

<b>Report of:</b>	<b>Head of Finance</b>
<b>Contact Officers:</b>	<b>Rob Wolfe</b>
<b>Telephone No:</b>	<b>01543 464397</b>
<b>Portfolio Leader:</b>	<b>Health &amp; Wellbeing</b>
<b>Key Decision:</b>	<b>No</b>
<b>Report Track:</b>	<b>17/04/14</b>

<p style="text-align: center;"><b>CABINET</b> <b>17 APRIL 2014</b> <b>WELFARE BENEFITS AND FAIRER CHARGING SERVICE</b></p>
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<p><b>1 Purpose of Report</b></p>
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- 1.1 To explain to members the purpose and operation of the Welfare Benefits and Fairer Charging service.
- 1.2 To inform members of the progress of the project to review the delivery of the Welfare Benefits and Fairer Charging service, which has been undertaken in conjunction with other Local Authorities in Staffordshire.
- 1.3 To seek Cabinet Approval for Cannock Chase District Council to undertake the Welfare Benefits and Fairer Charging service, on behalf of Staffordshire County Council, insofar as it affects the residents of the Cannock Chase and Stafford areas.

<p><b>2 Recommendations</b></p>
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- 2.1 That Cabinet notes the content of this report.
- 2.2 That Cabinet authorises its officers to deliver the Welfare Benefits and Fairer Charging service, on behalf of Staffordshire County Council, insofar as it affects the residents of the Cannock Chase and Stafford areas.
- 2.3 That Cabinet authorises the appropriate changes be made to the Service Level Agreement between Cannock Chase Council and Stafford Borough Council, in respect of Revenues and Benefits, so that the shared service can deliver the Welfare Benefits and Fairer Charging service for the Cannock Chase and Stafford areas.
- 2.4 To authorise the Council's Head of Finance, in conjunction with the Leader of Council, to conclude negotiations with Staffordshire County Council and Stafford Borough Council in this regard.

### 3 Key Issues and Reasons for Recommendation

- 3.1 All district and Borough councils in Staffordshire were approached by Staffordshire County Council about the possible commissioning of the service during the review of Revenues & Benefits under the Shared Services strand of the 'One Place' project, supported by Chief Executives and Leaders.
- 3.2 All districts and boroughs expressed an interest in exploring the proposition, subject to a satisfactory Business Case to support the transfer. All believed that, by delivering this service alongside our own Benefit Service, we would provide a one-stop approach to benefits, financial assessments and welfare advice delivered via local access and delivery points. The service to local residents would therefore improve and efficiency savings would be achieved by all parties.
- 3.3 Staffordshire County Council made a proposal, on 16<sup>th</sup> May 2012, to commission the District and Borough Councils to deliver the Welfare Benefits and Fairer Charging service as part of an integrated, holistic financial advice and assessment service. Officers of the County Council and all District and Borough Councils, managed a project to establish the Business Case for the implementation of proposal, for consideration by District/Borough members.
- 3.4 Following the project that has been undertaken and the work done by the three "pilot authorities" (Newcastle Under Lyme BC, Lichfield DC and South Staffordshire DC) Cannock Chase officers are now satisfied that the Business Case does support the acceptance of the commission from the County Council.

### 4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) The **People** priority is supported by the improved health and wellbeing enjoyed by residents receiving a more efficient and joined up Welfare Benefit service.
  - (ii) The **Transformation** priority is supported by the improved business process and consequent financial savings.

### 5 Report Detail

- 5.1 Fairer Charging is the name given to the mechanism by which an individual's financial contribution towards a social care package is assessed, according to his/her income and capital. The duty to provide this service, in the Staffordshire area, is vested in Staffordshire County Council.

- 5.2 Staffordshire County Council, within the same service unit, also provides advice to claimants, as to any financial assistance and welfare benefits, that they may be entitled to.
- 5.3 Other SCC officers are responsible for the collection of the financial contributions from the residents. Whilst some consideration was given to including this function in the project, this was deferred and will be reconsidered if and when the Welfare Benefits and Fairer Charging functions are operational.
- 5.4 Staffordshire, along with the rest of the UK, is facing demographic challenges in the medium to long term as the population ages. This will result in increased demand for financial assessment and welfare benefit services over the coming years. The County Council's responsibilities in this regard are closely allied to the responsibilities of District and Borough Councils' for Housing Benefit and Council Tax Reduction.
- 5.5 There is an opportunity to improve the Welfare Benefits and Fairer Charging service and make the operating model more efficient, effective and easy to use for people. It is an opportunity to have a complete and comprehensive approach to financial assessment and benefits advice. There is also a need to ensure that individuals' benefits are being maximised so their entitlements are secured.
- 5.6 As well as the advantages to the residents, opportunity also exists for the District/Borough Councils to share the efficiency savings achieved by Staffordshire County Council and to maintain service resilience within their Benefits departments during a time when funding for the administration of Housing Benefit and Council Tax Reduction is expected to decline.
- 5.7 The consideration of the transfer of this service has been a complex task given the nature of the service and the number of parties involved in the process. The Project had a number of strands, which included consultation with the relevant professional officers from all the authorities involved, including:
- Revenues and Benefits
  - Human Resources
  - Legal
  - Finance
  - ICT
- 5.8 Cannock Chase officers have been actively involved in these groups and have been particularly diligent in ensuring that the interests of the Council are protected, and risks associated with a transfer mitigated. The risks considered are detailed later in this report, but have been focussed around two main areas:
- Risks associated with the TUPE transfer of staff from SCC to CCDC and potential costs and claims arising from those transfers.
  - Ensuring that the Service Level Agreement between the District and County Council is sufficiently robust to protect the District Council's interests.

- Ensuring that the period of the commission is long enough to allow the district Council to benefit from any efficiencies that can be generated as well as providing stability and certainty to service users. To that end, a seven year commission is proposed.

- 5.9 The process of performing a Fairer Charging assessment is very similar to the process involved in assessing a Housing Benefit claim, and the same skills are required. Cannock Chase District Council has an excellent record of delivering this type of service and firmly believes that we can improve the performance of the current operation. This view has been born out by the work done in the pilot authorities.
- 5.10 Furthermore, research done by the pilot authorities, at the start of the project showed that around one-third of the County Council’s claimants were also in receipt of Housing and/or Council Tax Benefit. This level of overlap and duplication is avoided by the proposed commission to district councils.
- 5.11 The County Council service has been traditionally based around visiting claimants in their homes. The County Council’s expectation, moving forward, is that more claims can be processed without the need for home visits, by way of office appointments and data sharing between partner organisations. The “Lean Processing” work previously undertaken by the Shared Revenues and Benefits Service, would again appear to be appropriate in the consideration of the future working practices and may well reduce the processing times experienced by claimants. Home visits will be available when necessary, for example to vulnerable or infirm claimants.
- 5.12 The following analysis describes the advantages and disadvantages, to Cannock Chase District Council, in accepting the County Council’s commission.

<b>Advantages</b>	<b>Disadvantages / Risks</b>
<ul style="list-style-type: none"> <li>• Joined up service for residents</li> <li>• Increased support to vulnerable residents</li> <li>• Income to Council</li> <li>• Enhanced reputation</li> <li>• Added resilience to current service.</li> <li>• Opportunities to consider further commissions.</li> </ul>	<ul style="list-style-type: none"> <li>• Inheritance of a poorly performing service.</li> <li>• Risk of increased caseloads</li> <li>• Risk of disputes or claims arising from TUPE transfers.</li> <li>• Risk of over-prescriptive operational procedures.</li> </ul>

- 5.13 If Cabinet are minded to accept the recommendation to authorise this commission, officers will confirm a project implementation plan and timetable. The main points to be covered by that plan would be;
- Maintaining effective service delivery to customers during any transitional phase

- Confirmation of final Service Level Agreement with Staffordshire County Council.
- Amended Service Level Agreement between Cannock Chase District Council and Stafford Borough Council.
- Confirmation of satisfactory links to computer and telephony systems from District offices.
- TUPE transfer of 6.5 fte staff, from Staffordshire County Council to Cannock Chase District Council during the 2014-15 financial year. A full consultation will be undertaken with all affected staff.
- Location of transferred staff. Subject to consultation it is proposed to locate the team at Stafford Civic Centre, as space is available there, and this will minimise the disturbance to staff who are currently based in Staffordshire Place.
- Review of working practices. Lean principles to be adopted and consideration given to the degree to which integration with existing Benefit Service is appropriate.

5.14 Contract negotiations with the County Council need to be concluded by the Head of Finance and the Leader of Council, prior to the commencement of the transfer of the service.

## **6 Implications**

### **6.1 Financial**

It is essential to the Council that the financial business case supporting this project is robust and reliable. The District cannot subsidise the County function. The Council will take on liabilities relating to the staff transferred to our employ, but conversely will receive a payment, from the County Council for the delivery of the service. This payment will be increased annually to reflect increasing costs relating to employees and other aspects of the service.

In accordance with the principles of our Revenues and Benefits Service Level Agreement, all costs and income will be shared equally between Cannock Chase Council and Stafford Borough Council.

The figures contained within the business case do support the acceptance of the commission. The amount paid to the Council, by SCC covers our costs, including a reasonable amount in respect of accommodation and management costs in respect of the transferred staff.

Any future savings resulting from increased efficiencies will be retained equally by Cannock Chase and Stafford Borough Councils.

Almost all of the costs associated with this project, relate to staffing issues. Wider staffing implications are considered separately, but as regards the staffing costs.

- Salaries and employer's on-costs are covered by the fee charged to the County Council for the provision of the service.
- Staffordshire County Council will indemnify the Districts against any claims made by former employees as a result of their actions prior to the TUPE transfers.
- The Districts would be responsible for any future severance or redundancy costs, should redundancies be necessary, as is the case with all of our employees. No such redundancies or severances are proposed. Should reductions in Revenues and Benefits staffing numbers be required, in the future, the Council would treat all of its employees equally. As always, the Council would do all that it reasonably can to achieve reductions by natural wastage and a business case would be established for the reductions.
- The Council would be responsible for appropriate insurance policies (Employer's liability and Public Liability).
- The transferred employees will be treated for pension purposes as employees of Staffordshire County Council and the employer's contribution to the fund will continue to track the County Council's rate as determined by the actuary, for as long as the employees retain their County Council terms and conditions. This approach was a significant factor in establishing a satisfactory Business Case for the Council, as the County Council's rate is lower than District Council's.
- Should the District Council, in the future make a decision to allow early retirement of any kind which incurs an additional pension cost, known as strain, this will be the responsibility of the district council.
- Should an employee be promoted or receive a pay award in excess of that which would normally be the case had the employee remained with the county council this extra pension liability is the responsibility of the district council. This would be identified at the fund triennial valuation and identified as an extra amount due to the pension fund at that time.

### 6.3 Human Resources

There are significant Human Resource implications relating to the transfer of staff from Staffordshire County to Cannock Chase District Council.

A full, formal consultation and information exercise will be undertaken prior to the TUPE transfer of appropriate staff, in conjunction with Staffordshire County Council. Transfer will only take place, and the project will only commence, when these processes have been properly followed and completed and when any concerns have been addressed as far as practicable.

As required under the TUPE regulations all transferred employees will retain their existing terms and conditions of employment and will do so indefinitely or until such time there is a justifiable business reason for any change to be made.

Where specific terms and conditions cannot be accommodated upon initial transfer - for practical reasons - (for example if their normal pay date is different

to that applied at Cannock Chase Council) then this will be discussed with the affected employees and their trade union representatives as is required under the TUPE regulations.

**6.4 Section 17 (Crime Prevention)**

None

**6.5 Human Rights Act**

None

**6.6 Data Protection**

None

**6.7 Risk Management**

There are risks associated with the acceptance of this commission, but officers are now of the view that these risks are suitably mitigated.

The Council will be responsible for the proper delivery of the service and failure to deliver the service could be detrimental from a reputation and financial point of view. The resource being allocated to the Cannock Chase and Stafford proportion of the commission is believed to be sufficient, and the Council has the scope to improve efficiencies in the future

The Council will need to react to changes in caseloads, for example as caseloads increase due to our ageing population. Again this is mitigated by our ability to benefit from economies of scale and efficiency gains from District delivery.

Staffing or customer claims arising from actions of the County Council, prior to transfer will be the responsibility of Staffordshire County council.

**6.8 Equality & Diversity**

There are no direct implications resulting from the transfer of the service to the districts. The Council will be expected to apply its Equality and diversity policies to this service, as with our existing services.

**6.9 Best Value**

None

**7 Appendices to the Report**

None

**Previous Consideration**

None

**Background Papers**  
None