

<b>Subject:</b>	Capita Monitoring and Performance	<b>Status:</b>	For Publication
<b>Report to:</b>	Overview and Scrutiny Committee	<b>Date:</b>	13 <sup>th</sup> November 2017
<b>Report of:</b>	Head of Customer Services & ICT	<b>Portfolio Holder:</b>	Resources & Customer Services
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <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. 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 (SAT). The team reports to an Operational and Governance Board (OGB) 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 SAT 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 2016/17 and the current year to date are included in the appendix at the end of this report, with explanatory notes. In general, benefit service and customer contact indicators have been met, with revenue collection targets being missed by less than 1%.

### 5.4 Revenues and Benefits Helpline

The revenues and benefits telephone contact centre was moved from Coventry to the One Stop Shop in February 2016; new telephone software was introduced on February 2017. Call data was not available last year before the introduction of the new system.

When the contact centre moved from Coventry as part of the capita contract extension, it was agreed that formal performance indicators would not be retained. Therefore there are no formal targets in this area. A detailed report was brought before the contract operational and governance board in order to provide assurance on the workings of the new arrangements.

For the period April to the end of September, an average of 730 calls per week were handled. Call volumes are fairly consistent, with the lowest weekly volume 513 and the highest 767 in that period.

Average call waiting times over the period are:

	April -June	July - September
Benefits Calls	4m 46s	4m 36s
Council Tax calls	4m 33s	4m 10s
Recovery Calls	4m 35s	4m 46s

### 5.5 New Homes Bonus

New Homes Bonus is paid by central government to local councils. It is intended to promote increases in housing stock. In practice it is based on the annual CTB1 return, in which Councils set out the tax base including all discounts/exemptions etc. The bonus is calculated on increases in the total number of homes and decreases those properties categorised as long term empty.

Council officers have worked with Capita to tailor a property inspection programme which works to maximise new homes bonus for the council which included additional out of hours inspections.

From October 2016 to October 2017, 200 new domestic properties were on the valuation list and 56 fewer categorised as long term empty. Adjusted to council tax band 'D' equivalent, the 256 actual increase converts to 230 equivalent.

Government assumed a net baseline increase of 101 properties, so the 230 increase means that the bonus is payable on 129 units, based on average band 'D' council tax. Estimates are therefore based on the assumption that this baseline will not be changed. The Rossendale new homes bonus is estimated to be £171k, with an additional £42k to Lancashire County Council. These sums are twice those accounted for in the Councils medium term financial Strategy.

## **COMMENTS FROM STATUTORY OFFICERS:**

### **6. SECTION 151 OFFICER**

6.1 Financial matters are noted in the report; any further 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 Matters contained in the report relate to contractual arrangements with Capita LGS who employ the staff providing services on behalf of Rossendale. There are no HR implications.

Regular updates are provided to the Portfolio Holder and the Board.

Consideration to equalities, appropriate consultation and community engagement will be undertaken for any significant changes to the delivery of the contract

### **9. CONSULTATION CARRIED OUT**

9.1 None.

### **10. CONCLUSION**

10.1 Performance is on target in relation to benefits and customer service indicators. Collection targets have not been met, albeit that actual cash collected has been higher. Challenges in collection are common across Lancashire with average falls in collection rates.

#### **Background Papers**

<b>Document</b>	<b>Place of Inspection</b>
Appendix 1 - Capita Performance Targets and Outturn	Attached