

Subject:	Capita Monitoring and Performance	Status:	For Publication
Report to:	Performance Overview and Scrutiny Committee	Date:	26 th September 2011
Report of:	Head of Customer Services & ICT	Portfolio Holder:	Customer Services
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Community Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	That the Committee note the content of the report and the ongoing standard of performance achieved by Capita in delivering revenues, benefits and customer contact services on behalf of Rossendale Borough Council.

2. PURPOSE OF REPORT

- 2.1 To provide an update on the Capita contract and review the performance for the 2010/11 financial year.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priority:
- **Responsive and value for money local services** – responding to and meeting the different needs of customers and improving the cost effectiveness of services.

4. RISK ASSESSMENT IMPLICATIONS

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

5. BACKGROUND AND OPTIONS

5.1 Services delivered by Capita

Capita has been contracted, since October 2006, to deliver revenues, benefits 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 by telephone being provided through a call centre in Coventry. Capita staff also deliver face to face customer service in the RBC One Stop Shop and provide the telephone switchboard service for all of the Council.

5.2 Contract monitoring

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) was established as part of the contract governance structure to continuously monitor service delivery against agreed targets based on both local and national indicators. Reports are presented quarterly to an Operational Board, made up of elected members,

and performance data is included in the monthly, quarterly and annual reports in Covalent. Performance against targets for 2010/11 and quarter 1 (Q1) 2011/12 is reported at **Appendix 1**.

5.3 **Benefits performance**

The economic climate has continued to have an impact on housing and council tax benefit caseloads as job opportunities fluctuate. In April 2009 there were 6746 live benefit claims, rising to 7179 (+6.4%) by the end of March 2010 and further rising to 7238 (+0.8%) by the end of March 2011. Despite these continuing increases, Capita's performance against key indicators was very good for the 2010/11 financial year and has remained so for Q1 of 2011/12.

5.4 **Benefit Fraud performance**

Although performance against key indicators was better than target, Capita were unable to effectively manage continuous improvement in Benefit Fraud. Following detailed discussions at senior management level, it was agreed that there was a distinct cost benefit to RBC in bringing Benefit Fraud back in-house with a consequential reduction in the annual cost of the Capita contract. Two staff have now been transferred to RBC and are being managed as part of the Public Protection Unit based in the Town Centre Offices in Rawtenstall.

5.5 **Council Tax performance**

The performance indicators for collection of Council Tax and NNDR are annual targets and in each case the reported figure represents the percentage of tax which is collected within the financial year that it falls due. Performance monitoring through the year is based on a comparison of progress against the previous year's collection rate figure and against monthly milestones towards the annual target. The outturn collection rate for 2010/11 was 97.6%, an increase of 0.1% on 2009/10 and the ninth consecutive year of sustained improvement. The average collection rate for Lancashire authorities was 97.3%, underlining the relative strength of the Rossendale performance.

5.6 **National Non Domestic Rates (NNDR) performance**

NNDR outturn for 2010/11 was 97.9% which was an increase of 0.2% on the previous year. The background to NNDR collection performance has been complicated by both the impact of the economic downturn on businesses in Rossendale and a number of changes in non-domestic rating regulations which continue to affect collection.

Very briefly the changes have included:

- Long term empty industrial premises changing from being exempt from rates to chargeable at the full rate
- Other vacant property being chargeable at full, rather than half, rate
- Various changes to the small property rate relief threshold
- Schemes under which payment of a small proportion of rates may be deferred for up to two years
- Complete exemption for small business announced in each of the last two years, currently due to end October 2012.

In particular, that last two of these arose during the financial and exerted negative pressure on collection and targetry.

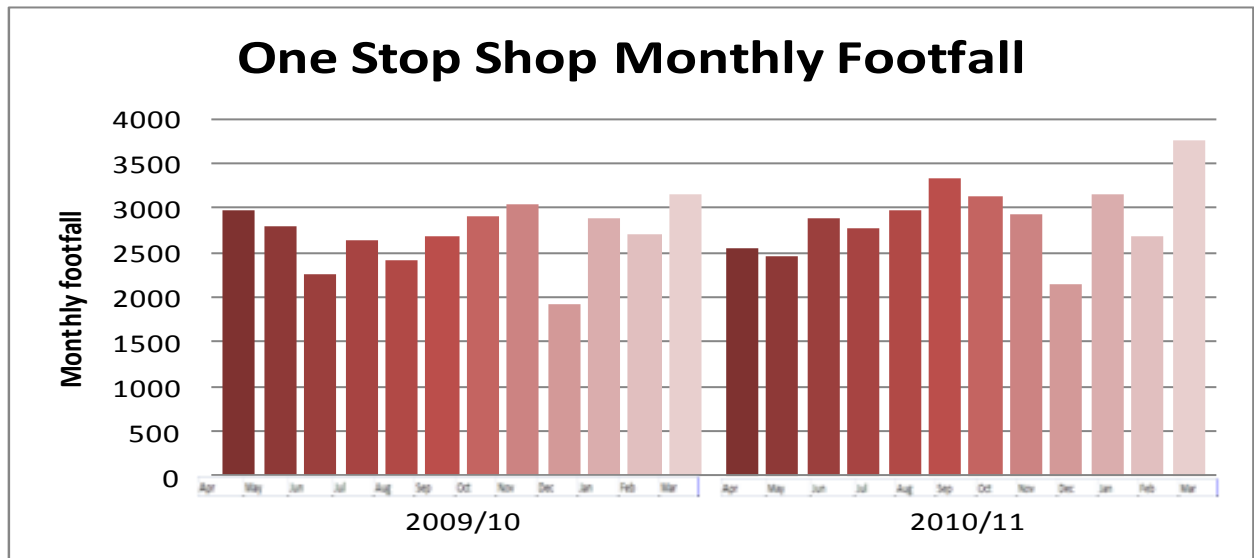
In reviewing collection figures it should be stressed that whilst trends and comparisons which vary by a few tenths of a percentage point are important in gauging the direction of travel of the service, an in-year collection rate which has remained at 97.7% or above for each of the last 5 years fundamentally represents a strong performance.

5.7 Customer contact services

One Stop Shop - Total footfall into the One Stop Shop for 2009/10 and 2010/11 was as follows:

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2009/10	2969	2799	2257	2641	2414	2683	2898	3031	1918	2873	2710	3151
2010/11	2555	2460	2890	2774	2965	3336	3126	2930	2136	3161	2671	3756

Graphically, monthly footfall was:



The recession has had an impact on the footfall into the One Stop Shop, in particular on the number of benefit claimants seeking assistance with form completion. Customers visiting the One Stop Shop in relation to Benefits issues increased from 12,711 in 2009/10 to 13,826 in 2010/11, an increase of 8.8%.

Monthly average waiting times in minutes over the same period were:

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2009/10	8.54	14.06	10.25	8.27	9.02	9.07	8.43	8.38	12.01	7.42	8.00	7.00
2010/11	6.29	8.29	5.05	5.24	5.28	5.56	5.47	5.46	3.25	8.15	5.31	7.02

The average waiting time for the year has improved significantly from 2009/10, as there has been much greater stability within the One Stop Shop team and increased knowledge and experience to ensure a quicker turn around of customers despite the marked increase in footfall.

The waiting time target for 2011/12 has been kept at 10 minutes or less on a monthly rather than an annual basis. However, it is acknowledged that there may be occasions when agreed campaigns run through the One Stop Shop adversely affect footfall or transaction time and, on such occasions, some relaxation of targets will be accepted.

A recent innovation has been the addition of a Lancashire County Council adviser 'on the line' in the One Stop Shop, dealing with LCC related enquiries and NoW cards. Customers are increasingly aware of the ability to now progress LCC issues through the One Stop Shop and this has been a good addition to the overall service delivery in the unit.

RBC switchboard - The replacement switchboard was introduced in November 2010 but as yet a reporting suite has not been developed, so performance monitoring of this aspect of Capita's work for RBC is not possible.

Coventry Call Centre - The target for % calls answered within 20 seconds has been agreed at 93% for 2011/12, recognising the consistent achievement of this level of performance in recent years. Likewise, the level of abandoned calls has bettered target in each of the past four years and, recognising this, the target for 2011/12 has been agreed at no more than 1%.

A random selection of calls is checked by the SAT each month to assess the quality of call handling to compliment the quantitative data about volumes handled.

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 2009 – March 2010			April 2010 – March 2011		
	No. of complaints	Justified	Unjustified	No. of complaints	Justified	Unjustified
Benefits	13	9	4	12	7	5
Benefit Fraud	-	-	-	-	-	-
Council Tax	13	4	9	15	2	13
Council Tax Recovery	20	1	19	8	-	8
Call Centre	3	1	2	-	-	-
One Stop Shop	-	-	-	2	-	2
Total	49	15	34	37	9	28

The overall level of complaints about services provided by Capita has fallen by 24.5% year on year, mainly due to the absence of the tranche of CAB complaints about alleged bailiff errors which occurred in 2009/10.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

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

7. MONITORING OFFICER

7.1 There are no legal issues arising from this report.

8. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

8.1 There are no Human Resource implications.

9. CONSULTATION CARRIED OUT

9.1 None.

10. CONCLUSION

10.1 The report has highlighted continued improvements in the delivery of Revenues, Benefits and general customer contact over the past 12 months. Ongoing monitoring activity carried out by the SAT allows RBC to be assured that ,as the contract reaches the end of its fifth year, Capita continues to deliver service contract requirements.

Background Papers	
Document	Place of Inspection
Appendix 1 - Capita Performance Targets and Outturn	Attached

Capita Performance Targets and Outturn

	Indicator	2010/11		2011/12	
		Target	Outturn	Target	Q1
Benefits	PM2 - new claims outstanding over 50 days	<5%	0.89%	<5%	2.17%
	PM3 - % of new claims decided within 14 days	85%	91.1%	95%	93.3%
	PM4 - % of rent allowance claims paid on time	92%	95.25%	92%	96.64%
	PM17 - % of applications for re-consideration and notified on time	94%	96%	94%	96%
	NI181 - time taken to process new claims and changes in circumstances	14 - 19 days	11.2 days	14 - 19 days	8.3 days
	LI79a - accuracy	93%	93.18%	93%	93.34%
Benefit Fraud	LI76c - number of fraud investigations closed	240	252	60	23
	LI76d - number of fraud prosecutions and sanctions	44	57	11	9
Council Tax	LI9 - collection rate	97.5% - 97.8%	97.6%	29.57%	29.81%
NNDR	LI10 - collection rate	97.8%	97.9%	32.08%	30.87%
One Stop Shop	CS2 - customer waiting times in the One Stop Shop	<10 mins	6 mins	<10 mins	5 mins
RBC Switchboard	CS3 - calls answered within 20 seconds	90%	n/a	90%	n/a
	CS4 - % abandoned calls	<3%	n/a	<3%	n/a
Coventry Call Centre	CS5 - calls answered within 20 seconds	90%	94%	93%	98%
	CS6 - % abandoned calls	<2.5%	1%	<1%	1%