

	<p style="text-align: center;">Performance and Finance Select Committee 28 November 2007</p> <p style="text-align: center;">For INFORMATION ONLY Report from the Director of Finance and Corporate Resources</p>
For Information	Wards Affected: ALL
<p style="text-align: center;">Report Title: Revenues & Benefits Performance</p>	

1.0 Summary

- 1.1 This report provides a high level summary of performance for the Revenues and Benefits service.

2.0 Recommendations

- 2.1 This report is for information only.

3.0 Detail – Revenues

Summary of General Position

- 3.1 In overall terms both Revenue and Benefits services remain stable and improving. The main area of concern is Capita's performance in relation to the collection of Council Tax arrears for the years 2003/04 to 2005/06. Improvement plans are in place to address these concerns but these arrears are becoming increasingly more difficult to collect as time goes on.
- 3.2 There are 2 major changes facing the Benefits service in 2008/09. The first is the implementation of the Local Housing Allowance which will change the way in which Housing Benefits is calculated for private tenants. The detailed project plan for this is now well progressed and we are confident that LHA will be implemented successfully. The second is the replacement of the CPA assessment regime with the new Comprehensive Area Assessment. Full details of the benefits CAA inspection process are awaited, but we do know that the assessment process focuses on a much broader range of areas. These include

customer involvement in service design, diversity plans, management capacity, strategic aims and value for money. Full details will be made available to Members as they emerge.

Year to Date CPA performance and key Performance Indicators

- 3.3 We remain confident that the benefits service will score a strong CPA 3 for 2007/08 and are currently evaluating the possibility of increasing this to a 4 score. Our year to date score has for the first time reached a rounded 4 score (3.52 at the end of October) however there are a number of challenges that may prevent this being sustained for the rest of the year. These include our performance for PM10, or benefit reductions, which started the year very well but is likely to reduce as the year progresses and lower risk cases are reviewed.
- 3.4 As at the 31 October performance against our key indicators is as follows :
- 3.5 New claims were processed on average in 22.99 days in October and 28.02 days year to date (target 30 days)
- Change of circumstances took 4.52 days on average in October and 8.52 days year to date (target 19 days)
 - The PM10 score (number of reductions in entitlement) is still projected at a 3. This is based on extrapolation of six months' data from the DWP with our own estimates of October' performance. We estimate we will calculate 26496 reductions against a target of 28151 this year.
 - The number of successful prosecutions and sanctions per 1000 caseload has increased to a 3 score
 - Revisions (internal appeals) performance has been improved to over 85% of cases processed within 28 days in October and is now over 63% year to date, resulting in a CPA 3 (ahead of projected 2 score)
 - 1485 items of work were outstanding, with 97% of this less than 1 month old. (3500 items of work received each week)
 - Overpayments recovery reached £ 2,579,559, which is 12.86% ahead of the same time last year.
 - 91% of customer were seen at Brent house within 30 minutes
 - 94% of benefit calls were answered , with 66% within 5 rings and 92% within 5 minutes
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Performance Indicator Changes in 2008/09

- 3.6 Indications from the DWP are that the current raft of performance indicators will be replaced by two from April 2008, namely:-
- Speed of processing, including New Claims, Changes in Circumstances, reviews and most other work
 - Accuracy of claims – similar to the current PM10 measure but will count the number of both reductions and increases in entitlement

Council Tax and NNDR Council Tax in year Collection

- 3.7 In year collection is on course to achieve 94.5% by the end of the year, with 66.36% collected at the end of October, compared to 64.07% in October 2006. The increase is partly attributable to the reduction to Direct Debit instalments (from 12 to 10) but is none the less encouraging.

Council tax arrears collection

- 3.8 It is unlikely that the collection targets for 2003/04, 2004/05 and 2005/06 will be achieved by the end of March 2008. The shortfalls are likely to be 1.69% (£1.32m) for 2003/04, 0.74% (£0.66m) for 2004/05 and 0.28% (£0.24m) for 2005/06. Our overall strategy is to continue to focus on increasing in year collection, so that customers do not develop new arrears each year and to gradually reduce historical debt through affordable arrangements for those in debt.
- 3.9 Arrears collection for 2006/07 is however more encouraging, and is currently on course to achieve the end of year target of 96.25%.
- 3.10 £69,869 has been collected for pre contract arrears (1993 to 2003) between April and October 2007 this brings the cumulative total of pre contract arrears collected to £5.51m since the commencement of the contract in 2003. A total of £10.88m still remains outstanding.
- 3.11 The Council Tax recovery publicity campaign that was undertaken in tube stations in July of this year, will also take place in January, traditionally a time when reduced collection rates have been experienced.
- 3.12 Capita have been asked to attend the next meeting of the Performance and Finance Committee due to be held in January 2008, to update on progress in meeting targets and provide updated forecasts for end of year collection figures.
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NNDR (Business Rates)

- 3.13 Although NNDR collection got off to a slower start this year, we are confident that the end of year target of 98.66 will be achieved. Collection is currently 0.84% down compared to October 2006, however the amounts collected in October 2007 exceeded October 2006 by 0.5% and if this trend continues, the gap against 2006 will be eradicated before March 2008.
- 3.14 In preparation for the changes to exemptions for empty properties from April 2008, letters have been sent to approximately 1435 businesses likely to be affected by the change. We are aiming to give all businesses affected the opportunity to advise us of any changes to ownership or to make financial provision for meeting liabilities on properties that were previously exempt, so that arrears do not increase unnecessarily.
- 3.15 During October 2007, 11,821 telephone calls for Council Tax were dealt with by the Council tax line in the Contact Centre. 94% of the calls that were made to that line were answered and the average time to answer at 42 seconds was the lowest in this financial year (since April). 63.6% of calls were answered in 5 rings and 92.2% within 5 minutes.

Complaints performance

- 3.16 Complaints performance has also remained strong, with 92% of stage complaints responded to on time and 100% of stage 2. Efforts are now being focussed on better analysis of the root cause of complaints and identifying the corrective actions necessary to prevent a recurrence of the complaint. There is also further work to be done to ensure that the quality of both stage 1 and 2 responses minimises escalation of the complaint to the next stage and thus ensure that issues are resolved fully and satisfactorily at the earliest stage possible.

4.0 Financial Implications

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

5.0 Legal Implications

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

6.0 Diversity Implications

- 6.1 There are no direct diversity implications arising from this report.
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7.0 Staffing/Accommodation Implications (if appropriate)

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

Contact Officers

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