



Performance and Finance Select Committee

24th January 2007

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 Benefits (Housing and Council Tax Benefit) Service and provides a summary of Revenues (Council Tax and NNDR) collection. Performance is shown as at 30 November 2006. Where the figures are available, an update is included for performance as at 31 December 2006.

2.0 Recommendations

- 2.1 Members are asked to note the reduction of outstanding work in the Benefits Section since the previous report in September 2006 and the current plans for clearance of the remaining backlog and the movement of the service towards a generic assessments workforce.
- 2.2 Members are asked to note the Benefit Service's current and projected "3" score for the 2007 Comprehensive Performance Assessment (CPA), and preparations being made towards the 2007/2008 CPA.
- 2.3 In particular, Members are asked to note changes to the CPA scoring methodology for the 2007/08 year, based chiefly around changes in requirements for the Verification Framework Interventions process.
- 2.4 Members are also asked to note that legislation has now been passed which permits claims and changes in circumstances to be made and reported electronically and via telephone, without the requirement for further written confirmation or for customers' signatures.
- 2.5 Members are asked to note Capita's Council Tax and NNDR collection performance against profiled forecasts.
- 2.6 Members are asked to note that Council Tax and NNDR collection for arrears in the 2003/04 and 2004/05 years will need to improve to achieve contractual targets in 2006/07 by 31 March 2007.

3.0 Housing Benefits Performance and Service Update

3.1 Detail

In overall terms the service has remained very stable and on course to achieve the plans we set out in our Service Operational Plan in April 2006. The loss of several staff in April and May, plus a necessary reduction to overtime working, contributed to a rise in outstanding work early in the year, rising to a peak of 13,345 at the end of May. Since then levels of outstanding work have steadily reduced and represented less than 4500 items by mid-December.

3.2 Processing times for new claims have continued to be good, improving to an average of 35 days for the year (in line with the current London average). This is concurrent with the introduction of the New Claims module of the Verification Framework (VF), (a good practice model for preventing fraud and error entering the Benefits system) which has the potential to impact adversely on claim processing times. Compliance with the New Claim Verification Framework module requires additional and more comprehensive verification of claims before payment can be made.

3.3 Comprehensive Performance Assessment (CPA) and Key Performance Indicators (KPI's)

As forecast, the Service achieved a 3 ("good") score for the 2006 Benefits CPA assessment (based on performance in 2005/06). For 2007 (i.e. performance in 2006/07) the CPA scoring criteria has tightened significantly to constitute a "harder test". For example to achieve a 4 score for New Claims processing in 2006/07, it will be necessary to achieve an average processing time of 29 days for new applications as opposed to 35 days in 2005/06. Overall, higher standards have been set for seven of the 12 Performance Measures, and an additional measure added. The relative weighting of various elements has also changed.

3.4 We anticipate that the 3 score will be maintained in for 2006/2007, taking account of the CPA "harder test" and operational objectives. Tables 1 & 2 below show CPA performance for the month of November and for the cumulative position year to date (i.e. to 30.11.06). Our year to date performance shows a score of 3.02 (the range for a 3 score is 2.51 – 3.5). Performance for December is being finalised but indicates that the overall score has remained at 3.

3.5 New claims performance (PM1) remains well within target at 33.96 days for November and 34.93 days year to date.

3.6 Change in circumstances (CIC) processing times (PM5) was forecast to increase in November due to the planned clearance of older items of work. This exercise was successful and has reduced outstanding Change in Circumstances work items by 40% during the month but as anticipated has increased processing times to an average of 28.18 days for the month and 22.81 days year to date. The year to date performance means that this element of the overall CPA score currently scores a 2. Predicting the final outcome for this performance measure, for the year, is difficult as the continued clearance of backlogs will continue to be reflected in processing times. The

adoption of new working methods however, which focus on processing new work within 3 days of receipt will help to gradually reduce processing times.

- 3.7 The new working methods referred to above, principally relate to system changes which have facilitated greater separation to be made between new incoming work and ring-fenced backlog work. To illustrate this 91% of incoming work received in November 2006 was dealt with by the end of November, which is very encouraging. This will help to ensure that new backlogs of work do not arise as older items are cleared. Over 50% of all outstanding work is now less than one month old, which represents a significant improvement since the beginning of the year.
- 3.8 Other key performance indicators concern 'Interventions', namely PM10 and PM12, which measure the number of Interventions and Visits completed during the year. These targets require a proactive review of benefit entitlement during the life of the claim, to help detect potential fraud and error. We are required to review 50% of our caseload annually (16,590 claims) with at least 20% of claims (6640 customers) being reviewed by visit. We are currently on course to exceed the annual targets with PM10, currently scoring 116.53% of the target to November and PM12 currently scoring 134.59% of the target to November.
- 3.9 In December the DWP advised authorities of their intentions to change some Performance Measures from April 2007. They have now confirmed that this will result in the removal of interventions and visit targets (PM10 and PM12), which will be replaced by a new target (PM10) which will measure any activity leading to a reduction in benefit entitlement. Further details on this change are given in paragraphs 3.13. In preparation for this change the PM10 and PM12 targets for 2006/07 have been relaxed to 45% and 15% of caseload respectively. However, the outcome of a 4 score for these measures is not in doubt this year in any event, as we are on course to exceed the original targets.
- 3.10 Plans are also in place for the clearance of some backlogs concerning the processing of revisions and appeals (PM17, 18 and 19). We are aiming to clear these backlogs by the end of March and are therefore forecasting continued impact on CPA performance in these areas throughout the fourth quarter, as their clearance will be reflected in a lower percentage of appeals being completed within target...

New CPA Performance measure (PM10)

- 3.11 As mentioned above, the DWP have released their plans to replace the current PM10 and PM12 performance measures (Interventions and Visits) with a new PM10, based on the annual volume of reductions in benefit entitlement, from April 2007.
- 3.12 The new PM10 is intended to be a move away from the current input-based measures to be more outcome-focused, and to bring together changes in circumstances identified via detection activity (interventions) and from customer reported changes. This will incentivise LA's to move away from carrying out reviews on "no change" low risk groups

simply to meet interventions targets, and concentrate on “high risk” areas.

- 3.13 Under the new PM, any activity which leads to a reduction in benefit, including benefit terminations will be counted. There will be no requirement to undertake a set number of interventions or visits, and indeed no prescription in terms of how detection or intervention activities are carried out. LA’s will be given flexibility to decide how best to reduce fraud and error in its own caseload, via better customer awareness and through targeted risk-based activity.
- 3.14 Annual targets for reductions have now been released, though the methodology for these has not been made clear and there appear to be some discrepancies between boroughs. London Councils is co-ordinating a response and further activities across London authorities. At this stage however it seems unlikely that the DWP will be receptive to changing their original proposals.
- 3.15 However as things stand a target has been set for the number of reductions in benefit entitlement calculated within the year. This is based on caseload and previous volumes of reductions identified in 2005/06. Brent’s target indicates that volume of reductions would have to increase by 35% to achieve a CPA 4 score for this performance measure in 2007/08.
- 3.16 Brent’s target for 2007/08 is 28,150 reductions in benefit. The DWP’s published figure for Brent’s number of reductions calculated in 2005/06 is 20,870.

CPA scoring for the new measure will be as follows:-

Target (28,150)	No. of reductions (Brent)	CPA score
Greater than 100%	28,151 or more	4
91% - 100%	25,617 – 28,150	3
81% - 90%	22,802 – 25,616	2
80% or less	22,520 or less	1

If our performance for 2007/08 mirrored 2005/06 we would score 1 for this performance measure. This compares to our current interventions score (for PM10 and PM12) of 4. Furthermore the weighting for the new PM10 represents the combined weighting of the old PM10 and PM12 – a total weighting of 15, with a maximum of 0.60 points towards the final CPA score (the same as the New Claims weighting). This represents a significant refocusing of DWP priorities to change in circumstances (where previously this had directed to new applications).

- 3.17 A project team will convene in January to fully evaluate the impact of these changes; investigate and if necessary challenge the DWP targets; and develop strategy both for encouraging the reporting of changes and for targeting high risk cases. The group will consider the relative merits of visiting, postal reviews, telephone or other initiatives for different client groups. Strategies to address this new challenge will be reported back to Members.

Table 1: CPA Performance Measure Score – November 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	34.93	3	45	
PM2 - Percentage of New Claims outstanding over 50 days	7	>26	26-17	16-9	<9	13.28	3	21	
PM3 - Percentage of New claims decided within 14 days of receiving all information	5	<73	73-82	83-90	>90	85.45	3	15	
PM4 - Percentage of rent allowance claims paid on time or within 7 days of decision	5	<73	73-82	83-90	>90	88.74	3	15	
PM5 - Average speed in processing changes in circumstances	12	>28	28-21	20-9	<9	22.81	2	24	
PM6 - Accuracy - percentage of claims assessed correctly	6	<96	96-97	98	>99	98.40	3	18	
Total	50								138
Score								2.76	

Table 1.1 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	116.53	4	48	
PM11 - Data Matches	12	<81	81-85	86-90	>90	100	4	48	
PM12 - Visits	3	<81	81-90	91-100	>100	134.59	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	1.86	2	16	
Total	35								124
Score								3.54	

Table 1.2 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	38.32	1	4	
PM18 - Percentage of appeals submitted to TAS within 4 weeks	7	<50	50-59	60-65	>65	71.43	4	28	
PM19 - Percentage of appeals submitted to TAS within 3 months	4	<85	85-89	90-95	>95	86.55	2	8	
Total	15								40
Score								2.67	

Table 1.3

Total Performance Measure Score	3.02
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Table 23: CPA Performance Measure Score – Year to date at 30 November 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	33.96	3	45
PM2 - Percentage of New Claims outstanding over 50 days	7	>26	26-17	16-9	<9	14.44	3	21
PM3 - Percentage of New claims decided within 14 days of receiving all information	5	<73	73-82	83-90	>90	85.81	3	15
PM4 - Percentage of rent allowance claims paid on time or within 7 days of decision	5	<73	73-82	83-90	>90	90.24	4	20
PM5 - Average speed in processing changes in circumstances	12	>28	28-21	20-9	<9	28.18	1	12
PM6 - Accuracy - percentage of claims assessed correctly	6	<96	96-97	98	>99	98.40	3	18
Total	50							131
Score								2.62

Table 2.1 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	110.27	4	48
PM11 - Data Matches	12	<81	81-85	86-90	>90	100	4	48
PM12 - Visits	3	<81	81-90	91-100	>100	119.46	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	2.27	2	16
Total	35							124
Score								3.54

Table 2.2 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	50.00	2	8
PM18 - Percentage of appeals submitted to TAS within 4 weeks	7	<50	50-59	60-65	>65	16.67	1	7
PM19 - Percentage of appeals submitted to TAS within 3 months	4	<85	85-89	90-95	>95	66.67	1	4
Total	15							19
Score								1.27

Table 2.3

Total Performance Measure Score	2.74
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3.18 **Age profile of outstanding work**

Table 3 below illustrates the age profile of outstanding work items awaiting officer action as at 02/01/07. (Diarised items pending further information from customers are excluded.)

- 3.19 Considerable work has been undertaken to reduce the levels of outstanding work this year, in particular with the creation of a temporary backlog team in November and with use of targeted overtime. Overall, outstanding work has reduced from 13533 work items in June 2006 to the current 5582. This represents a reduction of 3590 work items since October 2006. Overall levels of work outstanding dropped to under 4500 work items in mid-December rising to 5382 due to the Christmas period as forecasts. We are confident that levels will be reduced to 5000 items or less during January.

A particularly welcome outcome this month has been that 51.68% of the remaining outstanding work is now less than a month old, significantly better than has ever been achieved before. This has been possible because of the new strategy to ensure permanent staff process, new work and backlogs are ring fenced.

- 3.20 The total outstanding work should be seen in the context of an incoming workload of approximately 3500 items per week. The outstanding total is therefore now less than the equivalent of two weeks' work.
- 3.21 From January 2007 the focus will be to further improve the age profile of work so that all outstanding work is less than 2 weeks old. We will also be monitoring pending work items to ensure that these are factored into future work plans.

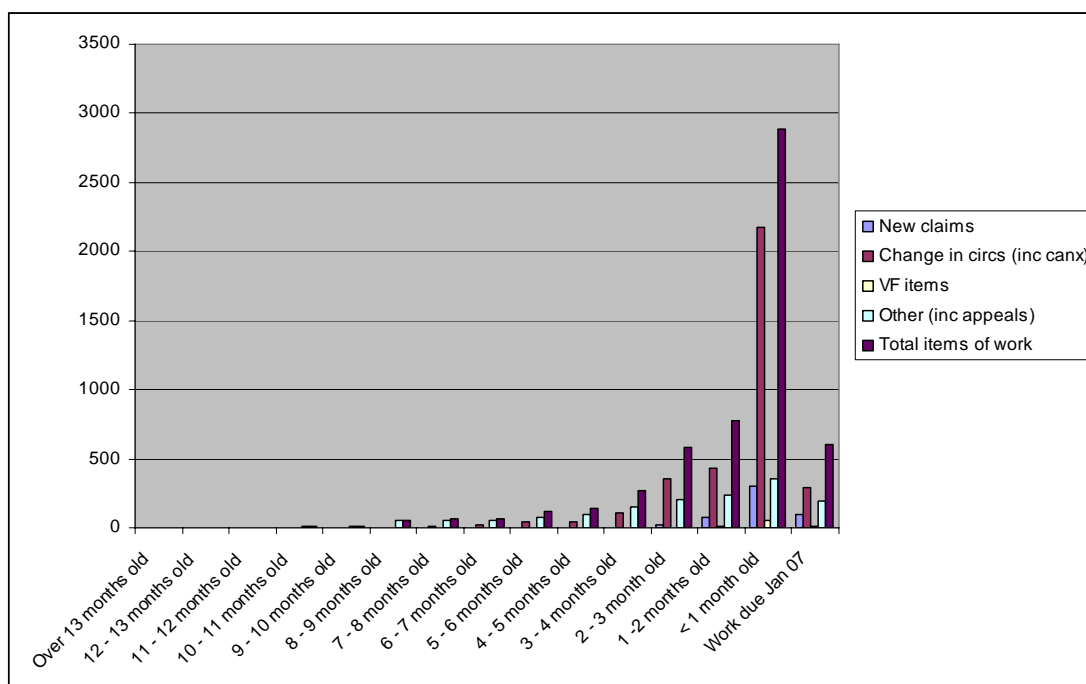
Table 3: Age profile of outstanding work

Number of work items outstanding at 02 January 2007 by target date for action (excludes pending items)

Month when work item was due (usually 3 days after receipt)	New claims	Change in circs (inc canx)	VF items	Other (inc appeals)	Total items of work	% of grand total	Total at 01/12/06 for comparison	% of grand total	Total at 01/11/06 for comparison	% of grand total
Over 13 months old	0	0	0	0	0	0.00%	0	0.00%	0	0.00%
12 - 13 months old	0	1	0	3	4	0.07%	0	0.00%	0	0.00%
11 - 12 months old	1	0	0	2	3	0.05%	2	0.03%	1	0.01%
10 - 11 months old	0	0	0	6	6	0.11%	2	0.03%	2	0.02%
9 - 10 months old	0	1	0	14	15	0.27%	6	0.10%	2	0.02%
8 - 9 months old	0	1	0	52	53	0.95%	15	0.27%	6	0.07%
7 - 8 months old	0	9	0	54	63	1.13%	53	0.94%	18	0.21%
6 - 7 months old	1	17	0	52	70	1.25%	71	1.26%	67	0.80%
5 - 6 months old	1	39	0	80	120	2.15%	70	1.25%	218	2.63%
4 - 5 months old	5	40	0	97	142	2.54%	148	2.64%	783	9.43%
3 - 4 months old	5	113	0	148	266	4.76%	481	8.56%	1129	13.60%
2 - 3 month old	26	354	0	201	581	10.41%	1128	20.09%	804	9.69%
1 -2 months old	80	436	15	241	772	13.83%	1075	19.14%	1795	21.63%
< 1 month old	297	2177	55	356	2885	51.68%	1673	29.79%	2577	31.05%
Work due current month (to date)	95	296	16	195	602	10.78%	892	15.88%	898	10.92%
Grand Total	511	3484	86	1501	5582		5616		8300	
Total at 01/12/06 for comparison	237	3835	178	1366	5616					
Total at 01/11/06 for comparison	500	6263	171	1366	8300					

Table 4

The graph below illustrates the age of outstanding work in bandings of months



3.22 Outstanding Work

The tables and graphs below provide a comparison of all outstanding work (including diary items) since June 2006 and the overall direction of travel (pending work items and awaiting processing).

Table 5: All outstanding work (awaiting action and pending customer information)

Work Type	Work Outstanding @							
	01/06/2006	03/07/2006	01/08/2006	01/09/2006	02/10/2006	01/11/2006	01/12/2006	02/01/2007
New apps	976	923	1008	1360	1186	1174	1023	1092
Verification Framework	2219	1617	1219	1199	772	697	838	571
Change in Circumstances	10152	9921	8961	8692	8113	7574	5179	4479
Other	2296	1679	1477	1394	1494	1485	1526	1602
Overall work	15643	14140	12665	12645	11565	10930	8566	7744

This table includes pending items of work

Table 5: Comparison of all outstanding work.

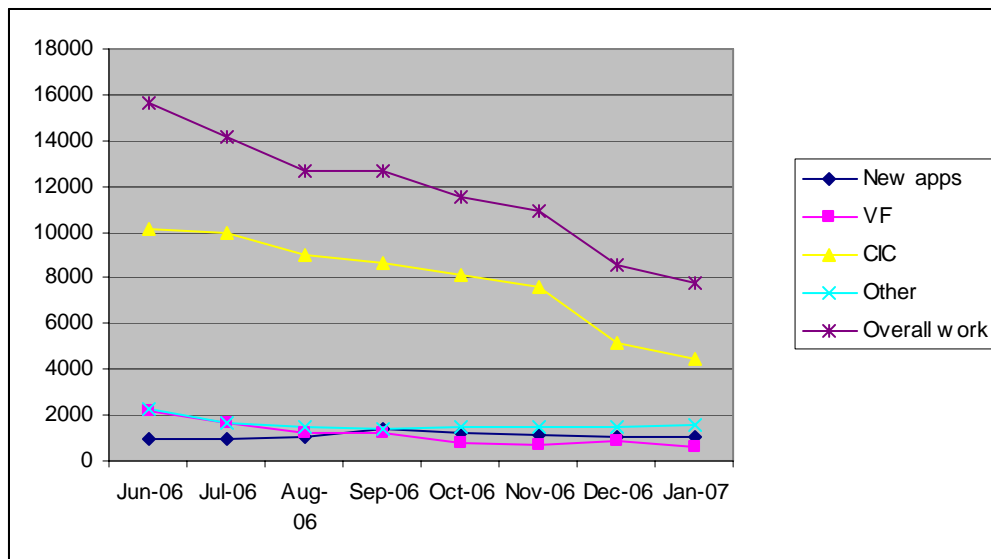


Table 6: Outstanding work awaiting processing

Work Type	Work Outstanding @							
	01/06/2006	03/07/2006	01/08/2006	01/09/2006	02/10/2006	01/11/2006	01/12/2006	02/01/2007
New apps	300	255	237	249	473	500	237	511
Verification Framework	1734	1149	495	62	235	171	178	86
Change in Circumstances	9273	9022	7583	6783	7102	6263	3835	3484
Other	2226	1573	1381	1179	1362	1366	1366	1501
Overall work	13533	11999	9696	8273	9172	8300	5616	5582

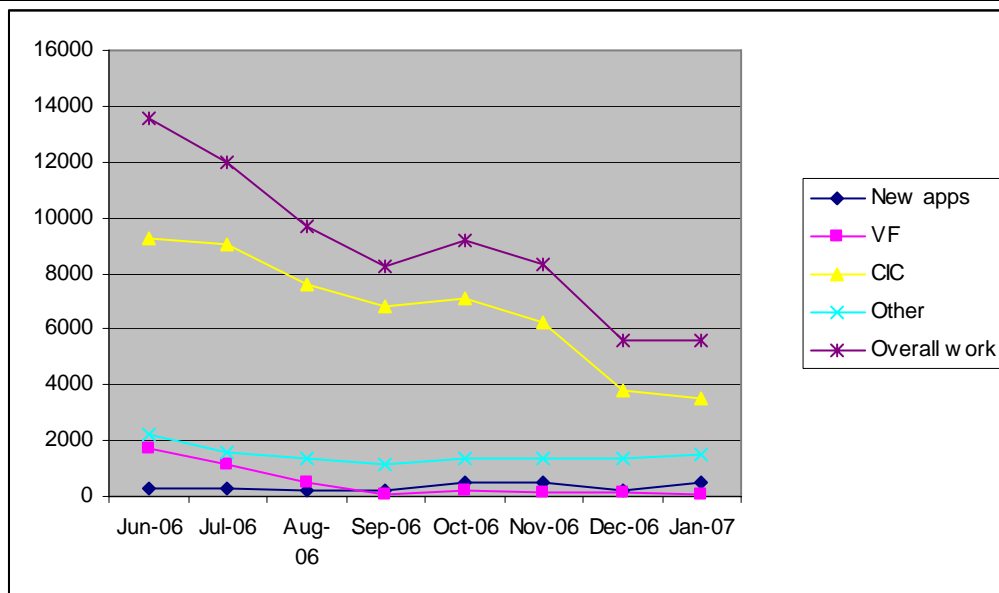
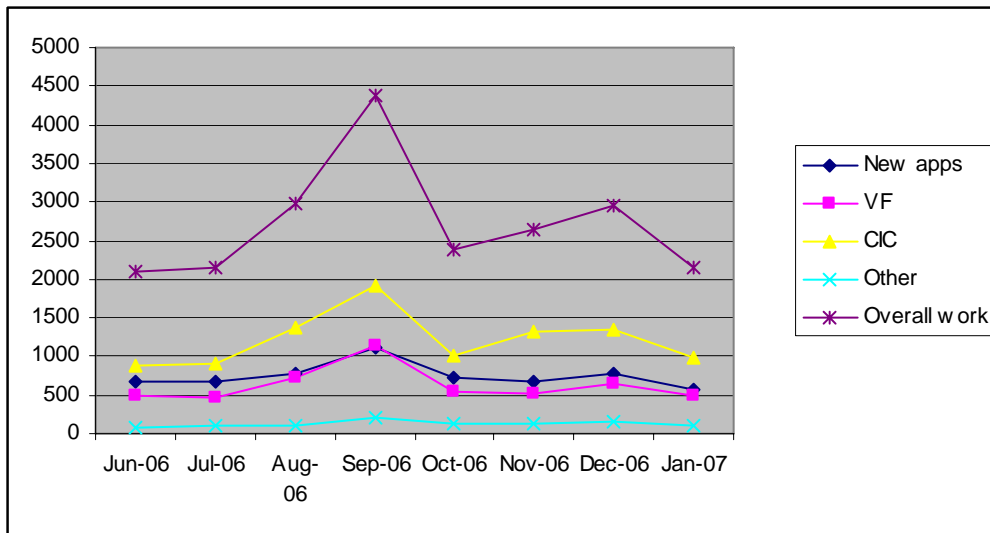


Table 7: Pending items of work (awaiting contact from customer)

Work Type	Work Outstanding @							
	01/06/2006	03/07/2006	01/08/2006	01/09/2006	02/10/2006	01/11/2006	01/12/2006	02/01/2007
New apps	676	668	771	1111	713	674	786	581
Verification Framework	485	468	724	1137	537	526	660	485
Change in Circumstances	879	899	1377	1909	1011	1311	1344	995
Other	70	106	97	215	132	119	160	101
Overall work	2110	2141	2969	4372	2393	2630	2950	2162



3.23 Staffing / recruitment

Thirteen Trainee Assessment officers started with the authority in September 2006 and have now completed their 14-week training course, joining the Assessment teams on 18th December. Processing of postal reviews has now been integrated into the assessing teams to facilitate a more holistic approach to Customers claim handling. The Visiting Team will remain as a specialist team for now.

3.24 The September intake of trainees does not fully meet the Service's longer term objective of filling all vacancies with permanent Brent staff. Therefore a further trainee intake is underway with eight Trainee Assessment Officers starting on 8th January, and eight Trainee Visiting Officers due to start on 5th February. A significant recruitment campaign in 2006/07 has seen all management vacancies filled.

3.25 As a further initiative to aid staff development and retention, we have offered five 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. Two members of staff started this in October and a further three will start in January.

3.26 Benefits and Council Tax complaints & appeals

The tables below show recent performance in responding to complaints. The Benefits Complaints team has significantly improved the timelines of stage 1 responses with an average of 93% completed within target between October and December 2006. Backlogs of stage 1 complaints have also been cleared but this has been at the expenses of other more general enquiries.

3.27 Performance for stage 2 responses has not yet stabilised with only 45% completed on time between October and December 2006. However, in context volumes of stage 2 complaints are much smaller – with an average of 9 per month.

There is also a backlog of appeal cases which require reports to be written for referral to an independent Tribunal for consideration. The Service Development Team, responsible for drafting these reports, is finding that a high percentage of potential cases referred to them by assessment teams, could have decisions revised internally. Training and guidance for Assessment Officers is therefore being prepared to speed up the process for revising decisions and to reduce abortive Tribunal referral.

3.28 The improvements to stage 1 complaint performance are encouraging and plans are now in place to ensure that other areas of complaint and appeal performance improve. The key strands of this plan are:

- Incoming work and backlogs of complaints have been separated.
- New stage 1 complaints are being dealt with by the existing 2FTE permanent resource to ensure new backlogs do not develop
- MP, Members and other enquiries are currently being dealt with by an agency resource but will be taken over by a new permanent Complaints and Enquiries Officer starting in January, with additional support from an existing team member returning from long-term sick leave, from February 2007
- Ongoing Stage 2 and 3 complaint work will be balanced with ongoing appeals tribunal cases by the existing 3FTE permanent resource again aiming to keep new work up to date
- The agency resource mentioned above will work on processing backlogs of Tribunals to gradually eradicate these
- Investigation is currently being undertaken to establish whether a further resource may be required for the Tribunal backlog
- Performance management is being reviewed in both areas and targets for improving productivity and attendance are being set. Concurrent with this training and coaching is being planned to help improve individual performance.

3.29 Over recent months, the Local Government Ombudsman has changed its approach to the consideration of complaints received directly by them. This has resulted in an increase in the number of Revenue and Benefits complaints they have become involved in and resulting in Local Settlements. More recently, the Ombudsman has decided to formally investigate 2 Revenue and Benefits complaints and has

issued draft reports on both cases for our comment. It is likely that formal reports on both cases will be issued in February/March, at which time the full detail of the Ombudsman findings will be reported to Performance and Finance Select Committee along with details of actions being taken to ensure any weaknesses identified are addressed.

Table 8 Complaints and Appeals

Benefits Complaints and Appeals

Complaints

Stage 1 Complaints - Benefits				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Brought Forward				51	70	65	33	29	26	20	19	32	26		
Received				65	75	67	78	59	41	51	59	32			
Done				46	80	99	82	62	47	52	46	38			
Carried Forward				70	65	33	29	26	20	19	32	26			
Stage 1 Complaints - Council Tax				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Brought Forward												14	14		
Received												25			
Done												25			
Carried Forward												14			
Stage 2 Complaints - Revs and Bens				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Brought Forward				22	22	25	14	6	17	11	8	6	8		
Received				11	13	7	7	17	2	7	9	9			
Done				11	10	18	15	6	8	10	11	7			
Carried Forward				22	25	14	6	17	11	8	6	8			
Stage 3 Complaints - Revs and Bens				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Brought Forward				0	0	0	0	3	3	1	0	0	1		
Received				2	3	6	4	1	1	4	2	2			
Done				2	3	6	1	1	3	5	2	1			
Carried Forward				0	0	0	3	3	1	0	0	1			

Appeals

Appeals				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Brought Forward				37	30	31	34	26	33	62	77	100	113		
Received				29	34	26	41	42	35	22	39	30			
Done				36	33	23	49	35	6	7	16	17			
Carried Forward				30	31	34	26	33	62	77	100	113			

Enquiries

Enquiries				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Brought Forward				36	59	51	61	35	56	75	54	62	30		
Received				73	51	61	47	71	86	86	79	48			
Done				50	59	51	73	50	67	107	71	80			
Carried Forward				59	51	61	35	56	75	54	62	30			

Table 9
Complaints performance

Benefits Complaints

Received	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	65	75	67	78	59	41	51	59	32			
Stage 2	4	9	2	2	10	1	3	7	4			
Stage 3	2	0	2	1	0	1	0	2	2			
Ombudsman	1	5	0	0	0	1	2	2	3			
Total	72	89	71	81	69	44	56	70	41			
Response on Time	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	65.20%	42.00%	56%	89.0%	100%	60.00%	94%	95.70%	89.50%			
Stage 2	75.00%	20.00%	27%	33.3%	66.70%	12.50%	50%	33.33%	42.85%			
Stage 3	100.00%	100.00%	100%	100.0%	100%	0.00%	0%	0%	100.00%			
Ombudsman	100.00%	100.00%	100%	N/A	N/A	100.00%	100%	100%	100.00%			
Upheld	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	72.10%	71.30%	55.60%	63.4%	67.75%	70.20%	71%	78%	78.95%			
Stage 2	100.00%	50.00%	45.50%	66.7%	100%	0.00%	67%	75%	80.00%			
Stage 3	100.00%	100.00%	100.00%	50.0%	100%	0.00%	0%	50%	100.00%			
Ombudsman	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A			

Includes partially upheld complaints

Council Tax Complaints

Received	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Stage 1	34	39	51	45	36	38	36	33	25			
Stage 2	7	4	5	5	7	1	4	2	5			
Stage 3	0	3	4	3	3	2	4	3	0			
Ombudsman	2	0	0	0	0	0	3	3	2			
Total	43	46	60	53	46	41	47	41	32			
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%	94.00%	100%	100%	73%	96%			
Stage 2	100.00%	14.30%	14.30%	9.1%	66.70%	100%	50%	100%	0%			
Stage 3	N/A	0.00%	50.00%	50.0%	40.00%	0%	100%	33%	N/A			
Ombudsman	100.00%	0.00%	100.00%	N/A	N/A	100%	50%	100%	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%	32.00%	15%	32%	24%	28%			
Stage 2	100.00%	57.20%	71.50%	72.3%	66.70%	40%	75%	71%	100%			
Stage 3	N/A	100.00%	100.00%	0.0%	60.00%	33%	60%	67%	N/A			
Ombudsman	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A			

Electronic claims and telephone claims

- 3.30 The DWP have advised that legislation has now been passed to provide new options to LA's for accepting new claims, amendments to claims, and changes in circumstance notifications made electronically or via telephone, without the automatic need for written confirmation. The option is available from 20th December 2006.
- 3.31 LA's are also able to issue decision notices electronically where the claimant has requested this. The decisions as to whether signatures are required for claims or changes is at the discretion of each individual LA, subject to a Direction having been made to this effect by the Chief Executive. The DWP has written to Chief Executives to advise them of their role in making a Direction.
- 3.32 There are clearly some key strategic decisions to be made by the authority in deciding whether to utilise these options, not least in the balancing of potential advantages for customer access and processing times against security risks. There are also issues around claimant's rights (e.g. the LA cannot be selective about which claimants or client groups it offers these services to), and policy and procedural issues, particularly around verification. There may also be considerations around which aspects of e-claims or tele-claims to adopt, and whether to have a big bang or phased approach.
- 3.33 Options and proposals for e-claims and tele-claims will be developed by the Benefits Service in conjunction with the Revenues & Benefits Steering Group, and reported to Members in future reports.

Homeworking

- 3.34 During the fourth quarter of 2006/07 a project will be undertaken to develop a homeworking pilot to commence in April 2007. The project has been scoped, a Project Team assembled and detailed project planning and implementation commences in January.

Benefit take-up

- 3.35 We have been working with the DWP Pension Service to identify pensioners who may be entitled to Housing Benefits and Council Tax Benefit, but have not yet submitted a claim. To help with this, the Pension Service have provided a list of pensioner customers in receipt of Pension Credit but not currently receiving HB or CTB, so that these can be targeted for take up action. A variety of methods are planned to contact those on the list during January, including personalised mailshots, but more pro-actively, the highest priority cases (with significant Council Tax arrears) will be visited by The Pension Service to encourage completion of a 3-page pensioner HB/CTB claim form. Approximately 2000 pensioners will be contacted between January and March to discuss possible entitlement to benefit. The outcome of this exercise will be evaluated in the new financial year and will be reported to a future committee.
-

Housing Benefit Overpayments

3.36 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. To put some context on these figures, total Housing Benefit expenditure to 31st December 2006 is £142M, making the £2.9M collected so far, around 2% of that expenditure. In terms of collection of overpayments raised, £2.9M represents 64% of overpayments raised this year.

To put further context on this performance, the overpayments raised represent only 3.2% of money paid out in housing benefit.

Table 10: Overpayments

At 31 st March 2006	£	% Exp	% Raised	At 31 st Dec 2006	£	% Exp	% Raised
HB Expenditure	£178M	100%	NA	HB Expenditure	£142M	100%	NA
Overpayments Raised	£6.76M	3.8%	100%	Overpayments Raised	£4.54M	3.2%	100%
Overpayments Recovered	£3.83M	2.16%	56.79%	Overpayments Recovered	£2.9M	2.04%	64%

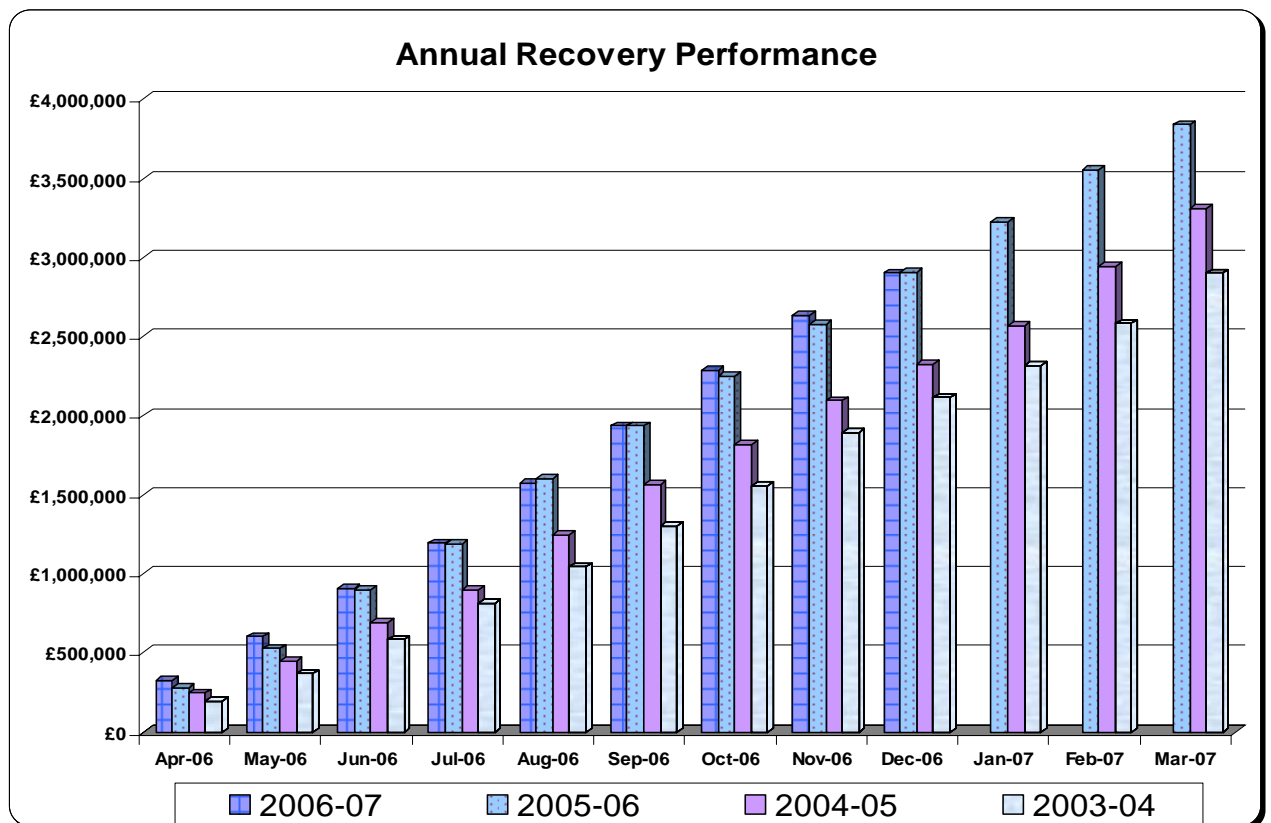
Table 11 : Overpayment Recovery

	2005 / 06 annual totals	This year to date (to end Dec 2006)	Last year to date (to end of Dec 2005)
Recovery from Ongoing Housing Benefit	£1.625M	£1.41M	£1.33M
Composite Recovery (* See below)	£451,744	£265K	£307K
Cash Recovery (Invoice)	£1.761M	£1.22M	£1.27M
Total Recovery	£3.83M	£2.90M	£2.90M

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

- 3.37 The performance needs to be viewed in the context that the debt profile has changed considerably over the last few years. Significantly less debt is now owed by landlords (16%) who have, potentially at least, a greater ability to pay. The shift in what is a smaller volume of debt in relation to Housing Benefits expenditure has been towards tenants.
- 3.38 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 has been ahead for most of the year.
- 3.39 During this year we are focusing on recovery measures after County Court Judgements have been secured. We have successfully made four debtors bankrupt and are pursuing the sale of two properties upon which we have secured a charge. All of these robust measures involve high value fraudulent debt in the main.
- 3.40 The graph below shows our performance each month compared with each of the last three years. This has shown continuous improvement.

Table 12



3.41 Customer Service Update

- 3.42 The One Stop Service (One Stop Shop) provides the Customer Service front line provision for personal callers and telephone enquires.
- 3.43 Personal callers can visit any of the six One Stop Shops to raise queries, however over 50% of visitors use the Brent House Shop for this purpose. The telephone and online centre has 2 dedicate lines, one of Benefit enquiries and one for Council Tax enquires.
- 3.44 Table 13 provides details of the number of Revenue and Benefits enquires dealt with by the Telephone Centre and Brent House from April 2006 to November 2006.
- 3.45 In November 2006 4698 Revenue and Benefits enquiries were raised through the Brent House One Stop Shop. 83% of these queries were benefit related. Customers using the Document Desk Service waited on average of 14 minutes to be seen (against target of 20 minutes) and customers using the main enquiry desks on average of 25 minutes (against a target of 30 minutes). 85% of customers were seen within 30 minutes, compared to 73% in October 2006. Across the five other One Stop Shop, 90% of Revenue and Benefits customers were seen within 30 minutes.

This performance is very encouraging and represents a significant improvement to service standards for customers since the beginning of the 2006/07 financial year.

- 3.46 During November 2006, there was an increase in demand for both the Housing Benefit lines (up by 11% compared to October) and Council Tax enquiry lines (up by 9% compared to Oct). Acknowledging the significant number of calls received by the Call Centre, the service aims to answer 60% of all calls within 5 rings. It also aims to minimise engaged and abandoned calls. 50% Housing Benefits calls were answered within 5 rings in November and 48% of Council Tax calls. This represents a slight improvement in performance compared to October. Plans are in place to drive through further improvement.
- 3.47 Plans are also being made to provide an extended hours service in the call centre during annual billing, probably for a two to three week period and to ensure that resources are allocated as effectively as possible to manage peak times of demand.
-

Table 13
**Customer Services
Counter and Call Centre**

Counter - Percentage of customers seen in 30 minutes												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total seen	4083	4810	4625	4588	4629	5038	4922	4698				
Number seen within 30 minutes	2899	3532	4123	3013	4084	3917	3609	4007				
% seen in 30 minutes	71%	73.4%	89.1%	66.0%	88.0%	78.0%	73.3%	85.0%				

Counter - Average wait time (in minutes)												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Average wait time (mins)	73	41	26	39.0	21.0	22.0	32.5	25.0				

Call Centre

Call Centre (Benefits Line)												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Calls presented	9326	10229	9939	9414	9179	9529	9174	10285				
Answered	8601	9442	9324	8630	8362	8991	8581	9204				
Abandoned	725	787	586	745	781	457	589	1042				
Engaged	2553	2172	1043	423	416	1444	11563	1461				
% of calls answered in 15 seconds	60.0%	60.0%	65.9%	59.0%	57.0%	64.5%	49.6%	50.2%				
% of calls answered in 5 minutes	89.0%	88.0%	93.8%	88.6%	88.0%	92.4%	86.2%	83.6%				
% abandoned	7.8%	7.7%	5.9%	7.9%	8.5%	5%	6.4%	10.2%				
Average time to answer (secs)	51	54	43	55	56	49	79	75				
Average call duration (secs)	340	346	313	304	320	315	343	335				

Call Centre (Council Tax Line)												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Calls presented	12862	12290	13997	12436	11429	12266	11654	12693				
Answered	11781	10998	12871	11384	10163	11078	10118	11033				
Abandoned	1081	1292	1091	1025	1234	1141	1514	1606				
Engaged	2350	1637	1369	636	611	705	3410	511				
% of calls answered in 15 seconds	56.0%	53.0%	60.0%	28.5%	52.0%	57.2%	45.2%	48.3%				
% of calls answered in 5 minutes	88.0%	84.0%	91.6%	88.7%	85.5%	87.0%	76.8%	79.2%				
% abandoned	8.4%	10.5%	7.8%	8.3%	10.8%	9%	13.0%	12.7%				
Average time to answer (secs)	53	68	48	56	59	56	94	85				
Average call duration (secs)	276	296	299	288	304	290	309	297				

Revenues Performance (Council Tax and NNDR)

Background

3.48 Council Tax Collection for 2006/07

In year 2006/07 Capita are contractually required to achieve a collection rate of 94% (including summons costs) at 31 March 2007.

The total value of Council Tax to be collected for 2006/07 before any discounts or benefit is awarded at the end of December was £135.2m. The net amount to be collected after discounts, exemptions and benefit is £93.7M of which £69.9M had been collected by the end of December 2006. This leaves £23.8M outstanding of which £18.2M needs to be collected to achieve a target of 94% by 31st March 2007. Table 14 below shows the cumulative cash collected on a monthly basis for the in-year Council Tax debt from April 2006 and Table 15 the cumulative total of cash and benefit for each month.

Table 14: Cash and % Net Collectable Debit collected

Cumulative Cash Collected £000's- Council Tax												
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
2006/07	12,782	20,690	27,901	34,935	41,906	49,062	56,165	63,234	69,930			
% NCD**	13.51	21.85	29.52	37.05	44.46	52.09	59.68	67.39	74.67			

**The Net Collectable Debit (NCD) is the amount of Council Tax that can be charged for the year after discounts, exemptions and benefit has been removed.

Table 15 Comparison of Accumulative Cash and Benefit

£	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2004/2005	33,585	41,389	48,540	55,230	61,729	68,586	74,998	81,353	87,511	93,114	97,784	102,627
2005/2006	36,861	44,736	52,523	59,029	65,805	72,567	79,239	85,974	92,482	98,442	103,113	107,732
2006/2007	38,694	46,979	54,439	61,559	68,587	75,764	82,843	90,024	96,741	-	-	-

3.49 Table 16 below shows monthly collection this year to date as a percentage of the cash to be collected and compares that with monthly collection in 2003/04, 2004/05 and 2005/06. Collection performance at the end of December for 2006/07 is below that for the same period in the 2005/06 year and is also below the projected profile for the end of December by a disappointing 1.04%. This is partly attributable to the increase in the number of payers on Direct Debit as it extends the instalment period from January to March. At the end of November 2006 there was also an increase of 1.45% in cash instalments for the month of February and March compared to the end of June 2006. The profile is a forecast of what Capita expect to collect each month to reach the end of year target.

Table 16: Collection as a % of Net Collectable Debit

Cumulative Collected – Council Tax												
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
2003/04	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	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	14.11	22.6	30.51	37.7	45.21	52.91	60.44	68.07	75.46	82.31	87.78	93.56
Target 2006/07	13.51	22.06	30.11	37.21	44.91	52.61	60.33	68.03	75.71	82.71	88.40	94
Actual	13.51	21.85	29.52	37.05	44.46	52.09	59.68	67.39	74.67			
Comparison with 2005/06												
	-0.6	-0.75	-0.99	-0.65	-0.75	-0.82	-0.65	-0.64	-1.04.			

3.50 There has been an increase in the number of payers on DD from 33,902 in November 2005 to 35,678 in November 2006.

3.51 Campaigns have been undertaken during the year to encourage the take up of Direct Debit. The most recent being in January with posters displayed on the DeCaux sites and in the Brent Magazine setting out the action that the Council will take against those who are not paying Council Tax. We have also been successful in highlighting details of suspended prison sentences that have been obtained for the non payment of Council Tax.

3.52 Council Tax Collection for previous years

Indications are that the target for the 2005/06 year will be achieved in March 2007. Arrears collection for 2003/04 and 2004/05 has continued to be disappointing with performance looking unlikely to meet the targets set for March 2007..

3.53 2005/06 Collection

At the end of December 2006, a collection rate of 94.93% was achieved for 2005/06. Continued performance at this level would see the contractual target of 96% achieved by the end of the year. £1.4m has been collected since the end of April 2006 for the 2005/06 year.

Table 17 shows the cumulative performance in collection of outstanding 2005/06 debt for each month in 2006/07.

Table 17: 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	94.03	94.31	94.47	94.71	94.93		
2006/07 £	81,729	81,904	82,086	82,297	82,500	82,684	82,809	82,976	83,130		

3.54 2004/05 Collection

The contractual target for collection of 2004/05 debt by the end of 2006/07 is 96.5%. Collection is currently at 95.55% which means that 0.64% or £0.5m has been collected since 30 April 2006. Continued performance at this level would mean 95.75% would be collected by the end of March 2007 against a target of 96.5%.

Table 18 shows the cumulative performance in collection of outstanding 2004/05 debt for each month in 2005/06 and 2006/07.

Table 18: 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	95.23	95.31	95.38	95.47	95.55		
2006/07 £	79,433	79,495	79,561	79,622	79,686	79,745	79,800	79,872	79,934		

3.55 2003/04 Collection

The contractual target for 2003/04 year in 2006/07 is 96.5%. Collection had reached 94.85% at 31 December 2006. Continued performance at this level would indicate a collection rate of 95% at March 2007.

Table 19 shows the cumulative month-by-month performance in 2005/06 and 2006/07 for the outstanding 2003/04 debt.

Table 19: 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	94.64	94.71	94.75	94.80	94.85		
2006/07 -£	73,858	73,900	73,928	73,969	74,006	74,044	74,076	74,115	74,146		

3.56 Pre Contract Arrears Collection

This relates to outstanding debts for years prior to April 2003 since the commencement of the contract, Capita have collected £5.41m in pre contract Council tax arrears. An incentive is obtained each year for collection exceeding a cumulative collection figure. £466,420 has been collected between April and December 2006. Pre contract Council Tax arrears collection has remained positive and has already achieved contractual targets.

3.57 NNDR Performance

2006/07 Collection

The value of NNDR to be collected for the 2006/07 year before any relief is awarded on accounts is £92M. After reliefs such as Small Business Rate relief and empty allowances are awarded, the balance to collect for the year was £74.5M at the end of December. The NNDR in-year collection rate at 31 December 2006 was 87.73% which is 0.83% below the monthly profile set by Capita and 0.83% below compared to the same time last year. The reduction in collection is mainly due to an increase in collectable debt that has occurred in November and December in respect of Wembley Arena and a number of large assessments within the Junction Retail Park which have been brought into rating and which are not due to be paid until January. Prior to the inclusion of these properties, performance had been consistently above profile and exceeding amounts collected in 2005/06. Providing that payments for these properties are received in January, then performance should remain strong.

Table 20 outlines the collection performance and compares it with the previous year and the profiled targets set to achieve 98.3%. The contractual target for 2006/07 is 96.6%.

Table 20: %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	50.21	59.82	69.47	78.54	87.73			
Variance on last year	-0.93	-0.03	1.7	0.66	0.60	0.26	0.53	-0.45	-0.83			
% Month on month		10.08	10.97	10.05	9.47	9.61	9.65	9.07	9.19			

3.58 Year End and Annual Billing

Planning has begun for annual billing in March 2007. The software release for the IT system that will support annual billing was received in the first week of January 2007. Testing will commence before the end of January.

4.0 Financial Implications

- 4.1 Any failure to maximise collection of Council Tax and NNDR will impact on the Council's cash flow and budgetary provision for future years.
- 4.2 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.
- 4.3 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.

- 4.4 Any failure to maximise collection of Council Tax and NNDR will impact on the Council's cash flow and budgetary provision for current and future years.

5.0 Legal Implications

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

6.0 Diversity Implications

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

7.0 Staffing/Accommodation Implications (if appropriate)

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

Background Papers

Background Papers

Contact Officers

Margaret Read - Head of Revenues and Benefits

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