

Subject: Capita Monitoring & Performance

Status: For Publication

Report to: Performance Scrutiny Committee

Date: 25 July 2007

Report of: Capita Monitoring & Performance

Portfolio Quality Service to Customers

Holder:

Key Decision: No

Forward Plan

General Exception

Special Urgency

1. PURPOSE OF REPORT

- 1.1 To provide an update to O&S on the monitoring methods established for the Capita contract and review the current performance for the 2007 – 08 year.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.

- Delivering Quality Services to Customers (Customers, Improvement)

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 There are no specific risk issues for members to consider arising from this report.

4. BACKGROUND AND OPTIONS

- 4.1 The Capita contract was implemented in September 2006, the contract covers the areas of Revenues, Benefits, Fraud and any associated customer contact for these areas. Rossendale have implemented a highly resilient and robust contract monitoring process which has been adopted in the corporate Governance model.

The Governance Model has been established to oversee and ensure that the partnership works effectively to meet the needs of the council as determined by the contractual obligations of both parties. Its purpose is to both monitor current performance and establish the future strategic direction identifying new opportunities to exploit.

The model is delivered through a three tier approach:

- Strategic Governance Board
- Operational Board
- Service Review

The Strategic Governance Board

The Strategic Governance Board has overall authority for ensuring that the partnership delivers the objectives and service standards as detailed in the contract. It has the responsibility for ensuring that both parties fulfil their obligations in this respect and has the authority to propose and approve changes to the contract to meet changing business needs. The Strategic Governance Board meets every 6 months.

The Strategic Governance Board is the decision-making body in respect of all issues relevant to the delivery of the service contract and the development of the contracted services and service improvements. The Board will make recommendations for investment or service changes to senior officials and Elected Members.

Decision making powers lie with the Elected Members and Senior Council officers. They will take advice from the Council officers and from the Service Director and Service Manager from Capita. Decisions from the Strategic Governance Board will be referred to the council's other governance bodies where investment decisions are required, in line with the appropriate procedures and the councils constitution.

The Strategic Governance Board will comprise, as a minimum, representatives from the following three distinct areas: Executive; Client-side (Service Assurance) and Supplier-side (Service Delivery).

The Strategic Governance Board structure will be as follows:

The attendees will be 3 Members (including the Chair), Deputy Chief Exec and Head of Client function, Head of Finance, Supplier Service Director, and Supplier Business Development Director:

The Operational Board

The Operational Board reports to the Strategic Governance Board and is responsible for reviewing the service performance agreeing the work programme for the SAT Team and identifying opportunities for changes to the services. The Operational Board will meet every two months.

The Board has to ensure that the contracted service is delivering value for the time, effort, costs and resources being invested, confirming a cost-conscious approach to service delivery, balancing the demands of the council, service users and (any) specialist provider organisations.

The Operational Board structure will be as follows:

The attendees will be the 3 Members (including the Chair) as per the strategic board, Service Assurance Manager and the Supplier Contract Manager. The Operational Board will represent the Council's interests and have final responsibility for the service delivered.

Service Review Meeting

The Service Review Meeting will be the primary meeting responsible for the review of performance. Its remit is to undertake a detailed review of service performance and owning the continuous service improvement plan. It will have responsibility for, agreeing service credits and escalating issues to the Operational Board if appropriate.

The Service Review Meeting will be chaired by the Council's SAT Manager on behalf of the Council and the Supplier Contract Manager on behalf of the supplier. The Service Review meeting will be monthly.

The Service Assurance Team role – Rossendale Borough Council

To fulfil its obligations to manage the service contract, the council will have processes and procedures to manage the delivery of service, the relationship with the supplier, management of the risks associated with the performance of the contract and future changes in the business requirement. It will also ensure that there are good communication channels at all levels in both organisations between the council's and supplier's service management staff; between contract management and the supplier's account managers; and between the users of the service and the supplier's operational staff.

The Service Assurance Team (SAT) is appointed to provide the council (client) with assurance that the supplier is meeting its contractual and legal obligations for the delivery of the Revenues and Benefits service. While the day-to-day service management responsibilities are with the supplier, the council still

needs to have some level of involvement to gain assurance that the service is going well and that the supplier will deliver the performance levels expected.

The SAT will carry out a range of activities with the supplier and independently to monitor and control the delivery of service and ensure that that the supplier is performing in accordance with overall standards and approaches set out in the service contract and service level agreement and the specified service standards are met, or exceeded.

The Service Assurance Structure

The Service Assurance Team is a group of individuals with relevant and complementary professional, technical or specialist skills who, under the direction of the SAT Manager, are responsible for carrying out the work detailed in the client-side work programme.

The team will carry out a range of functions and duties to provide assurance that the supplier is performing in accordance with overall standards and approaches set out in the service contract and service level agreement.

Its functions will include confirming or validating that the service products or outcomes from the supplier conform to their agreed quality criteria; that they perform in accordance with the council's statements of requirements; that agreed timescales and cost profiles are being met; and that the Business Case (Business Benefits) and Risks remains viable.

4.2 Capita 2007 - 08 performance

| Measure | Outturn | Target |
|--|----------------|---------------|
| BV76B- HB security number of fraud investigators employed: | | |
| Apr 07 | 0.33 | 0.33 |
| May 07 | 0.33 | 0.33 |
| Jun 07 | 0.33 | 0.33 |
| BV76C- HB Security number of fraud investigations: | | |
| Apr 07 | 3.1 | 2.5 |
| May 07 | 2.3 | 2.5 |
| Jun 07 | 2.5 | 2.5 |
| BV76D- HB Security number of prosecutions & sanctions: | | |
| Apr 07 | 0.1 | 0.58 |
| May 07 | 0.2 | 0.58 |
| Jun 07 | 0.2 | 0.58 |

| | | |
|---|---------|--------|
| BV78A- Average time to process new claims: | | |
| Apr 07 | 35.1 | 36 |
| May 07 | 26.8 | 34 |
| Jun 07 | 24.07 | 31 |
| BV78B- Average time for a change of circumstances: | | |
| Apr 07 | 20.13 | 20 |
| May 07 | 15.77 | 19 |
| Jun 07 | 16.9 | 18 |
| BV79A- % cases processed correctly: | | |
| 1 st Quarter | 97.6% | 99.5% |
| BV79B (i) - % of recovered overpaid benefit/overpayments: | | |
| Apr 07 | 117.34% | 75% |
| May 07 | 53.31% | 75% |
| Jun 07 | 88.10% | 75% |
| 1 st qtr cum | 89.99% | 75% |
| BV79B (ii)- % of recovered overpayments/overpayments outstanding & created: | | |
| Apr 07 | 11.64% | 4.75% |
| May 07 | 7.05% | 4.75% |
| Jun 07 | 5.80% | 4.75% |
| 1 st qtr cum | 20.65% | 12.00% |
| BV79B (iii)- % of written off overpayments: | | |
| Apr 07 | 0.67% | 0.67% |
| May 07 | 0.41% | 0.67% |
| Jun 07 | 0.37% | 0.67% |
| 1 st qtr cum | 1.22% | 2.00% |
| BVPI 9 (CTAX) | | |

| | | |
|--------------|--------|--------|
| Apr 07 | 10.68% | 10.24% |
| May 07 | 20.16% | 19.53% |
| Jun 07 | 29.36% | 28.74% |
| BVPI 10 NNDR | | |
| Apr 07 | 12.08% | 11.95% |
| May 07 | 21.40% | 20.47% |
| Jun 07 | 30.64% | 31.70% |

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

5.1 N/A

6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

6.1 N/A

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

7.1 N/A

8. CONCLUSION

8.1 The report has highlighted the governance model which has been established to monitor the Capita contract. Rossendale have implemented a highly robust and efficient monitoring process which has already resulted in substantial improvements in the performance of Rossendale Revenues, Benefits and Fraud BVPI's.

9. RECOMMENDATION

9.1 Overview and Scrutiny to note the contract monitoring processes in place for the Capita contract and also the current performance for 2007 – 08.

10. CONSULTATION CARRIED OUT

10.1 N/A

11. EQUALITY IMPACT ASSESSMENT

Is an Equality Impact Assessment required **No**

Is an Equality Impact Assessment attached **No**

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