

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

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**Report to:** Performance Overview and Scrutiny Committee      **Date:** 19 October 2010

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**Report of:** Head of Customer Services and ICT

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**Portfolio**

**Holder:** Portfolio Holder Customer Services

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**Key Decision:** No

Forward Plan       General Exception       Special Urgency

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**1. PURPOSE OF REPORT**

1.1 To provide an update on the Capita contract and review the performance for the last financial 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)
- Providing value for money services

**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 Services delivered by Capita**

Capita has been contracted, since October 2006, to deliver revenues, benefits, fraud and associated customer contact services on behalf of Rossendale Borough Council. Back office services are delivered from Capita's offices in Blackburn, with customer contact provided through a call centre in Coventry. Capita staff also deliver face to face customer service in the RBC One Stop Shop and the telephone switchboard service for all of the Council. RBC has implemented a highly resilient and robust contract monitoring process which

has been adopted in the corporate Governance model. The Service Assurance Team (SAT) continuously monitors service delivery performance against agreed targets based on local and National Indicators, reporting quarterly to an Operational Board, made up of elected members, as part of the contract governance structure. Outturn performance against targets for 2009/10 and quarter 1 (Q1) 2010/11 are shown at **Appendix 1**.

#### **4.2 Benefits Performance**

The current economic climate has resulted in an increasing Housing/Council Tax Benefit caseload. It should also be noted that customers are remaining in the Benefits system as job opportunities fluctuate. A large proportion of work is now focused on change events for existing customer rather than new claims. The live caseload in April 2009 was 6746 and by March 2010 this had grown to 7240, an increase of 494 (7.3%). This increase has contributed to performance against some key indicators being below target. Additionally, a number of training needs are being addressed to improve processing accuracy.

#### **4.3 Benefit Fraud Performance**

Rossendale Borough Council is committed to working with Capita to constantly improve the service delivery in regards to Fraud and has recently procured and introduced the new Fraud database for use by Capita staff. This will act as a management information and case management system for both Capita and RBC and will be able to assist in service improvement going forward, and should better ensure achievement of performance targets in future.

#### **4.4 Council Tax 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. Ongoing progress towards the year end target is monitored by comparing progress both with previous year's collection rate figures and with monthly milestones towards the annual target. Council Tax out turn at the end of 2009/10 was 97.50%. This represents an increase for the eighth consecutive year and was up from an out turn of 97.40% at the end 2008/09, a further positive effect on the Council's cash flow. The rate in Rossendale is well above the national average (97.0% for most recent figures 2008/09).

#### **4.5 National Non Domestic Rates (NNDR) Performance**

NNDR outturn at the end of 2009/10 was 98.3%. This fell below the target of 98.6%. However, the result achieved did represent a significant improvement of 0.3% on the 2008/09 outturn. The background to NNDR collection performance has been complicated by both the recent economic downturn and, probably more significantly, a number of changes in non-domestic rating regulations which have and will affect collection. It is therefore more difficult establish the underlying collection trend and to predict the likely future position.

## 4.6 Customer Service Performance

**Coventry Call Centre** - The SAT continues to monitor, on a monthly basis, a random selection of calls to the Call Centre to provide a qualitative view of performance to compliment the quantitative performance data. This has raised concerns about operational procedures at the Call Centre and, as a consequence, a visit has been made to the Call Centre to get a clearer understanding of current procedures. An update report has been prepared for discussion at the September Operational Board.

**One Stop Shop** - Of continuing concern is the time taken to fill vacancies arising from staff turnover in the One Stop Shop and the adverse effect this can have on customer waiting times. However, despite this, the One Stop Shop customer survey for 2009/10 showed that 94.3% of customers were either very satisfied or satisfied with the waiting time they had experienced. 96.2% of customers who responded to the survey agreed that an average waiting time target of 10 minutes or less was reasonable.

The SAT instigated a change to One Stop Shop opening hours in June 2010, to introduce a ½ hour team training session for the OSS staff every Tuesday morning between 08:45 and 09:15. This has allowed RBC service areas to directly access the OSS team for briefing on initiatives and service changes, ensuring staff are well informed and best able to deliver a high standard of service at first point of contact.

**RBC switchboard** - The existing RBC switchboard continues to be unreliable and it has not been possible to retrieve any performance data throughout the 2009/10 financial year. A replacement system has been scoped and the appropriate hardware and software ordered. The hardware has been delivered and it is anticipated that the software will be available to allow for late October 2010 implementation. In anticipation of switchboard data becoming available, targets of 90% of calls answered within 20 seconds and less than 3% calls abandoned have been agreed for 2010/11.

**Customer Complaints related to services outsourced to Capita** - Formal complaints received over the past two years and relating to services outsourced to Capita were as follows:

Service	April 2008 – March 2009			April 2009 – March 2010		
	No. of complaints	Justified	Unjustified	No. of complaints	Justified	Unjustified
Benefits	9	5	4	13	9	4
Benefit Fraud	1	-	1	-	-	-
Council Tax	15	1	14	13	4	9
Council Tax Recovery	10	1	9	20	1	19
Call Centre	5	2	3	3	1	2
One Stop Shop	4	1	3	-	-	-
<b>Total</b>	<b>44</b>	<b>10</b>	<b>34</b>	<b>49</b>	<b>15</b>	<b>34</b>

Whilst the overall level of complaints about services provided by Capita has risen by 11.4% year on year, 14 of the 20 complaints about Council Tax Recovery action (70%) were from the Rossendale CAB. All 14 of these cases concerned alleged errors by bailiffs acting on behalf of RBC to recover arrears of Council Tax, with 4 of the cases now the subject of further enquiry by the Ombudsman.

## **COMMENTS FROM STATUTORY OFFICERS:**

### **5. SECTION 151 OFFICER**

5.1 Any financial matters are commented upon in the body of the report.

### **6. MONITORING OFFICER**

6.1 There are no legal issues arising from this report.

### **7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)**

7.1 There are no Human Resource implications.

### **8. CONCLUSION**

8.1 The report has highlighted improvements in the area of Revenues, Benefits and general customer contact over the last 12 months.

The ongoing monitoring and assurance activities carried out by the SAT demonstrate that as the contract reaches the end of its fourth year it continues to deliver service contract requirements.

### **9. RECOMMENDATION(S)**

9.1 That members note the contents of the report and the improvement in performance of these services and endorse the Service Assurance Team in their work in striving for continuous improvement.

### **10. CONSULTATION CARRIED OUT**

10.1 Overview and Scrutiny.

### **11. COMMUNITY IMPACT ASSESSMENT**

Is a Community Impact Assessment required No

Is a Community Impact Assessment attached No

### **12. BIODIVERSITY IMPACT ASSESSMENT**

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached

No

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### Capita Performance Targets and Outturn

	Indicator	2009/10		2010/11	
		Target	Outturn	Target	Q1
Benefits	PM2 - new claims outstanding over 50 days	<5%	2.99%	<5%	2.17%
	PM3 - % of new claims decided within 14 days	90%	84.5%	85%	83.61%
	PM4 - % of rent allowance claims paid on time	92%	93.28%	92%	96.72%
	PM17 - % of applications for reconsideration and notified on time	92%	94.91%	92%	90%
	NI181 - time taken to process new claims and changes in circumstances	17 - 21 days	16.7 days	14 - 19 days	10.3 days
	LI79a - accuracy	96%	91.99%	93%	92%
Benefit Fraud	LI76b - number of fraud investigators employed	2	2	2	2
	LI76c - number of fraud investigations closed	240	231	240	n/a
	LI76d - number of fraud prosecutions and sanctions	44	37	44	n/a
Council Tax	LI9 - collection rate	97.4 - 97.8%	97.5%	97.5 - 97.8%	n/a
NNDR	LI10 - collection rate	98.6%	98.3%	98.2 - 98.6%	n/a
One Stop Shop	CS2 - customer waiting times in the One Stop Shop	<10 mins	9.0 mins	<10 mins	6.4 mins
RBC Switchboard	CS3 - calls answered within 20 seconds	90%	n/a	90%	n/a
	CS4 - % abandoned calls	<3.0%	n/a	<3.0%	n/a
Coventry Call Centre	CS5 - calls answered within 20 seconds	90%	93.5%	90%	93.5%
	CS6 - % abandoned calls	<3%	0.7%	<2.5%	1.0%

#### Note

1. Indicators LI76c, LI76d, LI9 and LI10 are only measured annually, so Q1 results are not available.
2. RBC switchboard results are not available, pending a system upgrade in October 2010.