadership traits seen as helpful by the LAs we interviewed included:

- ‘Focused on performance measures and targets’ (although this is tempered by the comment that managers are ‘under pressure to achieve targets’ and hence ‘can forget about staff’). (Team Leader)
- ‘Open to ideas and suggestions; allowing team leaders to manage and good at delegating responsibility.’ (Manager)
- ‘Interested in what staff are doing.’ (Assessor)
- ‘Focused on (the) subject that someone needs her to consider, then moves on to another; able to manage multiple topics and issues. Approachable and supportive of the team. Embraces technology.’ (Assessor)
- ‘Focused on PMs but more on people’s performance – not timekeeping, number of breaks, etc.’ (Manager)
- ‘Very approachable. Not just interested in suggestions – positively encourages staff to come up with them. Listens.’ (Assessor)
- ‘Performance driven. Open management style…Assertive when required.’ (Manager)

These findings compare well with those from the previous research in this area, which described the ‘ideal’ manager as:

- personally knowledgeable but works to get the best from others;
- has an open, listening style, uses humour yet does not suffer fools;
- is not expected to be ‘visionary’, yet sees the bigger picture;
- manages change well, but creates stability.

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32 Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.
34 Management styles and characteristics of local authority housing benefit managers, DWP Research Report No. 218.
The previous research suggests that there is no ‘universally applicable model of management style’, but that, ‘an organisation in need of radical turnaround performance may require a strong top-down driven style of management; an authority already at the top end of performance may require a steady state with a ‘safe pair of hands’ approach’. We did not find any strong correlation between leadership styles and performance.

Training for managers

We found that training for managers was much less formalized or structured than for assessors. This reflects the findings of earlier research\(^{35}\) which found that the training for HB managers is generally ‘lower profile’ than for staff. Example training for managers includes:

- in-house training courses;
- Institute of Revenues, Rating and Valuation (IRRV) courses;
- National Vocational Qualification (NVQ) courses.

Training areas that were suggested as being of particular use to managers include staff supervision and management (including performance and absence management) and finance (including council corporate, finance regulations and subsidy training).

3.6.8 Good working relationships

This includes internal (within benefits team, with other LA departments) and external relationships (with external groups/agencies/departments).

Measures for improving relationships within benefits teams include:

- teambuilding and awayday events;
- open-plan offices, supporting interaction and communication between assessors – particularly helping each other out with work.

Measures for improving relationships with other LA departments include:

- co-location (same office/building);
- sharing the same managers (where practical), e.g. benefits and fraud teams managed by the same manager (but acting as independent teams), and revenues and benefits teams reporting to the same senior manager.

Measures for improving relationships with external organisations:

- regular liaison meetings;
- named liaison officers at different management levels;

\(^{35}\) *Management styles and characteristics of local authority housing benefit managers*, DWP Research Report No. 218.
• joint working practices;
• work-shadowing (to improve understanding of processes and jobs).

3.6.9 No backlog

Previous research\(^{36}\) has found that backlogs distract managers from the task of managing their teams and departments. In our research, nearly all LAs commented on how much backlog can affect performance. Sustained positive transformation LAs, in particular, described how reducing backlogs had helped them to improve performance. Having a large backlog leads to increased queries from claimants, and so to reduced time available for processing claims. For management, large backlogs mean less time to plan ahead. These factors can make it hard to reduce the backlog, which in turn affects staff motivation. Backlogs in the benefits department can affect other departments in an LA; for example, LA housing departments may find their workload increases, as the number of rent accounts apparently in arrears will increase.

Examples of approaches used to eliminate backlogs include:

• working on both backlog and some new claims (an approach advised by Benefit Fraud Investigator (BFI));
• prioritising ‘quick wins’ (terminations, rent increases);
• outsourcing some processing temporarily, e.g. to deal with backlog caused by the introduction of a new system;
• using staff overtime or agency staff, supported by performance standards funding and internal LA finance;
• devoting more time to processing, and less to other activities, e.g. allowing the number of abandoned phone calls to increase.

Measures to avoid build-up of backlog, once recovered include:

• monitoring claims processing, and planning ahead to anticipate peaks and troughs in demand, adjusting resources to meet these. This can be facilitated through:
  – multi-skilling, perhaps through integrated revenues and benefits staff; or
  – generic benefits staff, e.g. a visiting resource that can carry out the whole assessment process and move off visits onto processing when required.
• shared processing with LAs using the same assessment software – increasing capacity of the group.

\(^{36}\) Management styles and characteristics of local authority housing benefit managers DWP Research Report No. 218.
### 3.6.10 Performance oriented culture and leadership

Organisational culture comprises the attitudes, experiences, beliefs and values of an organisation. When asked about their organisational culture, many LAs (both managers and assessors) talked in very positive terms, for example referring to:

- open communication;

- supportive environment;

- motivated staff (striving to do their best and encouraged to put forward ideas for business improvement); and

- a ‘can-do’ attitude – open to change.

Several LAs demonstrated that their staff had a ‘customer first’ attitude and were committed to achieving good performance. Several of the positive transformation LAs noted that cultural change had helped them to improve performance generally, in particular improved team-working and increased focus on the customer.

‘One of my team said to me “I really feel for these people and want to get the benefit right”…to my mind they have made it, they have got to a stage where it actually means something to them, they don’t just see it as money or earnings, they see it as something they are doing for their community. They realise they are making a difference to somebody’s life out there. It motivates them.’

‘Putting the customer at the heart of things is the most positive part – it means that helping the customer with their rent becomes what people do – not processing a claim.’

Looking at the dashboard presented in Figure 3.2 shows that the LAs categorised as sustained excellent or positive transformation were more likely to have a performance-oriented culture than those categorised as medium-performing.

A full analysis of cultural and leadership issues is beyond the scope of this study but we have examined:

- Chief Executive/Senior Management focus on performance (as perceived by interviewees);

- profile of the benefits department and attitude towards performance of the department in general;

- attitudes to targets and levels of achievement.

We found that the perceived profile of the benefits department within the LA does not appear to correlate with performance group. From the interviewees’ perspectives the profile of the benefits department often reflects performance, rather than driving it and both good and poor performance can raise the profile of the department. Indeed, good performers can find they have a low profile within the LA as senior management attention is focused elsewhere.
We found that Chief Executive/senior management focus on performance (as perceived by the interviewees) did not appear to correlate with performance category. We understand that DWP’s Performance Development Team’s findings suggest that ‘commitment of Members and senior officers’ is key to positive transformation of poorer performing LAs. While few of our positive transformation LAs cited this as key to their transformation, this may reflect a focus in interviews on what had been done to improve performance rather than why. One LA that had seen sustained positive improvement noted that several BFI visits had led to increased interest from Members and senior officers, resulting in increased resources, which had been essential to improvement.

We found evidence that the attitudes of managers and staff in benefits departments can influence performance. Specifically, we found that those LAs that said they wanted to be ‘excellent’ appeared to perform better in terms of the performance categories, than those who say they are content with ‘medium’ or ‘median’ performance. The commitment and support of senior management and stakeholders will be one factor driving such attitudes.

3.6.11  Good claimant ‘culture’

Many of the LAs visited cited ‘failure of claimants to provide evidence’ as a barrier to performance. While a range of external factors will influence claimant compliance with benefit rules research carried out in parallel with this study suggests that claimant education can have a positive impact on compliance37.

Measures to improve claimant compliance identified through the research include:

- LAs use appointments, visits and telephone calls, to go through the information and evidence required with the claimants. In some LAs, customer services staff will identify the requirements immediately with the claimant and help them identify suitable evidence;

- both telephone calls and written notices are used to notify claimants of evidence requirements or missing evidence. We found an increase in the use, or planned use, of outbound telephony to contact claimants;

- a number of LAs point out to the claimant the potential consequences of not submitting evidence (ie. delays to processing and payment, claim cancellation) and provide a deadline for a response;

- one positive transformation LA includes a quotation of likely benefits in the letter;

- another positive transformation LA copies letters to council tenants to housing staff so they can encourage tenants to provide evidence quickly;

• a small number of sustained excellent and positive transformation LAs offer a fast-track processing service for claims submitted with all the necessary information and supporting evidence – typically promising to assess the claim within one to five days.

Many LAs use combinations of measures, e.g. claimants are given a target date to provide any missing information and evidence (by letter and phone). They are then followed-up if they miss this target. Some LAs do not follow up missing information and evidence.

It is difficult to say which of these measures (or combinations of measures) represent ‘good practice’ as LAs report mixed experiences.
4 Conclusions

The administration of Housing Benefit (HB) and Council Tax Benefit (CTB) is a complex process. Good performance appears to rely on ‘balanced’ performance across the three areas of:

- people;
- processes;
- systems.

Supported by a positive performance oriented culture and leadership.

First-class performance in one area cannot compensate for poor performance in another; to achieve good performance overall, attention must be paid to each of these areas.

A review of current practice in the Local Authorities (LAs) we visited showed a range of different approaches to different aspects of the HB/CTB administration process. We found no single ‘best’ way of administering benefits.

The key features of good performance have been summarised here (recognising that good administration requires many tasks and activities to be undertaken) as:

- right first time claims;
- right first time processing;
- minimising overpayments\(^{38}\).

We have identified the following ‘attributes’ of good performance that deliver these features.

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\(^{38}\) In addition to prompt processing of Changes of Circumstances (CoC), this can be helped by achieving good reporting of changes – see Footnote 16.
Good processes
1. Effective work processes – allowing claims to be processed quickly, accurately and efficiently and that identify and deal with downward changes and fraud promptly.
2. Productive work environment – ensuring maximum productivity.
3. Good business planning and management – this includes planning and management of all aspects of the HB administration, including business processes, organisational structure, IT systems, resource planning, physical office environment, planning for change and business improvement.

Effective systems
4. Effective IT systems – reliable systems that support local processes.
5. Good access to accurate information to support claims – effective systems for obtaining information about claimants and supporting the processing of claims.
6. Good management information systems and effective use of the performance information they provide.

Competent staff
7. Competent management and staff – competence includes the knowledge, experience, motivation and attitude of staff and management. A key factor within this attribute is ‘low staff turnover’ which supports creation and maintenance of a knowledgeable and experienced team. We also include here issues of management competence, including management styles of Team Leaders and HB Managers.
8. Good working relationships – internal (intra - and inter-departmental within the LA) and external (with outside agencies/organisations associated with the delivery of HB).

Culture and past performance
9. No backlog – a necessary pre-requisite for good performance is that any backlog should be quickly cleared.
10. Performance-oriented culture and leadership – a culture amongst management, staff and senior managers that actively promotes good performance within the LA. This affects performance across all the above categories.
11. Active promotion of good claimant culture – a culture among the claimant population of, e.g. timely provision of information and evidence, and good reporting of changes of circumstances.

Note that claimant culture depends on many factors outside the LAs control, however LAs can influence it in a number of ways.
We find that most of these performance attributes are reflected in the existing performance standard enablers. Those that do not (either in part or in full) are all ‘softer’ attributes dealing with human factors and behavioural issues, while the current enablers, understandably, tend to focus on ‘hard’ factors. We recognise, therefore, that several of these are difficult to frame in terms of enablers, but they are factors that seem to make a difference. It should be noted that where targets are set in a number of areas, organisations tend to focus on these, and that sometimes other areas might be neglected.

We have identified a number of examples of what appear to be good practice in the approaches used by various LAs to deliver HB and CTB from across the range of LAs – not simply the sustained excellent and the positive transformation. These should be treated with care; research of this nature is necessarily subjective, and we found no evidence that any of the activities we found had been subject to formal evaluation, but overall, we find that our observations are consistent with the findings of previous research.
5 Recommendations

A. Culture, motivation and ‘soft’ issues

A key finding of this research is that cultural and ‘softer’ management issues can have a significant effect on performance and that these are currently not well represented in the Performance Standards framework. Ways of raising the awareness of Local Authorities (LAs) of the issues, and providing them with tools to help assess and improve in this respect should help improve performance:

1. Consider carrying out further research to explore more specifically the impact of these softer issues on the management of change, examining for example LAs that have recently implemented, or are implementing a major change.

2. Develop the findings of this research to identify key management indicators of performance and provide a ‘health check’ tool for LAs to use, to enable them to assess how well they are performing with respect to the identified ‘softer’ issues.

3. Support this by using some of the ‘good ideas’ identified here to develop good practice examples of observed successful approaches to common problems, e.g. high staff turnover.

4. Consider whether it is appropriate to add the identified ‘soft’ enablers to the Performance Standards framework, and how this might best be done.

B. Measures, targets and benchmarking

In this work, and the related study into the new PM10 measure, we found that attitudes to, and use of, targets and enablers varies considerably across LAs, but that they can be significant drivers of LA behaviours and activities. The Department for Work and Pensions (DWP) and LAs are moving to a regime in which there will be fewer, more focused, targets set at the centre, with greater responsibility for setting and reviewing targets passed to the local level. The likely impact of this on performance and the support LAs will require to manage the transition should be explored. This should include understanding how benchmarking can be more effectively enabled:
1. Improve understanding of the role and impact of the performance measures on management of performance in LAs including:
   - attitudes towards measures and targets, e.g. which measures do they focus on most, do they seek to be in, say, the top quartile for certain measures, or perhaps to avoid the lower quartile, and reasons why, in particular, if they do not seek excellence – why not?
   - explore whether and where LAs feel that the existing performance measures do not align with their view of providing a good service and why;
   - explore whether LAs feel that any of the performance measures can result in adverse unintended consequences, and how.

We suggest that this could be explored effectively through the omnibus survey by framing questions in the context of the forthcoming changes.

2. Review the new measures taking into account current practice in LAs, in particular, to identify any potential for unintended consequences.

LAs appear to have some difficulty effectively benchmarking, issues include consistent definition of benchmarking/performance measures and difficulties knowing how to use benchmarking information where contextual factors vary significantly between LAs:

1. Moving forward, if accuracy is to remain a measure, or part of a measure, ensure that the definition is clear, and that robust, auditable data collection methods are in place to ensure (as far as practicable) that the measure is determined in the same way by all LAs, has credibility, and can be used to compare performance for any single LA over time, and across LAs within any time period.

2. Explore the barriers to wider benchmarking and determine how to overcome them.

C. Efficiency and effectiveness

Efficiency was not the major focus of this study, however, the research does conclude that cost efficiency does not appear to have a very high profile in LA strategies and plans, at least at the level of the benefits managers and their staff. (Note that we were not able to explore this aspect with all LAs in the sample). Recommendations for improving the profile of efficiency and developing an improved understanding of the efficiency and effectiveness of processes are:

1. Develop general benchmark measures and establish levels for efficiency so LAs can compare with and learn from each other.

2. Target appropriate messages at the different audiences within the LA. Different types of measure can be influenced and controlled at different levels within the organisation.
3. Provide or encourage training for managers on ‘finance for the non-financial manager’.

4. Develop a ‘toolbox’ of observed practices that can improve efficiency, identifying any investment required and clear statements of benefits (including any immediate and recognisable benefits).

The toolbox should include simple ‘good ideas’ that other LAs have found work well for them to more fundamental or wide ranging organisational changes. The latter will generally involve some element of investment (including financial, commitment to new ways of doing things, etc.).

Note that this, and previous research, has identified a number of practices that appeared to result in more efficient processing of claims, but few, if any of these, had been formally evaluated, including assessing value for money aspects. Therefore further work will be required to identify measures that do result in more cost efficient working and the conditions necessary to achieve this.

Encourage more local evaluation of changes to processes and working practices including for example: measures to manage fraud, and encourage claimant compliance with benefit rules, to establish their effectiveness and efficiency, and raise awareness of the benefits of reviews and lessons learnt exercises through, for example:

- inclusion in the Performance Standards framework;
- production of guidance to cover simple approaches to evaluation, reviewing what works well, as well as identifying pinch points, resource intensive activities, etc.

5. Consider using the Omnibus Survey to explore how widespread some of the practices identified as possible examples of good practice in this research are, and to establish LAs’ experiences and perceptions of these practices.

D. Where DWP might help

We have identified a number of areas where DWP can help LAs improve effectiveness. These include:

1. Smooth communications issues with external agencies – particularly with Her Majesty’s Revenue and Customs (HMRC), which does not seem to operate to a single, consistent protocol when responding to requests for information.

2. Assess the extent and impact of Customer Information System (CIS) outages, consider whether this is an issue for LAs and, if so, how to address it.

3. Identify and assess the extent to which information on CIS is up to date, and consider whether this should be improved.

4. Ensure that the protocol for use of CIS by home workers is consistent and well-publicised across all regions.
Appendix A

Topic guide

Benefit fraud

A. Benefit fraud prevention, detection and investigation

How many staff do you have dedicated to fraud detection and investigation?

How would you describe your approach to fraud?

What do you think are the most important activities you carry out with regard to both preventing and detecting fraud?

Has your LA signed up to the national fraud partnership?

Do you undertake proactive anti fraud work?

Do you use Risk Management methods to minimise fraud and error?

Do you have a public fraud hotline? How much does this help improve effectiveness?

B. Methods used to manage fraud and error performance

What methods do you use to monitor and manage performance in benefit fraud and error?

Do you measure the effectiveness of fraud investigations?

Do you measure the quality of fraud referrals (public, internal, external)? And does this change plans?

Do you measure the effectiveness of prosecution and penalties for fraud?

Do you set any personal targets in this area?
Do you set any team targets in this area?
Does setting targets improve overall LA performance in this area?
What action is taken if targets are not met?
Are there rewards for meeting targets?
Do individuals know how they contribute to overall performance?
Do you think this improves overall LA performance in this area?
Do frontline workers know how the LA is performing against the performance measures?
If so, do you think that this improves overall fraud team performance in this area?

Benefits administration

<table>
<thead>
<tr>
<th>A. Drivers of performance (against the current targets and measures)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For sustained good performers:</strong></td>
</tr>
<tr>
<td>Why do you think you achieve sustained good performance against the PMs?</td>
</tr>
<tr>
<td>How effective do you think these are?</td>
</tr>
<tr>
<td>Which do you think have had most impact?</td>
</tr>
<tr>
<td><strong>For sustained positive transformation:</strong></td>
</tr>
<tr>
<td>Why do you think your LA's performance against PMs improved?</td>
</tr>
<tr>
<td>Why sustained?</td>
</tr>
<tr>
<td>How effective do you think these are?</td>
</tr>
<tr>
<td>Which do you think have had most impact?</td>
</tr>
<tr>
<td><strong>For medium performers:</strong></td>
</tr>
<tr>
<td>Thinking particularly about your processing times, what do you think might help your LA to improve its performance against benefits PMs?</td>
</tr>
<tr>
<td><strong>For all:</strong></td>
</tr>
<tr>
<td>Have you used the performance standards fund? How? What impact do you think it had on performance?</td>
</tr>
<tr>
<td>Do you think the best value process, the targets and their corporate performance management framework make any difference?</td>
</tr>
</tbody>
</table>
Has the Local Government Act 2000 changed the way you administer and manage HB/CTB?

Did HB administration joining the Comprehensive Performance Assessment (CPA) have any impact on the way you administer the benefit?

**Leadership**

Who is responsible for achieving good PMs for benefits?

How would you describe the profile of the Benefits dept?

Do members take an interest in PMs? In general? For benefits? Why? Why not?

Does the Chief Executive/Mayor take much interest in Benefits? In PMs?

Is there a senior manager with responsibility for PMs as a whole in the LA, or for quality, as a whole?

**Internal LA communication**

How good are communications (related to benefits administration) between:

- Executive/members and your staff?
- Different departments of your LA (e.g. benefits and fraud, housing, or council tax staff)?

**External communication**

How good are communications (related to benefits administration) with (explore at management and day-to-day levels):

- Jobcentre Plus.
- Pensions Service.
- Housing Associations.
- Private Landlords.
- HMRC.
- DWP.
- Other LAs.
- IT/software supplier user groups.

Are you a member of any benchmarking groups? Have you adopted any initiatives coming out of benchmarking, progress made, impact on performance, what works best, why?)

Are there any other ways in which you try to take advantage of good practice ideas?
### B. Staffing and supporting

Do you know what your staff turnover rate is? Is it an issue for performance? If perceived to be high – why?

Have you taken, or considered taking, any measures to improve staff retention?

**For Benefits Manager only**

Can you tell me about your career? What was your role before you became benefits manager here?

What sort of management training have you undertaken?

What sort of finance training have you undertaken?

Would any additional training have helped you?

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### C. Organisational structure and process

Explore benefits department’s organisational structure.

Does fraud report to benefits or to audit?

How is benefits work organised?

- All assessors deal with all types of cases?
- New claims v changes of circumstances split?
- Split by address, name, tenancy type, passported or non-passported?

Do staff rotate between jobs/tasks or stay in one area?

Where do you put your most experienced staff? Where do you think they add most value?

Do any of your most experienced staff deal with front-office or pre-assessment/verification activities?

Where do you put new starters? What type of work do they tend to do?

Do you use DIPS or paper files?

If DIPS, do you scan at the front office? On-site? Off-site?

Do you use home working?

- If NO have you considered it?
- If YES what benefits and disadvantages have you found?

Is your back office remote from the LA?
Do you have one-stop shops?
Do you have dedicated housing benefit customer contact offices/desk(s)?
Do you have a telephone support line? If so, how are simple/complex queries handled?
Do you outsource any activities?
  • If YES, which activities?
  • If NO, have you ever considered outsourcing services?
Do you have any shared services?
  • If YES, which activities, with whom?
  • If NO, have you ever considered sharing services? Have you been approached by any other LA(s)?
Do RSL staff carry out any front-office/verification activities on your behalf?
Do you think this has any effect on your performance measures? How? Why?
Do you provide RSLs with verification or fraud awareness training?

D. Training
Do you have a training officer?
Can you describe the training programme for a new starter?
Can you describe a typical career path for a new entrant? Is there a clear career progression path, opportunities for staff to progress?
Do all staff receive fraud awareness training?

E. Claims administration and support
Do you prioritise any particular types of claim, or claimant?
How do you deal with ETDs?
Do you think that rework owing to lack of information or evidence affects your ability to meet targets? How have you tried to address this?
What processes do you have to maximise the efficiency of collecting all necessary information and evidence for a claim? What works best? Why?

Information Technology (IT)
What aspects of your Information Technology services affect LA performance?
How?
What IT systems do you have for assessment, workflow, fraud, overpayments?
Do you think you use these software systems as effectively as you could? Why? Why not?
Do you think CIS and IT flow affect your Benefits department performance? How?

Workflow
Describe how you use workflow to manage work? Does it help you to achieve targets? How?
Which roles have primary responsibility for monitoring work progress using workflow?

External factors (external to the benefits department - so may include effects of other LA departments/systems)
What activities or factors external to your department affect your ability to meet performance targets? How? Why?
Are there any other drivers that affect your performance against the benefits performance measures?

Examples of good practice?
Do you have any examples of good practice that have raised or helped sustain LA performance?
For those who have improved: How have you changed things?

F. Methods used to manage performance in benefits administration
To what extent does efficiency form part of your overall strategy and planning?
What methods do you use to manage team performance?

Target setting
Do you set personal or team targets?
Are targets agreed and recorded?
Do you think targets are stretching? Realistic?
What happens if people/teams meet the targets?
What happens if people/teams miss the targets?
Do you have personal and/or team development plans?

Do you provide feedback to individuals about their personal level of achievement?

Do you provide feedback to teams about their combined level of achievement?

Do you report achievement against individual or team targets?

**Performance Measures**

Do frontline workers know how the LA is performing against Performance Measures (including best value and statutory PMs)? Does this improve performance?

Do individuals know how they contribute to overall LA performance against PMs? Does this improve performance?

Do you report on achievement against any targets to LA Executive? What sort of feedback or action results?

Do you report on achievement against any targets to LA members? What sort of feedback or action results?

Do you complete the LA performance enablers self-assessment? How often? Why?

**Checking accuracy**

Do you carry out checking above and beyond the accuracy checks required for performance measures?

Explore what is meant by checking – extent.

What per cent of activities/claims are checked?

Do you target checking? How?

How do you use the results?

How many errors do you pick up?

Is checking used to inform individual development requirements?

Is checking used to inform team development requirements?

Do you measure the effectiveness of overpayment recovery processes? How?

How do you use the results?

**Audit**

Do you have an internal audit team who review the processes you use?
Do they audit against existing processes and review those processes against performance enablers?
How often do they audit your processes?
Have you changed what you do or how you do things as a result of internal audit?

G. Barriers to performance (against the current performance measures)
What barriers make it harder for you to achieve good performance against current performance measures? What makes it difficult to achieve the targets against the performance measures? Why?

H. Culture
Do you think that your organisational culture, the general working atmosphere, has an effect on performance? In what way?
What aspects do you think have a positive effect?
What aspects have a negative effect?
If your benefits department was an animal, what sort of animal would it be, and why?
To Conclude: Benefits Manager (and Revenues and Benefits Manager if interviewed)
How much of your time is spent dealing with day-to-day issues, and how much time do you have to plan ahead?
What types of change are you planning for?
Do you have an improvement plan?
Do you have a business continuity plan? For the LA? For the Benefits Department? Has it been tested?
For those achieving good performance:
What do you think are the most important things that you do that help achieve good performance?
What do you think are the greatest barriers to achieving good performance?
For those not achieving consistently good performance:
What do you think you think would most help you to improve the performance of your benefits team?
Appendix B
Current practice

Administration of claims

Here we discuss current practice in the sample of Local Authorities (LAs) we visited in the areas of:

- use of paper files or electronic document management systems (e.g. Document Image Processing Systems, (DIPS));
- arrangements for scanning;
- how Electronic Transfer of Data (ETDs) are dealt with;
- prioritisation of work;
- checking.

Document Image Processing Systems

Only a few of the LAs we spoke to used paper files – all others use DIPS. The LAs who used paper files did not believe that it affected their performance. One of these did plan to introduce DIPS, and believed it would support some changes to working practices; specifically it planned to move to a situation where an assessor would deal with a piece of work from start to finish, even where the work was pended owing to lack of information or evidence. A few from the positive transformation and medium categories had recently introduced DIPS. One of these (a ‘medium’ performing LA) reported a significant drop in performance as a result, owing to problems with the initial software set-up. The LA reported that it had taken more than twelve months to resolve the issues, and a backlog built. The situation had improved but the LA believed it was still not achieving full functionality.
Scanning

Arrangements for scanning are mixed. We found three main models, with no link to performance observed:

1. Scanning at the front office for claims received there, with back office scanning for postal claims.
2. In-house central scanning unit for all claims.
3. Remote (off-site) scanning for all claims. Only a few use off-site scanning; roughly equal split between other two models.

Electronic Transfer of Data

We found two models for dealing with ETDs – some LAs can transfer them directly into DIPS; they are then incorporated into workflow along with other claims. Others print off, scan (if they do scanning) and incorporate into workflow manually along with other claims. In our sample, we found a fairly equal split between these two models, and observed no link to performance group. One LA in our sample (a ‘sustained excellence’ LA) believed that its (fairly recently implemented) assessment system was capable of automatically processing some ETDs, or of doing some of the work (suspending or cancelling claims) and planned to explore this further through links with another LA.

Prioritisation of work

Not all LAs prioritise work all of the time. Some prioritise only if and when they develop a backlog; others prioritise all the time. Priorities vary – most commonly LAs prioritise new claims, downward Changes of Circumstances (CoCs) and/or pends. One (sustained excellent) LA determines priorities depending on the contents of in-trays, and reviews this daily. A small number of sustained excellent and positive transformation LAs also offer a fast-track processing service for claims submitted with all the necessary information and supporting evidence – typically promising to assess the claim within one to five days.

The approach to prioritisation appears to be influenced by who indexes or files documents. Where assessors carry out this task, their detailed knowledge allows them to index documents using a more complex system, permitting more complex prioritisation. Where indexing is carried out by clerical or administrative support staff, a simpler system is used, with a coarser level of prioritisation as a result. Understandably, LAs would not expect support staff to identify changes of circumstances as favourable or disadvantageous. One (positive transformation) LA had provided additional training to indexing teams to look at items of post in more detail to support more complex indexing.
Checking

The approach to checking* varied across the LAs we visited, from a maximum of ten per cent of determinations (plus 100 per cent for new starters) to a minimum of one per cent (plus 100 per cent for new starters). Most of the 21 LAs carry out checks on four per cent, looking at all of the work that has been done on a determination, in line with the performance enablers, and also check 100 per cent of the work of new starters for an initial period. A ‘medium’ performer, and a ‘positive transformation’ LA, said that they knew that the enabler called for four per cent checking, but that they were carrying out fewer checks than this. Generally, checking of new starters’ work reduces once their error rate drops to an acceptable level. Some use random checks but most target their checking in some way – either by member of staff, claim type, or on a particular aspect of processing. Where members of staff are targeted this tends to focus (in addition to new starters) on those who have been:

- absent for some time, e.g. due to maternity leave or long-term sickness absence;
- identified as ‘poorer performers’;
- identified as prone to a particular error.

Where claim types are targeted, some LAs look at determinations by payment value (high value claims, e.g. >£500), some by time to process (shortest and longest to process as LA experience shows these are most likely to affect performance figures, and most likely to include errors). Many LAs also carry out checking on particular areas of processing, for example, if a new regulation has been introduced that requires a change in processing, they will carry out checks on that part of the process for a period of time.

Some check daily; some monthly. Some check complete claims – others only changes. In most cases, checking is performed by assessors. One of the LAs we visited used a separate team (outside benefits) to carry out checks but does not believe the checking is being carried out accurately. Frequently, the checkers find no errors, but when assessors check the same claims they do find errors. Nearly all LAs said that results from checking are fed back to teams and to individual assessors and are used to inform training plans.

Approach to fraud and overpayment recovery

Fraud

In general we found that the approach to managing the performance of fraud officers was consistent with performance management for the Benefits Department as a whole. For example, where assessors had regular one-to-one performance

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*This refers to checking over and above the 125 checks per quarter for statistical returns.
feedback, fraud officers also had one-to-one performance feedback. In some instances, such feedback was less frequent, but remained at regular intervals and was considered appropriate to the nature of the work carried out. One notable difference was in the use of individual targets. The majority of benefits assessors had team targets, but fewer had individual targets. However, we found that the majority of fraud officers had both individual and team targets.

Several LAs emphasised the importance of keeping fraud out of the system – as opposed to relying on detecting fraud once it had occurred. However, one medium performing LA had recently had to cut back its proactive activities - because of a lack of capacity – and was concentrating on reactive measures.

Counter-fraud tools used by the LAs include:

- Verification – this is seen by many LAs as a key tool for preventing fraud.

- Training for front-office and assessor staff – to enable them to detect fraud before it enters the system. All LAs have initial fraud training and most have annual refresher training. One sustained excellent LA is developing e-awareness courses; another issues a ‘fraud awareness newsletter’ three times a year.

- Data matching – the majority of LAs said this was an important approach to detecting fraud. Most said that they use Housing Benefit Matching Service (HBMS). One positive transformation LA said that they also run additional data matching ‘rule’s to help improve its effectiveness.

- Publicity – to advertise the penalties for fraud and ways of reporting suspected fraud, as well as to publicise successful prosecutions. Approaches to advertising included one medium performer giving away free mugs, pens and balloons at a town show; they reported that this was more successful than a campaign that had used bookmarks to publicise take-up and fraud. Another distributes beermats to local pubs whenever major sporting events are expected to increase numbers visiting those establishments. These have a fraud message (including hotline number) on one side, and a take-up message on the other. Publicity measures include the use of local and national press and radio stations. Several LAs felt that the threat of prosecution – and evidence that LAs did enforce this penalty – was the biggest deterrent for fraud.
Public fraud hotlines – the majority of LAs said that they had this facility, however, none had formally assessed its effectiveness. Some said they thought the hotlines were an effective counter-fraud tool; however, some also said that they thought they were a ‘waste of time’. One LA reported that they had received some malicious reports through their hotline. Another problem reported by several LAs was when users called out-of-hours and left messages on an answerphone. Often these did not give sufficient information and because the call was anonymous, no further action could be taken until, say the caller phoned back to complain about a lack of action by the LA. Several LAs reported increased use of hotlines following publicity campaigns; one sustained excellent LA reported a better response to hotlines that offered a reward for information. A variation on a telephone hotline is the use of on-line reporting. One sustained excellent and one medium performer say they have implemented on-line reporting. The medium performer considered this to be ‘very good’.

Other approaches to fraud management identified by the LAs included:

- Increased use of assessment staff in the front office – one LA reported that this helps accurately identify fraud.
  
  ‘[Putting staff on the frontline] helps spot fraud more easily – experienced assessors build the picture in their head quickly, and also learn how people really behave and are less likely to think normal behaviours are fraud.’
  
  (Benefits manager)

- One medium performer suggested that improved information sharing with other government departments about successful fraud cases would help with identifying fraud, e.g. National Health Service (NHS), prescriptions, school meals, road tax – the information could be used to recover other fraudulently obtained benefits.

- Joint working with the Department for Work and Pensions (DWP) and Jobcentre Plus. However, one medium performer reported some problems with joint working with DWP for fraud because paperwork had been lost, so that the LA had to re-construct the case pack. Several LAs noted that delays were often incurred waiting for overpayments to be calculated by Jobcentre Plus.

### Overpayment recovery

Approaches to preventing/minimising overpayments identified by the LAs included:

- Targeted use of accuracy checks – one medium performer has adopted a process whereby payments over £750 are held by the cashier until they have been checked. The same approach is also applied to large adjustments to payment accounts.
• Joint working with other LA departments for overpayment recovery – one positive transformation LA shares good practice in debt recovery across the LA; the same LA also agrees ‘priority’ debts and which department will deal with individuals with multiple debts – so these individuals only deal with one LA department. Another medium performer is looking at joint recovery with housing and Council Tax (CT) as ‘people often owe ‘all of us’ money’. This includes agreeing a joint approach and hierarchy for who gets what recovered money first within the LA.

Many LAs have team targets for overpayment recovery; only a few have individual targets. The LAs told us that there are often no consequences associated with meeting or failing to meet these targets.

Some LAs told us that they measure the effectiveness of their overpayment recovery process. Of these, a small number use ‘volume of cases’ as their main metric; however, most told us that they use either £ recovered, % recovered or £ outstanding

Organisational structure
Here we look at organisational features such as:
• front office-back office split;
• arrangements for benefits work;
• arrangements for fraud;
• arrangements for telephone support to claimants;
• working arrangements for staff;
• use of outsourcing;
• use of Registered Social Landlord (RSL) staff to perform verification activities;
• organisation for training.

Front office-back office split
We found three main ‘models’ for the split of work between front and back offices.
1. Some LAs use one-stop-shops for frontline customer contact, with customers seen by generic customer services staff who deal with a whole range of council issues. These staff generally take in completed claims forms, or reports of changes of circumstance, assist customers with form completion if required, and check that forms are complete. They verify any evidence provided, e.g. check that passports are genuine. Where scanners are in place they may scan in original documents to the DIPS system; otherwise, they will copy evidence, stamp and sign to say they have seen the original, and forward the documents for scanning. Front office staff, generally, hand the customer a receipt and a checklist showing any outstanding information or evidence required.

2. Some LAs have dedicated housing benefit front offices, operating as for the first model but with staff who deal only with housing benefit, with all assessment carried out by back office staff.

3. Some LAs operate a hybrid model. These LAs have dedicated housing benefit front offices, or dedicated housing benefits desks in one stop shops or local housing offices, staffed by assessors who deal with the whole claim end-to-end, completing a claim (or dealing with a query or change of circumstance) with the customer, identifying further evidence and information requirements, and where possible assessing the claim immediately, or when the customer brings the required evidence into the office. A back office carrying out assessment only is still required to cover peaks in workload at the front office, and also to process claims received by post and via Customer Management System (CMS). One LA used a hybrid version including both ‘corporate’ one stop shops and front line assessors, the latter sited in LA housing offices and so dealing only with rent rebate cases.

In our sample of LAs, we saw several examples of each model, with slightly more opting for model 2, then model 3 and finally model 1. We did not identify any correlation between work models and performance group. One (medium performing) LA said they had moved away from using generic customer services staff in one stop shops to using dedicated housing benefit front office staff or assessors on the front line because they found it more efficient.

In addition to these models, we found some LAs who were making increased use of visiting customers in their homes, collecting all the necessary information and evidence while there, and one who was responding to telephone enquiries by calling claimants back to go through the form (with a trained assessor) to make sure forms are filled in correctly. The assessors then tell the claimants what evidence to bring in and discuss it with them. Evidence can then be either posted or brought in to a one-stop-shop. One LA was collecting all initial information for new claims by telephone and then visiting claimants to collect evidence – a paperless claim process.
Arrangements for benefits work

When considering arrangements for benefits work, we looked primarily at how assessment work was split between assessors, whether they rotated their roles or stayed in one area and what we have called ‘ownership of claims’.

Organisation of teams

All but the smallest LA benefits departments organise assessment officers in teams – typically dealing with claims split by surname of claimant or geographical area, claim type (new claims, CoCs or reviews) or tenure type. Approximately half of the LAs we visited rotate assessors between teams on a regular basis. The remaining LAs either organised into specialist teams to build expertise, or had teams essentially for performance management purposes – all assessors dealt with all types of claims. We did not identify any correlation between team organisation and performance group.

Ownership of work

Almost half of the LAs we visited said that once an assessor had started a piece of work (e.g. a new claim or a change of circumstances), they retained ownership of it and worked on it until it was completed. Several who do not do this said they were moving this way or would like to work this way, as assessors prefer it and it is thought to improve performance. Some LAs noted that this ownership of a claim had been facilitated by improved DIPS and workflow systems, which allowed incoming items of post to be routed to the officer dealing with the claim, and also by the introduction of CIS. CIS allows more claims to be completed more quickly. With Remote Access Terminal Server (RATS), assessors often had to complete a request form and wait a day or so for the required information to be returned, owing to the limited number of access terminals. CIS has removed this delay, and also appears to have facilitated home working and assessment of claims by assessors dealing with customers at the front line. We did not identify any correlation between the approach to ownership of work and performance group.

Arrangements for fraud

Most fraud teams report through Benefits, or share the same manager as Benefits. Those that do not generally report to Internal Audit. Several LAs said that in their view, a close relationship between benefits and fraud teams helps performance.

‘We merged with CT staff much sooner than other LAs did, and benefits and fraud are now under the same manager, and I think that helps.’ [2]

Other related approaches to organisational structure for fraud include establishing close relationships, or merging the benefits fraud/recovery team with other LA recovery teams. LA said that they had thought about merging their Housing Benefit (HB) and Council Tax (CT) recovery teams to increase recovery expertise.

One LA (medium performer) said they had recently appointed a dedicated overpayments officer to look at recovery.
Arrangements for telephone support to claimants

During discussions, we explored whether LAs have telephone support lines for claimants, and if so, how they staff them. We found that all offer some kind of telephone support for claimants. The models we found did not appear to be linked to performance. Models for staffing telephone support include out-sourced call centres, in-house service manned by generic customer services staff, in-house service manned by assessors and direct lines to assessors in the back office. Only a few LAs were using out-sourced call centres; they generally reported that they still put many queries through to assessors.

Where an in-house service manned by generic customer services staff was used, these often offered the option to put calls through to named benefits officers. Where an in-house service manned by assessors was used, some answer phone queries alongside assessing work (so interrupting the normal flow of work); others answer phones on a rota basis (so that their primary role at that time is to deal with telephone queries, but they may also do some assessment work between calls). Where back office staff answer phones, some do this within the main office but a number said they had introduced a dedicated telephone enquiry room. These LAs reported that performance had improved when telephones were moved to a separate room, because there were fewer distractions for other staff. This is illustrated well by one LA where Saturday overtime working had been used, with noticeable improvements in productivity, believed to result from the absence of telephone calls.

‘One telephone call can take up to two hours of your day. This is removed by having a separate telephone team. No interruptions means you can process claims more effectively.’

‘[We have] extra overtime on a Saturday – productivity is high because there are no interruptions, no phone calls.’

Working arrangements for staff – home working versus office based staff

We found some LAs where staff were entirely office based, and some using a mix of office-based staff and home workers. Most of the LAs we visited also offered flexi-time to staff and several offered regular overtime – working up to 7pm in the evening (when systems closed down) and on Saturdays. Where LAs had introduced home-working, they generally found this had a positive effect on productivity. Benefits included increased attendance (lower sickness absence), increased productivity of home workers and improved staff retention. Some had set increased productivity targets for home workers (e.g. 20 per cent increase in volume of work completed compared with office-based staff). LAs cited differing reasons for introducing home-working, including staff retention and cost savings – resulting both from productivity improvements and reduced office space requirements. Several LAs noted that there were initial costs in setting up
home-working, however, including costs associated with IT and assessments of home work stations. Take-up varied – some LAs had investigated home working or piloted it, but had not rolled it out because there was insufficient interest from staff. Some LAs that had not introduced home working cited concerns over data security, and IT issues. Some LAs had arranged access to CIS for their home workers, while others had not been able to, reporting that DWP were concerned about security.

’Sickness is low, productivity is excellent…Home workers come in for team meetings and any training. I speak to them every day and they all live nearby. It allows flexible working, helps us, helps them, and they do appreciate it.’

‘Our experience has been very positive…We tell them that we need to see a 20 per cent improvement in volumes, and we see it. They are our best performers.’

Use of outsourcing

None of the LAs we visited use outsourcing as a permanent arrangement. Some use remote processing when a backlog develops or to cover staff shortages.

Use of Registered Social Landlord staff to perform verification activities

Almost half of the LAs we visited reported that RSL staff carried out verification activities (taking in new claims and changes of circumstances from their tenants) on their behalf – either as a pilot exercise or on an ongoing basis. A small number reported that RSL staff took in applications and forwarded them to the LA, without verifying claims. Where RSLs carried out verification, LAs mostly felt that this helped improve performance.

Organisation for training

Previous research identified the importance of having a dedicated training resource. We investigated this as part of the current research by reviewing how different LAs resource their training function, the number of training officers in each LA and the number of assessment staff per training officer. We found a range of training officer ‘models’ including:

• dedicated, full-time training officer(s);
• Team Leaders trained as trainers;
• part-time ‘training co-ordinators’;
• training role performance by ‘Policy and Development’ officers;
• experienced staff take on role of trainers for new starters.

Management styles and characteristics of local authority housing benefit managers DWP Research Report No. 218.
Where LAs had dedicated training officers, we found numbers ranging from 40 to 78 staff per training officer. There was no strong correlation between numbers of staff per training officer and performance category.

Communications

All LAs reported generally good communications within the LA, within the benefits team, with Housing Associations, Private Landlords, other LAs, IT suppliers, the Pensions Service and DWP. In particular, a number of positive comments were made about HB Direct. However, a number of LAs reported problems communicating with Jobcentre Plus and Her Majesty’s Revenue and Customs (HMRC). Problems with Jobcentre Plus tended to be time taken to obtain information relating to claims, and these delays were seen as a barrier to improving LA performance.

‘It can be very slow getting information on new claims. JCP delay is a barrier to improving performance.’

The most common reason LAs cited for contacting HMRC was to obtain up to date information on tax credits. Some LAs were happy with the secure email service, but many were now used to obtaining other information very quickly (perhaps a result of their positive experiences and views of CIS) and preferred to contact HMRC via the telephone helpline. It appears that staff at HMRC do not always require the same information from LAs before they will provide information in return. For example, some HMRC staff demand that LA staff know a claimant’s middle name, or the names of all children in the household. Others do not. Assessors and team leaders often told us that their experience depended on who answered the phone at HMRC, so that sometimes rather than try to get the information from the first person, they will end the call, then make another hoping that someone else ‘more helpful’ will answer. In one case, an HMRC officer demanded a ‘validation code’ (we understand a validation code is not needed) but would not advise the LA officer how to get one.

‘We ring them quite a lot, they are normally helpful, but if you get one tiny thing wrong on the address, or the postcode, or you don’t know the claimant’s middle name, they won’t tell you what you need to know.’

‘…they said we didn’t have the right validation code – we have never had a validation code, we didn’t know we needed one. When the member of staff here asked who we could speak to to get the validation code they refused to tell us and hung up. The information isn’t brilliant and the staff are not always helpful. It really depends who you get.’

IT systems

We found a range of IT systems in use across our sample of LAs including (in no particular order) Pericles, Anite, Northgate, Academy, IBS and FIMS. Some systems have been in use for some time, but some still are in the early stages of
implementation. There did not appear to be any correlation between performance group and IT system (regardless of stage of implementation).

Several LAs reported that the process of implementing a new IT system can be very disruptive; the level of disruption did not appear to be related to the particular system i.e. certain systems did not appear to be inherently more or less disruptive than others to implement. The sample LAs reported various ways of preparing for implementation and time taken to embed and bring to full functionality.

Some LAs use two screens to assist the combination of IT systems in use; some use one large screen offering split-screen functionality. This seems to be down to local preference – for the same IT system(s) some tried two screens and liked it; some tried it and didn’t like it.

When IT systems work well they can be a very positive effect on performance; when they do not, the converse is true, and performance can be severely adversely affected. Issues include:

- how well systems support local processes – a number of LAs from across performance categories reported having to perform (sometimes time consuming) ‘workarounds’/manual interventions because new IT systems did not support local processes;

- system reliability and speed – a number of LAs from across performance categories reported problems with system reliability and/or speed. All reported that this had a direct impact on performance.

> ‘When the systems go slow this affects performance (processing times). The system is slow to respond (this happens when add-ons are introduced). You can sometimes wait 10 minutes for a document to be retrieved. On a good day you can look at 30 claims, but on a slow day you can only look at 10.’

A small number of LAs were in the process of developing bespoke workflow systems as they did not feel their current systems gave them the functionality they required.

We also found some LAs introducing/considering introducing the same IT systems as their neighbouring authorities, to enable sharing of assessor resource to help manage peaks and troughs in demand.

### Staff training

Some LAs do not have defined training schemes for new staff, because they have very low turnover and so have no need for such schemes. Where provided, training for new recruits varies from a structured two year training programme to more ad-hoc one-to-one training lasting around six months. Most new starters have a period of theoretical training (with many following the DWP 13 week training
plan\textsuperscript{42}, followed by a period of working in a team, usually with an experienced assessor acting as a ‘mentor’.

A few LAs told us that their training includes a period of job-shadowing or similar at Jobcentre Plus to improve understanding of Jobcentre Plus processes. This arrangement is reciprocated so that Jobcentre Plus staff also spend part of their training at the LA benefits office.

Ongoing training varies. Some have a formal half-day closure per month for staff training, while others are more ad-hoc, arranging training courses as required. Most LAs have monthly team meetings where training requiring small amounts of time is provided, e.g. on the implications of new regulations, or changes to processes.

**Staff retention**

Most of the LAs report high levels of staff retention, i.e. low turnover. Reasons for this include that the LA is seen as a good employer in the local area, and to have good career progression opportunities.

Where staff retention is a problem causes cited include pay, e.g. neighbouring LA paying higher rates, lack of career opportunities, wide variety of career opportunities elsewhere in the LA or in the geographical area, poor LA performance, maternity leave and sickness. Those LAs reporting high staff turnover – either at the time of our visit or in the past – all believed that it had a significant impact on performance, and on efficiency. This results from the need to devote more resources to training, supervision and checking for new staff, and because of the generally lower level of knowledge in the organisation resulting from the lower numbers of experienced staff.

‘Having low staff turnover helps performance – high turnover would be devastating – we know from experience that it’s very difficult to recruit experienced assessors.’

‘Staff retention has had a real effect – improved accuracy, because staff are more experienced…When we had lots of staff turnover, new staff, more errors – [claims] took longer.’

Measures taken to improve staff retention include higher pay, home-working, part-time working, retention bonus and a staff loyalty scheme.

\textsuperscript{42} See http://www.dwp.gov.uk/housingbenefit/bestprac/training-plan.pdf for details.
Use of benchmarking and good practice

Several LAs say they benchmark or have tried to benchmark aspects of their service with other LAs, but few of those we spoke to seem to feel that they get many new ideas from this. Several said that differences in claimant mix, processes and working practices often made it difficult to compare information across LAs.

However, most LAs we spoke to have been involved in some sort of good practice initiative. For example, fast-tracking claims with all supporting evidence appears to have been identified through LAs sharing good practice.

Use of shared services

Within LAs, several share customer services with the rest of the council through one stop shops and telephone contact centres. We also found several examples of services with other neighbouring LAs including:

- procurement and implementation of IT systems (positive transformation and medium performers);
- publicity – shared resources for producing leaflets and other publicity materials (sustained excellent and medium performers);
- shared resources for the production and procurement of claims forms (medium performer);
- training (medium performer);
- joint working between groups of LAs and Jobcentre Plus on counter fraud activities (medium performer).

A small number of LAs (across sustained excellent and medium performer categories) said that they had looked at shared services in the past, but had decided not to implement them; a number of LAs in the sustained excellent and positive transformation) said that they were ‘currently considering’ the use of shared services.

Use of targets and performance measures

Most of the LAs we spoke to set targets for teams; and most of these also set targets for individuals. A small number of LAs set targets for individuals but not for teams.

Team targets tend to be cascaded down from overall service targets. Individual targets vary – a few set the same targets for all individuals, based on the stated team targets, while a larger number use individual tailored targets depending on experience and skills of the individual assessors.

A small number said that while they don’t use individual targets, they do set ‘informal’ nominal caseloads that they expect each assessor to get through each
day. One LA said it had a common individual baseline target for all assessors, however, if they fail to meet this, they are given an appropriate target by their Team Leader.

‘[Targets are] based on individual capabilities and development plans – targets increase as the individual develops. We don’t believe in a single target for all – if it’s too hard, people get demotivated; if it’s too low, people aren’t stretched.’

‘There is a single baseline target, but if people don’t meet it then at one-to-ones, we try to set a lower target that is stretching for the individual but seems more achievable – if someone is doing two per day you can’t just tell them to do ten, say. Might ask them to try for three.’

(Benefits Team Leader)

In some instances, managers have made a conscious decision not to use targets – for teams or individuals. In some cases this is because managers have had previous bad experience of the use of targets, finding that they result in adverse consequences, such as a focus on volume at the expense of accuracy and teamwork. In some instances there is an expectation about the volume of work that officers should get through, but no formalised targets.

‘Having personal targets and a personal performance plan doesn’t really motivate [staff] more – they do the job well because they enjoy the work they do.’

‘We generally find that if we set targets it drives the wrong sort of behaviours. We’ve had very mixed experiences. We have targets but we don’t push them hard to staff – if we do they pick up cases but don’t do them properly – they just want to get it off their desk and they write another letter out so they can move on to the next one. So we focus on doing them from end to end – once it’s started they do everything they can to get it finished in one go.’

Where set, performance against individual targets is generally fed back through one-to-one meetings. For team performance though, we found a wide range of methods for feeding back performance. Some simply report at regular, e.g. weekly or monthly, team meetings. Others have set up dynamic reporting systems - reporting performance on a daily basis – and use these to show team performance (in terms of workload) on a daily basis. One LA in each of the sustained excellent and medium performer categories said that performance reporting doesn’t really motivate people as they either work hard because they enjoy the job or are ‘working hard anyway’. All LAs either report overall LA performance back to staff on a regular basis, or provide staff with access to performance information so that they can monitor overall performance for themselves.
We found at least one LA unconcerned about exceeding their PM1 target:

‘We have been processing new claims in under 30 days recently. We are not aiming to improve beyond that – we want to improve service not the number of days.’

Drivers, enablers and barriers

Among the LAs we spoke to, performance measures (PMs) and targets were seen as significant drivers of current practice and of improved performance, but we also found a definite ‘customer first’ ethos amongst LAs, evident in both managers and assessment staff. Providing a good service to customers was seen as important. LAs try to do this alongside achieving good scores against performance measures, but several LAs said that the two are not always complementary and so at times they needed to strike a balance between achieving PMs and providing what they think is right for the customer. A common conflict cited has been superseded by the change in PM10; several LAs said that the numbers of review visits they were required to carry out were not, in their view, an effective or efficient use of resources, as many visits resulted in no identified changes.

Enablers

General enablers of good performance cited by LAs include:

Processes

• Good work processes.
• Right first time claims.

‘Investing time up front getting the claim right saves time and effort later on, [it] saves [the] Claimant time as well.’

• BFI reviews – help kick-start improvements.

‘BFI were very good – they had a good effect on culture – made us work more as a team. We were a bit isolated – they made us step back and look at ourselves. They really kick-started our improvement.’

• Good work environment for assessors – no distractions, e.g. phones.

Systems

• Good IT systems.
• Good monitoring and reporting systems.
• Good systems for providing performance information and the ability to drill down to fully understand drivers of current performance.
• Good access to accurate information from other agencies. In particular, CIS has facilitated different ways of working by improving access to information on Jobcentre Plus benefits.
‘Having the right information to hand is the most important factor to help improve performance.’

**People**
- Stability of management and assessment team.
- Staff awareness of performance measures and targets and how the LA is performing against them.
- Good organisation and prioritisation/management of workload.
- Good planning when change is implemented.
- Having staff who are committed to good performance – both output and accuracy (managers and assessors).
- Good staff – good recruitment, good training and retaining experienced staff.
  
  ‘Claims are dealt with quickly because our staff are experienced, and have excellent local knowledge.’

- Ownership of work – where assessors own work, e.g. new claims, changes of circumstances, from end-to-end.
- Good working relationships with other related departments (i.e. fraud, housing and CT).

**Culture, leadership and past performance**
- Good team spirit.
- Existing good performance and no backlog.
  
  ‘Having good performance and no backlog helps – it means we have more space to think about things, fewer queries and complaints to deal with, more time to get on with the work and plan ahead.’

- An adaptive culture, open to constructive change (with supporting review processes to highlight where change is needed).
  
  ‘We constantly look at what we’re doing, how we do things, whether it’s working, and we try new things – and we drop them if they don’t work.’

**Specific initiatives**

More specific initiatives that the LAs felt had contributed to good performance included:

- Joint working with voluntary organisations and other agencies, e.g. citizens’ advice bureau, Age Concern, the Pension Service.
- Standard processes and work instructions for each work area to create a consistent approach and act as training aids.
• Integrated Revenues and Benefits teams to handle all enquiries/workload.
• Joint initiatives with Jobcentre Plus on benefits and fraud investigations.

Most LAs have used the Performance Standards fund – all said that the initiatives they had implemented had helped to improve performance. Most common uses of the fund include:
• introducing DIPS, workflow, new assessment software;
• scanning equipment for use at front offices;
• mobile technology for visitors;
• equipment for home working;
• staff recruitment and training;
• reducing backlogs – agency staff or remote processing;
• performance analysis and data cleansing;
• take-up campaigns;
• good practice reviews.

Barriers
Many of the LAs cited failure of LAs to provide evidence, or difficulties obtaining timely or accurate information from other sources, e.g. Pensions Service, Jobcentre Plus, HMRC as a barrier to good performance. Other barriers cited included:
• funding – a number of sustained excellent and positive transformation LAs suggested that budget cuts, e.g. five per cent efficiency savings, might affect performance in the future;
• poor staff retention, i.e. loss of experienced staff (one positive transformation performer);
• change – particularly introducing a new assessment software system, where this can require additional work in terms of data cleansing and cause performance to suffer; change can also adversely affect staff motivation (one sustained excellent performer);
• poor performance of IT systems, including reliability and speed (one positive transformation performer);
• PM ‘distracting managers’ (one sustained excellent performer).
Appendix C
Efficiency and other observations

Efficiency

Efficiency was not originally a main focus of the work but we were asked to include it part way through the project. We did this by:

• including an additional question into the topic guide for some of the later interviews;

• reviewing the interview information for direct evidence of efficiency measures (things Local Authorities (LAs) said they did specifically to improve efficiency or because they said they’d found them to be more efficient);

• looking for activities done by LAs for other reasons that we thought could have possible secondary benefits for efficiency.

We did not perform any quantitative financial analysis, e.g. of costs/savings associated with the various efficiency measures identified; this type of analysis was outside the scope of this research.

Our research suggested that the focus on efficiency varies. One LA told us they had a ‘corporate efficiency team’ – aimed primarily at finding Gershon savings. At other LAs, managers try to benchmark cost per claim against other, similar LAs, but generally report that they find this difficult because of differences in processes for data collection. Differences in practices for allocating recharges were also cited.

Efficiency was described by one LA as ‘an underlying theme, rather than a specific target’ [20]. One LA told us that while there were always budget constraints, in recent years ‘money (i.e. efficiency) has not been as important as performance’ [21].
Many of the managers we spoke to had limited control over budget-setting, and had no formal targets for efficiency – they were given a particular set of resources and expected to achieve as much as possible using those resources. The foregoing sections have described a number of initiatives that have improved efficiency and productivity, although in many cases this was not the prime reason for their introduction. Managers who are given targets will naturally tend to focus on the areas relevant to those targets; efficiency may result from this, but it appears that budgets act as a constraint on how other targets are achieved. Initiatives that have been introduced which appear to have led to efficiency improvements include the following. Note that in most cases an evaluation of the efficiency benefits has not been carried out, and that some of these initiatives, while delivering savings in operating costs, required initial up-front investment for savings to be realised.

- Fast-track assessment.
- Paper-less new claims.
- On-the-spot processing.
- Dealing with claims face-to-face.
- Assessors take ownership of work.
- Integrated IT systems.
- Use of two-screens/large computer screen.
- Use of mobile technology for visits.
- Separate telephone enquiry room.
- Home working.

**Claimants per staff**

Figure C.1 shows the average number of claimants per assessor staff for LAs falling within the different performance groups. This is a crude measure of efficiency (it takes no account of caseload complexity, for example).
We compared some basic descriptive statistics (mean and standard deviation) for the different performance groups. These are presented in Table C.1.

**Table C.1  Descriptive statistics for claimants per staff**

<table>
<thead>
<tr>
<th>Performance group</th>
<th>Mean claimants per staff</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustained excellent</td>
<td>320</td>
<td>70</td>
</tr>
<tr>
<td>Positive transformation</td>
<td>278</td>
<td>65</td>
</tr>
<tr>
<td>Medium</td>
<td>283</td>
<td>76</td>
</tr>
</tbody>
</table>

We see a higher number of claimants per staff for ‘sustained excellent’ than for ‘positive transformation’ and ‘medium’ groups, and that the ‘positive transformation’ and ‘medium’ groups are very similar. Further analysis would be needed to see whether the observed differences between the performance groups were statistically significant.

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43 Vertical scale has been left off the graphs in Figure 3.4 to preserve anonymity.
Other observations

Department for Work and Pensions Information

Several LAs provided positive feedback on Customer Information System (CIS), Housing Benefit (HB) Direct and the Department for Work and Pensions (DWP) circulars. LAs generally see CIS as a great improvement over Remote Access Terminal Server (RATS), and it appears to have helped improve efficiency and facilitated different ways of working, such as home working. However, we noted differences between LAs in this respect – some had arranged CIS access for home workers, while others said that this had not yet been arranged because of security issues. There suggests a need to provide information concerning the issues or protocols required for access to CIS for home workers. The positive experience of CIS was balanced by the fact that LAs find it difficult to cope with unplanned outages of CIS, and also that some were concerned that the information on the system was not always up to date. Positive aspects of CIS were described as:

• ‘CIS system means we need less contact’ [Assessor].

• ‘CIS has helped by providing more useful information and providing information faster’ [Assessor].

• ‘Assessors don’t need to phone Jobcentre Plus often anymore – (they just) use CIS’ [Benefits manager].

• ‘CIS removes the need to write out to get checks on information, which is great, (even though records are sometimes not up to date)’ [Assessor].

• ‘With RATS we had to have a hotline for people phoning in from local offices – CIS supports our new business model much better’ [Benefits manager].

When asked about communications with DWP, several LAs, commented positively about HB Direct. The changes to DWP circulars (the introduction of classification) were viewed as helpful, and circulars were praised for the information they provide, although some interviewees thought that there were opportunities for improvement through the use of plain English.

‘CIS is one of the best things we’ve had, although it can sometimes be difficult to interpret what is on there. Not sure how they update it – sometimes things are a little out of date. But we like it – much better than RATS.’

‘CIS is great – opening up of that information has been extremely good for our staff – could probably do with some more specialised training but it’s a vast improvement over RATS.’

‘HB Direct is very useful. Circulars are OK, although the English could be more plain.’

‘HB Direct is very good. The bulletins and circulars are as well. Lots of information [in the past this was too much]. (DWP) website is good.’
Accuracy

There is some anecdotal evidence that LAs are using different approaches to measuring accuracy. For example:

- LAs may not be using the same approach to measuring accuracy:

  One LA told us: ‘We have a contradictory picture the HB review team say we’re one of the more accurate LAs they see, yet we’re still lower quartile for accuracy…We know that some LAs measure things differently, and calculate things differently – there are things you can leave in or leave out of measures…We stick with our own way of measuring then at least we know whether we’re improving or not.’

- LAs may not be using similarly qualified staff to carry out accuracy checks:

  ‘Accuracy assessment is only as good as the people who assess it and to the extent that they check. Some LAs use poorly trained staff and are happy when they don’t find anything – but that doesn’t help you to improve.’

As part of the work, we looked to see whether there appeared to be any correlation between accuracy performance measures (PM6) and performance groups of different LAs. We found that the ‘sustained excellence’ group all have very high accuracy scores. The other groups show wider spread but with some members still reporting very good accuracy.

Impact of HB joining Comprehensive Performance Assessment (CPA)

We asked the LAs whether HB administration joining the Comprehensive Performance Assessment (CPA) had any impact on the way they administered benefits. Several LAs told us that joining the CPA had had a positive impact; a smaller number said that joining the CPA had had no impact; only one LA said that joining the CPA had had a negative impact.

Where LAs told us that joining the CPA had had a positive impact, this included raising the profile of the LA and ensuring a better focus. Where there was no impact, this was generally because LAs felt they already had all the associated enablers in place before HB joined the CPA. Where there was a negative impact, this was because Team Leaders felt that joining the CPA had distracted managers from staff issues/managing staff by making them more focused on political issues.

Our analysis did not identify any strong correlation between the impact of joining CPA and performance group.

Audit

All the LAs we spoke to said they had annual audits; these included internal and external audits. The audits included a mix of process review and process compliance. The majority of LAs said that there had been no major changes as a result of audits; only one (sustained excellent) LA said they had introduced a major
change (introduced a new debtor system) as a result of an audit. Our analysis did not identify any correlation between the use/findings of audit and LA performance group.

**Stability of caseload**

As part of the research we investigated the possible influence of the level of caseload ‘churn’ on LA performance. We measured churn for each LA by calculating:

- the percentage of pension age claimants (as a proportion of the total claimants for the LA);
- the percentage of new HB claims decided (as a proportion of the total HB claims decided for the LA).

We did not find any evidence of any correlation between these parameters the performance level of the LAs.

**Commonality of views expressed by managers and Team Leaders/assessors**

At most LAs we interviewed a mix of managers and Team Leaders (TLs)/assessors. (At some LAs, we were only able to interview managers as no TLs/assessors were available). In the majority of cases, we found common views/opinions expressed by managers and TLs/assessors – so issues raised/identified by one group were either agreed with by the others, or identified independently. Exceptions to this were:

- At one medium performing LA, managers/TLs had much more positive view of communications than assessors. This applied to internal as well as external communications. Also managers/TLs had a more positive view of IT systems than assessors (who identified a number of issues with existing functionality).

- At one positive transformation LA assessors said that appraisals do not help them focus on performance improvements. They know what needs to be done and the team performance board in the office shows them what they need to be doing next.

- At one medium performing LA assessors told us that they would like to handle their own workload – owning a claim from beginning to end (as they find this more satisfying). The assessors said they would also like more variety in their work, e.g. to do some visits and/or some verification work with claimants. The assessors we spoke to thought that this would improve efficiency.

Summarising comments on organisation culture made by benefits staff suggests that the LAs see themselves as:

- good teamworkers;
- customer focused – they want to make sure people get what they should get (but no more);
• approachable;
• loyal;
• adaptable;
• hardworking;
• tenacious;
• actively seeking to identify and combat fraud.