

CABINET 17 JULY 2013

1. TRANSFORMING WELFARE BENEFITS AND FAIRER CHARGING SERVICES IN STAFFORDSHIRE

Submitted by: Head of Revenues & Benefits

Portfolio: Finance and Resources and Stronger and Healthier Neighbourhoods

Ward(s) affected: All

Purpose of the Report

To approve in principle, the transfer of work currently undertaken by Staffordshire County Council around Welfare Benefits and Fairer Charging Services, to Newcastle-under-Lyme Borough Council, as part of a package of work involving all district and borough councils in Staffordshire. Additionally, to confirm delegated powers to the Executive Director (Resources and Support Services) in consultation with the portfolio holders for Finance and Resources and Stronger and Healthier Neighbourhoods to finally approve the transfer, subject to the satisfactory conclusion of detailed contract negotiations.

Recommendations

- a. **That in principle, the transfer of work currently undertaken by Staffordshire County Council around Welfare Benefits and Fairer Charging Services for the Newcastle-under-Lyme Borough Council area is transferred to this authority.**
- b. **That subject to the satisfactory conclusion of detailed contract negotiations, the Executive Director (Resources and Support Services) in consultation with the portfolio holders for Finance and Resources and Stronger and Healthier Neighbourhoods is delegated to finally approve the transfer of the service.**

Reasons

The assessment by district and borough councils of Council Tax Reduction and Housing Benefit and the work undertaken separately by Staffordshire County Council to deliver Welfare Benefits and Fairer Charging Services currently involves a certain amount of duplication, with a proportion of common clients. To access all the help available to them, these clients are required to undergo two broadly similar processes and are needed to evidence their claims to two separate organisations. Transferring the Welfare Benefits and Fairer Charging Services to district and borough councils will lead to a more efficient single point of service delivery. This will improve the client experience, delivering entitlements in a timelier manner and from a locally accessible centre. There will also be cost savings with the revised delivery model which will be shared between the County and district and borough councils.

1. **Background**

- 1.1 As part of a project sponsored by Leaders and Chief Executives entitled 'Staffordshire One Place', which looked at potential ways of collaborative working across the county between district and borough councils and the County Council, one area that was identified as possibly suitable for consideration was the delivery of Welfare Benefits and Fairer Charging Services currently delivered by the County Council.
- 1.2 Differing elements of the Staffordshire One Place project were allocated across all Leaders and Chief Executives and this particular element was under the lead of the Chief Executive of South Staffordshire District Council. For this reason, South Staffordshire District Council have assumed the role of project leads to prove the feasibility of the proposal but as the report will make clear, all district and borough councils have been involved to some extent

but in the case of Lichfield District Council and this authority, very actively by agreeing to undertake the role of pilot sites together with South Staffordshire District Council as a proof of concept.

2. **Issues**

- 2.1 District and borough councils are responsible for the administration and payment of means tested benefits in respect of Council Tax Reduction, which replaced Council Tax Benefit from the 1 April 2013 and Housing Benefit. Housing Benefit is planned to be incorporated into Universal Credit which will be administered on behalf of the Department for Work and Pensions by Job Centre Plus. New claimants who would have claimed Housing Benefit will start to claim Universal Credit from October 2013 although existing claimants will not migrate to Universal Credit until sometime between April 2015 and the end of 2017. The exact timetable for this change is as yet, unknown and will impact upon on the service delivery requirements of the existing Revenues and Benefits Service. However, it is likely that this will lead to a changed emphasis in the role of the Revenues and Benefits Service rather than a reduction in capacity, with greater involvement on advisory services, particularly for vulnerable groups.
- 2.2 The Welfare Benefits and Fairer Charging Service works with adults to maximise personal benefits, children with disabilities and specialist children's work around fostering, adoption and guardianship orders. It provides welfare benefits advice, advocacy and appeals services, fairer charging assessments for non-residential services, domiciliary care, direct payments, day services and day centres and Extra Care. Financial assessments are carried out for access to residential services, including respite care, disability facilities grants, supported housing and adult placements.
- 2.3 At the core of both services is the need to offer advice and process claims, making assessments to entitlement based on the claimant's means. District and borough councils have the larger volumes of claimants and therefore more sophisticated processing techniques but there is sizeable overlap in clients needing to access both district and borough services and the County Council, offering the potential for efficiency savings if these can be dealt with at a single point of delivery.

3. **Options Considered**

- 3.1 Having identified the potential for the project, on behalf of all the district and borough councils, South Staffordshire District Council undertook a scoping exercise with the County Council on exactly which elements of the county work could be considered for transfer. It was recognised at a very early stage that there were some elements particularly around children's services that would not be included in any proposal. This is in recognition of their specialism and with particular reference for their continued close interaction with other elements of County Council functions. However, by and large, this work did identify many positive ways to take the project forward and was confident in the abilities of the districts and boroughs to fulfil enhanced service delivery as a result.
- 3.2 Following from the success of the project scoping, the County Council and also the Staffordshire and Stoke-on-Trent NHS Partnership Trust who commission some of this work from the County Council required some form of proof of concept. Discussions between all the parties involved resulted in a pilot exercise being proposed.
- 3.3 As lead authority from the onset of this project and having worked closely with officers at the County Council on the scoping exercise, South Staffordshire District Council were the obvious choice to lead on this pilot work. They had already established the trust and respect of key officers at the County Council in developing a proposed district and borough solution.

However, it was felt that more than one district or borough needed to be involved. By mutual agreement of all the parties involved, Lichfield District Council and Newcastle-under-Lyme Borough Council were requested to also take part in the pilot work. In this case of Newcastle, this was influenced by confidence in our IT capacity and connectivity demonstrated in previous joint working arrangements.

- 3.4 There was an unrelated issue surrounding any proposals to transfer this work around the information technology used by the County Council. Their existing systems were outdated and scheduled for replacement. It was felt that the pilot work could not wait for the replacement system to be installed and operational but that would be the preferred options before full roll out to all districts and boroughs if the project was to be adopted. This meant the pilot authorities would have the less than ideal situation of learning to use the soon to be obsolete old systems to deliver the pilot work and then the new systems quickly afterwards.
- 3.5 Work commenced on the pilots in two stages. The non-residential elements started from the 1 November 2012 and the residential element started on the 7 January 2013. Two full-time equivalent posts transferred from the County for the non-residential and one part-time (0.5 full-time equivalent) for the residential element.
- 3.6 As is to be expected, the first few weeks of the pilot exercise identified a few teething troubles around working practises and file records but these have been quickly resolved. There have been very regular meetings between all parties involved to ensure service delivery has been maintained and it is pleasing to note that the pilot authorities are now out performing the remaining experienced in house County Council team on timescales for processing cases. It is confidently predicted that should the work be transferred permanently to the districts and boroughs that there are still further efficiencies to be made.
- 3.7 Efficiency gains have not only been made with regard to the work being undertaken on behalf of the County Council, there have been gains for our own service delivery. To a certain extent, these have been lost in the general additional pressures experienced around the nation welfare reform agenda but nevertheless they have an important part to play, particularly around the timeliness of processing changes.

4. **Proposal**

- 4.1 Originally, the pilot scheme was set to run until the end of April 2013, with a view to a transfer of the service on the 1 July 2013. However, delays with the introduction of the new IT system at the County Council have seen these proposals put back. The aim now is to get approval in principle from all parties by the 31 August 2013, with a view to the transferred service becoming operational from the 1 November 2013. It is anticipated that immediately prior and shortly after this date that those involved with the pilot will provide assistance to non-pilot colleagues.
- 4.2 Transferring the service will involve transferring some County Council staff under TUPE arrangements to this authority's employ. Although the costs involved in transferring the service have been ascertained on an indicative basis, it is not possible to finalise the position currently until the County Council engages with the staff involved. It is proposed to commence this engagement after agreement in principle is received from all parties by the 31 August 2013.

5. **Reasons for the Preferred Solution**

- 5.1 The most obvious reason for this solution is the improved service delivery it will provide to a significant numbers of potentially vulnerable clients. Many of these clients will be seeking assistance because they have experienced some form of trauma either through ill health or

the normal ageing processes. With an increasingly elderly population those in need of these services is likely to increase over time. By merging the existing points of service delivery into a locally provided district or borough function, clients will only need to interact with one organisation to resolve their claims for assistance.

- 5.2 By having a single point of delivery, there are cost savings to be made by way of efficiency gains. These would be shared between the County and the districts and boroughs.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 Incorporating the Welfare Benefits and Fairer Charging Service into the existing Revenues and Benefits Service will contribute towards creating a healthy and happy community and fits well with the principles of the co-operative council.

7. **Legal and Statutory Implications**

- 7.1 Although benefits delivery of all types is covered by numerous items of legislation, there are no new legislative requirements directly related to transferring the service.
- 7.2 The proposed transfer would involve the County Council entering into an individual contract with each district or borough council to provide the service on their behalf. Similar contracts have been in place for the provision of the pilot work currently taking place and drafts of the final version are available for scrutiny. These contracts will be subject to amendment until nearer the proposed start date for the transfer and would be agreed with the two responsible portfolio holders prior to final agreement.

8. **Equality Impact Assessment**

- 8.1 Equality Impact Needs Assessments already exists for the Revenues and Benefits Service. Transferring the Welfare Benefits and Fairer Charging Service into the existing service will require these to be updated in order to reflect this additional function.

9 **Financial and Resource Implications**

- 9.1 Delivering this additional service provision will require an additional staffing resource. The pilot work currently being undertaken indicates this will be 2.5 full-time equivalent posts. It is envisaged this resource will be provided by staff currently employed by Staffordshire County Council who would be transferred under TUPE arrangements. The Head of Human Resources and the Head of Revenues and Benefits have held meetings with local trade union representatives to appraise them of the situation. Obviously, our own staff in the Revenues and Benefits Service have been made aware of the proposals also and several have been actively involved in the proof of concept through the pilot work. It is believed that this additional function will strengthen the service in what is a changing national environment for welfare benefits delivery.
- 9.2 TUPE arrangements may create a slight difficulty with regard to the part-time post, which concentrates on the residential and respite aspect of transferred work. Traditionally, these staff have been full-time employees working across two local authority areas. The member of staff carrying out these duties for Newcastle also works within the Staffordshire Moorlands District Council area. The preferred transfer option for this position would be to a single authority, with a service level agreement in place to provide the service to the other authority. Officers from the two authorities would be happy with this arrangement, which would see Newcastle employing the member of staff full-time.

9.3 Final details around the cost of providing this service can not be concluded until the TUPE situation is resolved. However, indicative calculations show that Newcastle would derive an income from this service.

10 **Major Risks**

10.1 The major risk in transferring this service to district and borough councils is that assessments are not carried out to the required standard and in an adequate time scale. This would impact upon income that would be derived from the assessments. The pilot work undertaken has been to prove the concept of transferring the service and improving existing standards. An evaluation report produced in conjunction with the County Council, Staffordshire and Stoke-on-Trent NHS Partnership Trust and the three pilot authorities is available in the Members Room.

11 **Key Decision Information**

11.1 Not applicable.

12 **Earlier Cabinet/Committee Resolutions**

12.1 None

13 **Recommendations**

13.1 That in principle, the transfer of work currently undertaken by Staffordshire County Council around Welfare Benefits and Fairer Charging Services for the Newcastle-under-Lyme Borough Council area is transferred to this authority.

13.2 That subject to the satisfactory conclusion of detailed contract negotiations, the Executive Director (Resources and Support Services) in consultation with the portfolio holders for Finance and Resources and Stronger and Healthier Neighbourhoods is delegated to finally approve the transfer of the service.