



**TITLE: Improving Housing Benefits and Council Tax Services**

**TO/ON: The Cabinet/9November 2005**

**BY: Helen Lockwood, Head of Customer Services & E-Government**

**LEAD MEMBER : Councillor Janet Farquharson**

**STATUS:**

### **1.0 PURPOSE OF THE REPORT**

- 1.1 To provide members with information on the performance of Housing Benefits and Council Tax Services.
- 1.2 To update members with progress on the initiative for the procurement of Housing Benefits, Council Tax and customer contact services through partnership arrangements.

### **2.0 RECOMMENDATIONS**

- 2.1 Members are asked to note performance.
- 2.2 Approve the Revenues and Benefits Operational Plan, Improvement Plan and Policy Statement.
- 2.3 Members are asked to note work being undertaken in relation to the development of a full market test with regards to Revenues, Benefits and Customer service.

### **3.0 SERVICE DELIVERY/PERFORMANCE MANAGEMENT ISSUES**

The Benefits Service Operational Plan for 2005-06 has been designed to:

- Set out the service's strategic, business and operational objectives for the coming year.
- Summarise its policy and vision
- Identify performance targets
- Identify improvement activities.

Contained within the Operational Plan are the Improvement Plan and the revenue and benefits policy statement.

- 3.1 The operational and improvement plan are significant tools for monitoring compliance with central government performance standards and copies are attached as Appendix 1.

Appendix 1 is titled Benefits Service Operational Plan 2005/06. This document also contains the Service Improvement Plan and Policy Statement.

3.2 Listed below are the key BVPI indicators.

<b>BVPI Indicator No.</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06 1<sup>st</sup> Quarter</b>	<b>2006/06 2nd Quarter</b>	<b>Comparison 2004/05</b>
BV78a Speed of processing or time for processing new claims (in days)	61.47 days	43.49 days	38.91 days	35.63	Top Quartile = 30 days Average = 36 days Bottom = 47 days
BV78b Speed of processing changes of circumstances (in days)	14.94 days	7.44 days	7.44 days	21.86	Top Quartile = 7 days Average = 10 days Bottom = 14 days
BV79a Accuracy of processing % of cases calculated correctly	98%	98%	93.60%	97.60%	Top Quartile = 99% Average = 98% Bottom Quartile = 96%
BV79b Accuracy of processing % of recoverable overpayments recovered	46%	29%	Not yet available	Not yet available	Only 03/04 figures available. Top Quartiles = 55.10% Average = 47.74% Bottom Quartile = 38.13%
BV9 Council Tax collected	94.3%	96.1%	98.6%	95.42	Top Quartile = 98.29% Average = 96.87% Bottom = 96%
BV10 NNDR collected	97.8%	97.5%	97.3%	99.81	Top Quartile = 99.10% Average = 98.36% Bottom Quartile = 97.82%

78(b) has increased as the software was previously reporting incorrect figures. All Authorities who are SX3 users will experience an increase. Plans are in place to reduce the figure.

79(b) A fault has been identified with the software which should be resolved shortly, thus enabling accurate statistics to be produced.

#### **4.0 Revenues and Benefits Partnership**

4.1 As Members are aware, the Council discontinued negotiations with Liverpool City Council over a partnership arrangement earlier this year, when it was apparent that such an arrangement was not affordable. The Council gained much from working alongside Liverpool, and before that Tameside. In particular, the staff seconded to the Council by Liverpool played a significant role in the performance improvement evidence in these services.

4.2 Following the end of negotiations with Liverpool, the Council took stock of its position and considered whether to carry on pursuing partnership options. It was decided that this was the best course, although it is acknowledged that significant improvement has occurred while the services have remained in house. This is because:

- The improvement that has been made is fragile and sustainability of performance cannot be guaranteed.
- Locking in performance improvement would require significant investment in back office systems and processes, diverting resources from the outward facing customer service priority. Although, such investment would have some benefit for the customer experience.
- Comparative statistics show that the Council has a relatively expensive Revenues and Benefits service (compared to both all districts and nearest neighbours)). This is, at least in part, due to the Council's inability to realise economies of scale working alone.
- The work carried out with Liverpool has identified significant skill gaps in the operational management of these services. Such skills are increasingly rare in the market place and even if the Council were able to recruit them this would create a single point of failure in the organisation exposing us to increased risk.

4.3 In light of these considerations, the decision was made to continue to pursue a partnership solution for Revenues and Benefits and Customer Access, including the Shared Contact Centre. The broader configuration was included in the light of experience with Liverpool that indicated that excluding it resulted in inefficiency and diseconomy within the service's working arrangements.

4.4 Continuing to take advantage of existing local authority partnerships was seen as the best way to proceed and the Council approached Pendle BC and its partner Liberata to provide interim support for the operational management of

Revenues and Benefits and to put forward a commercial proposal to the Council.

4.5 Follow up discussions between the Authority's and Liberata have concentrated on the legal framework for procurement under which such an arrangement would be made. The key areas here are the EU procurement rules and whether these services are Part A or Part B services. Legal advice confirms Part B rules are appropriate. It is therefore proposed to conduct an open and transparent procurement process in accordance with EU rules.

4.6 A project delivery plan has therefore been drafted specifically for Rossendale Borough Council to include Revenue, Benefits and wider customer contact issues.

4.7 The key elements of the plan include

PROCESS	COMPLETE BY
Initial Advert	37 days to respond
PQQ's (Pre qualifying questionnaire)	2 Weeks
PQQ's evaluated against Pre scoring system	2 Weeks
Production of Shortlist	1 Week
Invitation to Tender to Short-listed firms	4 Weeks
Tender Evaluation	2 Weeks
Negotiations and Complete	4-8 Weeks

## 5. CORPORATE IMPROVEMENT PRIORITIES

### 5.1 Finance and Risk Management

It is doubtful the Council will be able to continue to sustain long term improvements without the successful delivery of a partnership approach.

## **6. HUMAN RESOURCES**

The progression of a partnership solution will have TUPE implications and this will be managed in accordance with existing guidelines and will be the subject of detailed consultation with staff and Trade Unions.

## **7. LEGAL IMPLICATIONS ARISING FROM THIS REPORT**

The preferred procurement route has been the subject of legal advice and legal expertise will be sought during the due diligence phase in selecting a preferred partner.

## **8. WARDS AFFECTED**

All

## **9. CONSULTATIONS**

Various consultations have taken place. It is now proposed a Steering Group be established which will comprise key stakeholders in order to monitor progress. The composition of the group will be a maximum of 3 Councillor members, maximum of 3 trade union representatives, maximum of 3 staff members and officers to support the group. A terms of reference for the work and conduct of the group will be agreed shortly.

## **10. Background documents**

For further information on the details of this report, please contact:

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