

**Performance and Finance Select
Committee**12th September 2006**Report from the Director of Finance
and Corporate Resources**

For Information

Wards Affected:
ALL**Report Title: Revenue and Benefits Performance****1.0 Summary**

- 1.1 This report outlines performance in relation to the Revenues (Council Tax and NNDR) and Benefit (Housing and Council Tax Benefit) service collection. Performance is shown as at 31 July 2006. Where the figures are available, an update is included for performance at 21 August 2006.

2.0 Recommendations

- 2.1 Members are asked to note Capita's Council Tax and NNDR collection performance against contractual targets for 2006/07.
- 2.2 Members are asked to note that Council Tax and NNDR collection for arrears in the 2003/04, 2004/05 years will need to improve to achieve contractual targets in 2006/07.
- 2.3 Members are asked to consider Capita's performance against the collection action plan to bring about improvements in collection in 2006/07.
- 2.4 Members are asked to note the Benefit Service's "3" score in the 2006 Comprehensive Performance Assessment (CPA), and current performance towards the 2007 CPA.
- 2.5 Members are asked to note the reduction of backlogs in the Benefits Section since June and the development of plans for clearance of the remaining backlog and the movement of the service towards a generic assessments workforce.

3.0 Detail – Revenues

3.1 Background

Prior to May 2003 the contract for the provision of Revenues and Benefits and the Customer Service to support it was with an external contractor EDS from May 1995.

As a result of poor performance by EDS and a Best Value Review it was decided to bring the Benefits and Customer Service back in house.

3.2 The contract for the collection of Council Tax and Non Domestic Rates (NNDR) along with the support of the IT equipment used to process Benefits was awarded to Capita and began in May 2003.

3.3 Many of the staff who worked with the previous contractor transferred to Capita. Capita transferred 2 senior managers one of whom is the contract manager to the Brent House location where the council tax recovery and inspections teams are located to manage the service.

The NNDR and IT support teams are based at Capita sites.

3.4 In the first year of the contract (2003/04) in year collection of 90.97% was achieved, this improved to 93.41% in 2004/05 (the best in year collection for Brent since the commencement of council tax) and 93.56% in 2005/06. However it should be noted that other authorities were also improving and while our league position among London authorities improved to 26 in 2004/05, in 2005/06 we were a disappointing 31.

3.5 The movement of payers onto Direct Debit (DD) from other payment methods has been a success. At the beginning of the contract in June 2003 the number of payers on DD was 25,952 this has increased to 36,270 in July 2006. Direct Debit is the councils preferred method of collection as it is the most cost effective and payers on Direct Debit are much more likely to adhere to their instalment plans.

3.6 NNDR collection has improved year on year from 94.75% in 2002/03 to 98.29% in 2005/06. This level of performance has seen Brent move into the 3rd quartile for 2005/06 at position 19 among the London authorities.

3.7 During this time we have successfully replaced a document management system and availability of the other revenues and benefit applications has remained relatively stable.

3.8 Capita's current performance

Collection performance at the end for July for 2006/07 is below that for the same period in the 2005/06 year. This is partly attributable to the increase in the number of payers on DD. Collection is also below the projected profile for the end of July by 0.16%. The profile is a forecast of what Capita expect to collect each month to reach the end of year target.

- 3.9 Post contract arrears collection (for the years 2003/04 to 2005/06) is disappointing with performance for 2003/04 and 2004/05 not achieving the targets set for the end of March 2006.
- 3.10 Pre contract Council Tax arrears collection has remained positive, exceeding the target set for 2005/06. NNDR collection has also remained positive, with collection to July 2006 exceeding the same date in 2006/07, continued performance at this level would mean that the contractual target for 31 March 2007 would be exceeded. IT performance has been stable for the period April to July 2006.

3.11 Council Tax Collection for 2006/07

In 2006/07 Capita are contractually required to achieve an in year collection rate of 94% at 31 March 2007.

- 3.12 The value of Council Tax to be collected in 2006/07 before any discounts or benefit is awarded is £134m. In year collection is monitored throughout the year on a monthly basis against two main indicators. These are a monthly comparison of in year collection against the same point in time in previous years and Capita's own monthly collection profile forecast aimed at achieving contractual targets by 31 March 2006.
- 3.13 Table 1 below shows monthly collection this year to date and compares that with monthly collection in 2003/04, 2004/05 and 2005/06. This shows that the monthly collection between April and July 2006 has not exceeded that for the same period in 2005.
- 3.14 It is difficult to make direct comparisons to collection during 2005/06 because payment profiles have changed and this has altered collection patterns during the year. Most significantly there have been increases to the number of people who chose to pay by direct debit. Direct debit payments are spread over 12 monthly instalments including February and March and thus payments are more evenly spread across the year. There has been an increase in the number of payers on DD from 33,675 in July 2005 to 36,270 in July 2006.

Table 1: 2006/07 In Year Collection % to Date compared to previous years

Collection – Council Tax												
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
2003/04 Actual	23.35	29.02	34.84	40.47	46.53	52.98	60.14	66.54	72.98	79.54	85.39	90.97
2004/05 Actual	13.77	22.01	29.9	37.42	44.79	52.66	60.15	67.59	74.92	81.53	87.3	93.41
2005/06 Actual	14.11	22.6	30.51	37.7	45.21	52.91	60.44	68.07	75.46	82.31	87.78	93.56
2006/07 Actual	13.51	21.85	29.52	37.05								
Variance on 05/06	-0.60	-0.75	-0.99	-0.65								

- 3.15 Table 2 shows that the monthly collection profile forecast for 2006/07 have not been exceeded for the months May to July, Capita provided

Brent with a collection action plan at the beginning of the financial year that outlines the actions that will be taken to meet the target of 94%. This action plan is appended to the report and key elements from it will be outlined in greater detail under Section 3.27 Improvement Plan.

Table 2: 2006/07 Monthly Profile as a % of the amount to be collected.

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2006/07 profile	13.51	22.06	30.11	37.21	44.91	52.61	60.33	68.03	75.71	82.71	88.4	94.00
2006/07 Actual Performance	13.51	21.85	29.52	37.05								
Variance	0.00	-0.21	-0.59	-0.16								

3.16 Campaigns have been undertaken during the year to encourage the take up of direct debit, for example the September Brent Magazine will include an advertisement on DD take up.

3.17 Council Tax Collection for previous years

3.18 2005/06 Collection

Table 3a: Collection for 2005/06.

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
2006/07	92.9	93.13	93.34	93.72							

At the end of July 2006 a collection rate of 93.72% was achieved for 2005/06. Continued performance at this level could see the target of 96% achieved at the end of the year. Collection for this year in the month of July was high at 0.38% this is the main reason that the projection indicates possible achievement of the target.

Table 3a shows the accumulative performance in collection of outstanding 2005/06 debt for each month in 2006/07.

3.19 2004/05 Collection

The collection target of 95.5% by the end of March 2006 was not met with a shortfall of 0.58%.

The target for collection of 2004/05 debt by the end of 2006/07 is 96.5%. Collection is currently at 95.14 % which means that 0.23% has been collected since 30 April 2006. Continued performance at this level could mean 95.8% will be collected by the end of March 2007 against a target of 96.5%. Performance in July was at highest so far for the year with 0.11% collected in the month.

Table 3b shows the accumulative performance in collection of outstanding 2004/05 debt for each month in 2005/06 and 2006/07.

Table 3b: Collection for 2004/05.

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
2005/06	93.01	93.00	93.09	93.31	93.57	93.84	94.1	94.32	94.53	94.74	94.92
2006/07	94.91	94.96	95.03	95.14							

3.20 2003/04 Collection

In 2005/06 Capita were contractually required to achieve a target of 96% for the year 2003/04 arrears. This was not achieved with a shortfall of 1.7%.

Table 3c shows accumulative month-by-month performance in 2005/06 and 2006/07 for the outstanding 2003/04 debt.

Table 3c: Collection for 2003/04

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
2005/06	93.37	93.46	93.61	93.67	93.72	93.84	93.92	94.03	94.12	94.21	94.3
2006/07	94.46	94.5	94.53	94.61							

3.21 The target for 2003/04 year in 2006/07 is 96.5% before incentives are achieved by Capita. Collection has reached 94.61% at 31 July 2006. This is an increase of only 0.31% over 4 months; continued performance at this level would indicate a collection rate of 95% at March 2007, against a target of 95.75% before penalties are imposed. Performance in July was at highest so far for the year with 0.08% collected in the month.

3.22 Pre Contract Arrears Collection

Since the commencement of the contract Capita have collected £5,220,483 in pre contract Council tax arrears. An incentive is obtained each year for collection exceeding an accumulative collection figure. £273,946 has been collected year to date. This compares quite well to the £263,458 collected during April to July 2005 given that the debts are a year older.

The client team will continue to work with Capita to ensure that collection for these years continues to be a priority.

3.23 NNDR Performance

2005/06 and 2006/07 Collection

For NNDR (Non Domestic Rates) the collection rate of 98.29% was achieved for 2005/06 exceeding the target of 96.4%.

3.24 The value of NNDR to be collected for the 2006/07 year before any relief is awarded on accounts is £92m. The NNDR in year collection rate at 31 July 2006 was 40.74% which is 0.66% above the monthly profile set by Capita and 0.66% up compared to the same time last year. Table 5 outlines the collection performance and compares it with the previous year and the profile targets set to achieve 98.3%. The contractual target for 2006/07 is 96.6%.

Table 4: NNDR collection 2006/07

% Collection Cumulative	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2003/2004	N/A	17.73	26.28	37.47	46.48	56.75	65.79	73.96	84.03	92.58	94.98	96.39
2004/2005	9.66	19.01	28.46	38.33	48.85	58.59	68.03	77.54	87.36	95.35	96.67	97.80
2005/2006	10.57	19.75	28.99	40.08	49.61	59.56	68.94	78.99	88.56	96.39	97.06	98.29
Target 2006/2007	10.57	19.75	28.99	40.08	49.61	59.56	68.94	78.99	88.56	96.39	97.06	98.3
Actual 2006/2007	9.64	19.72	30.69	40.74								
Variance on last year	-0.93	-0.03	1.7	0.66								
Variance on target	-0.93	-0.03	1.7	0.66								
% Month on month		10.08	10.97	10.05								

3.26 Although 96.6% is the target for 2006/07, the deduction and incentive scheme is based on collection compared to payments that have to be paid into the National Pool. This increases Capita's incentive to exceed the targets set, while ensuring that incentives are firmly based on speed of collection.

3.27 Improvement Plan

In 2005/06 a successful trial of tracing council tax debtors was begun. This involved having a person dedicated to using different methods of tracing to identify liable persons and forwarding addresses for these who have moved. This will continue for the 2006/07 year.

3.28 During the month of March a telephone campaign was undertaken by Capita to customers who have outstanding debts, telephoned with a view to making payment arrangements. In September there will be increased bailiff activity particularly over 2 weekends to raise the profile of council tax collection and to increase the income from the bailiffs.

3.29 The number of people being progressed to bankruptcy for non payment of council tax is also being increased. To date 24 debtors have been made bankrupt. 24 stat demands are awaiting service and a further 134 are in progress. In addition 7 charging orders have been obtained on properties with another 57 are in progress.

3.30 Increased working has been undertaken with areas such as Housing and Parking to share information and improve debt collection. Some of the key activities outlined in the action plan (Appendix 1) to improve arrears collection include:

- Identify Home Owners via Land Registry
- Obtain employment details for Attachment of Earnings

3.31 Capita IT Provision against contractual requirements

The provision of IT has been good for the year 2006/07 with no significant impact on service availability.

Further enhancements to the document management system went live in July 2006 with minimal impact on the service.

3.32 Contract Review

The current contract with Capita includes the provision to extend beyond 5 years, should Brent wish to do so. A decision will need to be made by October 2006 as to whether or not this option will be taken up. The client team are currently reviewing the contract to consider whether or not we would wish to extend and to identify any elements of the contract that we may wish to amend.

- 3.33 A report will go the Executive in October with the clients recommendations on whether or not the option to extend should be taken up.

4. Detail – Housing Benefits

Background

- 4.1 Housing Benefits returned to the council's operational control in October 2002, having been outsourced since May 1995. Customer services in relation to Revenues and Benefits was also returned to the council's operational control, and has been fully integrated into the council's corporate One Stop Service
- 4.2 A full reorganisation of the Revenue and Benefits unit was achieved by November 2003. The new structure has created a logical and coherent approach to collaboratively managing functions. New managerial positions were created to strengthen gaps in the inherited management structure.
- 4.3 A major refocus of the service was achieved by redefining the key performance indicators for the service and embedding these into performance management arrangements.
- 4.4 A service recovery plan was developed and agreed by members in the summer of 2003 and this resulted in the eradication of substantial backlogs. Levels of outstanding work have remained stable since April 2004.
- 4.5 There has been improved performance in all aspects of Benefits service delivery including speed of claims processing, overpayments recovery, and an improved CPA score from 1 (poor) in 2003/04 to 3 (good) in 2004/05. Revenues & Benefits also successfully reapplied for Chartermark in 2005 and 2006.
- 4.6 The table below gives an overview of performance against key indicators since 2002/03.

Table 5: Housing Benefits performance 2002 – 2006

Position as at the end of the financial year				
	2002/3	2003/4	2004/5	2005/6
Benefits CPA score	n/a	1 (poor)	3 (good)	3 (good)
New claims (average days to process)	89	56	48	36
Changes in circumstances (average days to process)	29	34	22	21
Outstanding work items	12,234	5000	6108	8654*

* A new Document Image and workflow system was introduced in November 2005. All work items are now counted separately whereas the previous system counted cases outstanding regardless of the number of items of work outstanding for that case. The 2005/06 total of 8654 items is roughly equivalent to 4327 items under the previous system.

4.7 Summary of current position

Since April 2006 the Benefits Service has undertaken a significant recruitment campaign, appointing to all management vacancies, including a Performance Manager (a new post), two Assessment Team Managers and a Complaints & Appeals Manager. There have also been successful appointments of a new Policy & Training Officer and 15 Trainee Assessment staff.

- 4.8 Performance has continued to improve, following on from the progress made during last year. The loss of several staff in April and May, plus the necessary ending of blanket overtime working, contributed to a rise in outstanding work to a peak of 13,345 at the end of May, but this has now been controlled and has steadily reduced to 8327 at 21/08/06. Considerable work has also been undertaken to improve the age profile of outstanding work. Some targeted overtime has been used to achieve this.
- 4.9 Performance on new claims has continued to be good following on from last year's BVPI of 35.92 days on average to deal with a new benefit claim. Year to date at 1st August we have processed new claims in 33.4 days on average, which is in line with the current London average.
- 4.10 The third and final module of the Verification Framework (VF) was introduced on 1st July 2006. The VF is a good practice model for preventing fraud and error entering the Benefits system – and detecting it if it is already there – through standardised checking and verification of claims and a risk-based approach to reviewing claims in payment. It has been adopted by almost all local authorities.
- 4.11 Two modules were introduced last year, namely those dealing with targeted visits and postal reviews of claims in payment (in total we reviewed over 50% of our caseload in this way). This year the New Claims module was introduced which requires standardised checking

of new claims, the production of original documents before claims are put into payment, and cross-checking of evidence with other sources of information.

- 4.12 There is a potential impact on both claim processing times and on customer service particularly at One Stop Shops. However the implementation went smoothly, partly due to the fact that elements of the scheme (eg requesting original documentation) had already been adopted by the Service. There has not yet been an impact on claim processing times (though it is relatively early days) but this situation and the impact on customer waiting times at the counter are being closely monitored.
- 4.13 VF has enabled some positive partnership working with Registered Social Landlords (RSL's), who are able, subject to appropriate training and controls, to verify evidence for claims on our behalf. So far both Stadium and Pathmeads Housing Associations have signed up to become Third Party Verifiers for us – bringing benefits for the RSL's and our mutual customers as well as ourselves.
- 4.14 With the introduction of VF into mainstream benefits processing, and the filling of the structure with the necessary management capacity, the service is now moving towards having a generic assessments workforce, which will deal with all new claims, changes in circumstances, VF interventions and other work items which were previously split between two different areas (separate Assessments and VF teams).

4.15 Comprehensive Performance Assessment (CPA)

In June the Service submitted its self-assessment of a 3 (“good”) score for the 2006 CPA to the DWP. This has recently been ratified following inspection by the Benefit Fraud Inspectorate. Formal confirmation of this will follow in a couple of months' time.

- 4.16 For 2007 the CPA has been tightened significantly to constitute a “harder test”. For example to achieve a 4 score for New Claims processing it is necessary to achieve an average processing time of 29 days as opposed to 35 days. Overall, higher standards have been set for seven of the 12 Performance Measures, and an additional measure, relating to the number of successful prosecutions and sanctions achieved per 1000 caseload, has been added. This has also meant that the weighting of scores for VF interventions and visits (on which we score 4) has been reduced in their contribution to the overall score.
- 4.17 Year to date (end of July) the Service has performed well against the new standards; the following Table 6 exhibits this. Indeed the overall score is marginally higher than last year's (albeit still an overall three) against this harder test. It should be noted that planned work to clear backlogs over the next quarter will impact on processing times, particularly those of changes in circumstances, though this will not impact on the Service's overall score for the year – forecast again at 3.
- 4.18 The impact of processing backlog work has already been seen in July's performance – shown in Table 7. Although there is a clear impact in

processing times of new claims and changes in circumstances – which will not recover fully until Quarter 4 – the impact of the backlog work is being closely controlled; the new claims area is fully up to date and has only been affected in July by the emergence of a small number of new claims which had been wrongly indexed as changes in circumstances and thus hidden in backlog. The affect on the New Claims performance indicator is expected to be short-lived and not significant in terms of the overall annual projection.

- 4.19 Changes in circumstances performance is likely to remain at a higher level for longer due to the amount of outstanding work in this area, however the very oldest work has already been cleared and even if July's performance were to be projected throughout the year, the impact on the CPA score would affect this element only and not the overall score. In reality, once backlogs are cleared, an improved performance in Quarter 4 would be likely to counteract the impact of the backlog clearance in Quarter 3.

Table 6: Performance Measure Score – Year To Date at end of July 2006

Claims Administration- 50%		Grade Ranges				Scores			
Performance Measure	Weight	1	2	3	4	Result	Grade	Grade * Weight	
PM1 – New Claims –average speed of processing	15	>48	48-37	36-30	<30	33.41	3	45	
PM2 – Percentage of New Claims outstanding over 50 days	7	>26	26-17	16-9	<9	12.11	3	21	
PM3 – Percentage of New claims decided within 14 days of receiving all information	5	<73	73-82	83-90	>90	85.09	3	15	
PM4 – Percentage of rent allowance claims paid on time or within 7 days of decision	5	<73	73-82	83-90	>90	87.23	3	15	
PM5 – Average speed in processing changes in circumstances	12	>28	28-21	20-9	<9	19.39	3	36	
PM6 – Accuracy – percentage of claims assessed correctly	6	<96	96-97	98	>99	98.40	3	18	
Total	50								150
Score								3.00	

Overpayments PM's 7, 8 & 9 not scored

Security- 35%		Grade Ranges				Scores			
Performance Measure	Weight	1	2	3	4	Result	Grade	Grade * Weight	
PM10 – Interventions	12	<81	81-90	91-100	>100	105.08	4	48	
PM11 – Data Matches	12	<81	81-85	86-90	>90	100	4	48	
PM12 – Visits	3	<81	81-90	91-100	>100	138.21	4	12	
PM16 – No of successful prosecutions and sanctions per 1000 caseload	8	<1.2	1.2-2.8	2.9-4.2	>4.2	1.44	2	16	
Total	35								124
Score								3.54	

Counter-fraud PM's 13,14& 15 not scored

User Focus- 15%		Grade Ranges				Scores			
Performance Measure	Weight	1	2	3	4	Result	Grade	Grade * Weight	
PM17 – Percentage of Revisions actioned and notified within 4 weeks	4	<50	50-59	60-65	>65	85.86	4	16	
PM18 – Percentage of appeals submitted to TAS within 4 weeks	7	<50	50-59	60-65	>65	78.57	4	28	
PM19 – Percentage of appeals submitted to TAS within 3 months	4	<85	85-89	90-95	>95	90.82	3	12	
Total	15								56
Score								3.73	

Total Performance Measure Score									3.30
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4.20 Age profile of outstanding work

Table 8 below illustrates the age profile of work items outstanding as at 01/08/06. Of work outstanding on that date it shows the original target date of the work (usually three days following receipt). (Diarised items pending further information from customers are excluded.)

4.21 Considerable work has been undertaken to reduce the backlog recently, in particular the dedication of at least one officer per team to focus on the oldest work, targeting of resource at specific areas (eg re-assessments arising from VF visits) and overtime on Saturdays, targeted initially at particular ages of items (in particular April's work has reduced significantly) and subsequently at prioritised areas of backlog (eg changes in circumstances causing overpayments). The impact of these initiatives can be seen both in the age of outstanding work and in various categories, most notably Changes in Circumstances and VF items.

4.22 Since 1st August, the overall outstanding work has reduced further to 8327 at 21st August. The backlog should be seen in context of an incoming workload of approximately 3500 items per week.

Table 8: Age profile of outstanding work

Month when work item due	New Claims	CIC's	VF Items	Other (inc appeals)	Total Work Items	% of Grand Total	Total at 01/07/06	% of Grand Total	Total at 01/06/06	% of Grand Total
May 2005 or earlier	0	0	0	0	0	0.00%	1	0.01%	28	0.21%
Jun-05	0	0	0	0	0	0.00%	2	0.02%	25	0.18%
Jul-05	0	0	0	0	0	0.00%	3	0.03%	11	0.08%
Aug-05	0	0	0	0	0	0.00%	0	0.00%	31	0.23%
Sep-05	0	0	0	0	0	0.00%	0	0.00%	27	0.20%
Oct-05	0	0	0	0	0	0.00%	2	0.02%	39	0.29%
Nov-05	0	0	0	3	3	0.03%	7	0.06%	118	0.87%
Dec-05	0	0	0	2	2	0.02%	15	0.13%	210	1.55%
Jan-06	0	1	0	7	8	0.07%	94	0.78%	406	3.00%
Feb-06	0	214	0	36	250	2.08%	858	7.15%	1215	8.98%
Mar-06	0	784	1	113	898	7.48%	1723	14.36%	2231	16.49%
Apr-06	2	163	0	156	321	2.68%	1484	12.37%	2851	21.07%
May-06	4	1518	34	192	1748	14.57%	2600	21.67%	5193	38.37%
Jun-06	17	2097	123	228	2465	20.54%	4074	33.95%	1148	8.48%
Jul-06	67	2442	291	388	3188	26.57%	1136	9.47%	n/a	
Aug-06	147	364	46	256	813	6.01%				
Grand Total	237	7583	495	1381	9696		11999		13533	
Total at 01/07/06	255	9022	1149	1573	11999					
Total at 01/06/06	300	9273	1734	2226	13533					

Table 9: Comparison of all outstanding work.

The tables below provide a comparison of outstanding work (including diary items) since April 2006. They also show the movement of work between various categories and the overall direction of travel.

a) All Outstanding work comparison

	03/04/20 06	18/04/20 06	01/06/20 06	03/07/20 06	01/08/20 06
	Total	Total	Total	Total	Total
New apps	1004	787	976	923	1008
VF	2284	2387	2219	1617	1219
CIC	5943	7864	10152	9921	8961
Other	2230	2686	2296	1679	1477
Overall work	11461	13724	15643	14140	12665
This table includes pending items of work					

b) Outstanding work awaiting processing

	03/04/20 06	18/04/20 06	01/06/20 06	03/07/20 06	01/08/20 06
	Total	Total	Total	Total	Total
New apps	405	451	300	255	237
VF	1984	2107	1734	1149	495
CIC	4608	6919	9273	9022	7583
Other	2024	2212	2226	1573	1381
Overall work	9021	11689	13533	11999	9696

c) Pending items of work (awaiting contact from customer)

	03/04/20 06	18/04/20 06	01/06/20 06	03/07/20 06	01/08/20 06
	Total	Total	Total	Total	Total
New apps	599	336	676	668	771
VF	300	280	485	468	724
CIC	1335	945	879	899	1377
Other	206	474	70	106	97
Overall work	2440	2035	2110	2141	2969

4.23 As can be seen, outstanding work rose to a peak at 01/06/06, following a number of staff resignations and loss of agency staff in April and May, coinciding with the stopping of blanket overtime. During this time the Section also had vacancies at managerial level.

4.24 Management vacancies were filled in June, and the increased focus on performance management that this enabled has brought about a significant reduction in outstanding work since this date, despite occurring during the summer holiday period. Targeted overtime has also been reintroduced as part of a backlog clearance plan.

Outstanding work stands at 8327 on 21/08/06 although we are now reaching the peak of the holiday period and have in addition had a further three resignations in the last month.

- 4.25 A comprehensive backlog Clearance Plan is being developed for operation in the 3rd quarter, which will systematically deal with the outstanding work via a number of initiatives. Partly this will involve more accountability from individual teams and officers and improved performance management, but will also require some business re-engineering including better use of the View 360 document management system, and targeted use of overtime and agency resources to backlog.
- 4.26 In particular we are making arrangements for a three-week trial utilising off-site processing staff provided by the Serco Solutions agency. This may provide a cheaper alternative to directly employing agency staff ourselves, though areas such as productivity and quality assurance will require rigorous monitoring. The trial will be fully evaluated prior to any decision about future use of any similar arrangement. We are also currently scoping a homeworking pilot for potential introduction in the New Year.

4.27 Recruitment / Training

15 new Trainee Assessment Officers will start with us on 11th September. A 14-week training course has been designed in order that they are able to take up positions filling vacancies on teams from January 2007.

- 4.28 However, while this intake will more than fill more than the recently created vacancies, it will not fully meet the Service's longer term objective of replacing agency staff with Brent staff. Therefore a further trainee intake will be advertised in September's Brent magazine, with the aim of taking on a further 15 trainees in January. This intake will be split between office-based Assessment Officers and Visiting Assessment Officers; we were recently unsuccessful in recruiting trained Visiting Officers and therefore a new post of Trainee Visiting Officer has been created to develop staff from scratch for this role, via a similar route as the successful Trainee Assessment Officers programme.
- 4.29 All trainees will now undergo a generic training programme covering all assessment work including VF interventions. From January it is planned that – following additional training for existing staff – the Assessments and VF teams become generic and deal with all aspects of assessments work.
- 4.30 We have developed a Training Needs Analysis for existing staff and are currently evaluating the results of this in conjunction with information gained from our Quality Checking process. We will be

providing refresher training (via a variety of means, including e-learning) on areas of weakness and high risk in addition to the VF areas required for generic working.

- 4.31 As a further initiative to aid staff development and retention, we are offering up to six staff the opportunity to study for the Institute of Revenues, Rating and Valuation's (IRRV) Housing Benefit Technician qualification, either via an NVQ or a more traditional examination-based route.
- 4.32 In September we are also readvertising the post of Complaints & Enquiries Officer which we were recently unable to fill.

4.33 Benefits and Council Tax complaints

The tables below show recent performance in responding to complaints. With regard to Benefits complaints there has been considerable activity to clear outstanding backlogs of work, at both Stage 1 and 2 level though particularly the former, along with enquiries from MPs, Councillors and customer representatives e.g. solicitors. The backlog clearance plan included several measures, including: greater use of telephone contact to establish the root cause of the complaint; greater focus on performance management of complaints staff; and targeted use of an agency resource.

- 4.34 These initiatives will now be built on with the appointment of a new Complaints and Tribunals Manager who started in early August. There is still a vacancy on the team which is being advertised in September; also, the Stage 1 Complaints Manager is also currently on sick leave following an operation. Despite these resource issues, there has been good progress against the backlog plan.
- 4.35 As backlogs have been addressed, response times on complaints have dipped; with backlogs now substantially reduced, future months should see improved performance in this area.
- 4.36 Work is underway with Capita to identify ways of improving the escalation rates of Council tax complaints from Stage 1 to Stage 2.

Table 11: Complaints performance

Benefits Complaints

Processed by the Revenues & Benefits Section

Received	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	65	75	67	78								
Stage 2	4	9	2	2								
Stage 3	2	0	2	1								
Ombudsman	1	5	0	0								
Total	72	89	71	81								
Response on Time	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	65.20%	42.00%	56%	89.0%								
Stage 2	75.00%	20.00%	27%	33.3%								
Stage 3	100.00%	100.00%	100%	100.0%								
Ombudsman	100.00%	100.00%	100%	N/A								
Upheld	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	72.10%	71.30%	55.60%	63.4%								
Stage 2	100.00%	50.00%	45.50%	66.7%								
Stage 3	100.00%	100.00%	100.00%	50.0%								
Ombudsman	0.00%	0.00%	0.00%	N/A								

Includes partially upheld complaints

Council Tax Complaints

Processed by Revenues & Benefits except Stage 1 complaints – processed by Capita

Received	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	34	39	51	45								
Stage 2	7	4	5	5								
Stage 3	0	3	4	3								
Ombudsman	2	0	0	1								
Total	43	46	60	53								
Response on Time	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	100.00%	92.30%	76.20%	97.9%								
Stage 2	100.00%	14.30%	14.30%	9.1%								
Stage 3	N/A	0.00%	50.00%	50.0%								
Ombudsman	100.00%	0.00%	100.00%	N/A								
Upheld	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	52.60%	34.20%	33.40%	38.3%								
Stage 2	100.00%	57.20%	71.50%	72.3%								
Stage 3	N/A	100.00%	100.00%	0.0%								
Ombudsman	0.00%	0.00%	0.00%	N/A	0							

Includes partially upheld complaints

4.37 Housing Benefit Overpayments

The target for this financial year is to recover £4.0M in contrast to the £3.83 million achieved during 2005/06. Table 12 below gives a breakdown of overpayments recovered in the current financial year.

Table 12: Overpayment Recovery

	2005 / 06 annual totals	This year to date (to end July 2006)	Last year to date (to end of July 2005)
Recovery from Ongoing Housing Benefit	£1.625M	£548,179	£553,490
Composite Recovery (* See <i>below</i>)	£451,744	£151,685	£155,201
Cash Recovery (Invoice)	£1.761M	£494,480	£479,455
Total Recovery	£3.83M	£1.194M	£1.188M

(*) Composite recovery is the recovery of a Housing Benefit Overpayment owed by a landlord from the ongoing benefit of another of their tenants

- 4.38 The performance needs to be viewed in the context that the debt profile has changed over the last few years. Significantly less debt is now owed by landlords (18%) who have, potentially at least, a greater ability to pay. The shift in what is around the same volume of debt has been towards tenants.
- 4.39 Additional resource was recruited to the Overpayments Team to focus on recovery and good results have been achieved. We improved our annual performance last year, recovering £3.83M and the revenue stream for the current year is a little above that.

During this year we are focusing on recovery measures after County Court Judgements have been secured. We have successfully made two debtors bankrupt and are pursuing the sale of a property upon which we have secured a charge. All of these robust measures involve fraudulent debt in the main.

4.40 Customer Service Update

The One Stop Service (OSS) provides the customer services for face to face and telephone enquiries for Revenues and Benefits.

- 4.41 The face to face service is provided primarily from Brent House OSS local office. Customers can also access the Revenue & Benefits Service via 5 other OSS local offices. The Telephone and On-line Centre has two dedicated telephone lines, one for Benefit enquiries and one for Council Tax enquiries.
 - 4.42 Table 13 provides details of the number of Revenue & Benefits enquiries dealt with by the Telephone Centre and Brent House from April 2006 to July 2006.
 - 4.43 For the last four months Apr to July 2006 the Brent House counters handled 18,106 enquiries. 14,727 (81%) enquiries were for Benefits and 3,379 (19%) were Council Tax. Of these 75% were seen within 30 minutes. This has increased since the previous period (Dec 05 to Mar 06) when 70% were seen within 30 minutes. The average waiting times for the main enquiry desk at Brent House has decreased from 48 minutes (Dec 05 to Mar 06) to 44 minutes (Apr to July 06).
 - 4.44 The Benefits and Council Tax telephone lines answered a total of 82,865 calls between Apr and July 06. Of these 35,922 (43%) were for Benefits and 46,943 (57%) were for Council Tax. 62% of the calls presented to the Housing Benefit line were answered within 15 seconds and 56% for the Council Tax line.
 - 4.45 1,642 comment cards were completed by customers visiting Brent House Counters between April and July 06. 98.5% said the service they received was either good or very good.
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5.0 Financial Implications

- 5.1 Any failure to maximise collection of Council Tax and NNDR will impact on the Council's cash flow and budgetary provision for future years.
- 5.2 The Benefits Service have an agreed LAA target with the ODPM, which requires us to reduce new applications processing times to 24 days by the 31 March 2009. If this target is not achieved, then the Council will not qualify for the related reward grant.
- 5.3 Payments of benefits amount to approximately £140 M per annum. The Council receives 100% subsidy in relation to most payments but reduced subsidy in relation to any overpaid amounts. Recovery of overpaid benefits is therefore key to meeting the cost of benefit payments to the Council.

6.0 Legal Implications

- 6.1 There are no direct legal implications arising from this report.

7.0 Diversity Implications

- 7.1 There are no direct diversity implications arising from this report.

8.0 Staffing/Accommodation Implications (if appropriate)

- 8.1 There are no direct staffing implications arising from this report.

Background Papers

Contact Officers

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