



**Performance and Finance Select
Committee**

11 April 2007

**Report from the Director of Finance
and Corporate Resources**

For Information

Wards Affected:
ALL

Report Title: Revenues Performance

1.0 Summary

- 1.1 This report outlines performance in relation to the Revenues (Council Tax and NNDR) service collection. Performance is shown as at 28 Feb 2007.
- 1.2 This report outlines performance in relation to the Benefits (Housing and Council Tax Benefit) Service as at 28 February 2007. Performance as at 31 March 2007, will be verbally reported to the Committee when it meets on 11 April 2007.

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 Capita's performance in relation to Council Tax collection for arrears in the 2003/04, 2004/05 and 2005/06 years.
- 2.3 Members are asked to note Capita's performance in providing IT support for the Revenues and Benefits service.
- 2.4 Members are asked to note the further reduction of outstanding work in the Benefits Section since the previous report to the Committee in January 2007.
- 2.5 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.

3.0 Detail – Revenues

Summary of General Position

- 3.1 In year collection as at 28 February 2007 had reached 88.01%, closing the gap against the profile target from 0.66% to 0.39% and exceeding collection performance for the previous year as at 28 February 2006, when 87.78% had been achieved. As at 21 March Capita had achieved 93.50% against their contractual target of 94% and seem on course to collect a further 0.5% between 22 March 2007 and 31 March 2007.
- 3.2 NNRR collection has continued to be very good with 98.32% collected at the end of February 2007 against the annual target of 98.3%. Any monies collected during March 2007, will result in the annual target being exceeded.
- 3.3 Post contract Council Tax arrears collection (for the years 2003/04 to 2005/06) has remained disappointing with performance for 2003/04, 2004/05 and 2005/06 looking very unlikely to meet the targets set for March 2007.
- 3.4 Pre contract Council Tax arrears collection has remained positive with a cumulative total of £ 5.427M collected since May 2003.

3.5 IT performance has been stable for the period April to February 2007.

3.6 Council Tax Collection for 2006/07

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

- 3.7 In order to measure the progress of collection throughout the year a monthly profile of expected collection levels is drawn up by Capita at the beginning of the year. The profile shown in Table 1 is the latest version of this following a review in July 2006. The gap between actual Council Tax collected for the 2006/07 year and the monthly profile, increased to 1.04% in 31st December 2006. This gap has since closed to 0.39% at the end of February 2007 and indications at the time of writing, are that the contractual target will be achieved by 31 March 2007. Details of monthly collection in comparison with the profile target are contained in Table 1 below.

Table 1: 2006/07 Actual collected as a % of debt, in comparison with Monthly Profile

	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	13.51	21.85	29.52	37.05	44.46	52.09	59.68	67.39	74.67	82.05	88.01	
Variance	0.00	-0.21	-0.59	-0.16	-0.45	-0.52	-0.65	-0.64	-1.04	-0.66	-0.39	

- 3.8 When comparing collection at the end of February 2007 with the end of February 2006 (Table 2), collection is 0.23% ahead in 2007. There is also a higher percentage of debt profiled to be paid in March 2007 then March 2006 which should enable a higher percentage of debt being collected in the final

month of the financial year. In March 2006, 5.78% was collected, Capita need to collect 5.99% in March 2007 to achieve 94 %.

Table 2: 2006/07 Collection as a % of Net Collectable Debit compared with 2005/06

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
Actual	13.51	21.85	29.52	37.05	44.46	52.09	59.68	67.39	74.67	82.05	88.01	
Comparison with 2005/06	-0.6	-0.75	-0.99	-0.65	-0.75	-0.82	-0.76	-0.68	-0.79	-0.26	+0.23	

- 3.9 The collection strategy for 2006/07 has focussed on ensuring that charge payers meet their in year liability as a priority and within the financial year to prevent new arrears accruing and then agreeing arrangements for arrears that the charge-payer can adhere to, so as to steadily reduce arrears for previous years. Coupled with this, efforts have continued to be made to increase payments by Direct Debit and to increase take up of Council Tax Benefit. Overall this strategy has been effective and will be further developed in 2007/08 to ensure that continuous improvement is achieved.
- 3.10 There have been changes to the way in which payments have been profiled to be paid in 2006/07 resulting in an overall increase in payments profiled to be paid through to March 2007. This is partly due to increases to Direct debit payers from 33,829 in January 2006 to 35,120 in January 2007 (Direct debit payments are paid over 12 months). There has also been an increase to the number of people who have cash instalments profiled to be paid through to February and March 2007. These increases mean that an additional 2.77% of the net collectable debit is profiled to be paid in February and March when compared to profiled payments earlier in the financial year.
- 3.11 At the start of the financial year Capita developed a Collection Action plan which outlined the actions required to help achieve the target of 94%. The action plan is appended to this report (Appendix 1) and key elements from it are outlined in greater detail under Section 3.26 (Improvement Plan).
- 3.12 The total value of Council Tax to be collected for 2006/07 before any exemptions, discounts or benefits are awarded was £135.292M at the end of February 2007. After Council Tax Benefit, discounts and exemptions have been awarded this leaves a balance of £93.171M to be collected. At the end of February 2007, £82.001M had been collected, leaving a total of £11.17M outstanding. To achieve the contractual target of 94%, £5.579m (or 5.99% of the net debit) needs to be collected in March 07.

Table 3: Cash collected for 2006/07 Council Tax

Cash Collected £000's– Council Tax												
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2006/07 Cumulative	12,782	20,690	27,901	34,935	41,906	49,062	56,165	63,234	69,930	76,714	82,001	
% NCD**	13.51	21.85	29.52	37.05	44.46	52.09	59.68	67.39	74.67	82.05	88.01	
Monthly£	12,782	7,908	7,211	7,034	6,971	7,156	7,103	7,069	6,696	6,784	5,552	
Monthly%	13.51	8.34	7.67	7.53	7.41	7.63	7.59	7.71	7.28	7.38	5.96	

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

3.13 Table 3 above shows the cumulative cash collected on a monthly basis for the in-year Council Tax debt from April 2006. It also gives details of the amount of cash collected each month and the percentage of the Net Collectable Debit that this equates to.

3.14 Table 4 below provides details of Council Tax Benefit awarded and the percentage of the Gross Council Tax debit that this represents. (the Gross debit is the full amount of Council Tax before any exemptions, discounts or benefit has been awarded)

Table 4: Council Tax Benefit Awarded for 2006/07 year

£ Benefit	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
2006/07 Gross	134,532	134,592	134,652	134,705	134,797	134,866	135,031	135,136	135,194	135,278	134,350
2006/07 £000	25,912	26,289	26,538	26,624	26,681	26,702	26,678	26,790	26,811	26,633	26,073
% Gross*	19.26%	19.53%	19.71%	19.76%	19.79%	19.80%	19.761%	19.82%	19.83%	19.69%	19.41%

* The Gross Debit is the full amount of Council Tax before any exemptions, discounts or benefit has been awarded.

3.15 Table 5 below shows the total cash and council tax benefit collected at the end of each month for the 2006/07 year in comparison with previous years.

Table 5: Comparison of Accumulative Cash and Council Tax Benefit

£ 000	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
2004/2005	33,585	41,389	48,540	55,230	61,729	68,586	74,998	81,353	87,511	93,114	97,784
2005/2006	36,861	44,736	52,523	59,029	65,805	72,567	79,239	85,974	92,482	98,442	103,113
2006/2007	38,694	46,979	54,439	61,559	68,587	75,764	82,843	90,024	96,741	103,347	108,074

3.16 Publicity campaigns have also been undertaken during the year to help improve collection. These have included Direct Debit Promotions and Benefit take up publicity, as well as harder hitting campaigns publicising the actions that are being taken against non payers. Most recently, the March edition of the Brent Magazine included a 4 page insert that highlighted actions the Council has taken and will continue to take against those who do not keep their Council Tax payments up to date, such as bankruptcy, charging orders on properties and committal to prison.

3.17 Council Tax Collection for previous years

2005/06 Collection

At the end of February 2007, a collection rate of 95.24% had been achieved for 2005/06. This represents a total of £1,602,000 which has been collected against these arrears, since the end of April 2006, against a total 2005/06 arrears of £7.07M as at 1 April 2006. Performance so far indicates that the target of 96% will not be achieved by 31 March 2007, with a potential shortfall of 0.8% (£745,000). When compared with previous months there has been a reduction to the monthly amounts collected between October 2006 to February 2007, when compared to the first half of the year.

Table 6 shows the cumulative and monthly performance in collection of outstanding 2005/06 debt for each month in 2006/07.

Table 6: 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	95.12	95.24
2006/07 £	81,729	81,904	82,086	82,297	82,500	82,684	82,809	82,976	83,130	83,249	83,331
Monthly %		0.23	0.21	0.38	0.31	0.28	0.16	0.24	0.22	0.19	0.12

3.18 2004/05 Collection

The contractual target for collection of 2004/05 debt by the end of 2006/07 is 96.5%. Collection at the end of February 2007 was 95.67% which means that 0.76% or £591K has been collected since 30 April 2006, against total arrears as at 30 April of £5.561M. Collection to 31 March 2007 is estimated to be 95.8% against the target of 96.5%. The shortfall of 0.7% represents £585,000.

Table 7 shows the cumulative and monthly performance in collection of outstanding 2004/05 debt for each month in 2005/06 and 2006/07.

Table 7: 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	95.62	95.67
2006/07 £	79,433	79,495	79,561	79,622	79,686	79,745	79,800	79,872	79,934	79,988	80,024
Monthly %		0.05	0.07	0.11	0.09	0.08	0.07	0.09	0.08	0.07	0.05

3.19 2003/04 Collection

Capita have continued to experience difficulties in recovering 2003/04 debt with only £377,000 collected since the beginning of April 2006.

Table 8 shows the cumulative month-by-month performance in 2005/06 and 2006/07 for the outstanding 2003/04 debt. The percentage and money collected for each month is also shown in Table 8

Table 8: Collection for 2003/04 in 2005/06 and 2006/07

	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	94.8	94.85	94.89	94.92
2006/07-£	73,858	73,900	73,928	73,969	74,006	74,044	74,076	74,115	74,146	74,179	74,200
Monthly%		0.04	0.03	0.08	0.03	0.07	0.04	0.05	0.05	0.04	0.03

3.20 The contractual target for 2003/04 year in 2006/07 is 96.5%. Collection had reached 94.92% by 28 February 2007 which represents £377,000 against total arrears as at 1 April 2006 of £5,324M. The likely end of year performance is estimated to be 94.96% against the target of 96.5%. The shortfall of 1.58% represents £ 1.235M.

3.21 Pre Contract Arrears Collection

Since the commencement of the contract, Capita have collected £5.427M in pre contract Council tax arrears. This relates to all arrears outstanding from April 1993 to March 2003, and a total debt value of £18.925M as at 1 April 2006. An incentive is obtained each year for collection exceeding a cumulative collection figure. £481,081 has been collected in the year to 28 February. Whilst it is less than the £749K collected for the period April to February 2006, it should be noted that the debts are a year older and collection levels are therefore more difficult to sustain.

3.22 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 £92,252M. After reliefs such as Small Business Rate relief and empty allowances are awarded, the balance to collect for the year was £74.182M at the end of January. The NNDR in-year collection rate at 28 February 2007 was 98.32% which is 1.24% above the monthly profile set by Capita and 1.24% up compared to the same time last year. This continues the trend of year on year improvement and should help to further improve Brent's league position in London.

Table 9: %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	96.9	98.3	
Variance on last year	-0.93	-0.03	1.7	0.66	0.60	0.26	0.53	-0.45	-0.83	0.51	1.24	
% Month on month		10.08	10.97	10.05	9.47	9.61	9.65	9.07	9.19	9.17	1.4	

Table 9 outlines the collection performance and compares it with the previous year and the profiled targets set to achieve 98.3%.

Details of cumulative cash collected for the 2004/05 to 2006/07 years are contained in Table 10 below.

Table 10:£000 NNDR collection

£ NNDR	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2004/2005	6,794	13,224	19,749	26,607	33,598	40,135	46,529	53,017	59,752	65,077	65,777	66,223
2005/2006	7,604	14,268	21,072	29,090	35,908	43,027	49,880	56,919	63,521	69,222	69,525	69,863
2006/2007	7,269	14,758	22,835	30,276	37,321	44,451	51,471	58,344	65,362	72,131	73,626	

3.23 Although 98.3% is the target for 2006/07, the financial 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, whilst ensuring that incentives are firmly based on speed of collection.

3.24 Improvement Plan

Our overall strategy in 2006/07 has been to refine recovery processes so that those charge payers who are genuinely having difficulty paying are given the opportunity to agree realistic repayments and those who are wilful non payers are dealt with robustly. Recovery policies have been amended to allow greater discretion in consolidating arrears payments and repayment timescales for those in financial hardship. This has been balanced with tough action against those who won't pay, including suspended prison sentences, bankruptcy, charging orders on properties and removal of goods, including cars. This strategy will continue in 2007/08 and has been supported recently by a Council Tax Benefit take up campaign for pensioners that has resulted in £140,000 Council Tax Benefit being awarded. The contract with Capita requires them to improve performance year on year and targets for 2007/08 reflect this requirement. Details of targets for 2007/08 are as follows :

Year of liability	2007/2008	2006/07	2005/6	2004/05	2003/04
2007/2008 target	94%	96.25%	96.5%	97%	97%
2006/07 target	N/A	94%	96%	96.5%	96.5%

The following paragraphs provide more detail of our activities.

Bailiff Blitzes

3.25 For 2 Saturdays during the month of March bailiffs were targeting non payers through visits. These exercises help to increase the profile of recovery actions and to identify the most effective method for achieving payment.

Bankruptcy

3.26 The number of cases being progressed to bankruptcy for non payment of Council Tax has also been increased. To date, 27 debtors have been made bankrupt. 38 statutory demands are awaiting service and a further 297 are in progress. Statutory demands are a pre-requisite to bankruptcy proceedings.

Charging Orders

- 3.27 14 charging orders have also been obtained for properties, with 4 orders of sale in progress. A further 57 charging orders are in progress. The court has agreed to 2 hearing dates for the month of March to progress with the force of sale on the properties for which an order of sale has been obtained. One of those hearings has already taken place and the court has agreed that the Council could progress to force of sale on a property against which just over £4,000 Council Tax is owed.

Attachment of earnings

- 3.28 The number of Attachment of Earnings has increased to 342 at the end February 2007 from 273 January 2006. An attachment of earnings means that we can force the employer to take directly from the employee's pay an amount for Council Tax owed.

Sharing information with other service areas

- 3.29 Increased working has been undertaken with areas across the Council to share information and help improve debt collection. Information has been shared between Education, Parking and Housing to date. In some cases this has included access to systems and information.

Analysis and mapping of arrears cases

- 3.30 Analysis of debtors and geographical mapping of arrears cases has shown that rented properties located near to tube stations are more likely to have a higher turnaround of tenants and to have Council Tax arrears. In order to prevent arrears developing, action is being taken before the expiry date of tenancy agreements to check occupation of the property and identify any changes in tenancy. More work will be undertaken in 2007/08 including liaison with letting agents to identify other improvements that could lead to the more timely notification of changes in residency.

Committals to prison

- 3.31 A prison sentence has been obtained on 3 occasions in the last year for the non payment of Council Tax. In all cases the sentence was suspended provided the charge payer adhered to the payment arrangement that was agreed at the Magistrates Court. The details of the sentences were printed in the local papers at the time. In the cases where a suspended prison sentence has been obtained, adherence to the payment arrangement is being closely monitored so that in cases where the taxpayer has defaulted the case will be brought back to the Magistrates Court with an application for their committal to prison.

Identifying Best Practice

- 3.32 A visit was recently undertaken to Camden in order to discuss with them any recovery strategies they may be using which are currently not being used in Brent. The main difference identified was the number of reminders and summons that are being issued at any one time and the length of time debts remained with the bailiff. Brent is currently restricted in the number of summons that we can issue at any one time by the Magistrates Court. A survey is being conducted across the other London authorities to find out what restrictions they face and contact then made with the court with a view to increasing the number of summons that can be issued at any one time. Agreement has already been

reached with the bailiff to reduce the length of time that liability orders remain with them unless there is a current arrangement on the outstanding debt.

3.33 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.

Plans are underway to provide online access to information for Council Tax customers who are registered and authenticated via the Government Gateway. This will include being able to view details of payments made against instalments due and details of the charge for the year including a breakdown of any discounts or exemptions awarded. The “go live” date has been moved to end of June 2007 due to problems experienced in connecting with the Government Gateway. “Go live” will be low-key initially to ensure that any potential difficulties experienced by users are identified before a major publicity campaign is undertaken. From April 2007 “e-billing” will be offered to all Council Tax payers whose payment method is DD. This will allow those customers who request it to receive all future bills via email.

3.34 Year End and Annual Billing

Annual bills have been posted to 104,000 households on 20, 21 and 22 March. An additional 10 full time resources staff have been provided by Capita for a 2 week period to assist with the increased volume of customer enquiries received by Customer Services. All Benefit customers have also received notification of any amendments to their benefit for the new financial year.

One of the changes in billing for 2007/08 has been the reduction to the number of instalments offered to Direct Debit payers. Up until 31 March 2007, DD payers paid over 12 instalments as compared to the statutory 10 instalments that are offered to those who pay by cash or standing order. This change brings DD payers into line with all other instalment payers. A mailshot was sent to all DD payers on 8 March explaining the amendments to instalments, prior to their bill being sent later in the month.

4.0 Council Tax complaints

The Tables below show recent performance in responding to Council Tax complaints received.

- 4.1 The vacancy on the complaints team has now been filled with the successful candidate joining the team in January. Also, the Stage 1 Complaints Manager has returned from long term sickness absence following an operation.
- 4.2 Work continues with Capita to identify ways of improving the escalation rates of Council Tax complaints from Stage 1 to Stage 2. Stage 1 complaints are currently responded to by Capita, with Stage 2 responded to by the Revenues and Benefits complaints team and Stage 3 and Ombudsman complaints by the corporate complaints team. Table 11 below provides details of the number of Council Tax complaints received at each Stage of the complaints process, the %

responded to within the timescales of 15 days for Stage 1 and 20 days for Stage 2.

**Table 11: Complaints performance
Council Tax Complaints**

Received			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Stage 1			34	39	51	45	36	38	36	33	25	30	37
Stage 2			7	4	5	5	7	1	4	2	5	5	9
Stage 3			0	3	4	3	3	2	4	3	0	3	1
Ombudsman			2	0	0	0	0	0	3	3	2	2	1
Total			43	46	60	53	46	41	47	41	32	40	48
Response on Time			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Stage 1			100%	92%	76%	98%	94%	100%	100%	73%	96%	96%	93.8%
Stage 2			100%	14%	14%	9%	67%	100%	50%	100%	0%	17%	100.0%
Upheld			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Stage 1			53%	34%	33%	38%	32%	15%	32%	24%	28%	57%	94.0%
Stage 2			100%	57%	72%	72%	67%	40%	75%	71%	100%	67%	50.0%
Stage 3			N/A	100%	100%	0%	60%	33%	60%	67%	N/A	100%	100.0%

Includes partially upheld complaints

5.0 Housing Benefits Performance and Service Update

5.1 Detail

In overall terms the service continues to be stable, with significant improvements in both the amount and the age profile of the outstanding work. In February outstanding work stabilised to around 3000 items (less than the equivalent of one weeks' incoming work); there has been a slight rise in March due to the year end closedown period. The vast majority of outstanding work items (88%) are less than two months old.

5.2 Processing times for new claims continue to improve, with a predicted 35 days outturn for the year (exceeding the 36 days target). February's performance achieved 32 days, and there are indications of further improvements in March.

5.3 Comprehensive Performance Assessment (CPA) and Key Performance Measures (PM's)

5.4 The CPA outturn for the year is safely a 3 score. Tables 12 & 13 below show CPA performance for the month of February and for the cumulative position year to date (i.e. to 28.02.07). Our year to date performance shows a score of 3.03 (the range for a 3 score being 2.51 – 3.5).

5.5 New claims performance (PM1) is ahead of target at 32.25 days for February and 35.09 days year to date. As mentioned above March's performance indicates further improvement.

5.6 Change in circumstances processing times (PM5) increased in November and December due to a concerted effort to clear a backlog of aged items. This exercise has now largely been completed and as of 1st March fewer than 400 items exist which were received before January (less than one day's incoming work). As a result of this backlog clearance, change in circumstances

performance, PM5 has improved considerably in January and February (18.33 and 14.73 days respectively – both a 3 score), although the year's outturn will remain a 2 for this measure.

- 5.7 This year's interventions and visits targets (PM10 and PM12) have already been achieved, therefore activity in this area has been reduced pending development of a strategy for addressing the new CPA PM10 measure (number of reductions to benefit identified) which will apply from April (see below).
- 5.8 Performance on reconsiderations (PM17) has been hampered through the year by backlog clearance, and this factor has also affected appeals submissions (PM18 and PM19) over the past two months. A backlog of over 100 appeals cases had arisen towards the end of 2006 due to a number of factors including a minor restructure of the Complaints and Appeals team, staff absence, and particular focus being given to Stage 2 and 3 complaints, the other key responsibilities of the team. A recovery plan was agreed in December and was implemented in January. It has principally involved the focusing of permanent staff on incoming work and the appointment of temporary resources to clear the backlog by the end of March; the team is on schedule to achieve this.
- 5.9 The Year to Date figure for submissions to the Appeal Tribunal Service made within four weeks of receipt (PM18) remains a 4, despite only scoring a 1 for January due to the backlog clearance. The number of submissions made within three months (PM19) has a higher threshold which due to the small number of submissions actually made each month, is difficult to achieve.
- 5.10 Over the year to date, 134 submissions have been made to the Tribunal Service, 112 of them within three months (83.58%); however this still only achieves a CPA 1 score.
- 5.11 While the appeals backlog clearance will continue to affect these PM's for the remainder of this year, the service is on track to clear its backlog and start 2007/08 with a clean sheet and significantly improved performance.

Table 12: Comprehensive Performance Assessment - February 2007

Claims Administration-50%		Grade Ranges				Scores			
Performance Measure	Weight	1	2	3	4	Result	Grade	Grade * Weight	
PM1 - New Claims	15	>48	48-37	36-30	<30	32.25	3	45	
PM2 - New Claims over 50 days	7	>26	26-17	16-9	<9	12.19	3	21	
PM3 - New claims 14 days of last info	5	<73	73-82	83-90	>90	84.82	3	15	
PM4 - RA paid 7 days of decision	5	<73	73-82	83-90	>90	94.96	4	20	
PM5 - CIC's	12	>28	21-28	20-9	<9	14.73	3	36	
PM6 - Accuracy	6	<96	96-97	98-99	>99	98.40	3	18	
Total	50								155
Score								3.10	

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	91-99	100	69.08	1	12	
PM11 - Data Matches	12	<81	81-90	91-99	100	100	4	48	
PM12 - Visits	3	<81	81-90	91-99	100	53.49	1	3	
PM16 - Successful prosecutions per 1000	8	<1.2	1.2 - 2.8	2.9 - 4.2	>4.2	1.44	2	16	
Total	35								79
Score								2.26	

Counter-fraud PM's 13,14, 15 & 16 not scored

Use Focus (Appeals)-15%		Grade Ranges				Scores			
Performance Measure	Weight	1	2	3	4	Result	Grade	Grade * Weight	
PM17 - Revision 4 weeks	4	<50	50-59	60-65	>65	50.75	2	8	
PM18 - TAS 4 weeks	7	<50	50-59	60-65	>65	42.86	1	7	
PM19 - TAS 3 months	4	<85	85-89	90-95	>95	57.14	1	4	
Total	15								19
Score								1.27	
Total Performance Measure Score								2.53	

Table 13: Comprehensive Performance Assessment - Year to Date at 28.02.07

Claims Administration-50%		Grade Ranges				Scores			
Performance Measure	Weight	1	2	3	4	Result	Grade	Grade * Weight	
PM1 - New Claims	15	>48	48-37	36-30	<30	35.09	3	45	
PM2 - New Claims over 50 days	7	>26	26-17	16-9	<9	12.91	3	21	
PM3 - New claims 14 days of last info	5	<73	73-82	83-90	>90	85.24	3	15	
PM4 - RA paid 7 days of decision	5	<73	73-82	83-90	>90	90.81	4	20	
PM5 - CIC's	12	>28	21-28	20-9	<9	21.87	2	24	
PM6 - Accuracy	6	<96	96-97	98-99	>99	98.40	3	18	
Total	50								143
Score								2.86	

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	91-99	100	108.04	4	48	
PM11 - Data Matches	12	<81	81-90	91-99	100	100	4	48	
PM12 - Visits	3	<81	81-90	91-99	100	117.48	4	12	
PM16 - Successful prosecutions per 1000	8	<1.2	1.2 - 2.8	2.9 - 4.2	>4.2	1.72	2	16	
Total	35								124
Score								3.54	

Counter-fraud PM's 13,14, 15 & 16 not scored

Use Focus (Appeals)-15%		Grade Ranges				Scores			
Performance Measure	Weight	1	2	3	4	Result	Grade	Grade * Weight	
PM17 - Revision 4 weeks	4	<50	50-59	60-65	>65	30.88	1	4	
PM18 - TAS 4 weeks	7	<50	50-59	60-65	>65	66.42	4	28	
PM19 - TAS 3 months	4	<85	85-89	90-95	>95	83.58	1	4	
Total	15								36
Score								2.40	

Total Performance Measure Score	3.03
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New CPA Performance measure (PM10)

- 5.12 As mentioned in the previous report, the DWP are replacing the current PM10 and PM12 performance measures (interventions and visits targets) – which are currently very strong 4 scores - with a new PM10, based on the annual volume of reductions in benefit entitlement, from April 2007.

DWP methodology for the PM10 measure is not transparent and the target set for a 4 score is 35% higher than Brent's recent performance in this area (though this area has not been overly prioritised recently)

Therefore a CPA 3 score has been projected for the new PM10 in 2007/08. This will still require a 23% improvement on current performance, which is felt to be achievable, though clearly there are risks given that the strategy for this new area is untested

- 5.13 A project team has been convened to develop strategy for achieving the new PM10, the main strands of which are as follows:-

- Proactive interventions on cases with the highest risk of having changes in circumstances
- Targeted visiting including residency checks
- Monthly exercises on targeted areas of the caseload, e.g. earners whose income has not changed in over a year; cases which have not been reviewed for some time; data matches with DWP
- Increased use of internal "housekeeping" reports to investigate discrepancies on claims and between systems
- Encouraging customers to report changes / publicity campaigns
- Joint working with other organisations and departments in particular One Stop Service

The working group will also consider the impacts of the new PM10 on areas such as:-

- Overpayment creation and recovery
- Subsidy
- Potential drop in Council Tax Benefit and therefore Council Tax collection
- Staffing / resource implications to deal with additional workload
- Potential for more appeals and complaints
- Increased customer contact

Further developments will be reported back to Members and to the Revenues & Benefits Steering Group.

- 5.14 **Age profile of outstanding work**

Table 14 below illustrates the age profile of outstanding work items awaiting officer action as at 01/03/07. (Diarised items pending further information from customers are excluded.)

- 5.15 The backlog clearance has continued to have significant impact on the age profile. Outstanding work reduced by 1500 from the end of December to end of January, and dropped a further 800 in February. The profile itself continues to improve as well; in January 62.46% of the work was contained within the current or the previous month, and by February this had increased to 74.91% - a figure which has been maintained into March despite the unavailability of systems over Year End.
- 5.16 The total outstanding work should be seen in the context of an incoming workload of approximately 3500 items per week.

Table 14: Work Age Profile

Number of work items outstanding at 01 March 2007 by target date (excludes pending items)

Month when work item due	New Claims	CIC's	VF Items	Other (inc appeals)	Total Work Items	% of Grand Total	Total at 01/03/07	% of Grand Total	Total at 02/01/07	% of Grand Total
over 13 months old	0	0	0	3	3	0.09%	2	0.05%	0	0.00%
12 - 13 months old	0	0	0	6	6	0.18%	1	0.02%	4	0.07%
11 - 12 months old	0	0	0	9	9	0.30%	6	0.15%	3	0.05%
10 - 11 months old	0	0	0	7	7	0.28%	12	0.30%	6	0.11%
9 - 10 months old	0	0	0	15	15	0.47%	6	0.15%	15	0.27%
8 - 9 months old	0	0	0	13	13	0.40%	15	0.37%	53	0.95%
7 - 8 months old	0	0	0	22	22	0.68%	13	0.31%	63	1.13%
6 - 7 months old	0	0	0	26	26	0.81%	25	0.61%	70	1.25%
5 - 6 months old	0	1	0	46	47	1.46%	37	0.91%	120	2.15%
4 - 5 months old	0	4	0	45	49	1.52%	56	1.38%	142	2.54%
3 - 4 months old	0	3	0	73	76	2.36%	74	1.82%	266	4.76%
2 - 3 months old	4	39	0	72	115	3.57%	152	3.74%	581	10.41%
1 - 2 months old	21	240	12	168	441	13.69%	621	15.27%	772	13.83%
< 1 month old	77	1027	60	291	1455	45.19%	1778	43.71%	2885	51.68%
Work due current month	142	562	3	229	936	29.07%	1269	31.20%	602	10.78%
Grand Total	244	1876	75	1025	3220		4067		5582	
Total at 01/02/07	364	2174	570	959	4067					
Total at 02/01/07	511	3484	86	1501	5582					

Staffing / Recruitment

- 5.17 An intake of eight Trainee Assessment Officers started on 8th January, and five Trainee Visiting Officers started on 12th February. These staff will fill the remaining processing vacancies in the establishment, though there will be a period before they are trained and fully operational during which there will be continued reliance on a (reducing) number of agency staff. Unfortunately two Assessment Officers have this month given notice. A trial is currently under way to evaluate the effectiveness of offsite processing as an alternative to on-site agency staff. The next trainee intake is planned for September 2007.
- 5.18 Further incentives for recruitment and retention currently under way include staff undertaking Benefits NVQ's and IRRV examinations, and a project to develop a homeworking pilot to commence in April 2007. The project is now

well progressed, with staff selected, policy areas addressed (in conjunction with Corporate HR and Legal Services), and IT requirements established and costed.

Benefit take-up

- 5.19 As previously reported, we have been working with the DWP Pension Service to identify pensioners who may be entitled to Housing and Council Tax Benefit, but have not yet submitted a claim. Following a data matching exercise, a simplified three-page form was sent to potential customers, and a dedicated phone-line established in the One Stop Service's Call Centre. To date, of 354 claims received, 141 successful Benefit claims have been made, with approximately 89 still awaiting assessment and 117 not entitled to Benefit. So far over £175,000 has been paid out in Benefit (£144,000 in Council Tax Benefit and £31,000 in Housing Benefit). The final outcome of this exercise will be evaluated in the new financial year and will be reported to members. Further take-up exercises are planned during 2007/08.

6.00 Customer Service Update

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

- 6.1 The counter or face to face service is provided from the 6 OSS locations with Brent House local office being the busiest. The Telephone and On-line Centre has two dedicated telephone lines, one for Benefit enquiries and one for Council Tax enquiries.
- 6.2 Table 15 provides details of the number of customers who visited the Brent House location from April 2006 to February 2007; this includes Revenues and Benefits enquires. It also contains details of the Council Tax enquiries dealt with over the telephone.
- 6.3 For the last five months, October to February 2007 the Brent House counters handled 22,532 enquiries. Of these, 80% of the customers were seen within 30 minutes. This has increased since the previous period (July 06 to Sept 06) when 78% were seen within 30 minutes.
- 6.4 The Council Tax telephone lines answered a total of 50,827 calls between October to February 2007. 58.89% of the calls presented to the Council Tax line were answered within 15 seconds. Levels of abandoned calls have reduced from 13% to 6.9% in February and numbers of calls answered in October was 10,118 with 9764 calls answered in February.
-

Table 15
Customer Services
Counter

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	3762	4835	4315	
Number seen within 30 minutes	2899	3532	4123	3013	4084	4011	3609	4007	3158	3873	3361	
% seen in 30 minutes	71%	73.4%	89.1%	66.0%	88%	80%	73.3%	85.0%	84.0%	80.0%	77.9%	
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	21	22	32.5	25.0	20.0	32.0	32.0	
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	9342	12280	10525	
Answered	11737	10951	12871	11384	10163	11078	10118	11033	8682	11351	9764	
Abandoned	1081	1292	1091	1025	1234	1141	1514	1606	644	862	726	
Engaged	2350	1637	1369	626	611	3410	511	6	273	278	278	
% of calls answered in 15 seconds	56.0%	53.0%	60.0%	55%	52.0%	57.2%	45.2%	48.3%	68.4%	66.0%	66.4%	
% of calls answered in 5 minutes	88.0%	84.0%	91.6%	88.7%	85.5%	87%	76.8%	79.2%	90.7%	90.2%	90.2%	
% abandoned	8.4%	10.5%	7.8%	8.3%	10.8%	9%	13.0%	12.7%	6.9%	7.3%	6.9%	
Average time to answer (secs)	53	68	48	56	59	56	94	85	39	43	44	
Average call duration (secs)	276	296	299	288	304	290	309	297	274	263	264	

7.0 Financial Implications

- 7.1 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.

8.0 Legal Implications

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

9.0 Diversity Implications

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

10.0 Staffing/Accommodation Implications (if appropriate)

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

Background Papers

Contact Officers

Margaret Read - Head of Revenues and Benefits

Paula Buckley - Head of Client

David Oates – Head of Benefits

Appendix 1 – Action / Improvement Plan

CAPITA BUSINESS SERVICES LTD

Council Tax Collection 2006/07

London Borough of Brent

Author:	Sue King
Version:	1.3
Date:	June 2006

Capita Business Services Ltd, 9th Floor Brent House

**Part of the Capita Group Plc, 71 Victoria Street,
Westminster, London, SW1H 0XA Registered in
England No.2299747**

CAPITA

Document Revision History

Issue	Date	Purpose	Author
1.0	20 th March 2006	Initial Draft	Sue King
1.1	19 th April 2006	1st issued draft	Sue King
1.2	4 th May 2006	Final Draft	Sue King
1.3	June 2006	Revised collection profile	

Distribution

Name	Organisation	Role
Duncan McLeod	LB Brent	Director of Finance
Margaret Read	LB Brent	Head of Revenues & Benefits
Paula Buckley	LB Brent	Client Manager
Mark Chapman	Capita LGS	LGS Director
Neil Smith	Capita LGS	LGS Contract Director
Bismark Boateng	Capita LGS	Asst Contract Manager
Adrian Bates	Equita	Equita Client Manager
Mick Wade	Equita	Director

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 - 2. Action plan**
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 - 4. database cleansing**
 - 5. key activities**
 - 6. suppressed accounts**
 - 7. Bailiffs**
 - 8. Arrears**
 - 9. Conclusion**
-

1. Introduction

Capita has a contractual target to achieve 94% collection for the year ending 31st March 2007, Collection for 2005/06 was 93.56% achieving the target set and in line with the profile for a significant period during the year. Excluding costs collection for 2005/06 was 90.76% compared to 90.72% in 2005/06.

The 2003/4 arrears achieved a collection of 94.44% in 2005/06, an increase of 0.94% and the 2004/5 arrears achieved 94.92% an increase of 1.51% within the year.

The pre-contract arrears total to 31st March 2006 was (TBA) exceeding the target of £4m.

This document details the proposals to maintain the Council Tax collection and achieve the 0.5% additional target for in year as well as the actions to be undertaken to increase the collection of arrears for both pre and post contract.

2. Council Tax Action Plan 2006/07

The Council Tax Action Plan for 2006/07 is a combination of initiatives and service improvements which have already been made to the Contract and now form part of the standard processes, together with proposed improvements identified during the year. Recommendations made via the business process review, commencing in mid April and further business developments, as a result the implementation of the new View 360 software, will be identified and added to the plan throughout the year.

3. Monthly Collection Profile for 2006/07

The attached profile has been estimated using the current information held on the volumes of DD and Cash Payers along with the trends shown in payers over the last two years. Although the Prompt Payment Discount (PPD) was withdrawn in 2004/05 there are still a significant number of payers who pay the full amount in April and this is difficult to predict.

It is therefore suggested that the profile be re examined in early May when management information will be available on the payments made in April which will enable us to produce a more accurate forecast for the rest of 2006/07.

	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March
2003/2004	23.35	29.02	34.84	40.47	46.53	52.98	60.14	66.54	72.98	79.54	85.39	90.97
2004/2005	13.77	22.01	29.90	37.42	44.79	52.66	60.15	67.59	74.92	81.53	87.30	93.41
2005/2006	14.11	22.60	30.51	37.70	45.21	52.91	60.44	68.07	75.46	82.31	87.78	93.56
Monthly %		8.49	7.91	7.19	7.51	7.70	7.53	7.63	7.39	6.85	5.47	5.78
2006/2007	13.51	22.06	30.11	37.21	44.91	52.61	60.33	68.03	75.71	82.71	88.4	94.00
Monthly %		8.55	8.05	7.10	7.70	7.70	7.72	7.70	7.68	7.00	5.69	5.6

The current payment profiles for 2006/07 indicate that 43.27% of the debt will be collected by direct debit and the remaining 56.73% by cash and standing order.

The table below shows the breakdown of the 2005/06 achievement of 93.56% based on the different payment methods and the forecasted breakdown for 2006/07

Payment Type	DD	SO	Cash	Bailiff (including direct payments)	Total
2005/06	43.70%	1.60%	46.23%	2.03%	93.56%
2006/07	45.50%	1.60%	45.90%	2%	94.00%

The table below shows the payments profiled on the annual bills produced in March 2006. These profiles will obviously change during the year when amendments to accounts are made and accounts move into the recovery cycle, losing the instalments.

Profiled Instalments													
	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Total
Cash	5.52	5.18	4.71	4.92	4.91	4.92	49.1	4.91	4.91	4.91	0.91	0.35	51.05
DD	3.64	3.79	3.85	3.90	3.89	3.89	3.90	3.89	3.89	3.89	3.89	3.89	46.32
SO	0.18	0.16	0.14	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.00	0.00	1.51
Total	9.34	9.13	8.70	8.96	8.95	8.95	8.96	8.95	8.95	8.95	4.80	4.24	98.88

At this stage these figures can only be used as an indicator. The Direct Debit percentage should increase as there has already been over 500 new direct debit mandates received in March and the cash figure will reduce as accounts move on to pre and post bailiff stages.

The reports for profiled payments will be continually run at the end of each month to use as a guideline ensuring that the proposed profile to achieve 94.00% is in line with payments on accounts.

4. Database Analysis and Cleansing

During 2005/06 it became evident that although the current database was cleansed on an ongoing basis the arrears accounts, especially pre contract, still hold numerous irregularities. A number of these have surfaced following

the increase in the volume of post liability collection focusing on Bankruptcies and Charging Orders.

Within 2006/07 the data cleansing will focus on pre 2003 debts where no activity can be identified on the account. This exercise will be aided by the write off programme which will reduce the volume of accounts selected allowing the focus to be on collectable debts. The following checking methods will be used on accounts:

- Canvass the property,
- Land registry searches
- Property Visit – Inspection or Recovery team
- Local Authority Housing/Benefit Database
- Electoral Registration
- Landlord details
- Right to Buy

The regular updating of LBB tenancy changes, Housing Association changes, reduction of correspondence levels and increased property inspection turnaround will continue through 2006/07 to ensure that information is recorded on the system speedily and new bills are sent at the earliest opportunity.

To date the level of 'Gone Away' bills returned from the 2006/07 annual billing programme is (TBC) compared with 856 from the 2004/05 programme. This is a direct reflection of the 'cleaner' data held in SX3 and the housekeeping practice of actioning 'Gone Away' bills as soon as possible will continue through 2006/07. The close relationship that has been formed between the Housing Benefits and Council Tax departments will be utilised to ensure that information on properties is related to the relevant parties as quickly as possible reducing the level of 'Gone Away' returns and LA errors on Benefits accounts.

The cleansing of the database during 2006/07 will also include a timetable of reviews for exemptions and discounts. New procedures were introduced in 2005/06 and these will be expanded in 2006/07. In addition it had been highlighted that a number of exemption/discounts did not have an end date on the system, these are now monitored monthly and corrected on a regular basis.

There are also a number of other activities being undertaken in 2006 to ensure data is accurate:

- Housekeeping exercise identifying 'Council Tax Payer' accounts
 - Reconciliation of properties and payments will be conducted quarterly with LBB housing to identify anomalies with the housing database in a timely manner. Although this procedure was put in place during 2005/06 only 2 of the 4 schedules issued by Council Tax were finalised by housing. During 2006/7 it is expected that this will be increased to the 4 required each year.
-

- The option of issuing of notices in a variety of languages will increase the level of contact from the Council Tax payer and encourage accurate information.
- Continue with regular reconciliation of the Valuation Officer list – To be completed after every VO update schedule has been loaded onto the system.
- Improved Inspections – one of the key activities identified in this plan
- Close monitoring of the empowerment of the Customer Services team to highlight any areas of concern in gaining the correct information, obtaining forwarding addresses, closing accounts, issuing refunds, recording information on notebooks etc.
- Explore the possibility of gaining information on property sales via the Land Searches
- Arrangements with tax payers where possible to include all debt.
- Debits and Credits for the same account holder to be identified and credits transferred to offset debits.
- Work to be done to identify those who have part paid and made no payments for 2004/05 and other years. Identify can't pays from won't pays.
- For part payers consideration to be given to targeted benefit take up campaign.

5. Key Activities

During 2006/7 the recovery timetable will continue with a high volume of activities. The proposed plan has already been discussed at the Customer Service liaison meetings but will continue to be revisited throughout the year to ensure that all the appropriate debtors are advised of outstanding debts as quickly as possible.

In addition to the recovery programme there are a number of other campaigns and activities occurring during the forthcoming year;

Bankruptcies During 2005 it was decided that the volumes of bankruptcies included in the contract, 200 Statutory Demands with 20 moving to full bankruptcy, would not be sufficient for the volumes and types of debts going through the recovery cycle. After consideration of various options it was proposed that new cases be progressed via Prolegal. In 2006/07 as many appropriate cases as possible, within the financial restrictions, will be issued with Statutory Demand and then a selection of 'cherry picked' accounts will be progressed to full bankruptcy. The numbers will be in excess of the contracted cases and additional ways to finance these will be explored.

Charging Orders During 2005 it was identified that the threat of losing a home could be a deterrent for the longer term, persistent non payers. A number of cases have been selected and will progress to court hearings during the first quarter of

2006/07. For appropriate cases we will also be requesting to force the sale of the property and although this will be for to the court to decide we will ensure that the selection of cases are the ones which are likely to be looked on more favourably by the judge.

View 360 Project The implementation of the new View 360 DIP system in November 2005 gave the opportunity to review working practices and develop improved business processing. During 2006/7 a number of enhancements have already been identified for development and implementation including; SX3 Integration, Email Fax and WebForms integration, importing of housing data, death lists, new development list, VO updates and BACS returns: trigger indicators for vulnerable, Councillors and HMO's, automatic importing of bailiff returns and SX3 letters: hot keys to housing, electoral role and planning: automatic requests for information/visits on 'gone aways' and CTAX payer accounts: development of the dashboard to identify workloads and improve turnaround times. As new working practices are identified then additional enhancements will be incorporated into the project.

SX3 Integrator Brent have recently purchased the SX3 Integrator and a project is commencing in April 2006 to identify and implement the opportunities that this will bring to the revenues user.

SX3 Cash Allocation:

It is anticipated that during 2006/7 SX3 will update the software to allow the current cash allocation rules to be varied by the use of additional parameters. Once this option is available testing will start and the feasibility of implementing this to the live system will be evaluated. The option of transfer from a multi year site to a single year site is to be explored.

Process Review Between April and September 2006 a revenues process review is being undertaken to re-evaluate working practices and consider changes in conjunction with the new View 360 and SX3 Integrator.

Court Activity Brent has continually been obstructed from the recovery of debts due to the current limitation on court time, administration and organisation. During 2006/07 the avenue of using different courts will be used to increase volumes and administration of summons, aid the committal process and reduce the turnaround times of recovery with laser signatures.

Bailiff Turnarounds The current SLA with the bailiff gives 6 months for debts passed to them to be collected, arrangements made or the debt to be returned for further action. During 2006/07 monitoring will focus on debts held by the bailiff for an additional period of time for no apparent reason.

Parking Database Access has now been given to the database which holds details of vehicle registrations for Brent residents who have applied for a parking permit or have an outstanding parking fine. During 2006 the database will be used to identify car details for non payers where the recovery of a vehicle could result in payment of the debt.

Write Off's To date there has been no bulk write off of arrears by Capita. During 2006/07 aged debt will be analysis and parameters identified to allow the bulk write off of old debts. This will reduce the volumes of data currently held within the live database and aid the data mining and mapping exercises being used to facilitate the recovery of arrears.

Complaints Analysis:

Regular meetings will be held with all parties involved in the complaints system to analysis past complaints and identify methods of reducing the levels of complaints and improving the service delivery.

Reviews Project During the first quarter of 2006/07 a project will commence to transfer the discount and exemption reviews onto a rolling review to spread the impact of withdrawals and improve the efficiency and administration of reviews in general. Initial investigations show that the majority of these could be initiated directly from the SX3 communications module to allow for reminders and withdrawals in bulk. However, the previous practice of comparing the SPD data with electoral role and housing benefit information may be restricted if the SPD is to go via SX3. The project will identify the most efficient option to use for the future.

Publicity Campaigns:

There are a number of publicity campaigns proposed for 2006/7 using various different media such as Decaux, Internet, local press and posters. The initial focus will be on bankruptcies and possession of properties via charging orders. Future campaign will include Direct Debit, bailiffs and car clamping.

Data Mapping During April 2006 data has been exacted from the SX3 database, initially on accounts that have post liability

debt. This will be mapped around the borough by ward and used, in conjunction with other data, to identify pockets of areas of non payment. Future mapping will include the general census comparison to focus benefit campaigns for pensioners, direct debit campaigns and other debt strategies.

Data Mining As part of the recovery arrears strategy for 2006/7 data mining will be used to identify accounts which are assessed to be in a category that will prove to be the most successful to collect.

Customer Services During 2006/7 the monitoring of Customer Services in their duties relating to the empowerment matrix will be increased. This will be used to reduce the levels of incomplete information captured, reduce CTAX payer accounts, improve the refund procedure and highlight any areas of additional training required.

Inspections Reviews:

As well as forming part of the general business review a separate review is being undertaken focusing on the current working practice of issuing visit requests via the View 360 system. The current practice does not allow for a full proof method of tracking the completed visits and still relies on a high level of manual intervention. The SX3 system has an inspection module and the full functionality will be explored before it is decided if further improvements on the View 360 system would result in greater efficiency. The feasibility of varying the times of the inspections will also be explored to gain efficiency in gathering information along with the use of handheld devices.

Sharing info with HMO's

The legislation for landlords with HMO's has recently changed forcing them to register their premises with the Local Authority. A project is underway to set up an exchange of information to enable the Council Tax department to identify these property and assess the correct liability under the Council Tax legislation.

Kirona This middleware will undergo a trial in the Inspectors Team to ascertain if it can enhance the efficiency of inspectors accessing data externally.

AOE During 2006/07 the practice of obtaining Employer's details at every opportunity will be expanded.

Review Recovery Policy with the Client Team:

The current Recovery Policy is under review and will include revisions and analysis on number of payments, type of debt, ability to pay, previous history, level of debt, age of debt etc.

Cash allocation As the cash allocation process within the software system continues to be a hindrance to analysing the true position of the collection, activities will continue to explore the possibilities of changing the cash allocation rules (upgrade to the software due shortly), reallocating cash and identifying soft cash which can be hard allocated to the system.

Means Enquiry Form As part of the Recovery review Means Enquiry forms will be issued to relevant cases enabling the recovery team to assess the payment arrangements in line with the household income. These forms will also be made available via Customer Services and the web.

6. Suppressed Accounts

All suppressions are under regular review and there are no current issues. Reports are run monthly and any accounts with suppression over 28 days are individually investigated. In addition, to ensure that accounts are not continually suppressed for less than 28 days at a time, a monthly report is run highlighting any accounts with recurring suppressions

7. Bailiffs

The percentage of debt collected by Equita in 2005/6, including direct payments, was £1.81m equating to 2.03% of the collectable debt. This was £30K above the profiled target of 1.78m.

The volume of referrals to the bailiff is anticipated to decrease during 2006/7 due to the expected increase in payments at bill, reminder, final and summons stages. Therefore, the new Equita target will be set at 2% of the 2006/7 collectable debt.

During 2006/7 focus will be on the length of time debts are being held by the bailiff. The object of the strategy for 2006/7 is to identify bottlenecks in the processes and find ways to move debts on to a stage of recovery where further progress can be made with collection of the debt or, where the debt is deemed uncollectible, is written off. Cases with the bailiff will be closely monitored to ensure punctual return of cases where there is no form of contact or prove uncollectible, particularly within the first six months.

Returned cases from Equita will now be identified by a number of different reasons, especially where a debt is marked Nulla Bona. This will allow debts to be progressed to the next stage in bulk i.e. Nulla Bona – gone away, will be traced but Nulla Bona – no access may be passed to Newlyn's.

The filtering out of debts where other methods of recovery have proved successful in the past will continue. An example would be where we have successfully undertaken an Attachment of Earnings on a debt before and we retain the details of employment, in this case the attachment will be reinstated thus allowing the Bailiffs to concentrate on those cases where we have no other alternate recovery route open to us. This procedure has proved successful in a number of cases in 2005/06

During 2005/6 a number of Saturday blitz's were made and as these proved a successful way to make an initial contact with non payers will continue during 2006/7.

Bailiffs will also explore the possibility of blitzing the borough with an increased number of bailiffs on a variety of specified days. This will be used in line with some of the publicity campaigns to have the maximum impact.

The access to the parking database will be used to give as much information to the bailiff as possible enabling them to identify debtor's possessions and take action at the earliest opportunity.

Once the uncollected cases are returned, the Recovery Department in Bromley are responsible for arranging for each case to be logged back onto the system. These cases are then passed on for progression in one of the following areas:-

- Attachment of Earnings/Benefits
- Bankruptcy/Charging Order
- Internal Tracing
- Property Visit
- Evaluation
- Write offs
- Tracing
- Referral to another bailiff company (Newlyn Collections Services Ltd)

8. Arrears

Although there were no contractual targets for 2005/06 on pre contract arrears, as these had been previously exceeded, there was an expectation to achieve £5m by 31st March 2006. This was exceeded by TBC. The post contract 2003/04 collection was increased from 93.50% to 94.44%, an increase of 0.94% and the 2004/05 collection increased from 93.41% to 94.92%, an increase of 1.51%

The focus on arrears in 2006/7 will be on post contract years of 2003/4 and 2004/5. During 2005/6 additional resources were added to the recovery team and these will continue during 2006/7 to support some of the key activities. These include; increased bankruptcies, charging orders, data mining, internal tracing, revised collection strategies including means testing, supporting of debt counselling and filtering of debts sent to the bailiffs.

The categories of Summons and Liability Orders will be checked after each court case to ensure all cases have been progressed and are not restricted.

Accounts with the Bailiff will be monitored to ensure all cases which have been at the bailiff for 6 months and no contact or payment has been made are promptly returned and progressed.

Accounts on Summar, AOE and AOIS will be monitored on a regular basis. Contact via telephone will be initiated or the debt progressed to bailiffs or bankruptcy.

The On Hold categories will be monitored monthly and the hold withdrawn as soon as the relevant action has been taken e.g. benefit awarded, payment made etc.

Further analysis of the arrears debts will continue along with a number of other activities including:

- Identifying and reviewing the top 100 debts on a monthly basis (Including combined debts)
- Identifying home owners via Land Registry (possible Charging Order)
- Identifying other Council debts (possible joint recovery action)
- Identifying Right to Buy cases (confirm CTax paid)
- Increase Housing Association Liaison (forwarding addresses etc.)
- Identify large Landlords (benefit payments)
- Support all Summar arrangements with employment details
- Run regular benefit reports to identify accounts with HB but no CTB
- Search Benefits database for Employment details or NI numbers
- Car details on the parking database
- Means enquiry forms sent at summons stage
- Increased internal visits from dedicated recovery officer
- Data mining to identify pockets of debt
- Clearing of the database via write offs
- Increase Customer Service awareness of arrears collection strategy
- Revision of payments accepted once recovery notices are issues
- Increased court time and improved administration
- Identify and link credit accounts
- Notify Brent employees of thier obligations via pay advices

9. Conclusion

2006/7 is set to be a very busy year. We have attempted to identify the key changes needed to achieve a 94% collection rate and improve service delivery but there will be further improvements and initiatives identified once Phase 3 of the View 360 project is implemented and the business process review is completed
