



MEETING : CORPORATE BUSINESS SCRUTINY COMMITTEE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 4 OCTOBER 2011
TIME : 7.00 PM

MEMBERS OF THE COMMITTEE

Councillors D Andrews (Chairman), E Bedford, G Jones, W Mortimer,
T Page, P Phillips, M Pope, J Ranger, G Williamson and J Wing

Conservative: Councillors S Bull, K Crofton and J Mayes
Liberal Democrat: Councillor M Wood

*(Note: Substitution arrangements must be notified by the absent Member
to Democratic Services 24 hours before the meeting)*

CONTACT OFFICER: Linda Bevan

PERSONAL AND PREJUDICIAL INTERESTS

1. A Member with a personal interest in any business of the Council who attends a meeting of the Authority at which the business is considered must, with certain specified exemptions (see section 5 below), disclose to that meeting the existence and nature of that interest prior to the commencement of it being considered or when the interest becomes apparent.
2. Members should decide whether or not they have a personal interest in any matter under discussion at a meeting. If a Member decides they have a personal interest then they must also consider whether that personal interest is also prejudicial.
3. A personal interest is either an interest, as prescribed, that you must register under relevant regulations or it is an interest that is not registrable but where the well-being or financial position of you, members of your family, or people with whom you have a close association, is likely to be affected by the business of the Council more than it would affect the majority of inhabitants of the ward(s) affected by the decision.
4. Members with personal interests, having declared the nature of that personal interest, can remain in the meeting, speak and vote on the matter unless the personal interest is also a prejudicial interest.
5. An exemption to declaring a personal interest applies when the interest arises solely from a Member's membership of or position of general control or management on:
 - any other body to which they have been appointed or nominated by the authority
 - any other body exercising functions of a public nature (e.g another local authority)

In these exceptional cases, provided a Member does not have a prejudicial interest, they only need to declare their interest if they speak. If a Member does not want to speak to the meeting, they may still vote on the matter without making a declaration.

6. A personal interest will also be a prejudicial interest in a matter if all of the following conditions are met:
 - the matter does not fall within one of the exempt categories of decisions
 - the matter affects your financial interests or relates to a licensing or regulatory matter
 - a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgement of the public interest.

7. Exempt categories of decisions are:
 - setting council tax
 - any ceremonial honour given to Members
 - an allowance, payment or indemnity for Members
 - statutory sick pay
 - school meals or school transport and travelling expenses: if you are a parent or guardian of a child in full-time education or you are a parent governor, unless it relates particularly to the school your child attends
 - housing; if you hold a tenancy or lease with the Council, as long as the matter does not relate to your particular tenancy or lease.

8. If you have a prejudicial interest in a matter being discussed at a meeting, you must declare that interest and its nature as soon as the interest becomes apparent to you.

9. If you have declared a personal and prejudicial interest, you must leave the room, unless members of the public are allowed to make representations, give evidence or answer questions about the matter, by statutory right or otherwise. If that is the case, you can also attend the meeting for that purpose. However, you must immediately leave the room once you have finished or when the meeting decides that you have finished (if that is earlier). You cannot remain in the public gallery to observe proceedings.

AGENDA

1. Apologies

To receive apologies for absence.

2. Declarations of Interest

To receive any Member(s)' Declaration(s) of Interest and Party Whip arrangements.

3. Chairman's Announcements

4. Minutes (Pages 5 - 10)

To approve the Minutes of the meeting of the Committee held on 23 August 2011

5. MTFP - Revenues and Benefits/HR (Pages 11 - 42)

6. Shared services - verbal update

7. Work Programme (Pages 43 - 50)

8. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

MINUTES OF A MEETING OF THE
CORPORATE BUSINESS SCRUTINY
COMMITTEE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 23 AUGUST 2011, AT 7.00 PM

PRESENT: Councillor D Andrews (Chairman)
Councillors E Bedford, G Jones, J Mayes,
W Mortimer, T Page, P Phillips, J Ranger
and G Williamson

ALSO PRESENT:

Councillors S Bull, P Ruffles and M Tindale

OFFICERS IN ATTENDANCE:

Linda Bevan	- Committee Secretary
Lorna Georgiou	- Performance and Improvement Co-ordinator
Marian Langley	- Scrutiny Officer
Alan Madin	- Director of Internal Services

242 APOLOGIES

Apologies were submitted on behalf of Councillors M Pope and J Wing. It was noted that Councillor J Mayes was in attendance as a substitute for Councillor M Pope.

243 MINUTES

RESOLVED - that the Minutes of the meeting held on 19 July 2011 be confirmed as a correct record and signed by the Chairman.

244 CORPORATE ANNUAL REPORT

The Leader of the Council submitted a report which provided an initial draft of the Council's Annual Report 2010/11.

The Committee suggested a number of drafting amendments which Officers undertook to incorporate in the next version of the Annual Report.

RESOLVED - that the Executive be informed that Corporate Business Scrutiny Committee approves the initial draft of the Council's Annual Report 2010/11 subject to the drafting amendments discussed at the meeting.

245 CORPORATE STRATEGIC PLAN 2012/13 - 2015/16

The Leader of the Council submitted a report on the Council's four year Corporate Strategic Plan which outlined the Authority's priorities for the next four years and the key outcomes it wished to achieve.

The Committee suggested a number of drafting amendments, particularly relating to the wording of the Council's revised priorities, which Officers undertook to incorporate in the next version of the Corporate Strategic Plan.

RESOLVED – that the Executive be informed that the Corporate Business Scrutiny Committee commends the Corporate Strategic Plan 2012/13 – 2015/16 subject to drafting amendments discussed at the meeting.

246 FINANCIAL STRATEGY 2011: MEDIUM TERM FINANCIAL PLAN TO 2015/16 AND APPLICATION OF NEW HOMES BONUS

The Executive Member for Finance submitted a report reviewing the Council's Financial Strategy and the Medium

Term Financial Plan (MTFP) including the assumptions used to update the plan since its approval. The review took into account recommendations on the New Homes Bonus and the Government's announcements in respect of localisation of business rates and Council Tax benefits.

Members commented that a £1 million ceiling on capital schemes could be too restrictive.

On criteria for the New Homes Bonus, the Committee did not agree with being too prescriptive, e.g. giving a score of 1 to 5 for each criteria suggested. Members also discussed the need for the New Homes Bonus to be handled differently in town and rural areas.

The Committee agreed with the proposed uses and apportionment of the Bonus and thought a key Council priority should receive funding from this but did not specify which one.

RESOLVED – that the Executive be informed that the Corporate Business Scrutiny Committee (A) supports the recommendations to Council as set out in the report now submitted; and

- (B) advises that:
- (1) the three proposed uses of the New Homes Bonus are appropriate and a fair balance is struck in the proposed apportionment;
 - (2) a key Council priority should receive funding from this source with spending proposals to be developed in this budget round;
 - (3) the suggestion for point scoring of criteria for grants is too prescriptive and should be deleted;
 - (4) a light touch should be adopted to the administration and audit of the spend on grants and the lower cost of this is welcomed; and

- (5) Decisions on spending would normally be expected to be made through Town Councils in towns and at Ward level in rural areas.

247 CORPORATE HEALTHCHECK - JUNE 2011

The Leader of the Council submitted an exception report on finance and performance monitoring for April to June/Quarter1 2011.

Members noted the loss of income from hackney carriage/private hire licence fees because of the economic downturn and the higher levels of penalty charge notices being issued and challenged. A particular concern was the predicted overspend on salaries which the Committee decided to bring to the attention of the Executive.

RESOLVED – that the Executive be informed of the comments of Corporate Business Scrutiny Committee concerning the need to achieve planned savings on salaries.

248 SCRUTINY WORK PROGRAMME

The Chairman submitted a report supporting the Committee in reviewing and planning its work programme for 2011/12.

The Scrutiny Officer explained that the report on the Data Sharing Protocol had been delayed until the October meeting of the Committee.

RESOLVED – that the work programme now submitted be approved.

The meeting closed at 9.25 pm

Chairman

Date

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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY – 4 OCTOBER 2011

REPORT BY DIRECTOR OF INTERNAL SERVICES

MTFP – REVENUES AND BENEFITS/HUMAN RESOURCES

WARD(S) AFFECTED: *None*

Purpose/Summary of Report

To update Corporate Business Scrutiny on Revenues and Benefit invest to save option and HR Support £60K reduction as requested by Corporate Business Scrutiny.

<u>RECOMMENDATION FOR DECISION</u>	
	that the Committee informs the Executive that it confirms that the proposed savings should be implemented

1.0 Background

1.1 As part of the scrutiny process for the 2012/13 budget round Corporate Business Scrutiny was asked to select any items in the current Medium Term Financial Plan to be implemented from 2012/13 which it wished to review. The Committee requested more information on savings from the Revenues and Benefits invest to save option of £64k and HR Support of £60K.

2.0 Report

2.1 The Medium Term Financial Plan sets out savings for Human Resources to reduce HR Support by £20k in 2011/12 and £60K in 2012/13.

2.2 The proposal is to reduce the level of HR corporate support to managers with a consequential reduction of staff hours within the team.

- 2.3 HR will focus on ensuring managers are trained to address the majority of employment issues which arise, becoming involved only in the most significant cases.
- 2.4 There is potential to develop Shared Support Services with North Hertfordshire Council and Stevenage Borough Council both to add resilience and to spread the cost of higher levels of policy advice and provision of payroll services.
- 2.5 Essential Reference Paper B sets out the Corporate Priority Impact Assessment.
- 2.6 The savings in Revenues and Benefits are a consequence of investment in upgrading the software used by the service to implement further modules developed since the application was first acquired. The investment was approved by the Executive in November 2009 with savings on staffing building up over a 3 year period. The report is attached as Essential Reference Paper C.

3.0 Implications/Consultations

Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

Contact Member: Cllr M Tindale, Executive Member for Finance

Contact Officer: Alan Madin – Director of Internal Services – Ext 1401

Report Author: Emma Freeman – Head of Human Resource

ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/Objectives (delete as appropriate):	Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	Not applicable
Legal:	As outlined in Human Resource.
Financial:	As set out in the MTFP 2011/12 to 2014/15
Human Resource:	The budget saving of £80K represents about 35% reduction in the salary costs of HR, a reduction in FTE from 5.68 to 3.68.
Risk Management:	A risk in the reduction of HR support is increased employee relations disputes and possible employment tribunal and legal costs.

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Essential reference paper B

Part 1

Title of the proposal:	Reduce HR support
Contact officers: (Name and extension; secondary contact Name and extension)	Alan Madin
Description of proposal: (where fees charges involved show current and proposed charges)	<p>The proposal is to reduce the level of HR corporate support to managers with a consequential reduction of staff hours within the team.</p> <p>HR will focus on ensuring manager are trained to address the majority of employment issues which arise becoming involved only in the most significant individual cases.</p> <p>There is potential to develop partnership working either under the Hertfordshire Pathfinder or with one or more neighbouring Districts both to add residence and to spread the cost of higher levels of policy advice and provision of payroll services.</p>
Who will be affected and how? <ul style="list-style-type: none"> • All residents and non residents Or if differential impact: <ul style="list-style-type: none"> • Particular age group(s) (Specify and quantify service users) • Geographical impact (Specify and quantify service users) • SIG and community groups • If “all service users” how can these be categorised? 	Impact will generally be internal
Impact on performance indicator(s) and/or un reported performance measures (Specify and quantify)	The HR team has had a significant involvement in ensuring the improvement of the PDR processes, supporting reduction in absence levels and the take up of corporate training initiatives. Senior managers will need to ensure performance does not slip in these areas
Relevant background information <ul style="list-style-type: none"> • Benchmarked performance or cost data • Information from consultation / customer feed back • Government or other external (e.g. LSP) policy issues 	The HR service is comparatively low cost compared with other Herts Districts based on data produced by the Herts Pathfinder.

<ul style="list-style-type: none">• Statutory service requirement (Specify and quantify)	
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Part 2

Corporate Priority Impact: (Based on the priorities and outcomes detailed in the draft Corporate Strategic Plan for 2011/12 – 2014/15)				
Priority	Impact (please tick)			
	Severe	High	Moderate	Negligible
Promoting prosperity and well being; providing access and opportunities				
Fit for purpose, services fit for you			X	
Pride in East Herts				
Caring about what's built (and) where				
Shaping now, shaping the future				
Leading the way, working together				
<p>Commentary including risk assessment:</p> <p>Managers across the Council will receive less support from HR.</p> <p>HR will focus its efforts on making managers more self reliant</p> <p>Mitigation of risks to be managed by take up of partnership options.</p>				

Part 3

Budget Impact Assessment:					
2010/11 Base					
Budgeted Revenue Expenditure		£314, 000 (payroll) (base and projected figures to exclude capital charges and one off redundancy etc)			
Budgeted Income		£000 (base and projected figures to exclude capital charges and one off redundancy etc)			
MTFP Affect					
Year to 31 March	Additional Revenue Costs		Savings		(Net saving) £000
	Expenditure	Lost income	(Reduced spending)	(Additional Income)	
	£000	£000	£000	£000	
2012			20		20
	Where net savings figure is different to current MTFP show current MTFP figure otherwise 0				0
2013			Increasing to 80		80
	Where net savings figure is different to current MTFP show current MTFP figure otherwise 0				0
2014			Remaining at 80		80
	Where net savings figure is different to current MTFP show current MTFP figure otherwise 0				0
2015			Remaining at 80		80
	Where net savings figure is different to current MTFP show current MTFP figure otherwise 0				0
	Capital Expenditure £000	Description of investment required to deliver savings. Show current MTFP figures if the updated figures differ			
2012		Nil			

2013		
2014		
2015		

Part 4

Timing (Factors determining earliest implementation date)
<p>Consultation period</p>

Part 5

Sensitivity Analysis	
(a) What factors might cause the financial numbers to shift from the above estimates and in which direction?	The option of sharing or attracting business from other organisation may shift the timing of savings.
(b) With these factors in mind what confidence can be put on the 2011/12 net savings numbers.	<ul style="list-style-type: none"> • REASONABLE Unlikely to vary by more than \pm 33% (delete as appropriate)
(c) Will the predicted impact be revised prior to setting the budget:	No (delete as appropriate)

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EAST HERTS COUNCIL

THE EXECUTIVE – 24 NOVEMBER 2009

REPORT BY EXECUTIVE MEMBER FOR RESOURCES AND INTERNAL SUPPORT AND EXECUTIVE MEMBER FOR HOUSING AND HEALTH

9. INCREASING THE EFFICIENCY OF THE REVENUES AND BENEFITS SERVICE

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report puts forward options, developed as part of the C3W Programme, to enhance the Council's current software application for Revenue and Benefits to enable the service to provide better customer service and to deliver efficiency savings.
- Efficiencies will be secured from moves to self service and 'e' transactions, by the elimination of duplicate handling of information and from mobile data capture.
- Payback periods will depend on our ability to promote to customers use of self service options and acceptance of web based means of transacting with the Council.
- The Council's Revenue and Benefits software supplier Capita will put a proportion of their fee at risk should the roll out of the self service and web based transactions not meet the schedule they believe is feasible.

<u>RECOMMENDATION FOR EXECUTIVE: That</u>	
(A)	Executive commend to Council that a capital investment of £153,000 in further software be made together with purchase of implementation support from Capita of £70,000 to improve customer service and to gain efficiencies in the Revenues & Benefits service; and
(B)	the negotiation of the performance profiles relating to the

fee at risk element of the contract be delegated to the Director of Internal Services in consultation with the appropriate portfolio holders.
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1.0 Background

1.1 **Essential Reference Paper ‘B9’** (pages 9.9 – 9.14) details the scale and scope of the Revenues and Benefits service and the resources, mainly staffing, employed to deliver the service.

1.2 Council tax, non domestic rates and the entitlement to benefits (council tax and housing) are subject to statutory regulation. The Benefits Service in particular must respond to frequent changes to regulations defining entitlement and amounts.

1.3 Other than ensuring compliance with these complex regulations, the transactions with tax payers and benefit recipients are relatively simple ones, but of relatively high volume. These transactions are :

- Data capture – names, addresses, circumstances
- Data recording and storing
- Data processing – calculation, validation
- Billing and collection of monies receivable
- Payment of monies to individuals/businesses

1.4 Additional contacts with customers are around providing them with information both of a general nature (council tax exemptions, benefit thresholds etc) and in connection with their tax account or benefits application (payments made, balances or status).

1.5 Efficiency gains are to be achieved by reducing the number and length of interactions with customers which require manual processing.

2.0 Report

2.1 As part of the C3W Programme, Capita (being the Council’s current supplier of software for Revenues and Benefits) were asked to submit proposals by which the Council would gain efficiencies and service improvements by implementing further modules of the integrated revenues and benefits software

application which have become available since the current system was implemented in East Herts.

- 2.2 The Council subsequently worked with Capita to identify and quantify the scope and value of potential efficiency gains and service improvements in a series of workshops.
- 2.3 The outcome from those workshops is the proposal at **Essential Reference Paper 'C9'** (pages 9.15 – 9.18). This is built up from a series of initiatives with the potential to realise annual savings of £230,000 gross (or £190,000 net of annual licences for the software) by the end of a five year period of transition. The initial set up cost is £223,000 of which one off software costs are £153,000 and implementation support of £70,000.
- 2.4 During the workshops the Council challenged Capita's expectations for the pace of transition by customers to the electronic options. Capita have therefore agreed that they will share the risk around the assumptions that have been made about how quickly customers will take up the 'e business' option and £52k of the £223k will only become payable once certain performance profiles have been met. Examples of the profiles are given in **Essential Reference Paper 'C9'** (pages 9.15 – 9.18). Recommendation B of this report refers to the finalisation of these profiles. In considering the business case some sensitivity analysis has been undertaken to consider the impact of the efficiencies being delivered less quickly or less completely than the base case assumption; this analysis is set out below.

Service Benefits

- 2.5 **Essential Reference Paper 'D9'** (pages 9.19 – 9.22) sets out the customer benefits from each of the main modules proposed. These can be summarised as – accessing information more quickly and simply, a choice about how to access information, speed of transacting, certainty about information being received by the Council, enhanced security and for multiple account holders easier transfer of electronic data to their systems.

Under the Hertfordshire Pathfinder the Council is looking at options for joint working and other options for service delivery and this includes the Revenues and Benefits service. By improving the efficiency and effectiveness of the service the implementation of

the proposals set out here will better position the Council to take forward those options.

Summary Business Case

- 2.6 The initial list price of the software and services offered by Capita would be £271K. Officers have negotiated substantial savings on this price and an agreement with Capita to put a proportion of this sum at Capita’s risk.
- 2.7 The base case shows a cost/savings equation giving a breakeven period in year 2. In keeping with the Council’s accounting policy of depreciating intangible assets over 5 years the business case is looked at over this period and in summary shows:

<i>All figures £000’s and rounded to nearest £000</i>	Year	Year	Year	Year	Year
	1	2	3	4	5
Capital	<u>223</u>				
Revenue					
Costs (licence fee)	40	40	40	40	40
Saving	<u>151</u>	<u>167</u>	<u>191</u>	<u>206</u>	<u>230</u>
Net in year	<u>-111</u>	<u>-127</u>	<u>-151</u>	<u>-166</u>	<u>-190</u>
Cumulative	<u>112</u>	<u>- 15</u>	<u>-166</u>	<u>-332</u>	<u>- 522</u>

- 2.8 The discussions with Capita about the pace of delivery of savings centred on those linked to the take up of the “e-options” such as “e-claim” form where 90% processing by year 5 is the target and similarly, moving to e-billing with a target achievement of 55% take up by year 5.
- 2.9 To be prudent therefore the business case has been tested by discounting savings by 25% and 50% over the first 5 years.
- 2.10 The cost/savings equation on the assumption of only 75% of savings being delivered gives a breakeven period in year 3 and becomes:

<i>All figures £000's and rounded to nearest £000</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Capital	<u>223</u>				
Revenue					
Costs (licence fee)	40	40	40	40	40
Saving	<u>114</u>	<u>125</u>	<u>143</u>	<u>154</u>	<u>173</u>
Net in year	<u>-74</u>	<u>-85</u>	<u>-103</u>	<u>-114</u>	<u>-133</u>
Cumulative	<u>149</u>	<u>64</u>	<u>-39</u>	<u>-153</u>	<u>-286</u>

- 2.11 The cost/savings equation on the assumption of 50% of savings being delivered gives a breakeven in year 4 (based on recovery of the fee at risk) or year 5 and becomes:

<i>All figures £000's and rounded to nearest £000</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Capital	<u>223</u>				
Revenue					
Costs (licence fee)	40	40	40	40	40
Saving	<u>-75</u>	<u>-83</u>	<u>-95</u>	<u>-103</u>	<u>-115</u>
Net in year	<u>-35</u>	<u>-43</u>	<u>-55</u>	<u>-63</u>	<u>-75</u>
Cumulative	<u>188</u>	<u>145</u>	<u>90</u>	<u>27</u>	<u>-100</u>
Recovery of Funding at Risk (subject to final terms)				-52	

- 2.12 This analysis suggests that even with heavily discounted savings the investment remains worthwhile.

Delivery and application of cashable savings

- 2.13 The service is struggling to cope with a surge in benefit claims particularly since July 2008. In the short term overtime working and application of the second tranche of government grant are

being used to keep on top of the caseload. However, performance initially slipped significantly in terms of days taken to process claims and the continued recovery has been dependent on weekend overtime for which there is no sustainable funding. The impact of the increased caseload on performance prior to the increases in resources is illustrated by the increase in May 2009 to 34 days from around 10 days in the time to process claims.

2.14 In the first instance therefore it is proposed that cashable savings from the investment be applied to the extent necessary to continue to address the increased benefits caseload. Release of cashable savings will therefore be dependent on the extent of any continuing support by way of specific grant from the government for benefits administration (nothing is known for 2010/11) and the pace at which case load falls back to July 2008 levels which were:

A. Active cases 6200

B New claims received 250 per month

3.0 Other options

3.1 The C3W Programme Board and IT managers have been consulted on this proposal. In house IT are confident we have the capability to deliver this work in-house but not the capacity at present in the light of the role out of Home and remote working plus ERDMS. Consideration has been gone into enhancing in house capacity however with this option the risk and reward element of the proposal would be lost and the timing of implementation deferred.

3.2 The proposal is to invest in further modules of the Council's existing software used for revenues and benefits. Other solutions might be applied: however, there is a limited supplier base for these systems and alternative solutions would require the replacement of the current application involving significant additional costs and service risks of transition.

3.3 Similarly other options have been considered for implementation support. Given that Capita's support option offers greatest familiarity with their application plus their putting over 70% of their fee at risk these options have been discounted.

Background Papers:

None

Contact Member: Michael Tindale – Executive Member for Resources and Internal Support
Bob Parker – Executive Member for Housing and Health

Contact Officer: Philip Hamberger – Programme Director of Change – Contact Tel Ext 2005

Report Authors: Philip Hamberger – Programme Director of Change
Contact Tel Ext 2005

Alan Madin – Director of Internal Services – Contact Tel Ext 1401

Su Tarran – Head of Revenues and Benefits – Contact Tel Ext 2075

ESSENTIAL REFERENCE PAPER 'A9'

<p>Contribution to the Council's Corporate Priorities/Objectives (delete as appropriate):</p>	<p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p>Promoting prosperity and well-being; providing access and opportunities <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p>
<p>Consultation:</p>	<p>With Programme Board</p>
<p>Legal:</p>	<p>Capita are sole suppliers of modules for the Academy software</p>
<p>Financial:</p>	<p>As set out in the report. The capital investment will require a supplementary estimate to the capital programme.</p>
<p>Human Resource:</p>	<p>Efficiency savings will be delivered by reductions in staffing. The Council's HR policies will apply in the event of a need for redeployment or redundancy.</p>
<p>Risk Management:</p>	<p>Implementation will be timed to avoid year end peak workloads. The buying in of implementation support will address risks from over stretching in house resources.</p>

Potential Investment in ICT to improve efficiency in Revenue and Benefits

Revenue and Benefits: Scope and Scale of Service

1. Council Tax

The table below illustrates the scope and scale of the council tax service

No of Households (1 April 2009)	57498
No of changes to liability in year (2008/09)	28000 (38.5k items of post)
No of reminder letters per year (2008/09)	26000
No of summonses per year (2008/09)	5300
Liability Orders (2008/09)	3000
No of cases referred to baliff (2008/09)	1900
Total Billed (Net debit 2008/09)	£81.9 million
Recovery rates in year 2008/09	98.6%
Estimated – Phone calls received by Revenues Service - Number of visits to Revs & Bens Customer Support Team (For both types of enquiries)	38000 p.a. 6800 p.a.
Payment Methods	%
Direct Debit	80%
Cheque by post	6%
Post office payments	2%
Switch	5%
Bank	5%
Other (visa, cash, DWP, bailiff, etc)	2%

1.2 The staffing structure is

	WTE
Head of Revenues and Benefits	1
Principal officers (Revs, Bens & Tech)	3
Fraud Team	4
Customer support officers	5
Visiting officers – Benefits	2
Rating Inspectors	2
Technical officers	0.54
Benefit assessment officers (inc 1 team leader)	8.96
Revenue Officers (including 2 team leaders)	11.32
Appeals Officer	0.2
Sundry debtor officer	0.59
Benefit overpayment officer	0.54

1.3 The impact of the recession on service performance has been minimal to date although there is increasing anecdotal evidence that collection from both individuals and businesses will be more challenging.

Benefits

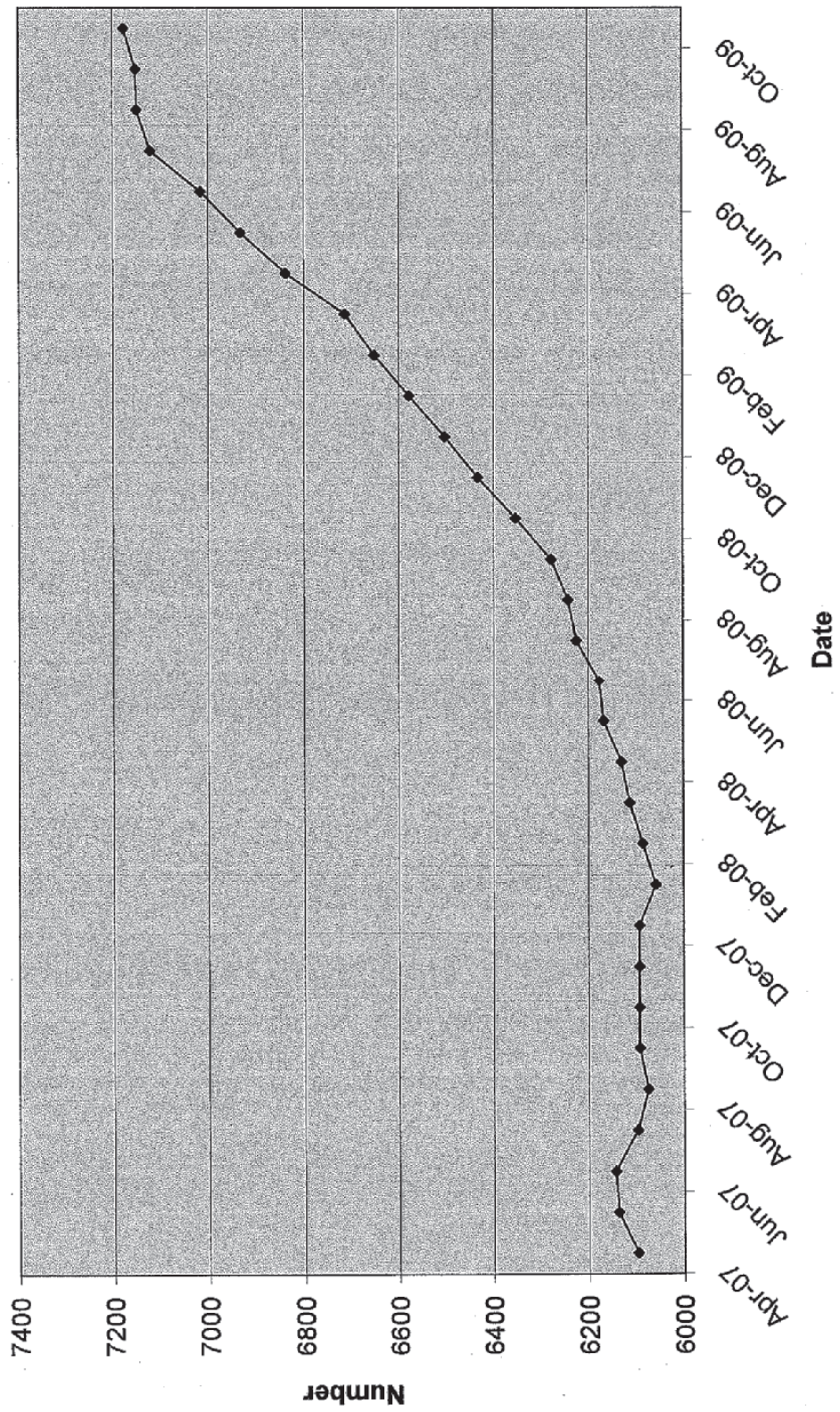
1.4 The table below illustrates the scope and scale of the benefits service at April 2009

New claims received (2008/09)	3752
Claims in payment (average 2008/09)	6372
Changes in circumstances received (2008/09)	14500
Annual benefit paid out 2008/09	£27.9 million

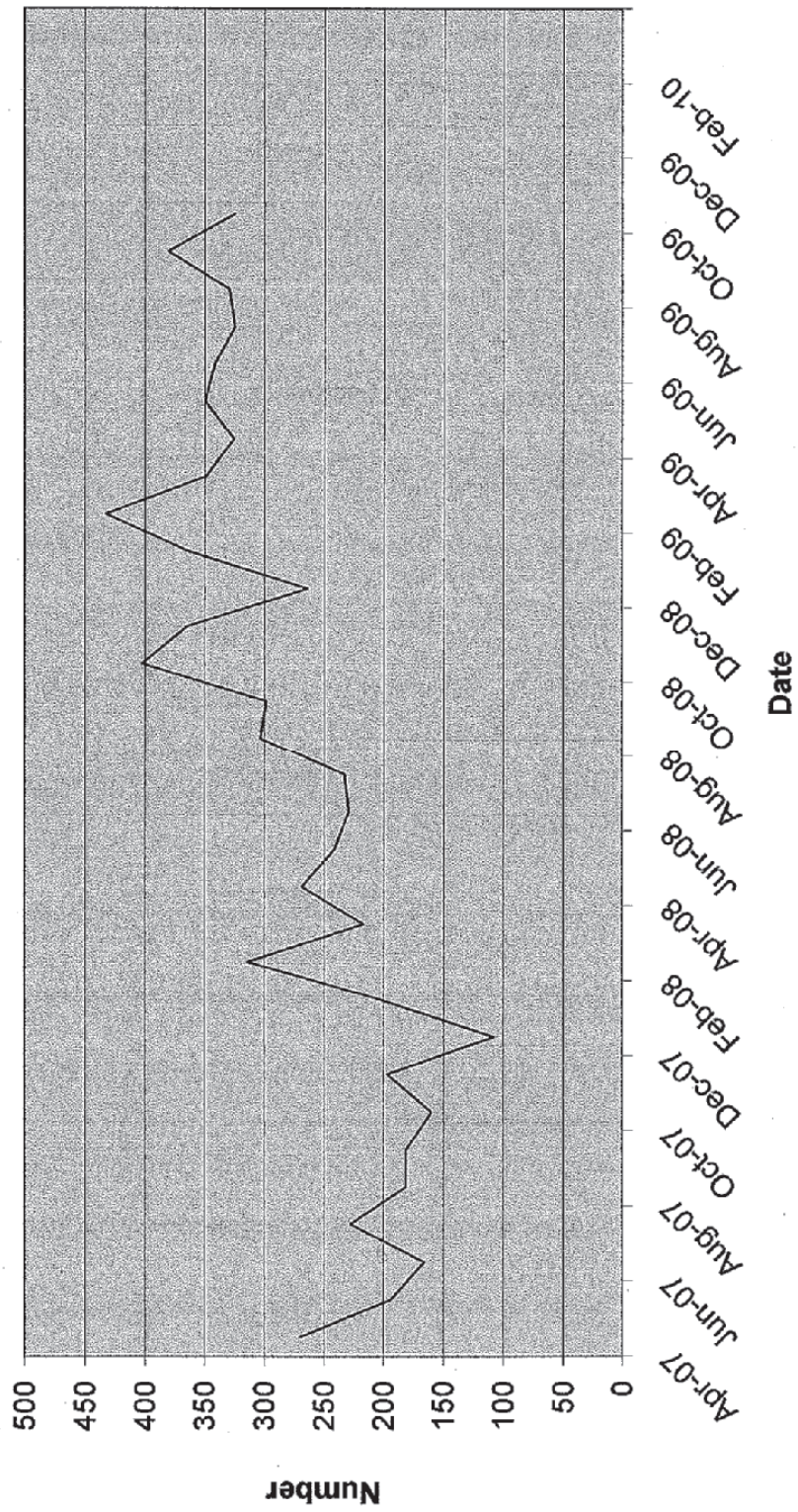
1.6 Costs of Revenues & Benefits service include

	£ 2008 / 09 Actual
Staffing costs	1.29m
Postages	65,500
Printing and stationery	33,000
Cost of collection allowance	-203,600
Benefits admin subsidy grant	-724,000

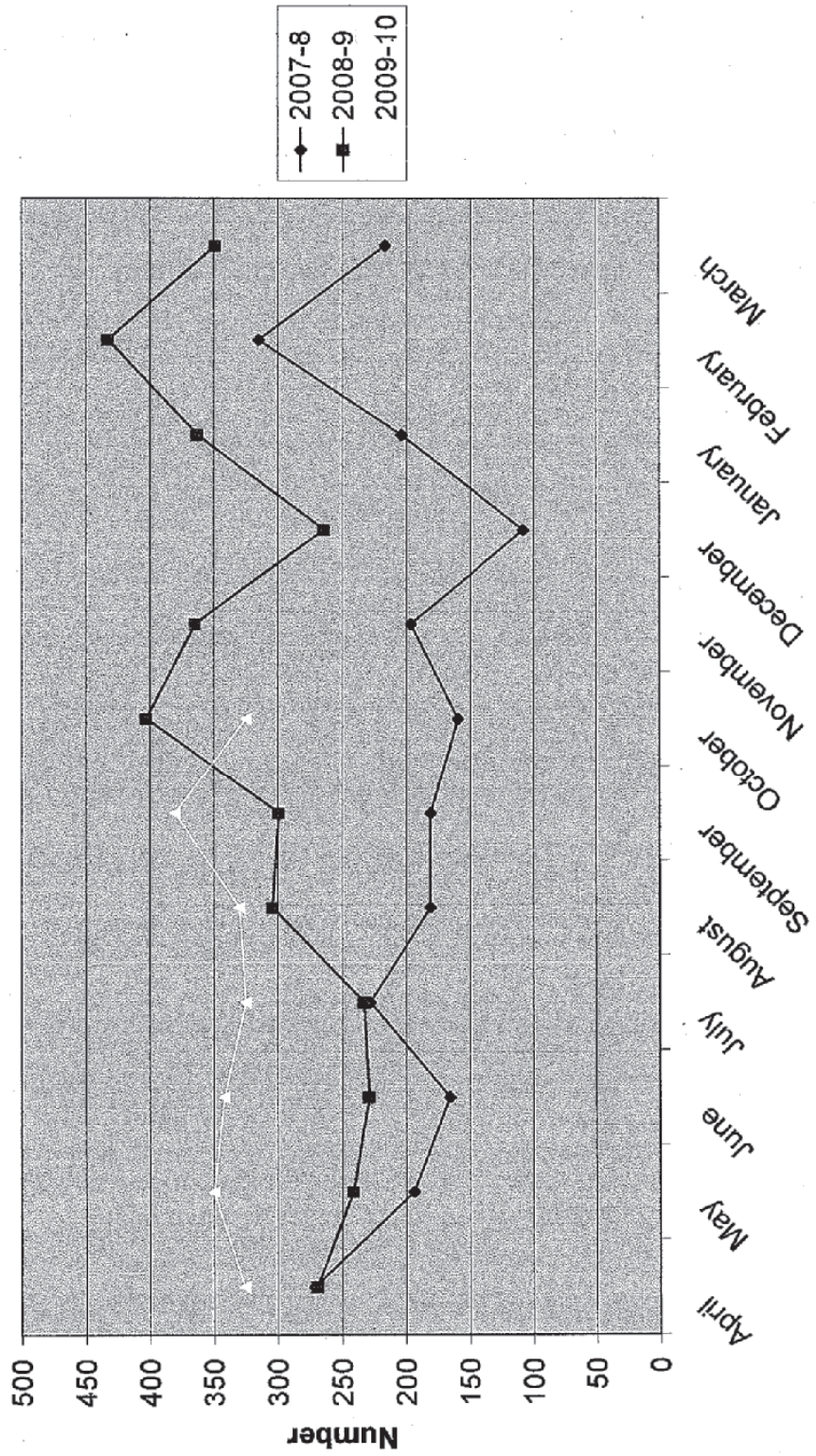
CASELOAD.



New claims received



New claims received



Executive Summary

Background

The “Changing the Way We Work” (C3W) programme aims to fundamentally change the way services are delivered in EHDC and to improve efficiencies throughout the Authority. The initial phase of the programme focuses on the delivery of the Revenues and Benefits service.

East Herts Council have a relationship with Capita who supply the Capita Revenues and Benefits solution which is used by East Herts. The Programme Director, Philip Hamberger and Head of Revenues and Benefits Su Tarran, have been working with Capita to see how the service processes can be improved.

A series of meetings and workshops has analysed current working practices and produced a proposal which details the possible business case associated with the introduction of additional software solutions.

The proposed solution

Following the sessions and workshops a business case has been produced. This details the cashable benefits possible by the introduction of additional software solutions and shows the potential return on investment. The solution proposed includes the following modules:

- e-Citizen+
- Self Service
- e-Billing
- e-Notifications
- BECS (eClaim)
- Mobile
- Web services for benefits integration
- e-Schedules
- EDO Email
- e-Payment files
- Fraud+
- Quality Assurance
- Process and Performance Manager
- Valuation Office Agency

To provide rapid implementation and to maximise how quickly the return on investment can be gained, East Herts are recommending that the implementation of these modules will be delivered through Capita's enhanced service delivery model. This approach greatly reduces the resource required from East Herts

Summary Findings

The analysis of the business cases included within the main proposal concludes that the Council could achieve a cashable saving of £522,764 over a period of five years with a return on investment in month 23.

The accumulation of all of the business cases within this proposal produces the savings per annum as detailed in Table 1 below.

Table 1

	Year 1	Year 2	Year 3	Year 4	Year 5
Self Service Council Tax & Business Rates	£11,351	£11,351	£17,027	£17,027	£22,703
Self Service Benefits	£7,252	£7,252	£10,878	£10,878	£14,504
Self Service Landlord Access	£3,570	£3,570	£4,165	£4,165	£4,165
eNotifications and eBilling - claimants	£3,209	£4,628	£5,785	£6,173	£6,271
eNotifications - Landlords	£2,337	£2,694	£2,886	£2,999	£2,996
eBilling (non Benefit claimants)	£7,731	£12,821	£17,949	£23,123	£28,385
eBilling Business Rates	£172	£344	£516	£687	£859
Self Service Change of Address	£13,354	£13,354	£13,354	£13,354	£13,354
Mobile	£70,647	£70,647	£70,647	£70,647	£70,647
Rent Liability Interface	£4,199	£4,199	£4,199	£4,199	£4,199
BECS eClaim	£17,217	£25,825	£34,434	£43,042	£51,651
Electronic Landlord Schedules	£2,646	£2,646	£2,646	£2,646	£2,646
Quality Assurance	£4,885	£4,885	£4,885	£4,885	£4,885
Electronic Payment files	£2,500	£2,500	£2,500	£2,500	£2,500
Total Savings	£151,069	£166,716	£191,871	£206,326	£229,765

The cost of implementing the solution and annual maintenance delivers a saving of between £151,069 and £229,765 per annum over a five year period.

Setup Charge	£222,784				
Annual Maintenance	£40,040	£40,040	£40,040	£40,040	£40,040
Total fixed cost	£262,824	£40,040	£40,040	£40,040	£40,040

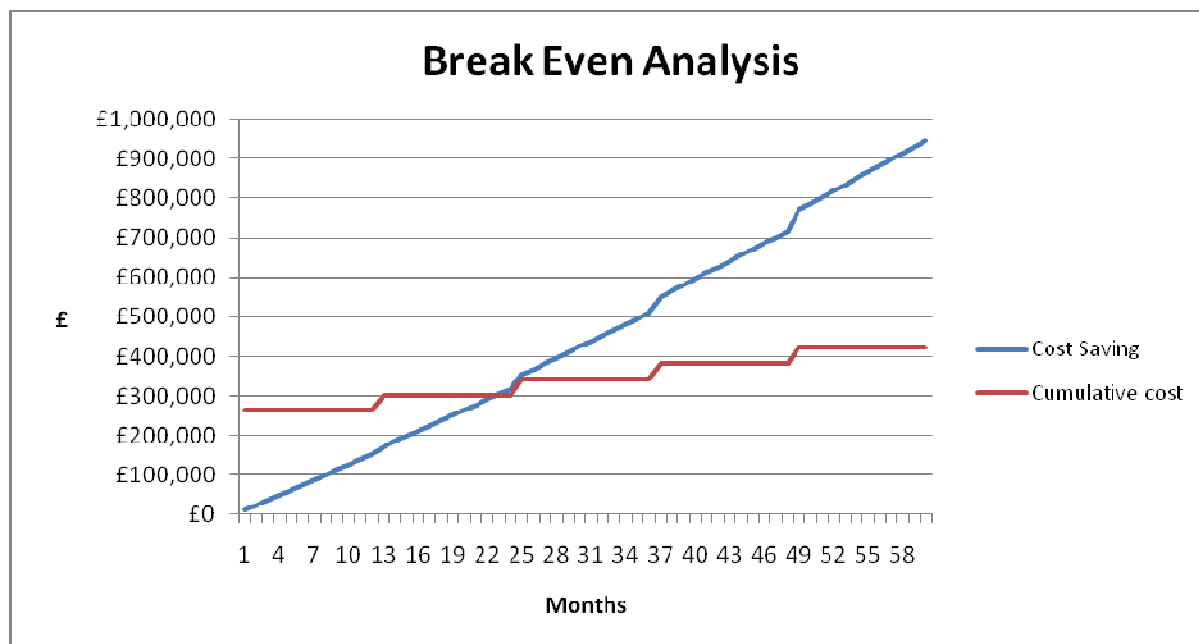
Total Savings	-£111,755	£126,676	£151,831	£166,286	£189,725
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Months before break even	23
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The cumulative cashable saving over five years is £522,764.

Cumulative Cost Saving	£151,069	£317,785	£509,656	£715,982	£945,748
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Cumulative Solution Cost	£262,824	£302,864	£342,904	£382,944	£422,984
Total Cumulative Saving	-£111,755	£14,921	£166,752	£333,038	£522,764



Partnership

East Herts and Capita have agreed a risk and reward model in order to promote closer working and achieve return on investment as quickly as possible. It is proposed that in this model £52,159 will be put on risk and reward.

This means that the Councils one time cost will be £222,784 (with £52,159 of this figure placed on risk and reward).

The final risk and reward key performance indicators associated with the payment of the risk and reward profile are still to be agreed. An example of this profile has been included below.

- Customer to pay £9,150 on conversion of 15% of Council Tax bills to electronic billing
- Customer to pay £20,009 on conversion of 75% of Landlord Schedules to electronic media
- Customer to pay £25,500 when 30% of new benefit claims are made electronically

The impact this has on return on investment can be seen below:

Setup Charge	£170,625				
Annual Maintenance	£40,040	£40,040	£40,040	£40,040	£40,040

Total fixed cost	£210,665	£40,040	£40,040	£40,040	£40,040
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Total Savings	-£59,596	£126,676	£151,831	£166,286	£189,725
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Months before break even	19
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Cumulative Cost Saving	£151,069	£317,785	£509,656	£715,982	£945,748
Cumulative Solution Cost	£210,665	£250,705	£290,745	£330,785	£370,825
Total Cumulative Saving	-£59,596	£67,080	£218,911	£385,197	£574,923

Customer Benefits

E-claim

E-claim provides an electronic version of the claims form which may be accessible via the local authority website, authority intranet or via mobile devices.

The e-claim form offers numerous benefits over the traditional paper based form:

- **Quicker and simpler** – only questions relevant to applicants are displayed, simplifying the process and reducing the time taken to complete.
- **Increased accuracy in information submitted** - step-by-step guidance for claimants is given throughout completion, increasing the accuracy of the information submitted. reduces the possibility for errors to be introduced further in the process.
- **Real time submission** – e-Claim forms are transmitted instantly and securely, the postal service and data entry no longer delay the process.
- **Reduced environmental impact** – e-Claim reduces the need to produce printed forms, production and disposal of which has a significant environmental impact.
- **Better service access** – providing a mobile office service using technology to offer processing of council tax and housing benefit claims directly from citizens homes.

Self Service – Council Tax

Using Self Service Council Tax, citizens can:

- **View personal account information** – including outstanding balance, discounts, payments made and property details.
- **Sign up to e-billing** – enabling the authority to reduce the cost of billing.
- **View payment schedules** – enabling citizens to understand when payments are due and budget accordingly.
- **Process a change of address** – citizens can register a change of address without the need to call a contact centre.

- **Change their payment method to Direct Debit** – increasing the uptake of the most cost effective payment method.
- **View correspondence including bills and reminders** – citizens no longer need to call the contact centre for reprints when they mislay important correspondence.
- **Access banding information** – the current gross charge for all properties in the area is easily accessible to the public and other interested parties such as estate agents, reducing calls to the contact centre.
- **Pay outstanding council tax balances** - payment of some or all of the outstanding balance can be made by linking to an online payments facility.

Self Service - Benefits

Using Academy Self Service Benefits citizens can:

- **Access full details** of awards, payments made, payment schedules and overpayments, along with assessment and circumstances used in the calculations. This allows citizens to check their details without calling the authority.
- **Access information easily** – through council web-site. Alternatively the service may be accessed by the Citizen's Advice Bureau or other agencies authorised to assist the claimant empowering third parties to assist and advise individuals.
- **View notifications and other correspondence** – claimants no longer need to call the contact centre for reprints when they mislay important correspondence, and there is no need for the authority to reprint it.
- **Review history** - of past payments and details of future payments – claimants know when they will receive payments as well as how much giving them the information they need to budget.
- **Examine assessment details** – claimants can check that their current claim assessment reflects their present circumstances.
- **View current award and calculation details** – the authority is seen to be open about calculations for benefit, allowing claimants to understand how their benefit was reached.

- **View overpayments** – providing claimants with visibility of how much they have been overpaid and allowing them to budget accordingly.

Self Service – Business Rates

Using Self Service Business Rates, businesses can:

- **View business rate account information** - including outstanding balance, reliefs, payments made as well as fully detailed calculations of their charges.
- **Sign up to e-billing** – making payment of the bill simpler for businesses
- **View payment schedules** – enabling businesses to understand when payments are due and budget their cashflow accordingly.
- **View correspondence including bills and reminders** – businesses no longer need to call the contact centre for reprints when they mislay important correspondence.
- **Access rateable values for any property** – the current gross charge for all properties in the area is easily accessible to the public and other interested parties such as estate agents, reducing calls to the contact centre.
- **Access to pay Business Rates bills online** – a quick and efficient online payment system makes it easy for businesses to pay council tax online encouraging the timely payment of bills.

e-Notifications

- **Meets customer expectations** – many customers are already receiving electronic communications such as bills, from organisations including banks, utility companies and local authorities and expect services such as eNotifications
- **Prompt notification** – customers receive notification of benefits without the delays of the postal system.
- **Convenient** – all benefit notifications received along with other information is easily accessible online.

- **Secure** – eNotifications are more secure than their paper based equivalents.
- **Easy storage** – PDF documents can be stored on a customer's PC or in the case of a large landlord, imported into an EDMS system without the need to scan.

e-Billing

- **Customer choice** – Customers who do not sign up for an eBill will still receive a paper bill, whilst those who prefer the paperless approach will only receive an eBill.
- **Meet customer expectations** – Many commercial companies already use eBilling, customers are increasingly expecting these services from their local authority.
- **Multiple copies** - Each person named on the bill can receive a copy of the bill in their inbox, improving communication in shared houses and aiding prompt payment.
- **Identical eBills** – Bills sent as a PDF attachment look identical to printed bills, ensuring that the authority communicates the same consistent message. Links may be included to useful website content rather than sending expensive printed communications.
- **Immediately available** – Bills may be accessed from anywhere as soon as they become available. Bills do not spend time in the postal system or on the door mat whilst the bill payer is away, aiding prompt payment.

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 4 OCTOBER 2011

REPORT BY CHAIRMAN OF CORPORATE BUSINESS SCRUTINY COMMITTEE

SCRUTINY WORK PROGRAMME 2011/12

WARD(S) AFFECTED: none

Purpose/Summary of Report

- This report is intended to support the Corporate Business Scrutiny (CBS) Committee in reviewing and planning its work programme for 2011/12.

<u>RECOMMENDATION FOR DECISION that:</u>	
(A)	the work programme shown in this report be reviewed and agreed; and
(B)	the Scrutiny Officer be asked to make any changes, additions or arrangements as might be discussed in the meeting.

1.0 Background

1.1 Items previously required, identified or suggested for the CBS work programme are set out in **Essential Reference Paper B**.

2.0 Report

2.1 At the last meeting of CBS, members indicated their approval for the outline work programme including the rescheduling of the Data Sharing Protocol report.

2.2 The Information Commissioner's Office recently issued a Data Sharing Code of Practice and, after considering the implications of the document, lead Officers made a request to the CBS Chairman to further delay their report to the Committee. This was agreed.

- 2.3 The new guidance draws strongly on the Freedom of Information (Fol) Act and the Data Protection Act. This will require a wholesale revision in approach and one which moves this function away from its previous focus on the sharing of performance data to now sit within the wider remit of Information Management.
- 2.4 Lead Officers are asking to bring a more comprehensive report to members at the CBS meeting on 20 March 2012 in time for the new civic year. This timeframe will allow every department to be reviewed and any necessary actions put in place to ensure compliance under the new code.
- 2.5 No new topics for scrutiny have been received from the public following the article explaining scrutiny and asking for suggestions for review from residents (which appeared in the Spring 'Council tax' edition of LINK magazine).

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'** which follows.

Background Papers

Four principles of good public scrutiny published by CfPS (Centre for Public Scrutiny) [click here for link to CfPS external site](#)

East Herts Council's own current guidelines for selecting issues for review.

A summary of this information is printed at the back of Essential Reference Paper B.

Data Sharing Code of Practice published by Information Commission's Office.

http://www.ico.gov.uk/~media/documents/library/Data_Protection/Detailed_specialist_guides/data_sharing_code_of_practice.pdf

Contact Member: Cllr David Andrews, Chairman: Corporate Business Scrutiny Committee

Contact Officer: Lois Prior, Head of Strategic Direction and Communication Manager – Extn 1688

Report Author: Marian Langley, Scrutiny Officer

ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives</p>	<p>Effective use of the scrutiny process contributes to the Council's ability to meet two core objectives:</p> <p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p>Leading the way, working together <i>Deliver responsible community leadership that engages with our partners and the public.</i></p> <p>In monitoring the performance of the council's services and action plans, the Committee is monitoring the Council's achievement of all of its corporate objectives.</p> <p>Any additional issues identified for scrutiny will relate to at least one of the Council's corporate objectives.</p>
<p>Consultation:</p>	<p>Potential topics for scrutiny are always invited from members of the public, the Executive and all Members.</p>
<p>Legal:</p>	<p>According to the Council's constitution, the scrutiny committees are responsible for the setting of their own work programme in consultation with the Executive and in doing so they shall take into account wishes of members on that committee who are not members of the largest political group on the Council.</p>
<p>Financial:</p>	<p>Any additional meetings and every task and finish group has resource needs linked to officer support activity and time for officers from the services to make the required input.</p>
<p>Human Resource:</p>	<p>none</p>
<p>Risk Management:</p>	<p>Matters which may benefit from scrutiny may be overlooked. The selection of inappropriate topics for review would risk inefficient use of resources. Where this involved partners, it could risk damaging the reputation of the council and relations with partners.</p>

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**Scrutiny work programme
Essential Reference Paper B**

Corporate Business Committee work programme 2011/12 and into 2012/13

meeting	date	topic	Contact officer/lead	Next Exec
THIS CIVIC	YEAR			
Member Consultation	on-line during NOV	Proposed Service Options covering all committee remits		
5 in 11/12	29 Nov 2011 Report deadline 16 Nov	<ul style="list-style-type: none"> • Closure report on C3W programme • Review of progress on Community & Public Engagement • Partnership register – risk monitoring • Service Plan April 2011 – Sept 2011 monitoring • Healthcheck through to Sept 2011 • Work programme 	<ul style="list-style-type: none"> • Neil Sloper • Will O’Neill/Mekhola Ray • Graham Mully/George Robertson • Lois Prior/Dave Cooper • Lorna Georgiou/Karl Chui • Marian Langley 	10 Jan 2012
6 in 11/12 JOINT	17 Jan 2012 Report deadline 4 Jan	<ul style="list-style-type: none"> • Residents’ Survey - results <p>BUDGET ITEMS</p> <ul style="list-style-type: none"> • Capital Programme 2011/12 (Revised) to 2014/15 • Treasury Management Strategy Statement 2012/13 (inc Minimum Revenue Policy Statement) and Annual Investment Strategy • Fees and Charges 2012/13 • Service Estimates - Revenue Budget Probable 2011/12 – Estimates 2012/13 • Consolidated Budget Report: Probable Outturn 2011/12: Revenue Budget 2012/13: Medium Term Financial Plan 2012/13 to 2015/16 	<ul style="list-style-type: none"> • Lorna Georgiou • Simon Chancellor • Paul Mitchell • Mandy Barton • Mick O’Conner • Alan Madin 	7 Feb 2012

**Scrutiny work programme
Essential Reference Paper B**

7 in 11/12 JOINT	14 Feb 2012 Report deadline 1 Feb	SERVICE PLANS ESTIMATES AND FUTURE TARGETS	<ul style="list-style-type: none"> • Lois Prior (with HoS on standby to attend scrutiny if needed) • Karl Chui 	6 Mar 2012
8 in 11/12	20 Mar 2012 Report deadline 7 Mar	<ul style="list-style-type: none"> • ?possible review of progress on Community & Public Engagement? • Data Sharing Protocol (following full review) REQUESTED • Healthcheck through to Jan 2012 • Work programme 2012/13 	<ul style="list-style-type: none"> • Will O'Neill/Mekhola Ray • Neil Sloper • Lorna Georgiou/Karl Chui • Marian Langley 	22 May 2012

NEXT CIVIC	YEAR			
1 in 12/13	29 May 2012 Report deadline 16 May	<ul style="list-style-type: none"> • 2011/12 Out-turns and 2012/13 Targets • Healthcheck (included/separate?) • Service Plan Oct 2011 – March 2012 monitoring • Work Programme 2012/13 	<ul style="list-style-type: none"> • Lorna Georgiou/Karl Chui • Lorna Georgiou/Karl Chui • Ceri Pettit/Dave Cooper • Marian Langley 	10 July 2012
2 in 12/13	17 July 2012 Report deadline 4 July	<ul style="list-style-type: none"> • Annual Governance Statement 2012/13 • Comments, Compliments and Complaints (3Cs) – annual report • Work programme 	<ul style="list-style-type: none"> • Simon Drinkwater • Neil Sloper • Marian Langley 	7 Aug 2012
3 in 12/13	21 Aug 2012 Report deadline 8 Aug	<ul style="list-style-type: none"> • Corporate Annual Report 2010/11 • 4 year Corporate Strategic Plan (2013/14 to 2016/17) • Medium Term financial strategy (2013/14 to 2016/17) • Healthcheck through to June 2012 • Work programme 	<ul style="list-style-type: none"> • Lorna Georgiou • Ceri Pettit • Alan Madin • Lorna Georgiou/Karl Chui • Marian Langley 	4 Sept 2012 9 Oct 2012

The four principles of good public scrutiny:

- *provides ‘critical friend’ challenge to executive policy-makers and decision-makers*
- *enables the voice and concerns of the public and its communities*
- *is carried out by ‘independent-minded governors’ who lead and own the scrutiny role*
- *drives improvement in public services*

Currently within East Herts Council, the criteria for selecting issues:

For the Scrutiny Committee to select an issue to review, it must meet all of the following criteria:

- Of local, and preferably current, concern
- Linked to the council’s corporate objectives
- Capable of being influenced by this committee
- Of manageable scope – focused rather than too wide ranging
- Of sufficient scope to warrant a scrutiny review – not something that can be easily fixed by meeting with the service provider
- Not being scrutinised elsewhere (eg another Scrutiny Committee)

At the last scrutiny evaluation there was a feeling, in the light of the current economic climate and limited resources, that **there should also be some consideration given to:**

- areas where significant costs might be incurred or could be saved
- minimising the level of risk associated with the topic/issue
- the length of time since the topic was last reviewed.

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