

STEVENAGE BOROUGH COUNCIL AND EAST HERTS COUNCIL

EAST HERTS COUNCIL AND STEVENAGE BOROUGH COUNCIL JOINT
REVENUES AND BENEFITS COMMITTEE - 19 OCTOBER 2011

REPORT BY HEAD OF REVENUES AND BENEFITS SHARED SERVICE

7. PERFORMANCE REPORTING

WARD(S) AFFECTED: All.

Purpose/Summary of Report

- To explain service performance for the Revenues and Benefits shared service.

| <u>RECOMMENDATIONS FOR DECISION:</u> that | |
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| (A) | The performance of the Revenues and Benefits shared service be noted. |
| (B) | The future format and content of performance information for the Revenues and Benefits shared service be approved. |

1.0 Background

1.1 At the meetings of the Stevenage Borough Council (SBC) and East Herts Council (EHC) Executives on 14th June and 15th June 2011 respectively, decisions were taken to create a single, shared Revenues and Benefits Service for the two Councils and to establish a joint committee for that shared service.

1.2 Term of reference number four for the joint committee is:

‘To receive explanations of variances in service performance against the agreed Service Plan’

1.3 A Service Plan for the shared service will be drafted for the first year of operation, 2012/13. In the absence of such a plan, this report includes information about the performance of the separate Revenues and Benefits Service

2.0 Report

2.1 What good performance means for Revenues and Benefits

- 2.1.1 Good performance means ensuring that the right outputs are delivered for customers, using the available resources in the most efficient way.
- 2.1.2 The right amount of benefit needs to be paid to the right person at the right time, and the maximum amount of local taxes collected by the due dates. All of which should be done with an affordable level of resources, without waste or delay in procedures.
- 2.1.3 Performance is measured across the following indicators:
- The time, in days, taken to process housing benefits /council tax benefit new claims and change events.
 - The percentage of non-domestic rates due for the financial year which were received by the authority in that year.
 - The percentage of council tax due for the financial year which were received by the authority in that year.
 - The number of sanctions (Prosecutions, Cautions and Administration penalties) secured on Benefit fraud cases.

2.2 Context

- 2.2.1 Performance management arrangements must take account of external factors which will place uncontrollable demands on any service. In the case of Revenues and Benefits this includes the number of claims and changes in circumstances which is linked to changes in the national and local economies, the socio-economic profile of the customer base and the ever changing requirements of the Department of Works and Pensions.
- 2.2.2 Key features of the Revenues and Benefits Services were provided in the Business Case document and are reproduced at appendix A.

2.3 Historic performance

- 2.3.1 Performance in Benefits and Local Taxation has varied significantly between the two council's and year on year since 2007/08. The correction of this will be addressed as a priority in the year following 'go-live' of the shared service.

2.3.2 In recent years, EHC has taken steps to address performance variation by investing in new IT solutions, from which the single shared service will benefit. This has to some extent been countered by the worsening economic downturn which has generated increased claims for and activity on benefit claims, as well as increased action to recover increasing occurrences of unpaid council tax and business rates.

2.4 Current performance

2.4.1 Performance during implementation will be impacted by changes to the staff structure and essential staff training, the roll out of new IT and the standardisation of working practices and business processes.

2.4.2 These changes, combined with increased customer demands arising from the economic downturn, have already led to temporary deteriorations in performance. This has been addressed so far, by short term employment of agency staff at SBC.

2.4.3 The current position is:

| | EHC | SBC |
|---------------------------------|-----------------------|--------------------------|
| Benefit processing times | | |
| Target for 2011/12 | 10 days | 12 days |
| Cumulative position at 30.9.11 | 12.34 days | 18.38 days |
| Most recent performance month | 9.2 days | 12.62 days |
| Performance 2010/11 | 9.95 days | 11.89 days |
| NNDR | | |
| Target for 2011/12 | 97% | 98% |
| Collection rate at 30.9.11 | 57.14 (57.72 2010/11) | 64.04 (2010/11 61.2) |
| Performance 2010/11 | 96.94% | 95.8% |
| Council Tax | | |
| Target for 2011/12 | 99% | 97% |
| Collection rate at 30.9.11 | 56.8 (2010/11 56.8) | 61.60 (2010/11 58.9) |
| Performance 2010/11 | 98.5% | 96.2% |
| Fraud Sanctions | | |
| Target for 2011/12 | 92 | None set |
| Secured at 30.9.11 | 58 | Verbal update at meeting |
| Performance 2010/11 | 123 | 48 |

Collection of Council Tax and NNDR vary at this point in the year due to differences in the collection profiles that each council facilitates.

Both Benefits Services continue to experience increasing caseloads.

2.5 Future performance

2.5.1 The objectives of the shared service focus on bringing stability and ensuring resilience against future changes in service demand. This will be achieved by 'honing' performance improvement year on year.

2.6 Conclusion

2.6.1 The amalgamation of skills and knowledge in a single large staff group, combined with the sharing of sound investment in IT will deliver service resilience which will underpin the capability to quickly deliver performance stability as a strong basis for performance improvement.

2.6.2 The Service Plan for 2012/13 will include intent to deliver and secure excellent service delivery across both councils in future years.

3.0 Implications/Consultations

3.1 None.

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

3.3 **Essential Reference Paper 'B'** Key features of the service.

Background Papers

'Revenues and Benefits Shared Service for East Herts and Stevenage Business Case'.

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ESSENTIAL REFERENCE PAPER 'A'

| | |
|---|--|
| Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate): | <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>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> |
| Consultation: | None |
| Legal: | None |
| Financial: | As detailed in the Business case |
| Human Resource: | None |
| Risk Management: | As detailed at 2.4 above |

ESSENTIAL REFERENCE PAPER 'B'

Key features of the Revenues and Benefits Services

| Customer base | EHC Revenues and Benefits | SBC Revenues and Benefits |
|---|---------------------------|---------------------------|
| Population of the district / borough | 138,114 | 81,074 |
| Geographical size of the district/borough | 184 sq miles | 10 sq miles |

| Local Taxation | EHC Revenues and Benefits | SBC Revenues and Benefits |
|---|---------------------------|---------------------------|
| Tax base for 2010/11 | 57,790.60 | 28,570.81 |
| Tax Collectable debit 2010/11 | £85.9 million | £41.6 million |
| NNDR (Business rates) properties 2010/11 | 4096 | 2004 |
| NNDR (Business rates) collectable debit 2010/11 | £40 million | £44 million |

The combined Revenues and Benefits services collect in excess of £200 million of local taxes and pay out more than £70 million of benefits each year. These services are delivered to every household and business in the Councils' districts.

| Benefit service | EHC Revenues and Benefits | SBC Revenues and Benefits |
|--|---------------------------|---------------------------|
| Claimants at 01/02/11 | 7,514 | 8,700 |
| Claims at 01/02/11 | 12,720 | 14,988 |
| Housing & Council Tax Benefit paid 2010/11 | £34.7 million | £39.7 million |

The main difference between the nature of benefit caseloads arises from the different decisions taken around each Council's housing stock. In the case of EHC, the stock was transferred to two registered social landlords, and subsequently tenants claim rent allowance. In the case of SBC, the stock remains the property of the Council, with tenants claiming rent rebate.

Managing this difference is a simply issue of ensuring that cross-training of staff is completed at the earliest opportunity.

| Benefits service growth in caseload | EHC Revenues and Benefits | SBC Revenues and Benefits |
|-------------------------------------|---------------------------|---------------------------|
| 2008/09 | 9.20% | 5.81% |
| 2009/10 | 9.38% | 4.06% |
| 2010/11 | 2.42% | 4.08% |

Both services have experienced significant caseload growth since mid 2008/09, as a result of current economic conditions. This growth impacts on the performance of processing and

assessing new claims. It has also created on-going pressures associated with maintaining larger caseloads.

Maintaining good performance levels in this environment has been challenging. A need to create additional capacity within the EHC service was addressed by investing in new IT solutions, including customer self service and mobile working modules. These innovations are being rolled-out during 2011/12.

The economic downturn has meant added difficulties in collecting both Council Tax and Business Rates. Changes to the rules for charging rates on empty business premises has added a further challenge, which has impacted negatively on collection rates.

With an increase in Council Tax and Business Rates arrears, so follows an increase in action to recover those arrears. This inevitably means hearings in the magistrate's courts with the attendant costs of summonses and bailiff action. This has inevitably increased the overall cost of collecting local taxes.

The tables below set out comparisons of key performance measures between the two Revenues and Benefits Services. This clearly shows significant variations, which will be addressed as a priority through the shared service.

Performance

| Benefits service performance (days) New claims | EHC Revenues and Benefits | SBC Revenues and Benefits |
|---|----------------------------------|----------------------------------|
| 2007/8 | 21.58 days | 30.26 days |
| 2008/9 | 22.18 days | 23.22 days |
| 2009/10 | 27.96 days | 28.13 days |
| 2010/11 | 27.83 days | 21.64 days |

| Changes in circumstances | EHC Revenues and Benefits | SBC Revenues and Benefits |
|---------------------------------|----------------------------------|----------------------------------|
| 2007/8 | 3.29 days | 15.05 days |
| 2008/9 | 1.72 days | 9.11 days |
| 2009/10 | 5.72 days | 10.63 days |
| 2010/11 | 6.02 days | 10.06 days |

| Tax In-year collection rates | EHC Revenues and Benefits | SBC Revenues and Benefits |
|---|----------------------------------|----------------------------------|
| 2007/8 | 98.4% | 96.8% |
| 2008/9 | 98.6% | 96.5% |
| 2009/10 | 98.6% | 97.5% |
| 2010/11 | 98.5% | 96.2% |

| NNDR (Business rates) in year collection rates | EHC Revenues and Benefits | SBC Revenues and Benefits |
|---|----------------------------------|----------------------------------|
| 2007/8 | 99.4% | 99.5% |
| 2008/9 | 97.6% | 97.9% |
| 2009/10 | 97.5% | 96.4% |
| 2010/11 | 96.64% | 95.8% |

| | EHC Fraud | SBC Anti-Fraud |
|--|-------------------|-----------------------|
| Fraud / Anti- Fraud performance | Sanctions secured | Sanctions secured |
| 2007/8 | 98 | 39 |
| 2008/9 | 101 | 37 |
| 2009/10 | 116 | 36 |
| 2010/11 | 123 | 48 |