

<b>Subject:</b>	Capita Monitoring and Performance	<b>Status:</b>	For Publication
<b>Report to:</b>	Overview and Scrutiny Committee	<b>Date:</b>	7 <sup>th</sup> November 2016
<b>Report of:</b>	Head of Customer Services & ICT	<b>Portfolio Holder:</b>	Customer Services & Health
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Community Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
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1.	<b>RECOMMENDATION(S)</b>
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 of the service in the light of the extension of the Rossendale/Capita contract.

## 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 the RBC One Stop Shop. Capita also provide the telephone switchboard service for all of the Council. Telephone calls were provided at the Capita call centre in Coventry until February 2016 when calls transferred to the One Stop Shop. The Capita contract was initially awarded for 10 years 2006-16, with a 3 year extension having been agreed in 2015.

## 5.2 Contract monitoring

The Capita contract is monitored by the Service Assurance Team. The team reports to an Operational and Governance Board comprising 3 Members. The lead Member is the portfolio holder for Customer Services, with two other members drawn from each of the two largest groups at that time.

Updates on general performance indicators are brought to each OGB as well as an update on any legislative changes affecting the service, any potential risks and opportunities for the service. Alongside these, two detailed reports are brought to each board. The reports focus on a particular aspect of the service, for example effectiveness of the property inspection function or benefit claim review controls.

Capita are notified of the detailed review areas at the outset of the review, but not in advance for the year. In this way reviews capture 'business as usual'. Typically the S.A.T. selects the topics for review, but the Board may direct the SAT to review any aspect of the service if concerns arise.

## 5.3 Performance Indicators

A full listing of performance indicators for 2015/16 and the current year to date are included in the appendix at the end of this report.

## 5.4 Benefits performance

Processing times for Housing Benefits and Council Tax Support are within target, both for new claims and for changes in circumstances. Benchmarking across Lancashire shows that Rossendale is the 3<sup>rd</sup> best performer for new claims and 4<sup>th</sup> for changes in circumstances.

Accuracy of processing is at 93% for quarter 2 this year. Performance has remained at 93-94% for the last 6 quarters. An independent sample of cases was reviewed by the S.A.T for a report brought before the Operational Board which confirmed the accuracy of reporting for this target.

Performance in recovery of overpayments has fallen within the current year. There are two targets in this area. One is the collection rate as a percentage of new overpayments raised in the quarter; the second is collection as against all current overpayments.

Where claimants are still in receipt of benefits, overpayments are collected as a deduction from ongoing benefit entitlement. Where there is no ongoing entitlement, collection activity is undertaken as a normal civil debt.

Recent collection rate have fallen due to significantly increased activity in fraud and compliance after an overhaul of the council's approach to fraud. A separate report has been brought to the audit and accounts committee 27<sup>th</sup> Sept. In short, collection rates have fallen because there has been a sharp increase in the amounts of overpayment/fraud detected in this period.

## 5.5 Council Tax performance

The performance indicator for collection of Council Tax is an annual target and the reported figure represents the percentage of tax which is collected within the financial year that it fell 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 2015/16 was 96.8%, slightly down on the outturn of 96.9% for 2014/15. As at the end of September 2016, collection stood at 56.4%. Collection rates have been within the range 56-57% at this point in each of the last three years.

## 5.6 Performance in collection of Council Tax for CTS cases

Collection of council tax for working age CTS (council tax support) customers is separately monitored. Until April 2013 working age customers could receive up to 100% relief from council tax. Relief has now been cut and is limited to a maximum of 80%.

The council is now obliged to collect a new set of comparatively small balances for customers on very low income. Whilst these balances are smaller than the normal council tax liability, they present a significant undertaking for the customers affected. They act as a 'brake' on the overall collection rate and require additional resource to collect.

For 2015/16 collection of Ctax from working age CTS claimants in employment was 81.3% as against the 96.8% overall rate. Collection from working age claimants without employment was 74.8%.

The latest figures available are 44.7% (non-working) and 40.4% (working) as compared to 56.4% overall. It should be noted that in all previous years since the support cut was introduced, payment rates from non-working claimants are higher in the first half of the year before being overtaken by working claimants as the year progresses.

## 5.7 National Non Domestic Rates (NNDR) performance

Current collection rates for NNDR are down against the previous year. Collection rates remain favourable in comparison with other Lancashire authorities but are nevertheless significantly down on this stage last year (62.7% - 58.9%).

It is still anticipated that the final outturn will be comparable with last year's performance. There are no significant non-payments issues which are contributing to the change. Two factors which are having an effect are that:

- at the same stage last year a large property had been significantly reduced in value and was in credit by around £240k meaning that credits were artificially increased
- There is an ongoing trend for payers, particularly of the largest companies, to move from 10 monthly instalments to twelve. This would suggest that the same monies will be collected, but at a later stage in the year.

Performance in this area is being closely monitored, at Capita, by the S.A.T and in the Finance team.

## 5.8. Customer contact services

Data in this area is limited. Upgrades to the Council's telephone system are currently being awaited and therefore no data is available on call waiting times or abandonment rates.

Waiting times in the One top Shop have fallen behind target, albeit that they are within the Councils corporate customer service standards.

A separate report has been brought by the S.A.T. to the Operational and Governance Board. Monitoring is ongoing with a further report to be brought back the OGB in the new year.

However a clear picture of underlying performance is difficult to determine due to a number of transient factors.

- The current telephone system has proven unable to accommodate the peaks in contact required for revenue and benefit customer contact. Upgrades to the system are awaited.
- Changes in licensing policy have affected the numbers of customers, particularly private hire drivers, requiring assistance. It is anticipated that these numbers will steadily decline in the coming months
- There have been issues in staffing numbers in the contact centre, including the death of one of the team. Additionally a long term absence and eventual departure of another team member has had to be accommodated.

These factors have been managed at the same time that the telephone contact centre has been relocated back to Rossendale from Coventry, with new staff being introduced and trained and existing staff being re-trained in order that all staff can adopt both telephone and face-to-face roles.

Anecdotal evidence is that customers find service quality has improved since relocation of the call centre. However feedback continues to be received that customers are experiencing difficulties in contacting by telephone.

It is not currently possible to provide assurance that the current staffing resource levels are appropriate. Staffing levels are now back to full capacity. A technical resolution to the telephone issue is imminent. Significant progress has been made with regard to the licensing issues. Monitoring based on 'business as normal' without the combination of extra-ordinary short term negative factors is required before assurance can be provided around this function.

### COMMENTS FROM STATUTORY OFFICERS:

#### 6. SECTION 151 OFFICER

6.1 Any financial implications arising will be contained within existing budget resources.

#### 7. MONITORING OFFICER

7.1 No additional comments.

**8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

8.1 There are no HR implications. Matters contained in the report relate to contractual arrangements with Capita LGS who employ the staff providing services on behalf of Rossendale.

**8.2 No consultation was required.**

**9. CONCLUSION**

9.1 Capita is generally is within expected parameters; additional monitoring work is being undertaken through the contract Governance structure in the areas of NNDR collection and customer contact.

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%