

	<p align="center">Performance and Finance Select Committee 25th July 2007</p> <p align="center">Report from the Director of Finance and Corporate Resources</p>
<p>For Information Wards Affected: ALL</p>	
<p>Revenue and Benefits Performance</p>	

1.0 Summary

- 1.1.1 This report details performance in relation to the Benefits Service performance to the end of the first quarter in 2007/08 (30 June 2007).
- 1.2 The report also summarises performance in relation to the Revenues (Council Tax and NNDR) service collection. Performance is shown as at 30 June 2007.

2.0 Recommendations

- 2.1 Members are asked to note the further reduction to outstanding work in the Benefits Section since the previous report to the Committee in April 2007.
- 2.2 Members are asked to note the Benefit Service's current and projected "3" score for the 2008 Comprehensive Performance Assessment (CPA).
- 2.3 Members are asked to note strong performance at the end of the first quarter against our main indicators:-
- New claims (PM1) – 30.10 days to date (target 30 days).
 - Change in circumstances (PM5) - 10.32 days (target 19 days)
 - Benefit reductions (PM10) – 15% to date - on target for forecast CPA

- 2.4 Members are asked to note the financial importance of achieving the LAA target for new applications in 2008/09 and the potential future need to prioritise this area of work over others.
- 2.5 Members are asked to note the improvement in year Council Tax and NNDR collection in 2006/07 and improvements to Brent's league table position in London.
- 2.6 Members are asked to consider the actions set out in paragraphs 3.24 – 3.31 and the extent to which these provide confidence of Capita's ability to improve Council Tax arrears and in year collection.

3.0 Detail : Housing Benefits Performance and Service Update

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

Tables 1 and 2 below show CPA performance for the month of June and for the first quarter (Q1). Our Q1 performance shows a score of 3.11 (the range for a 3 score being 2.51 – 3.5). This is notwithstanding three indicators (PM1, PM17 and PM19) not yet being at target but within small percentages of target, which when achieved will realise the forecast score of 3.34.

Table 1: Comprehensive Performance Assessment - June 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	29.53	3	45	
PM2 - New Claims over 50 days	7	>26	26-17	16-9	<9	3.36	4	28	
PM3 - New claims 14 days of last info	5	<73	73-82	83-90	>90	89.48	3	15	
PM4 - RA paid 7 days of decision	5	<73	73-82	83-90	>90	91.46	4	20	
PM5 - CIC's	12	>28	21-28	20-9	<10	10.35	3	36	
PM6 - Accuracy	6	<96	96-97	98-99	>99	98.40	3	18	
Total	50								162
Score								3.24	

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	15	<22521	22521 - 25616	25617 - 28150	>28150	26702	3	45	
PM11 - Data Matches	12	<81	81-90	91-99	100	100	4	48	
PM16 - Successful prosecutions per 1000	8	<1.2	1.2 - 2.8	2.9 - 4.2	>4.2	2.40	2	16	
Total	35								109
Score								3.11	

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	58.60	2	8	
PM18 - TAS 4 weeks	7	<50	50-59	60-65	>65	57.14	2	14	
PM19 - TAS 3 months	4	<85	85-89	90-95	>95	85.71	2	8	
Total	15								30
Score								2.00	

Total Performance Measure Score	3.01
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Table 2: Comprehensive Performance Assessment - Quarter 1 2007/8

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	30.10	3	45	
PM2 - New Claims over 50 days	7	>26	26-17	16-9	<9	3.36	4	28	
PM3 - New claims 14 days of last info	5	<73	73-82	83-90	>90	89.48	3	15	
PM4 - RA paid 7 days of decision	5	<73	73-82	83-90	>90	91.46	4	20	
PM5 - CIC's	12	>28	21-28	20-9	<9	10.32	3	36	
PM6 - Accuracy	6	<96	96-97	98-99	>99	98.40	3	18	
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Security-35%		Grade Ranges				Scores			
Performance Measure	Weight	1	2	3	4	Result	Grade	Grade * Weight	
PM10 - Interventions	15	<22521	22521 - 25616	25617 - 28150	>28150	26702	3	45	
PM11 - Data Matches	12	<81	81-90	91-99	100	100	4	48	
PM16 - Successful prosecutions per 1000	8	<1.2	1.2 - 2.8	2.9 - 4.2	>4.2	2.4	2	16	
Total	35								109
Score								3.11	

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	46.33	1	4	
PM18 - TAS 4 weeks	7	<50	50-59	60-65	>65	70.59	4	28	
PM19 - TAS 3 months	4	<85	85-89	90-95	>95	88.24	2	8	
Total	15								40
Score								2.67	

Total Performance Measure Score	3.11
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- 3.2 New claims performance (PM1) is 29.53 days for June and 30.10 days year to date. This represents a further improvement on the fourth quarter of 2006/07, due to increased focus on ensuring decisions are made on time and improved monitoring methodology in this area. The target for the year is 30 days (in effect this means 29.49 to achieve a CPA 4). Current performance represents 2nd quartile performance (for London) but our Local Area Agreement target of 24 days for 2008/09 represents upper quartile performance (London and National). Due to significant budget pressures next year, it may be necessary to prioritise this area over all others to ensure achievement of the LAA target.
 - 3.3 The percentage of new claims outstanding over 50 days (PM2) gives an indication of the improved age profile of outstanding work, as now only 3.36% of new claims are over 50 days old (including claims awaiting information from customers).
 - 3.4 Change in circumstances processing times (PM5) are significantly ahead of target at 10.35 days for June and 10.32 days for quarter one (target 19 days). This is due partly to the large number of straightforward rent increases processed during this quarter and also to the clearance before April, of most of the aged work. Quarter 1 performance last year showed 14.87 days.
 - 3.5 The new PM10 measure (number of reductions in benefit identified and calculated) has started reasonably well. The figures quoted in this report (and the yearly projection) are based on performance for the first eight weeks of the year (June's performance figures had not been made available by the DWP at the time of writing) but show that 4108 reductions had been calculated in this period, equivalent to 15% of the overall target for CPA 4 (28151 reductions). The Service has forecast a CPA 3 outturn for this measure (25617 reductions) and is currently forecast to achieve this.
 - 3.6 A number of initiatives have been considered to identify the necessary number of changes in circumstances being reported, including targeted visiting, residency checks, and increased use of internal "housekeeping" reports to investigate discrepancies on claims and between systems, but it is anticipated the greatest return will come from increased postal reviews targeted at those client groups whose circumstances are most likely to change.
 - 3.7 From June we have increased the number of postal reviews sent out from 1,000 to 2,000 per month, these are sent out in 2 batches to help manage customer contacts arising from these. . As the second batch of 1,000 was sent out just before the end of June we have not yet seen the impact of these. We are however prioritising outstanding postal reviews on overtime to ensure that we can monitor our performance against targets and if necessary take any remedial action required to achieve a 3 score for this measure.
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3.8 The table below shows details of our PM10 performance to date. The first month's extract is thought to be above average due to more changes in circumstances occurring at the start of the financial year.

Table 3: PM10 – benefit reductions

Date of DWP data extract	No. of weeks	Reductions	% of DWP target (ie for CPA 4)
07/05/07	5	2806	10%
22/05/07	3	1302	5%
Total to date	8	4108	15%
<i>Projection for year</i>	<i>52</i>	<i>26702 (CPA 3)</i>	<i>95%</i>

3.9 The DWP also sent out a mailshot in April to 80% of our total caseload and asking customers to report any changes. We have now had 2028 returned, with approximately half of these reporting no change and the majority of the others previously having reported the changes to us anyway.

3.10 As yet, there has not been any significant identified impact from PM10 on areas such as Overpayments, Subsidy, Council Tax collection (due to reduced Council Tax Benefit awards) or increased customer contact, but these will be kept under review and reported back if significant.

3.11 Performance on reconsiderations (or internal appeals: PM17) was hampered throughout last year by backlog clearance, and is still the lowest priority Benefits area this year. Performance is forecast at CPA 2 (50-59% processed within four weeks). Q1 performance was 46.33%, and we have seen a steady improvement through the quarter (28% April; 52.71% May; 58.60% June).

3.12 Appeals (or Tribunal requests) performance suffered slightly in June due to the processing of a small number of appeals outside target which had been identified through backlog clearance in other areas. The impact of this is exacerbated by the small numbers of cases involved and therefore the small margins between different CPA scores. In total seven cases were submitted to The Tribunal Service in June of which three were over 4 weeks old (one of these being over three months old). Nevertheless performance against PM18 (submission within 4 weeks) remains above target for the year (ie at CPA 4) and PM19 is only marginally off target for the year (essentially a difference of one case).

The continuing focus on clearing aged items in general and close monitoring of appeals deadlines in particular should continue to improve performance in this areas. A table showing appeals performance is shown later in this report.

- 3.13 Note that three measures (PM3, PM4 and PM6) are provisional figures as the actual Q1 figures were not available at the time of writing. However these are based on previous performance and are, in any case, all stable areas.

Age profile of outstanding work

- 3.14 Table 4 below illustrates the age profile of outstanding work items awaiting officer action as at 02/07/07. (Diarised items pending further information from customers are excluded.)

The outstanding work has significantly decreased over the month partly due to additional temporary staff who have been employed to help with the increased work arising from postal reviews for PM10. The volume of outstanding assessment work has decreased from 3559 at the 1st of June to 2681 at the 2nd of July. There has also been considerable focus on the 751 aged overpayments items; a plan has been put into place to deal with ongoing new items while clearing the ring-fenced backlog. This has reduced from 751 to 385 in the first four weeks of the plan.

Overall outstanding work has reduced from 4371 to 3244 in June and 86% of the work is less than two months old.

The total outstanding work should be seen in the context of an incoming workload of approximately 3500 items per week.

Table 4: Work Age Profile

Number of work items outstanding at 02 July 2007 by target date (excludes pending items)

Month due (usually 3 days after receipt)	New claims	CIC	Interventions	Other assessment work	Appeals Comp'ts	O/P	Total work	%	Total at 01 June 07	% of grand total
Dec-05						6	6	0.18%	9	0.21%
Jan-06						1	1	0.03%	7	0.16%
Feb-06							0	0.00%	11	0.25%
Mar-06					2		2	0.06%	6	0.14%
Apr-06						2	2	0.06%	18	0.41%
May-06						4	4	0.12%	32	0.73%
Jun-06						14	14	0.43%	27	0.62%
Jul-06					1	14	15	0.46%	52	1.19%
Aug-06						12	12	0.37%	25	0.57%
Sep-06		1				23	24	0.74%	37	0.85%
Oct-06						16	16	0.49%	30	0.69%
Nov-06					1	24	25	0.77%	34	0.78%
Dec-06		1		3		12	16	0.49%	29	0.66%
Jan-07				3		28	31	0.96%	63	1.44%
Feb-07		8		5		69	82	2.53%	153	3.50%
Mar-07		33	1	11		80	125	3.85%	328	7.50%
Apr-07	4	39	2	15	1	23	84	2.59%	575	13.15%
May-07	29	426	57	96		35	643	19.82%	1909	43.67%
Jun-07	61	628	182	151	7	13	1042	32.12%	1026	23.47%
Jul-07	144	380	300	267	5	9	1105	34.06%		
Grand Total	238	1516	542	551	12	385	3244		4371	
Total at 01 June	224	2232	557	586	21	751	4371			

Staffing / Recruitment

- 3.15 Recruitment has taken place for a further tranche trainee assessment officers. Interviews were held during June and 10 have been offered a position subject to references. The People Centre will be taking up references with a start date at the beginning of September.

These staff will help to further reduce the reliance on temporary agency staff which has been steadily reduced over the past couple of years. The success of the ongoing Trainee programmes has helped significantly to stabilise the workforce. Turnover (for Revenues and Benefits as a whole) was 14.07% in 2006/07 (compared to the Council average of 10.59%). This financial year to date turnover is currently less than 1%.

In the short-term a further four agency staff have been recruited for a period of 3 months to help with the increased number of postal reviews being issued, along with additional administrative support.

- 3.16 The Service was successful in two bids to the Chief Executive's Performance Fund and will be advertising temporary positions to staff during the next month. The two projects are for a Benefit Take-up Officer – building on successful take-up work undertaken last year – and a Front-line processing Project Manager, who will investigate methods of improving claim processing times and customer service via closer links with the customer interface.
- 3.17 Further incentives for recruitment and retention currently under way include staff undertaking Benefits IRRV qualifications, which we intend to offer again to more staff in August, and a homeworking pilot for four staff which commenced in April 2007. These staff are approaching their third month of home working and an interim review of progress will be conducted shortly.
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Complaints and Appeals

3.18 Performance for June and year-to-date is recorded below.

Table 5: Complaints & Appeals summary

	Target	June Performance	Year to date performance
% of Stage 1 benefits complaints responded to on time (15 working days)	85% on time against 15 working days target	95.12%	91.92% On Target
% of Stage 2 Revenue and Benefits complaints responded to on time (20 working days)	75% on time against 20 working days target	100%	81.82% On Target
% of appeals sent to The Appeals Service within 4 weeks of receipt (PM18)	65% on time	57.14%	70.59% On Target
% of appeals sent to The Appeals Service within 3 months of receipt (PM19)	90% on time	85.71%	88.24% Below Target
% escalation rate from Stage 1 to Stage 2 Revenue and Benefits complaints	20% or below	14.00%	16.85% On Target

3.19 Performance has continued to be strong against targets, in particular with regard to complaints. Having achieved consistently high indicators for several months, complaints focus is now shifting to more qualitative aspects in particular developing more robust mechanisms for identifying and implementing corrective actions arising from complaints.

3.20 Commentary on appeals performance is given in the CPA section above.

3.21 The following tables show detailed complaints performance for Revenues & Benefits during June (including Capita performance on Stage 1 Revenues complaints).

Table 6: Benefits Complaints and Appeals

Complaints

Stage 1 Complaints	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Brought Forward	65	#	29	26	20	19	32	26	22	21	11	25	31
Received	67	#	59	41	51	59	32	37	36	34	32	46	25
Done	99	#	62	47	52	46	38	41	37	44	18	40	41
Carried Forward	33	#	26	20	19	32	26	22	21	11	25	31	15
Stage 1 Complaints - Council Tax	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Brought Forward							14	14	16	21	29	14	13
Received							25	30	37	46	29	27	25
Done							25	28	32	38	44	28	33
Carried Forward							14	16	21	29	14	13	5
Stage 2 Complaints - Revs and Bens	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Brought Forward	25	#	6	17	11	8	6	8	4	10	13	9	6
Received	7	7	17	2	7	9	9	10	15	17	10	14	7
Done	18	#	6	8	10	11	7	14	9	14	14	17	13
Carried Forward	14	6	17	11	8	6	8	4	10	13	9	6	0
Stage 3 Complaints - Revs and Bens	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Brought Forward	0	0	3	3	1	0	0	1	2	0	0	0	0
Received	6	4	1	1	4	2	2	6	3	4	4	2	6
Done	6	1	1	3	5	2	1	5	5	4	4	2	6
Carried Forward	0	3	3	1	0	0	1	2	0	0	0	0	0

Appeals

Appeals	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Brought Forward	31	#	26	33	62	77	100	113	99	43	3	12	1
Received	26	#	42	35	22	39	30	20	28	24	14	9	24
Done	23	#	35	6	7	16	17	34	84	64	5	20	23
Carried Forward	34	#	33	62	77	100	113	99	43	3	12	1	2

Enquiries

Enquiries	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Brought Forward	51	#	35	56	75	54	62	30	22	30	9	32	39
Received	61	#	71	86	86	79	48	55	65	66	53	35	50
Done	51	#	50	67	107	71	80	63	57	87	30	28	82
Carried Forward	61	#	56	75	54	62	30	22	30	9	32	39	7

Table 7: Complaints

Benefits Complaints

Received	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Stage 1	67	#	59	41	51	59	32	37	36	34	32	46	25
Stage 2	2	2	10	1	3	7	4	5	6	8	6	7	6
Stage 3	2	1	0	1	0	2	2	3	2	4	2	1	3
Ombudsman	0	0	0	1	2	2	3	1	0	4	3	2	2
Total	71	#	69	44	56	70	41	46	44	50	43	56	36
Response on Time	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Stage 1	55.5%	#	100.0%	60.0%	94.0%	95.7%	89.5%	95.1%	97.3%	97.70%	###	87.50%	95.00%
Stage 2	27.3%	#	66.7%	12.5%	50.0%	33.3%	42.9%	50.0%	100.0%	100%	###	100.00%	100.00%
Stage 3	100.0%	#	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	33.3%	66.70%	###	0.00%	75.00%
Ombudsman	100.0%	N/A	N/A	100.0%	100.0%	100.0%	100.0%	N/A	N/A	N/A	###	100.00%	50.00%
Upheld	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Stage 1	55.6%	#	67.8%	70.2%	71.2%	78.2%	79.0%	78.0%	54.0%	56.80%	###	70.00%	54.00%
Stage 2	45.5%	#	100.0%	0.0%	66.7%	75.0%	80.0%	75.0%	66.7%	66.70%	###	33.30%	78.00%
Stage 3	100.0%	#	100.0%	0.0%	0.0%	50.0%	100.0%	100.0%	33.3%	100%	###	100.00%	75.00%
Ombudsman	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Includes partially upheld complaints

Council Tax Complaints

Received	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Stage 1	51	#	36	38	36	33	25	30	37	46	29	27	25
Stage 2	5	5	7	1	4	2	5	5	9	9	4	7	1
Stage 3	4	3	3	2	4	3	0	3	1	0	0	1	3
Ombudsman	0	0	0	0	3	3	2	2	1	1	1	3	0
Total	60	#	46	41	47	41	32	40	48	56	34	38	29
Response on Time	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Stage 1	76.2%	#	94.0%	100.0%	100.0%	73.2%	96.0%	89.3%	93.8%	94.70%	###	96.40%	97.00%
Stage 2	14.3%	#	66.7%	100.0%	50.0%	100.0%	0.0%	16.7%	100.0%	62.50%	###	72.70%	100.00%
Stage 3	50.0%	#	40.0%	0.0%	100.0%	33.0%	N/A	100.0%	50.0%	0%	###	100.00%	50.00%
Ombudsman	100.0%	N/A	N/A	100.0%	50.0%	100.0%	N/A	100.0%	N/A	0%	N/A	100.0%	N/A
Upheld	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	###	May-07	Jun-07
Stage 1	33.4%	#	32.0%	15.0%	31.7%	24.4%	28.0%	57.1%	94.0%	44.70%	###	36.00%	48.00%
Stage 2	71.5%	#	66.7%	40.0%	75.0%	71.4%	100.0%	66.7%	50.0%	75.00%	###	45.00%	50.00%
Stage 3	100.0%	#	60.0%	33.0%	60.0%	66.7%	N/A	100.0%	100.0%	100%	###	100.00%	100.00%
Ombudsman	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Includes partially upheld complaints

Quality, Policy and Training

- 3.22 Improving quality is a major focus this year and considerable work is ongoing to ensure effective targeting and consistency of the quality checking process. A checking audit process is now in place to ensure consistency of checking across the assessment teams. A checking manual has been written and training for Deputy Assessment Managers, who are responsible for quality checking, will take place on 27th July.
- 3.23 Results from quality checks are closely linked into the Service's Training Plan. The Policy & Training Team have recently carried out empowerment and refresher training for all One Stop Service staff; and refresher sessions for existing assessment staff on letter writing and the assessment of tax credits. We have also just completed a one-week refresher training course for our Visiting Assessment Officers and are about to provide two weeks full refresher training for Assessment Officers with quality issues.
- 3.24 Planning has begun for the introduction of Local Housing Allowance (LHA) next April. A project team has been set up and will be producing a project plan in the near future. The basic principle behind LHA is that new benefit recipients from April 2008 will receive a flat-rate of benefit dependant on the size of their family and the area that they live. This will mean that levels of Housing Benefits for new private tenant claims will no longer be determined by the Rent Officer. It will also mean that customers will know in advance whether their rent charge is considerable reasonable for Housing Benefits purposes. The Project Group will be expanded in the near future to include representatives from OSS, Housing and other stakeholders. Further more detailed updates will be provided in future committee reports.

Overpayments

- 3.25 The following table shows overpayment recovery against profile and the previous year's performance.
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Table 8: Overpayments recovery

	This Month	Last Month	Last Year	+ / - last year
Recovery				
Year to date	£1,108,043		£908,052	£199,991
Profile for £4M	£934,131			
Profile Variance	£173,912			
In Month	£381,679	£328,065	£306,979	
Composite				
YTD	£86,099		£117,820	-£31,721
In Month	£29,227	£36,574	£54,504	
Cash				
YTD	£560,472		£389,380	£171,092
In Month	£189,839	£141,684	£152,016	
Ongoing HB				
YTD	£461,473		£400,852	£60,621
In Month	£162,613	£149,807	£100,460	



3.26 Composite recovery is down on last year's levels as it is a recovery against landlords and landlord debt is both under control and at much decreased levels as each year goes by. Composite recovery only represented around 9% of our revenue last year to put this in some context.

3.27 Current performance remains ahead of last year by 22%. July has also started well with a large single payment of £18,000 received as a result of proceedings for bankruptcy. Cash receipts are £171,000 ahead of last year's performance at the same time.

3.28 We are continuing with our strategy of focusing on large fraudulent debts where the debtor has assets. We have recently raised a single

debt of around £60,000 which will be accelerated through the recovery process to allow a charging order to be obtained. Our work recently featured in the Wembley Observer and the London Evening Standard.

- 3.29 A project is underway to create an interface between the iWorld benefit processing system and the Debtsys debt recovery system, which will mean when an assessor keys overpayment data into iWorld, data will be imported into Debtsys to populate key areas of the customer's notification letter. Currently an assessor is required to double key the information into Debtsys which can give us both output and accuracy problems. The intention is to be live with this early August.
- 3.30 As mentioned previously, the plan to clear the backlog of overpayments work items continues and is working well. At the outset we had 751 items of outstanding work and this is now down to 385.

4. Detail - Revenues

Summary of General Position

- 4.1 Brent's achieved an improved London league position for 2006/07 for collection when compared with 2005/06, (31st in 2005/06 to 27th in 2006/07). Collection performance for 2006/07 was also the highest ever achieved in Brent at 93.2% net of recovered summons costs.
- 4.2 In year collection has begun well and is currently on course to exceed last year's collection performance. Further detail is provided in the following paragraphs.
- 4.3 Council Tax arrears collection however remains a concern and will need to improve in order to achieve the targets set for March 2008 and beyond.
- 4.4 Business Rate in year collection (NNDR) for 2006/07, was also Brent's highest ever, at 98.66%. Performance for the first quarter of 2007/08 has been distorted by the valuation of Wembley Stadium which was received in June 2007. Performance should level out once this is paid.
- 4.5 IT performance has been stable for the period April to June 2007.
- 4.6 **Council Tax Collection for 2006/07**
The collection rate of 93.2% excluding costs for 2006/07 has seen Brent move up 4 places on the London league table when compared with other London authorities' collection figures for the same year. Full details of the league table are included in Appendix 1. Unfortunately this improvement has not yet enabled Brent to move out of the lower quartile across London authorities.

Efforts are continuing to be made to improve our league position but it is important to recognise that the demographic profile of Brent is vastly

different to most upper quartile performers such as Richmond, Kingston and Bromley. If levels of deprivation are taken into account, then a much clearer link between deprivation and collection can be seen.

A comparison of authorities' collection rates with their rank in the Income Deprivation Domain of the Indices of Deprivation, has been undertaken and full details are contained in Appendix 2. The Income Deprivation Domain takes account of the proportion of the population experiencing income deprivation. It includes adults and children in Income Support and Income Based Job Seekers Allowance households along with those in Working Families Tax Credit and Disabled Person's Tax Credit households whose income (excluding housing benefits) is below 60% of median before housing costs. This comparison shows that Brent's place in the league table for collection in 2006/07 matches our place in the table for income deprivation across London authorities. It also shows that the highest performing Boroughs also have less people experiencing deprivation.

4.7 Council Tax Collection for 2007/08

In 2007/08 Capita are contractually required to achieve an in year collection rate of 94% (including summons costs) by 31 March 2008. Given that this target was exceeded in 2006/07, Capita have set an internal target to achieve 94.5% for 2007/08.

4.8 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 for 2007/08 is shown in Table 9, this profile varies significantly from 2006/07 as Direct Debit payers now have 10 instalments rather than 12 instalments in the year. At the end of June 2007 the collection profile was exceeded by 0.58%. Continued performance at this rate should see the end of year aspirational target of 94.5% achieved.

Table 9: 2007/08 Actual collected as a % of debt, in comparison with Monthly Profile

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Contract Target 2007/08	14.09	23.47	31.67	39.87	47.87	56.02	64.07	72.32	80.37	88.52	91.12	94.00
Aspiration 2007/08	14.09	23.47	31.67	39.87	47.97	56.17	64.37	72.57	80.67	88.87	91.52	94.50
2006/07 Actual	14.09	23.47	32.25									
Variance			0.58									

4.9 When comparing collection at the end of June 2007 with the end of June 2006 (Table 10), collection is 2.73% ahead in 2007. However, it should be noted that this is not a direct comparison as the reduction from 12 to 10 Direct Debit instalments has increased the amount of

money to be collected between April and January when compared with the previous year.

Table 10: 2007/08 Collection as a % of Net Collectable Debit compared with 2006/07

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
2006/07	13.51	21.85	29.52	37.05	44.46	52.09	59.68	67.39	74.67	82.05	88.01	94.3
Actual	14.09	23.47	32.25									
Comparison with 2006/07	0.58	1.62	2.73									

- 4.10 The collection strategy for 2006/07 focussed on ensuring that charge payers met their in year liability as a priority and within the financial year to prevent new arrears accruing. Emphasis was then on agreeing arrangements for arrears that the charge-payer could adhere to, so as to steadily reduce arrears for previous years. This strategy will continue in 2007/08 with efforts also continuing to be made to increase payments by Direct Debit and to increase take up of Council Tax Benefit. Additionally a range of actions are being taken to ensure billings and recovery action is taken as quickly as possible. These include daily ad hoc billing, piloted use of first class post, earlier dispatch of reminders and faster turn round of bailiff cases.
- 4.11 At the start of the financial year Capita developed a Collection plan which outlined the actions required to help achieve improved collection. Key elements from the plan are outlined in greater detail under Section 3.26 (Improvement Plan). The improvement plan is also attached as Appendix 3.
- 4.12 The total value of Council Tax to be collected for 2007/08 before any exemptions, discounts or benefits are awarded was £142.182M at the end of June 2007. After Council Tax Benefit, discounts and exemptions have been awarded this leaves a balance of £99.310M to be collected. At the end of June 2007, £32.023M had been collected, leaving a total of £66.589M outstanding.
- 4.13 Table 11 below shows the total cash and council tax benefit collected at the end of each month for the 2007/08 year in comparison with previous years. At the end of June 2007 £4.7m more had been collected for in year debt when compared with June 2006 with 0.58% more of the net debt has been collected.

Table 11: Comparison of Accumulative Cash and Council Tax Benefit

£ 000	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
2004/05	33,585	41,389	48,540	55,230	61,729	68,586	74,998	81,353	87,511	93,114	97,784
2005/06	36,861	44,736	52,523	59,029	65,805	72,567	79,239	85,974	92,482	98,442	103,113
2006/07	38,694	46,979	54,439	61,559	68,587	75,764	82,843	90,024	96,741	103,347	108,074
2007/08	41,405	50,573	59,108								

4.15 Publicity campaigns are currently underway to raise awareness of the need to pay Council Tax promptly. At the time of writing this report a number of tube stations in the borough are displaying posters showing the methods used by the Council to improve collection and also promoting direct debit as a payment method. A recent article in a local paper also gave details of a tax payer who had received a prison sentence for non payment of Council Tax. A further press release is shortly due to be published giving details of a property where the owner was evicted for non payment of Council Tax and possession taken of the property with the intention of forcing sale to recoup the Council Tax owed. The owner has paid all the Council Tax due and the costs incurred as a direct result of this action. A total of £11,159.91 was paid of which £5582.46 was for outstanding Council Tax. The owner has now been allowed to return to the property.

4.16 Council Tax Collection for previous years

2006/07 Collection

At the end of June 2007, a collection rate of 94.43% had been achieved for 2006/07. Should collection continue at this rate for the remainder of the year, it is likely that the target of 96.25% at the end of March 2008 will be achieved.

Table 12: Collection for 2006/07 Arrears in 2007/08

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
2007/08 %	93.89	94.11	94.43								
2007/08 £	87,030	87,086	87,268								
Monthly %		0.22	0.32								

2005/06 Collection

At the end of June 2007, a collection rate of 95.4% had been achieved for 2005/06. Performance so far indicates that the target of 96.5% will not be achieved by 31 March 2008; the target of 96% for March 2007 was not reached with 95.21% collected. Current indications are that a collection rate of 96% will be achieved by March 2008; this would close the gap on the shortfall at the end of 2006/07 by 0.3%.

Table 13 shows the cumulative and monthly performance in collection of outstanding 2005/06 debt for each month in 2007/08.

Table 13: Collection for 2005/06 Arrears 2007/08.

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
2007/08 %	95.27	95.34	95.4								
2007/08 £	83,222	83,263	83,316								
Monthly %		.07	.06								

4.17 2004/05 Collection

The contractual target for collection of 2004/05 arrears is 97% by 31st March 2007. Collection at the end of June 2007 was 95.86% which means that 1.14% or £913K needs to be collected in order to achieve the 97% target. It is unlikely that this target will be achieved with current collection levels of collection.

Collection to 31 March 2007 was 95.73% against a target of 96.5%. Table 14 shows the cumulative and monthly performance in collection of outstanding 2004/05 debt for each month in 2007/08.

Table 14: Collection for 2004/05 Arrears 2007/08

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
2007/08 %	95.78	95.81	95.86								
2007/08 £	80,090	80,111	80,144								
Monthly %		0.03	0.05								

4.18 2003/04 Collection

Capita have continued to experience difficulties in recovering 2003/04 debt and at the end of March 2007 had achieved a collection rate of 94.95% against a target of 96.5%. The contractual target for collection of 2003/04 debt by the end of 2007/08 is 97%. It is highly unlikely that the collection target of 97% will be achieved by March 2008.

Table 14 shows the cumulative month-by-month performance in 2007/08 for the outstanding 2003/04 debt along with the percentage and money collected for each month.

Table 15: Collection for 2003/04 in 2007/08

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
2007/08%	94.98	95	95.04								
2007/08£	74,232	74,247	74,272								
Monthly%		.02	.04								

4.19 Pre Contract Arrears Collection

Since the commencement of the contract, Capita have collected £5.441M 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 2007. An incentive is obtained each year for collection exceeding a cumulative collection figure. In 2006/07 £494,192 was collected for these arrears. So far in 2007/08 only £750 has been collected. This is partly attributable to a number of band reductions that have been granted by the Valuation Office as far back as April 1993 and thus resulting in refunds, benefit adjustments or cash movement. Between 1 April 2007 and 2 July 2007, 37 band reductions were received from the Valuation Office, 3 of which were a reduction of 2 bands.

4.20 NNDR Performance

2007/08 Collection

At the end of April 2007 the value of NNDR to be collected for the 2007/08 year before any discounts or empty relief is awarded on accounts was £92.903M, this has since increased to £97.970M. The NNDR in-year collection rate at the end of June 2007 was 27.75% which is 2.94% below the monthly profile set by Capita in April. The charge for Wembley Stadium was raised in June 2007 with a bill of £4.562M for the 2007/08 year. The first instalment was not due until July 2007 so this has affected the performance against the profile; a revised profile is due to be issued by Capita for approval by Brent officers.

Table 16 outlines the collection performance and compares it with the previous year and the profiled targets set to achieve 98.66%.

Table 16: %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
2006/2007	9.64	19.72	30.69	40.74	50.21	59.82	69.47	78.54	87.73	96.9	98.3	98.66
2007/08 Profile	9.64	19.72	30.69	40.74	50.21	59.82	69.47	78.54	87.73	96.9	98.3	98.66
2007/08 Actual	9.46	19.09	27.75									
Variance on last year	-.18	-.63	-2.94									
% Month on month		9.45	8.66									

Details of cumulative cash collected for NNDR in 2007/08 compared with 2006/07 is contained in Table 17 below.

Table 17: £000 NNDR collection

£ NNDR	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2006/2007	7,269	14,758	22,835	30,276	37,321	44,451	51,471	58,344	65,362	72,131	73,626	
2007/2008	7,396	14,957	22,787									

4.21 Although 98.66% is the target for 2007/08, 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.

4.22 **Improvement Plan**

Our overall strategy in 2006/07 was 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 were 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. The following paragraphs provide more detail of our activities.

Bailiff

- 4.23 The turn around time for debts held by the bailiff without any payment arrangement has been reduced from 6 to 4 months. Monitoring will also be undertaken to ensure that where appropriate, cases with the bailiff are under a consolidated payment arrangement for debts in line with the amended recovery policy.

Bankruptcy

- 4.24 In 2006/07 pre bankruptcy letters were sent to all cases returned from the bailiff. This has proved to be effective with a high level of payment arrangements being made by charge payers to prevent further action being taken. This action will continue in 2007/08. The number of cases being progressed to bankruptcy for non payment of Council Tax will also continue to increase with 334 statutory demands in progress. Statutory demands are a pre-requisite to bankruptcy proceedings.

Charging Orders

- 4.25 21 charging orders have been obtained for properties, with 5 orders of sale in progress. A further 70 charging orders are in progress. Orders of sale have been granted on 2 properties with 1 progressed to an eviction order, the eviction took place in early July and as a result the debt was paid in full. In order to raise awareness of the action that the Council is willing to take to recover Council Tax a press release will be made with details of the eviction.

Attachment of earnings

- 4.26 The number of Attachment of Earnings will continue to increase in 2007/08 and where a payer defaults on an arrangement and employer details are available this will be the preferred method of collection. 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

- 4.27 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.

Benefit Take Up

- 4.28 The success of the benefit take up campaign for pensioners completed in March 2007 means that we will be developing methods to identify those in arrears who may be entitled to benefit, in order to further increase benefit take up in 2007/08

Committals to prison

- 4.28 This will continue to be used as a deterrent against non payment for those who do not have an asset that would be realised through the use of bankruptcy or charging orders.

Direct Debit Take Up

- 4.29 Take up of Direct Debit as a method of payment will continue to be promoted at all times as this has proved to be the most effective collection method.

4.29 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, this has continued in 2007/08.

Plans to provide online access to information for Council Tax customers who are registered and authenticated via the Government Gateway have been moved from the end of June to October 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" has been offered to all Council Tax payers whose payment method is Direct Debit. This will allow those customers who request it to receive all future bills via email if they pay their instalments by Direct Debit.

5.00 Customer Service Update

- 5.1 The One Stop Service (OSS) provides customer services for Revenues and Benefits dealing with face to face and telephone enquiries.
- 5.2 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.
- 5.3 Table 18 provides details of the number of customers who visited the Brent House location from April to June 2007; this includes Revenues
-

and Benefits enquires. It also contains details of the Council Tax enquiries dealt with over the telephone.

- 5.4 During the quarter, the Brent House counters handled 15,065 enquiries. Of these, 73% of the customers were seen within 30 minutes. In June itself 5449 were seen; 64% within 30 minutes.
 - 5.5 During the quarter the Contact Centre answered a total of 63,509 telephone calls. In June 22,677 were answered, with 52.3% of Benefit calls and 53.9% of Council Tax calls answered within 15 seconds. Levels of abandoned calls have risen slightly alongside increases in calls presented and answered.
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6.0 Financial Implications

The Benefits Service have an agreed LAA target, which requires us to reduce new claims 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.

Failure to process Benefits claims and changes in circumstances promptly may lead to backlogs arising and impact on Council Tax rent collection, the Council's cashflow and budgetary provision.

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.

Payments of benefits amount to approximately £140M 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.

7.0 Legal Implications

7.1 There are no direct legal implications arising from this report.

8.0 Diversity Implications

8.1 There are no direct diversity implications arising from this report.

9.0 Staffing/Accommodation Implications (if appropriate)

9.1 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 – Council Tax Collection Performance across London Boroughs

<u>Council Tax Collection</u>				
	2005-06	2006-07	Rank	
Richmond upon Thames	98.1	98.5	Richmond upon Thames	1
Sutton	98.0	98.3	City of London	2
Merton	97.2	98.2	Sutton	3
Harrow	97.1	97.6	Havering	4
Bromley	97.0	97.2	Kingston upon Thames	5
Havering	96.9	97.0	Bromley	6
City of London	96.8	97.0	Harrow	7
Kingston upon Thames	96.8	96.1	Hammersmith and Fulham	8
Kensington and Chelsea	96.0	96.1	Ealing	9
Ealing	95.6	95.8	Kensington and Chelsea	10
Bexley	95.6	95.8	Wandsworth	11
Enfield	95.4	95.7	Camden	12
Barnet	95.3	95.5	Bexley	13
Hammersmith & Fulham	95.3	95.4	Enfield	14
Camden	95.2	95.4	Merton	15
Wandsworth	95.0	95.2	Westminster	16
Westminster	94.8	95.2	Redbridge	17
Hillingdon	94.8	94.9	Hillingdon	18
Hounslow	94.6	94.7	Hounslow	19
Redbridge	94.6	94.7	Croydon	20
Tower Hamlets	94.5	94.6	Tower Hamlets	21
Lewisham	94.0	94.6	Barnet	22
Croydon	93.9	94.5	Waltham Forest	23
Haringey	93.4	93.8	Haringey	24
Islington	93.2	93.4	Greenwich	25
Greenwich	93.2	93.3	Islington	26
Lambeth	93.1	93.2	Brent	27
Waltham Forest	93.0	92.7	Lewisham	28
Barking and Dagenham	93.0	92.6	Lambeth	29
Southwark	93.0	92.3	Southwark	30
Brent	92.7	92.2	Barking and Dagenham	31
Newham	90.5	90.5	Newham	32
Hackney	87.5	90.5	Hackney	33

Appendix 2 – Council Tax Collection and Indices of Income Deprivation

Rank for Council Tax Collection	LA NAME	Rank of Income Scale	
2	City of London	353	1
5	Kingston upon Thames	173	2
1	Richmond upon Thames	165	3
3	Sutton	113	4
15	Merton	99	5
10	Kensington and Chelsea	96	6
13	Bexley	87	7
4	Havering	86	8
7	Harrow	78	9
6	Bromley	74	10
18	Hillingdon	72	11
8	Hammersmith and Fulham	67	12
16	Westminster	60	13
19	Hounslow	58	14
17	Redbridge	57	15
31	Barking and Dagenham	55	16
11	Wandsworth	51	17
22	Barnet	47	18
12	Camden	43	19
23	Waltham Forest	37	20
25	Greenwich	36	21
20	Croydon	31	22
26	Islington	30	23
14	Enfield	28	24
9	Ealing	27	25
28	Lewisham	23	26
27	Brent	22	27
30	Southwark	18	28
24	Haringey	17	29
29	Lambeth	15	30
33	Hackney	9	31
21	Tower Hamlets	8	32
32	Newham	7	33