

Benefit service inspections

Background

Every council that administers the benefit scheme has a responsibility to pay the **right benefits to the right people at the right time**. This fundamental responsibility and the legal requirements of the national benefit scheme therefore underpin all our benefit assessments.

Focus

The benefit service descriptors for Judgement 1 key lines of enquiry (KLOE) are designed to help us assess the standard of service provided for local people. Our inspectors will refer to relevant regulations and orders to assess and make judgements about the extent to which local policies and practices meet statutory requirements.

The Commission's inspection approach also focuses on service outcomes; the service's contributions to area-based priorities such as tackling poverty and inequality, and reducing worklessness; and the perspectives of local citizens and people who use services.

Our Judgement 2 KLOE and descriptors are used for all service inspections. These help us assess the prospects for future improvements.

Judgement 1 – How good is the service?

Question 1. What has the service aimed to achieve?

In terms of:

- 1.1 community and user needs?**
- 1.2 regional and national priorities?**
- 1.3 wider corporate ambitions, strategies and priorities for improvement?**

This question is for context only. It will not result in a judgement. It will inform all other judgements

Evidence of:

- the responsibilities of the council for the service;

- the objectives for the service, as expressed in strategic plans;
- any links with the council's community strategy and other corporate plans; and
- the profile of the council's local communities.

Question 2. Is the service meeting the needs of the community and users?

Key lines of enquiry – Access, customer care, user and community focus

2.1 Are the needs of citizens and users at the heart of the design and delivery of the service now and in the future?

2.2 Is the service accessible, responsive and based on a robust understanding of local need?

2.3 Are service standards clear and comprehensive and have users been involved in setting them where appropriate?

2.4 Are there suitable arrangements for consulting, engaging and communicating with users and non-users?

Evidence that:

- The service is designed to meet the needs of its local communities
- Service design is informed by a sound understanding of local needs and robust arrangements for engaging with local people
- Service standards are clear, appropriate to local needs and accessible to local people
- Local people and stakeholders are effectively involved, engaged and consulted in designing the service standards and approach
- Customers can access the service easily. For example:
 - access points are well publicised, conveniently 'placed' and options are appropriate to the needs of local people;
 - the service helps customers provide the information and/or evidence it needs to process their claim quickly and accurately;
 - customers receive clear and timely information about their claim, assessment and responsibilities;
 - customers know how to appeal, complain and comment about the service;
 - overpayments are notified to customers quickly;
 - money advice is given, or customers are signposted to appropriate agencies; and
 - customers are aware of the need to report changes in circumstances and the service offers options for doing so that help customers comply with their responsibilities.

Key line of enquiry – Diversity

2.5 Does the delivery of the service embrace equality, diversity and human rights and ensure that all users, or potential users, have fair and equal access?

Evidence that:

- The benefit service clearly understands its responsibilities and duties relating to equalities, diversity and human rights
- The benefit service is enthusiastic and proactive in embedding equality, diversity and human rights considerations into service delivery
- The service is tailored to meet the diverse needs of all its local communities

Key lines of enquiry – Service outcomes for users and the community

2.6 Is the service delivering what it promised to?

2.7 Is the service effective in meeting local, regional and national objectives?

2.8 What is user experience of, and satisfaction with, the quality of the service?

Evidence that:

- Local service standards are met
- The service pays accurate benefits to the right people on time
- Statutory requirements for managing and delivering the benefit service are met
- A quality benefit service is being delivered to all customers including vulnerable people
- The council is achieving local, regional and national objectives in relation to accuracy, speed of processing, effective management of overpayments and identifying and reducing fraud and error
- Contributions to wider national and community objectives are being delivered
- Customers are satisfied with the service

Question 3. Is the service delivering value for money?

Key lines of enquiry

3.1 How do the organisation's costs compare with others, allowing for local context, performance and policy choices?

3.2 How is value for money managed, including through partnership and procurement and taking a long-term view?

Evidence that:

KLOE 3.1

- The service costs compare well with other similar councils relative to the quality of the service
- The service understands its costs and takes an active approach to deal with areas of high spending
- Costs are commensurate with service delivery outcomes
- There are clear links between spending and corporate and national priorities
- Overpayments are being managed
- Fraud is being minimised
- Error is being minimised

KLOE 3.2

- Costs are considered as part of the day-to-day management of the service
- The service explores alternative options to deliver the service to improve the quality and value to customers and local taxpayers
- Procurement decisions are based on the need to improve value and quality of the service
- Service costs are regularly monitored and a pro-active approach is made to deal with anomalies
- Subsidy is being appropriately maximised
- Overpayments are being managed
- Fraud is being tackled and managed
- Error is being tackled and managed

Judgement 2 – What prospects are there for improvement?

Question 4. What is the service track record in delivering improvement?

Key lines of enquiry

- 4.1 Can the service evidence a record of effectively implementing change that has led to improvements in service delivery?**
- 4.2 Can the service show that it has delivered significant improvements in outcomes and key performance indicators that would be experienced by users?**
- 4.3 What is the direction of travel of key performance indicators over the last three years of this and comparable services?**
- 4.4 Does the capacity and track record demonstrate improving value**

for money over time?

Question 5. How well does the service manage performance?

Key lines of enquiry

5.1 How good is the service's improvement planning?

5.1.1 Does it have aims and priorities for the future that are clear, challenging and robust? Is the service aiming to improve the 'right' things – the things that matter most to users and communities – and to address service weaknesses?

5.1.2 Are aims and plans coordinated, robust and deliverable?

5.1.3 Does it have clear and robust proposals for meeting efficiency targets and improving value for money?

Key lines of enquiry

5.2 Are there arrangements and a culture in place to support continuous improvement?

5.2.1 How effective is the leadership of the service?

5.2.2 Are effective performance management arrangements in place to drive and monitor progress, and review impact?

5.2.3 Are effective performance management arrangements in place to drive and deliver improved value for money?

5.2.4 Does the service learn from high performing and other providers, user feedback and its own experience?

Question 6. Does the service have the capacity to improve?

Key lines of enquiry

6.1 Does the service have access to the appropriate skills, tools and finances to deliver improvement?

6.2 Is there evidence of effective financial and human resource planning?

6.3 Is there a robust, modern procurement strategy to apply best practice to achieve improved value for money in priority areas, including working with partners?

6.4 Is the service/ organisation investing, and attracting inward investment, appropriately to deliver improvement?

Scoring levels for all service inspections

The following scoring levels, labels and overall descriptors are used for all Audit Commission (AC) service inspections, and are outlined here for information.

Score level	AC labels and stars for Judgement 1	Overall descriptors
4	Excellent ★★★	A service that delivers well above minimum requirements for users, is highly cost-effective and fully contributes to achieving wider outcomes for the community.
3	Good ★★	A service that consistently delivers above minimum requirements for users, is cost-effective and contributes to wider outcomes for the community.
2	Fair ★	A service that delivers only minimum requirements for users and is not especially cost-effective, nor contributes significantly to wider outcomes for the community.
1	Poor (0 stars)	A service that does not deliver minimum requirements for users, is not cost-effective and makes little or no contribution to wider outcomes for the community.

Judgement 2 – What are the prospects for improvement?

Score level	AC labels for judgement 2	Overall descriptors
4	Excellent prospects	A service with improvement arrangements and capacity well above the minimum requirements needed to deliver continuous improvement in outcomes for users and the wider community and in value for money. Few if any barriers to improvement exist.
3	Promising prospects	A service with improvement arrangements and capacity consistently above the minimum requirements needed to deliver continuous improvements in outcomes for users and/or the wider community and in value for money. Enablers of improvement strongly outweigh barriers to improvement.

2	Uncertain prospects	A service with improvement arrangements and capacity such that delivery of continuous improvements in outcomes for users and the wider community and in value for money is uncertain. Enablers of, and barriers to, improvement are finely balanced.
1	Poor prospects	A service with improvement arrangements and capacity that do not meet the minimum requirements needed to deliver continuous improvements in outcomes for users and/or the wider community and in value for money. Either barriers to improvement strongly outweigh enablers of improvement, or few, if any, enablers of improvement are in place.

Sources of evidence and descriptors

Sources of evidence are provided to suggest the most common examples of the various types of documents and processes that inspectors will be seeking to review to help them to reach their judgement. Descriptors are provided to help organisations understand how a judgement is arrived at against each KLOE. Descriptors for level 2 (at only minimum requirements – performing adequately) and level 3 (consistently above minimum requirements – performing well) are included below to provide examples of the type of arrangements and outputs that inspectors will be expecting to see for each level of performance. Neither the sources of evidence nor the descriptors are intended to be a checklist or to prescribe the way in which organisations should be meeting the KLOE. Inspectors will make a rounded judgement against each KLOE based on all the evidence available to them and using the descriptors as guidance

Question 1. What has the service aimed to achieve?

Sources of evidence

- Corporate strategy
- Community strategy
- Benefits business and financial plans (including fraud)
- Service improvement plans
- Communications and consultation strategy
- Customer access strategy and policies
- Counter fraud and prosecution strategy
- Results and outcomes of auditors work

KLOE 1.1 What has the service aimed to achieve in terms of community and user needs?

KLOE 1.2 What has the service aimed to achieve in terms of regional and national priorities?

KLOE 1.3 What has the service aimed to achieve in terms of wider corporate ambitions, strategies and priorities for improvement?

Describe the responsibilities of the council for the service;

Describe the objectives for the service, as expressed in strategic plans;

Describe any links with the council's community strategy and other corporate plans;

Focus on the profile of the council's local communities.

Question 2: Is the service meeting the needs of the community and/or users?

Sources of evidence:

- Corporate strategy
- Community strategy
- Benefits business and financial plans
- Customer access strategy and policies
- Customer service standards
- Leaflets and forms
- Communications and consultation strategy and results of consultations
- Complaints and compliments procedures and statistics

- Partnership strategy
- Social inclusion strategy and/or anti-poverty strategy
- Race equality and/or equalities scheme
- Procurement strategy
- Equalities and diversity performance indicators
- Quarterly reports and returns from the Council to the DWP/HB Extract
- HB/CTB administration and counter fraud policies and strategies
- Verification policy
- Overpayment debt recovery policies and procedures, and write off procedures
- Fraud business plan
- Fraud policy, strategy and procedures, including sanctions policy
- Service improvement plans
- National Fraud Initiative and HBMS results and actions
- Results of subsidy claim certification

KLOE 2.1: Are the needs of citizens and users at the heart of the design and delivery of the service now and in the future?

Level 2 Fair

The standards set out in legislation are fully complied with.
The specific needs of local people inform the design and the delivery of the benefit service.

Level 3 Good

A strategic approach is taken to designing and delivering a high quality customer-focused benefits service. Customer complaints are used effectively to address customer concerns and positively shape the service.

Staff have a positive approach to customer care.	Staff embed a customer focus in all their work and serve customers well, with dignity, respect and fairness.
Frontline staff have a sound knowledge and understanding of benefits, and use this to provide essential advice to customers.	Frontline staff are knowledgeable and provide good advice to customers.
KLOE 2.2: Is the service accessible, responsive and based on a robust understanding of local need?	
Level 2 Fair	Level 3 Good
<p>The service operates taking full account of the legal framework, and there are good outcomes for customers and potential customers</p> <p>Basic information about community profiles is drawn from a range of sources and is used to design and prioritise services.</p>	<p>The service understands who its customers and potential customers are. A wide range of contemporary information about local communities is systematically analysed from a wide range of sources, regularly updated and used to design the service to meet the needs of all local communities.</p>
<p>The service has had some success in improving the take up of benefits. Campaigns are sometimes successfully targeted on specific groups.</p>	<p>Take up campaigns are effective, targeted and tailored to the profile of local communities. Extra money has been brought into the local economy as a result.</p>
<p>Basic information about the service and how to access it is available. Access to the service meets minimum requirements for locations, opening times, the means of access, and publicity about how and where to claim.</p>	<p>Information is available through a range of channels. There is easy access to the benefits service. and all means of access are well publicised.</p>

<p>The service uses the standard benefit claim form, where a form is appropriate. Help is available to claimants who need help or advice. The service assists customers to provide the information and evidence needed to decide their claim quickly.</p>	<p>The claim form is easy to complete. Feedback about the design and content of the form is positive. Customers routinely get easily accessible help to make a claim. The service helps customers to provide all relevant information and evidence quickly.</p>
<p>Benefit notification letters meet statutory requirements, and customers receive accurate and clear information about their entitlement, responsibilities and rights of appeal.</p>	
<p>The service works with local partners and other council departments to enable customers to access money management advice, where appropriate.</p>	<p>The service effectively targets money advice to those most in need.</p>
<p>Customers receive a satisfactory service most of the time. Some delays may arise at times of peak demand.</p>	<p>Service access remains good. Partners and council departments work collaboratively to improve benefit take up, speed up processing and ensure accuracy.</p>
<p>KLOE 2.3: Are service standards clear and comprehensive and have users been involved in setting them where appropriate?</p>	
<p>Level 2 Fair</p>	<p>Level 3 Good</p>
<p>Customer service standards are in place. They reflect basic user requirements and are available to customers and non-users on request.</p>	<p>Users are clear about what standard of service to expect and how the benefits service is performing against these. Users and key stakeholders are involved in setting standards which reflect customers' priorities.</p>

KLOE 2.4: Are there suitable arrangements for consulting, engaging and communicating with users and non-users?

Level 2 Fair

Basic consultation requirements are met. The service has a customer feedback, complaints and compliments system and has appropriate targets for dealing with complaints.

Communication with customers and stakeholders is regular and effective.

Level 3 Good

Consultation and engagement are regular, well planned, coordinated and designed so that all local communities are able to participate. The service uses the feedback to improve services. Customers are confident that their input is valued and acted on.

The service communicates well with customers and stakeholders. Customers understand the consequences of making false claims and not reporting changes in circumstances.

KLOE 2.5: Does the delivery of the service embrace equality, diversity and human rights and ensure that all users, or potential users, have fair and equal access?

Level 2 Fair

Level 3 Good

The council's performance against equalities and diversity performance indicators shows basic requirements are met.

The council's performance against equalities and diversity performance indicators is consistently good and displays a positive trend in many areas.

The service works effectively with many local communities and relevant outreach agencies and partners. It reaches, and satisfies the needs of, harder to reach communities adequately.

The service works with all its local communities and ensures benefit take up, access, delivery and satisfaction meets diverse needs.

Staff understand, and work in accordance with, the council's equalities, diversity and human rights responsibilities and duties.

Staff put into practice the council's equalities, diversity and human rights responsibilities and duties, and tailor service delivery to meet diverse needs.

Discretionary housing payments are suitably used. Frontline staff are aware of the fund.

The service uses the discretionary housing payments fund to target help to individuals most in need.

Procurement policies are inclusive, and contractors, consultants, agency workers are committed to equality and diversity in service provision.

Procurement practice is inclusive. Contractors, consultants, and agency workers implement good practice in equal, diverse service provision. Their performance is effectively monitored and results inform contract management.

There is no evidence of direct or indirect discrimination. The service is meeting its legal requirements relating to the HB/CTB legal framework, promoting good race relations, and, within the boundaries of the scheme, delivering equal service quality to all its communities taking account of race, religion, age, disability and sexual orientation legislation.

The service is implementing its responsibilities to promote good race relations, and, within the boundaries of the benefit scheme, deliver equal service quality to all its communities taking account of race, religion, age, disability and sexual orientation legislation.

The service considers the equality and diversity implications of all policies and decisions. It uses Equality Impact Assessments appropriately.

Access to the service through new technology is enabled through public service outlets.

Customer service points comply with the Disability Discrimination Act.

The service has effective procedures for ensuring that Appointees can be in place where appropriate.

KLOE 2.6: Is the service delivering what it promised to?

Level 2 Fair

A fair service refers to average performance when compared to other councils.

The service's performance against its aims and objectives is satisfactory in most areas, or there is a mixed picture of some strengths and some weaknesses.

An accurate decision about benefit entitlement is made within a satisfactory time for new claims

Customers receive an accurate decision on their benefit entitlement within a satisfactory time of notifying a change of circumstances.

Progress is made on all work within 7 days of receipt. Appeals, reviews and rent officer referrals are dealt with according to legislative requirements.

The service makes direct payments to LHA cases, and other payment methods are used only when appropriate.

Payments are accurate, paid quickly, and supported with suitable documents. Payments on account are made when appropriate.

Level 3 Good

A good service refers to performance that is consistently above average when compared to other councils.

The benefits services' aims and objectives are being achieved.

An accurate decision about benefit entitlement is made for new claims within a turn-around time which is comparatively good.

Customers receive an accurate decision on their benefit entitlement within a turn-around time which is comparatively good.

All work is effectively progressed in fewer than 7 days of receipt.

KLOE 2.7: Is the service effective in meeting local, regional and national objectives?

Level 2 Fair

Level 3 Good

<p>The service meets statutory requirements in delivering the right benefit, to the right people, on time. Performance levels are adequate overall. There are no evictions because of weak benefit administration.</p>	<p>The service is performing well in delivering the right benefit, to the right people, on time. It is performing well in meeting statutory requirements.</p>
<p>The service is taking satisfactory measures to minimise incorrect payments. Notifications of overpayments and underpayments are sent as soon as the service has the information it needs.</p>	<p>Incorrect payments are being actively prevented. Notifications of overpayments and underpayments are consistently sent as soon as the service has the information it needs.</p>
<p>There are no significant backlogs of work by volume or age of work.</p>	
	<p>The benefits service is addressing and having a positive impact on relevant Local Area Agreement themes.</p>
<p>The service meets satisfactory requirements for minimising fraud and error:</p> <ul style="list-style-type: none"> • There are robust procedures in place for checking evidence • Information received is adequately verified • The National Fraud Initiative is used and data match referrals are resolved within prescribed time limits • HBMS information is used and appropriate action is taken • The service is effective in managing overpayments. • The service is effective in educating customers to report changes in their circumstances • Incorrect payments are being identified and actively managed, and the service is using the best mix of 	<p>The council performs well in minimising fraud and error:</p> <ul style="list-style-type: none"> • The service is effective in engaging partner agencies and stakeholders to achieve high standards of verification of information received. • The service is effective in engaging internal and external partners to help in educating customers to report changes in their circumstances • All relevant council staff contribute to preventing fraud and make good quality referrals to the fraud section. • The council is successful in prosecuting people who commit fraud, recovering inaccurate payments and using administrative penalties. • The council has successfully implemented a business plan

interventions based on local risk factors.

- Benefits staff are effective in preventing and managing fraud.
- Systems and procedures for dealing with and reporting fraud or potential fraud are adequate
- Potential fraudulent claims are investigated and examined appropriately and in compliance with the legal framework. The right sanctions are successfully applied.
- The council implements a clear policy on prosecutions and sanctions.
- The council is reducing fraud and error based on The Department of Work and Pensions (DWP) action plan for tackling fraud and error in HB and CTB.

to reduce fraud and error based on the DWP action plan for tackling fraud and error in HB and CTB.

KLOE 2.8: What is user experience of, and satisfaction with, the quality of the service?

Level 2 Fair

Customer satisfaction is satisfactory overall.

Customers experience an adequate level of services, facilities and outcomes.

Level 3 Good

Customer satisfaction is consistently high for all local communities.

Customers experience a good level of services, facilities and outcomes.

Question 3: Is the service delivering value for money?

Sources of evidence:

- Information on costs
- Benchmarking comparisons
- Medium term financial plan
- Procurement strategy and policies for goods and services
- Budget monitoring reports
- Details of contracted out services and details where the service (or part) is delivered differently
- Benefit service business and financial plans, including fraud
- Management arrangement procedures and checks
- Audited subsidy claims

KLOE 3.1: How do the organisation’s costs compare to others, allowing for local context, performance and policy choices?

Level 2 Fair

The service collates some information on service costs, and assesses how these compare to other providers and relate to the quality of services. The reasons for differences are mostly understood and used to review cost-effectiveness.

The service has recent evidence of benchmarking benefits costs and making comparison with other similar councils. This is not always systematic and there is only some evidence of learning applied from benchmarking.

Level 3 Good

The service has clear and accurate information on overall service and unit costs, how these compare to others and relate to the quality of services. Reasons for differences are clearly understood and the service systematically uses this information to review cost-effectiveness.

Benchmarking groups are used to understand costs and their relationship with positive outcomes for customers. The service has a clear understanding of where it ‘sits’ in relation to other councils. There is shared learning on costs, cost-benefit analyses and best practice.

<p>Overall costs and unit costs for key service areas are not significantly higher than others providing similar levels and standards of services, allowing for the local context. For example, the council has evaluated the costs and opportunity costs of engaging agency staff against other methods of delivery.</p>	<p>Costs compare favourably with other organisations providing similar levels and standards of services, allowing for the local context.</p>
<p>Where costs are low (including overheads and any capital costs) services provided are of an average range, level and quality.</p>	<p>There is a positive relationship between costs (including overheads and capital costs) and the range, level and quality of services provided, reflected in high quality services.</p> <p>Cost data is timely, accurate and consistently used to improve services.</p>
<p>Significant unintended high spending and budget variances are identified, monitored and addressed.</p>	<p>Unintended high spending is identified and addressed effectively.</p> <p>Resources have been allocated in accordance with policy decisions and are used to target and deliver organisational priorities. Areas of higher spending are also in line with stated service priorities and the investment has resulted in improved services. Full cost implications are assessed as part of the decision making process.</p>
<p>Overpayments are identified, reported and monitored. The potential for overpayments is being minimised and where overpayments are made action is being taken to recover them.</p>	
<p>Service capital projects (if any) are generally completed on time and in budget.</p>	<p>Capital spending decisions are always taken with full information on the revenue implications and financial forecasts of their longer-term impact.</p> <p>The service has a well-managed capital programme (if any) with projects completed on time and within budget.</p>

The service's administrative systems, procedures and key controls for awarding benefit are in place. The auditor has minimal concerns about the quality of data submitted to support the subsidy claim.

The annual certification of the subsidy claim by the auditor results in no material errors being identified or penalties being imposed by the DWP.

Subsidy claim submission and claim related issues are dealt with in accordance with the DWP's timetable to avoid penalty.

The benefits subsidy claim is accurate. It is regularly monitored in order to maximise legitimate entitlement.

KLOE 3.2: How is value for money managed, including through partnership and procurement and taking a long-term view?

Level 2 Fair

Level 3 Good

The council has effective procurement practices and strategies. Recent procurement examples deliver improving value for money through lower costs and improved service.

Procurement strategies fully embrace and practically apply partnering and other modern procurement frameworks. Procurement decisions are taken on an objective basis within a transparent framework that follows good practice.

Consideration is given to the likely impact on customers of changes in spending levels.

Demonstrable improvements in value for money have been achieved through procurement and partnership or internal reviews without unintended loss of service quality (or quality increased at no extra cost). Options for joint procurement and working with partners are identified and acted upon to improve value.

The benefits service contributes to maximise rent collection by the council, private landlords and Registered Social Landlords (RSLs), council tax collection, and can demonstrate that it is helping reduce the number of evictions across all tenancy types.

Working effectively with partners has enabled the council to draw down funding to provide improvements to the benefits service.

Processes for reviewing and improving value for money are in place, including setting targets. Service managers use appropriate information to review value for money and report to the appropriate councillors and governance structure. Areas of high spending identified are subject to review and scrutiny and action to address the results.

The scope for improving cost-effectiveness is kept under review and scrutiny and innovative approaches are used where appropriate. There are clear policies and effective processes for reviewing and improving value for money.

Service reviews in benefits have led to some improvements in cost-effectiveness or efficiency.

Management arrangements include a focus on subsidy and minimising fraud. Other efficiency measures are in place, for example, by making access to claiming benefit easy and effective and paying directly into customer's bank accounts whenever practical.

Management arrangements for value for money including subsidy arrangements are regularly monitored and managed, and can show benefits in terms of costs to the service and outcomes for customers.

Question 4: What is the service track record in delivering improvement?

KLOE 4.1: Can the service evidence a record of effectively implementing change that has led to improvements in service delivery?

Level 2 Uncertain prospects

The service/organisation –
Has made changes but delivered improvements of mixed quality. The organisation may have expended energy but there are few better outcomes for users. Achievements are concentrated on processes and internal infrastructure. The improvements and changes it set out to achieve in its service aims and objectives have not been fully completed or have not resulted in the desired outcomes.

Level 3 Promising prospects

The service/organisation –
Has implemented changes derived from inspections, peer reviews, best value reviews or service planning, which have delivered clear benefits for users, focusing on the most disadvantaged and those in priority need.

KLOE 4.2: Can the service show that it has delivered significant improvements in outcomes and key performance indicators that would be experienced by users?

Level 2 Uncertain prospects

The service/organisation –
Has achieved some improvements to the quality of life for some users, but for others, possibly including the most disadvantaged, the impact has been minimal. The outcomes that have been achieved may not always have been those intended or may not impact on the intended recipients.

Level 3 Promising prospects

The service/organisation –
Has made improvements and outcomes have contributed to the achievement of the service aims described in key question 1. The outcomes are those intended and have positively impacted on intended recipients. It can demonstrate sustained improvements in many areas over a period of time achieving targets and timescales it set out to achieve.

KLOE 4.3: What is the direction of travel of key performance indicators over the last three years of this and comparable services?**Level 2 Uncertain prospects**

The service/organisation –

Has delivered variable quality of improvement as reflected in national and local indicators which show that, while some elements of the service may be performing above minimum standards, others are performing below this level. It cannot point to a sustained trend of improvement in key performance indicators over the last three years. User satisfaction is mixed and service users and communities may have limited awareness of any improvement in services.

Level 3 Promising prospects

The service/organisation –

Can demonstrate, through national and local indicators that changes delivered have resulted in improved performance that compares well with other service providers. Over the last three years, indicators show that performance is improving for most, user satisfaction is increasing and there are measurable changes on the ground in areas that matter to users.

KLOE 4.4: Does the capacity and track record demonstrate improving value for money over time?**Level 2 Uncertain prospects**

The service/organisation –

- Can demonstrate steady improvement in value for money over the last three years but this has generally been around the minimum expected.
- Demonstrates investment and procurement decisions where the service considers the long-term cost implications or long-term interests of service users.
- Has officers and members who show some awareness of value for money in day to day activities and decision-making.

Level 3 Promising prospects

The service/organisation –

- Has made effective use of resources and outcomes represent good value for money. It can evidence improvements in value for money over a sustained period (3 years).
- Can demonstrate investment and procurement decisions where the full short and long-term costs of actions are taken into account as well as the long-term interest of service users.
- Has a clear focus on value for money evident in strategic decision-making and day-to-day management and review.
- Has value for money and procurement principles embedded within core service aims and objectives and clearly articulated within the service planning framework.

Question 5: How well does the service manage performance?

KLOE 5.1: How good is the service's improvement planning?

KLOE 5.1.1: Does it have aims and priorities for the future that are clear, challenging and robust? Is the service aiming to improve the 'right' things – the things that matter most to users and communities – and to address service weaknesses?

Level 2 Uncertain prospects

The service /organisation:

- Has a vision of what it wants to achieve for the service. It has translated its vision into a set of aims and objectives which aspire to improve the service for users.
- Has aims which tend to focus on the short and medium term with a lack of clarity about the sustainable outcomes for the longer term. The aims address many of the weaknesses in the service, although they tend to focus on process changes. The aims do not make clear all the outcomes or targets to be achieved and therefore may prove to be unrealistic given current context and performance.
- Has aims based on a basic understanding of the challenges and opportunities faced. Its research into anticipated needs and forecasts may be incomplete and therefore aims may not fully reflect user aspirations now and in the future.

Level 3 Promising prospects

The service/organisation:

- Has a clear vision for the service which sets out what the organisation wants to achieve over the long term. It has translated its vision into tangible ambitions, aims and objectives for the future of the service. These make clear what the organisation wants to achieve to improve the overall service quality for users both now and in the future.
- Has aims that are stretching and which aspire to make a real and measurable difference for service users, particularly the most vulnerable. They make clear the longer term (next 5-10 years) sustainable outcomes that can realistically be achieved. There is a clear indication of the challenging outcomes and targets that it is seeking to achieve and the timescales it is working to.
- Has developed its aims based on a sound knowledge of the challenges and opportunities faced within the service including the views and needs of users now and in the future.

KLOE 5.1.2: Are aims and future plans coordinated, robust and deliverable?

Level 2 Uncertain prospects

The service/organisation:

- Has included within its aims, service and national priorities and preparation for forthcoming legislation and other initiatives. It has not looked more broadly at the contribution the service can make corporately or how related national and regional priorities and legislation may impact.
- Has engaged with mainstream service users, partners, councillors and/or board members and staff in deciding the aims but may not have achieved a consensus or shared understanding about its aims.
- Has plans which include tasks for the short to medium term. They may also have some indicative milestones, targets and timescales although these could be more challenging and more outward focused to help the organisation assess performance and progress.
- Has not fully integrated its service plans and they may tend to run in parallel with each other. This could mean that resources are not always used to best effect and the relative priority of tasks between different service areas is unclear.
- Does not have clear priorities and therefore may be unable to target resources effectively. The service does have some information and research data to understand priorities but has not used this comprehensively to shape its aims or the timing and scale of its actions. It has not allocated resources to all services and growth areas and/or not explicitly identified lower

Level 3 Promising prospects

The service/organisation:

- Has plans which address national and corporate priorities as well as key weaknesses in the service. They also reflect the need to prepare for forthcoming legislation and other initiatives.
- Has engaged with most services users (and where necessary their advocates), partners, councillors and/or board members, staff and where appropriate, contractors and agents, so that its aims closely link to their expressed needs, priorities, concerns, and aspirations. This engagement has helped to achieve consensus and commitment from stakeholders.
- Has plans against which performance can be measured, containing clear milestones so that delivery can be assessed. Timescales and responsibilities for completion are clear, and the resources needed to deliver the plans are identified.
- Has integrated corporate, financial and service-delivery plans to ensure it makes the best use of resources. Delivery against these plans would represent improving use of resources and will help the organisation demonstrate better value for money in its planning and delivery of the service.
- Has translated its vision and aims into specific priorities for the short, medium and long-term. The basis for the priorities is clear and determined, utilising a wide range of research and information to understand local needs. There is clarity about what is, and what is not, a priority.

priority areas.

- Can show the links between corporate aims through to community (if applicable), service and individual plans and priorities but these could be strengthened so that individuals are more clear about what is expected of them and how their work contributes to overall aims.

- Can show the links between corporate aims through to community (if applicable), service and individual plans, objectives, standards, priorities and targets (including those related to value for money) so that individuals know what is expected of them and how their work contributes to overall aims.

KLOE 5.1.3: Does it have clear and robust proposals for meeting efficiency targets and improving value for money?

Level 2 Uncertain prospects

The service/organisation:

- Sets targets which are applied to improve value for money.

Level 3 Promising prospects

The service/organisation:

- Has set ambitious targets to improve efficiency and value for money. These are robust and SMART. Targets reflect potential for improvement and are normally met.

KLOE 5.2: Are there arrangements and a culture in place to support continuous improvement?

KLOE 5.2.1: How effective is the leadership of the service?

Level 2 Uncertain prospects

Level 3 Promising prospects

The service/organisation:

- Has a mixed quality and calibre of leadership and management from officers, councillors and/or board members, and this is confirmed by staff, partners and/or stakeholders. Staff and managers are supported but they may express frustration about the lack of leadership and that they are not enabled or empowered to perform to the best of their abilities. Political or board leadership and senior managers may at times get too involved in operational detail at the expense of providing clear strategic direction.
- Has a leadership style, internally and externally, which may be traditional, rigid and/or silo-based. It understands the environment in which it operates and the needs of its clients although this may not fully reflect wider needs and local and national priorities.
- Has not maximised opportunities to set an example within the community to ensure fair access to services, to work towards eliminating discrimination and to promote sustainable communities. It has only taken minimum action so far to ensure it can recruit and retain councillors and/or board members, a management team, staff or contractors who are representative of the gender, race and age profile of their users and the broader community they serve.

The service/organisation:

- Has active, visible and effective management and leadership, recognised by staff, partners and other stakeholders. The leadership, from senior managers and councillors and/or board members, sets the tone of the organisation by creating a climate of openness, transparency and mutual respect. People in the organisation are supported to perform to the best of their abilities.
- Leaders, having set the vision, aims and priorities for the service, have communicated these so that staff and partners have a good understanding and are clear about the culture and values of the organisation necessary for delivery.
- Further demonstrates its leadership through ensuring fair access to services, actively working to eliminate discrimination and promote sustainable communities. It has councillors and/or board members, a management team, staff and contractors who are representative of the gender, race and age profile of their users and the broader community they serve.
- Can show that its managers, councillors and/or board members are willing to tackle difficult problems and to take (and stick to) tough decisions to resolve these. Decision-making arrangements are effective and, where appropriate, inclusive of users.

- Has taken difficult decisions, but may have avoided other problem areas and in some cases may have not stuck to tough decisions taken previously. It may not have open and clear decision-making arrangements supported by councillors and/or board members and managers.

KLOE 5.2.2: Are effective performance management arrangements in place to drive and monitor progress, and review impact?

Level 2 Uncertain prospects

The service/organisation:

- Has managers, councillors and/or board members who are involved in managing performance but they may not always be active and/or clearly understand their roles. While corrective action is taken in response to variations in performance, this may not always be consistent with driving improvement.
- Does not have a good track record of sustaining its focus on priority areas and/or has few mechanisms in place to help it sustain focus.
- Has not fully integrated its service plans and they may tend to run in parallel with each other. This could mean that resources are not always used to best effect and the relative priority of tasks between different service areas is unclear.
- Has an adequate track record of financial management and can show that resources are often directed towards priority areas. Performance and financial management processes may not be well integrated.
- May have been unable to develop service/business/improvement plans and performance targets

Level 3 Promising prospects

The service/organisation:

- Has managers, councillors and/or board members and staff at all levels who are clear about their roles in performance management.
- Has a strategic focus on delivery against established plans, standards, targets and deadlines, especially where these are not being met, taking corrective action in response to variations in performance, and reviewing progress systematically.
- Has an integrated approach to setting priorities and allocating resources against them. It moves resources away from areas that are not priorities or from services where development is not needed.
- Has a good track record of sound financial management and can demonstrate that resources are used flexibly in line with priorities. Performance and financial management processes are well integrated.
- Has integrated its priorities into service/business/improvement plans and performance targets. The plans set out the practical tasks necessary to achieve the aims and objectives for the

which fully reflect service priorities as these may be unclear. Its plans set out some of the practical tasks necessary to deliver its aims and objectives for the service. For other tasks, it is unclear how these relate to its aims and priorities and the plans may not set out a comprehensive framework for the delivery of user-focused achievements in the longer term.

- Has plans which include tasks for the short to medium term. They may have some indicative milestones, targets and timescales although these could be more challenging and more outward focused to help the organisation assess performance and progress.
- Produces regular information and intelligence which, while robust, could be improved in quality and consistency. The information does cover local and national performance indicators and user satisfaction but coverage is not comprehensive.
- Has a range of performance monitoring mechanisms in place but not all of these focus on outcomes for service users.
- Has performance monitoring which does not give the organisation a full picture of how well the service is delivering against corporate and service objectives, improvement plans, the national agenda and local needs.
- Coverage of service monitoring remains fairly static and/or limited information is available for managers, councillors and/or board members to understand reasons for variation in performance, or how well performance compares to others.
- Is starting to embed performance management but has some

service. These plans set a framework for the delivery of user-focused achievements in the longer term.

- Has plans that are realistic about what can be achieved in the short, medium and longer term, given the constraints faced by the organisation. The timing of actions reflects the priorities determined for the service and the plans make clear the relative priority of tasks scheduled simultaneously.
- Produces regular, robust and balanced information and intelligence through a wide range of performance monitoring mechanisms covering most relevant aspects of performance, focusing on improving outcomes for service users.
- Has a range of complementary mechanisms to help it to sustain its focus on these priority areas through means such as agendas, forward planning, project and review groups, scrutiny mechanisms, internal and external audit, and user involvement.
- Ensures that information is simple to access and understand, enabling the organisation to understand how well the service is delivering against corporate and service objectives, the national agenda and local priorities, and national and local performance, finance, satisfaction and quality of life indicators.
- Reviews the frequency, level and presentation of monitoring which is tailored to risk and enables officers, councillors and/or board members to understand reasons for variations against targets and how performance compares to other service providers.
- Has performance management well embedded across the whole organisation, with a track record of the active

way to go. It focuses on performance at all levels and performance management is starting to be considered as part of the day job by most staff. Senior managers use performance information but their approach may be inconsistent and/or unsystematic.

involvement of its managers, councillors and/or board members in managing performance and solving problems at an early stage.

KLOE 5.2.3: Are effective performance management arrangements in place to drive and deliver improved value for money?

Level 2 Uncertain prospects

Level 3 Promising prospects

The service /organisation:

- Collects information on costs and the quality of services which is regularly reported to appropriate councillors and/or board members and managers and is taken into account when reviewing performance.
- Understands the benefits of working with others to compare and evaluate processes, costs and outcomes, but its approach is at times piecemeal and/or results may not always be fully considered and/or used to inform improvement planning.
- Has councillors and/or board members and senior managers who identify and pursue opportunities to reduce costs or improve quality within existing costs.

The service/organisation:

- Is routinely generating surpluses through improving efficiency - and reinvesting these to improve services in areas of need.
- Proactively works with a wide range of both existing and potential partners and other providers to compare and evaluate processes, cost and outcomes and to develop further opportunities for value for money improvements. It uses the results to inform how it plans, delivers and recognises improvement.
- Councillors/board members and managers use clear information on costs and the quality of services to challenge how these compare to others currently and over time and actively manage costs and quality. This includes information on equity across the community.

KLOE 5.2.4: Does the service learn from high performing and other providers, user feedback and its own experience?

Level 2 Uncertain prospects

The service/organisation:

- Understands its strengths and weaknesses but has not related this to future challenges. The self-assessment reflects a service (or organisation) that is not open about its weaknesses and lacks awareness of how others perceive it.
- Has an adequate system in place to receive complaints, grievances or representations. While procedures for dealing with these are followed, practice is inconsistent and the results are not systematically used to improve services.
- Provides limited opportunity for stakeholders to influence which targets are set, and how performance is measured and monitored. Service standards are incomplete and not all are readily available.
- Uses its knowledge about performance to solve problems but not always consistently or systematically. It learns from its experiences but learning is not systematic and the service could do more to learn from other organisations. Examples of learning are isolated and/or may reflect a short-term reaction to very specific problems encountered, rather than a systematic scan for opportunities to deliver improvements.

Level 3 Promising prospects

The service/organisation:

- Understands its strengths and weaknesses in the context of the challenges it faces. It is self-critical and self-aware, and this is reflected in the quality of its self-assessment.
- Has a well publicised, user-friendly and supportive system for service-users, staff and relevant others to submit compliments, complaints, grievances, representations and suggestions. Its response to these is positive and timely and the results are used to help improve services.
- Provides opportunities for people who use the organisation’s services, staff, partners, contractors and other stakeholders, to influence how performance is measured, monitored and reported, and what standards and targets are set.
- Learns from its own experiences and from that of others, as a result of:
 - systematic analysis of its own success and failures
 - user feedback, including complaints, compliments, comments and suggestions
 - staff feedback, including suggestions
 - assembling and sharing best practice of other service providers in the public, private or voluntary sectors
 - outcomes of Best Value and other review mechanisms
 - external inspections

Question 6: Does the service have the capacity to improve?

KLOE 6.1: Does the service have access to the appropriate skills, tools and finances to deliver improvement?

Level 2 Uncertain prospects

Level 3 Promising prospects

The service /organisation:

- May generally have the people, skills and capability to deliver its service priorities but this may be fortuitous rather than a result of conscious and systematic forward planning. There may be unpredictable fluctuations in staff capacity, such as due to sickness absence, and such problems may be addressed in an ad-hoc or minimalist way.
- Is clear about the strategic and operational roles of councillors and/or board members and this is set out in protocols, standing orders and/or constitutions. There may not be a shared understanding of these roles and consequently responsibilities and accountabilities may sometimes blur and overlap.
- Uses information and communication technology (ICT), but not as effectively as it could to deliver service objectives and improvements, or to achieve efficiencies in operations, or to provide management information about service users and non-users. ICT may not be part of an integrated approach to improving access to the service for users and potential users.

The service/organisation:

- Has the people, skills and capability it needs to deliver its service priorities as a result of its systematic forward planning.
- Has councillors and/or board members and officers who are clear about their strategic and operational roles, responsibilities and accountabilities, and the boundaries between them. These are clearly set out in protocols, standing orders and the constitution making for effective and productive relationships.
- Uses ICT effectively to deliver service objectives and improvements. It is used to achieve efficiencies in operations as well as to provide management information about service and non-service users, and about how they perceive those services. It is also part of an integrated approach to improving access to the service for users and potential users.

KLOE 6.2: Is there evidence of effective financial and human resource planning?

Level 2 Uncertain prospects

Level 3 Promising prospects

The service/organisation:

- Lacks a fully effective strategic HR framework and maximises internal capacity in only an ad-hoc way.

The service /organisation:

- Operates within a strategic HR framework which seeks to maximise internal capacity and to ensure that future service developments are provided for. It works with partners, where

- Has HR practices which only partially support the needs of the service. For example, training and development may be sufficient to cover only basic requirements.
 - Provides training to cover basic requirements, it may not plan its staff, councillor and/or board member training well and/or be fully able to demonstrate the success of training in increased effectiveness.
 - Has evidence (for example from staff surveys) that shows that only some staff feel valued and/or significant proportions of staff are unable to fully develop their skills. Training may not be routinely evaluated to help improve future performance.
 - Has a medium term financial plan or budget forecast for the future. This demonstrates the organisation has adequate financial capacity to provide the service but does not fully take account of the service aims, priorities or work programmes. It has not maximised income or been successful in attracting external resources to meet service priorities. Assets are managed, although not in line with best practice and effective use of them is not made to assist in meeting service aims.
 - Demonstrates minimum/limited consideration of equalities and human rights issues in its policies, employment practices and service delivery. The service does not adequately monitor performance in relation to key equalities and other legislation or make itself accountable for progress on these issues.
 - Has capacity which may not be fully utilised through mainstreaming cross-cutting issues such as community safety.
- appropriate to address issues around recruitment, retention, training and development over the medium to long-term.
- Has HR practices which fully support the needs of the service through training and development and by addressing important limitations on staff resources such as sickness absence.
 - has training and other development activity well planned and valued at all levels. The success of training is demonstrated in the effectiveness of councillors and /or board members and staff (and contractors) in carrying out their roles and through robust evaluation.
 - Has evidence (for example from staff surveys) that shows that staff believe that they are valued and able to learn and develop their skills. Absenteeism and turnover are low and/or within target ranges.
 - Has a robust medium-term financial plan (MTFP) which demonstrates that it has the financial capacity to deliver its service aims, priorities and the work programme set out in service plans. It has maximised income and has been successful in securing other forms of inward investment, such as lottery funds, to meet service priorities. Assets are well managed and are used effectively, efficiently and responsibly towards achieving service aims.
 - Can demonstrate consideration of equalities and human rights issues in its policies, employment practices and service delivery. The service monitors its performance in relation to key equalities and other relevant legislation and makes itself accountable for progress on these issues.
 - Has capacity fully utilised by ensuring that important priorities are mainstreamed. These include, for example, social

inclusion, community safety and the needs of young people.

KLOE 6.3: Is there a robust, modern procurement strategy to apply best practice to achieve improved value for money in priority areas, including working with partners?

Level 2 Uncertain prospects

The service/organisation:

- Does not base procurement decisions solely on lowest cost but on the best combination of cost and quality.

Level 3 Promising prospects

The service/organisation:

- Does not base procurement decisions solely on lowest cost options but on achieving greatest benefit to the public purse, for example securing additional health or environmental benefits and opportunities for joint procurement with partners are actively pursued.
- Has engaged effectively in strategic partnering, with evidence of improvements in services or facilities

KLOE 6.4: Is the service/ organisation investing, and attracting inward investment, appropriately to deliver improvement?

Level 2 Uncertain prospects

The service/organisation:

- Seeks external funding where appropriate to support local service priorities.

Level 3 Promising prospects

The service/organisation:

- Secures and maximises internal/external funding opportunities to support delivery of government and/or local service related priorities and improve value for money.