

Subject: Capita Monitoring and Performance **Status:** For Publication

Report to: Performance Scrutiny Committee **Date:** 2 October 2007

Report of: Head of Customer Services and E-Government

Portfolio Quality Services 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 accuracy 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.

Capita had been set an accuracy target of 99% for 2006/07 and 99.5% for 2007 / 08 in claims accuracy. The DWP's minimum standard for this performance indicator is 96%, while the top quartile target is 99%.

The DWP require that a random sample of the whole case load is checked each Quarter for accuracy, they use a sample of 127 cases per quarter. The selection of individual cases is completely random and goes back a number of years. Some of the historical errors date before the Capita commencement of the Capita contract.

4.2 The Service Assurance Team role – Rossendale Borough Council

The SAT introduced an accuracy checking procedure at the start of the Contract. The emerging evidence was significant and indicated that Capita had failed to achieve the specified levels of accuracy in determining claims to Housing and Council Tax Benefit.

4.3 Actions taken to improve accuracy

- Service improvement notice issued to Capita to improve accuracy.
- Capita have implemented training procedures to re-enforce accuracy.

4.4 Performance in accuracy for 2005/06- 2006/07- 2007/08

Measure	Outturn	Target
BV79a- % of cases processed correctly		
2005 Quarter 1	93.6%	99%
2005 Quarter 2	95.6%	99%
2005 Quarter 3	96.53%	99%
2005 Quarter 4	96.8%	99%
2006 Quarter 1	99.2%	99%
2006 Quarter 2	96.8%	99%
2006 Quarter 3	96%	99%
2006 Quarter 4	97.6%	99%
2007 Quarter 1	97.6%	99.5%

4.5 Benefits Performance

Performance achievement for 2006/07 year end shows that 5 of 11 revised targets were met and exceeded. Present performance for processing of new claims and change in circumstances has improved greatly, but reducing the processing times has had a knock on effect of reducing accuracy levels. A balance must be found between speed and accuracy. Accuracy levels have already been the subject of reports to Operational Board and are monitored by the SAT continuously. It is anticipated that by identifying individuals' training needs and ensuring that they receive the training required, Capita can deliver improved accuracy levels.

Performance in the area of overpayments has improved on the 06/07 out turn. Capita has improved procedures and tightened up on recovery action hence the improvement in all three overpayment BVPI's. As an Authority we should be aiming to recover, in any set period, at least as much as is created in that period (BVPI 79b (i)) so not adding to the total outstanding debt. It cannot be anticipated how many overpayments will be generated in the last six months of the financial year and it is the total amount of outstanding overpayments which recovered overpayments are measured against. Based on performance against BVPI 79b (ii) so far, and if overpayments created stays at the current level, it is anticipated that this target will be reached.

Last year's performance against BVPI 79b (iii), whilst exceeding the initial target of not more than 10%, was below the revised target of <30%. The revised target was agreed as Capita was undertaking a data cleansing exercise of all old, unrecoverable debt. Performance against this BVPI for 07/08 is better than the target of <8%, so whilst it must be borne in mind that this is a cumulative target, it is anticipated that this target will be achieved.

4.6 Council Tax and Non Domestic Rates Performance

The performance indicators for collection of Council Tax and NNDR are annual targets. In each case the reported figure represents the percentage of tax which is collected within the financial year that it falls due. The 2006/07 targets for both these BVPI's have been met. It is also expected that both targets for the current year will be met by the end of March 2008.

Ongoing Progress towards the year end target is monitored by comparing progress with previous year's collection rate figures. Currently, collection rate for Council Tax is exceeding the targeted rate. The NNDR collection rate is currently lower than the target set. However an anomaly has been identified in the target setting process which has resulted in monthly NNDR targets having been set at too high a level. This was due to a high number of awards of backdated rate relief in 2006/07. These awards accounted for an unusually high collection rate at this point in the last financial year which in turn distorted the current years targeting.

It must be noted that the NNDR collection rate currently stands at 53.34% based upon figures to the end of August 2007. Since NNDR is payable in monthly instalments from April onwards, less than half of the yearly charge had fallen due to be paid at this time. Having collected more than half of the charge during the

first five months of the year provides significant optimism that the year end target will be achieved.

4.7 Customer Service Performance

Performance against % calls answered within 20 seconds, whilst still slightly below target, has improved to 86.8% (target 90%) and abandoned calls at 2.5% are now significantly better than target (<5%). This figure represents one of the highest service levels in the whole of Lancashire.

From a call quality perspective In June the SAT began to monitor a small random selection of calls to the Call Centre and this has continued on a monthly basis. The results of this monitoring will be fed back to the Operational Board once a large enough sample of calls has been analysed, to determine what, if any, aspects of call handling could be improved through specific training interventions.

Current performance of the One Stop Shop against the measure of average waiting time is consistent with the outturn for 2006/07 at 4.1 minutes. However, in the absence of a CRM system, it is still not possible to assess performance against the target of 90% of customers being seen within 10 minutes. Work to develop a usable CRM system continues in conjunction with Lancashire County Council and Northgate. In the meantime the SAT will be examining the robustness of manual data on customer visits gathered by meet & greet staff.

The performance of the RBC switchboard has deteriorated slightly from the outturn performance in 2006/07. % calls answered within 20 seconds has fallen by 3.4 points to 89.4% (target 90%) and abandoned calls, whilst still better than target (<5%), have fallen by 0.2 points to 2.1%.

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

- 5.1 Improved performance will have a direct impact on Capita's ability to earn a performance reward. As part of the 2006/07 budget the Council established a performance contract reserve.

6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

- 6.1 There are no specific legal implications arising from this report.

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

- 7.1 There are no specific Human Resources implications arising from this report.

8. CONCLUSION

- 8.1 There has been a slow but gradual trend for Improvement in the area of accuracy and Capita has taken the appropriate steps to target the problem.

