

PERFORMANCE, RESOURCES AND ASSETS SCRUTINY COMMITTEE

4th August 2008 at 6.00 pm

PRESENT: Councillor Saleem (Chair); Councillors Burnett, Farooq, Franks, Pantling and Titmuss.

IN ATTENDANCE: Councillor Strange.

39 UPDATE OF EXECUTIVE DECISIONS (REF: 7)

The Democratic Services Officer circulated an extract of the Executive decision sheet for 14th July 2008 at which references from the Committee had been submitted in relation to the 'Called In Decisions (EX/125/08) Corporate Assessment of the Council and (EX/126/08) Primary Capital programme – Primary Strategy for Change'.

Resolved: That the Executive Decisions (EX/125/08 and EX126/08) as circulated at the meeting be noted.

40 REVENUES AND BENEFITS SERVICE UPDATE (REF: 8)

The Director of Customer and Corporate Services and the Interim Head of Revenues & Benefits (Shirley Pleszkan) gave a presentation updating Members as to the current position of the Revenues and Benefits Service including progress since the last meeting held on 29th May, 2008.

The Interim Head of Revenues & Benefits reported that in terms of performance:

- staff were working hard despite the ongoing uncertainty
- council tax in-year collection was better than same time last year and close to target - looking to recover shortfall not collected last year as well as past years
- benefit processing performance in line with expectations and older work being cleared but it would get worse before it got better – it was anticipated that benefit processing would rise in the 2nd quarter but reduce through the 3rd/4th Quarters to achieve the 42day cumulative target or better by the year end.
- this improved performance is still poor when compared with other authorities more rapid improvement was expected through next year and thereafter building on the strong foundations now being laid.
- targets had been set for all processing staff and robust work planning and performance monitoring had begun

The Director of Customer and Corporate Services requested that the appreciation of the hard work still being undertaken by colleagues despite the uncertainty within the service be recorded.

Members were advised that various actions were being taken to improve tax collection. There would be a campaign to promote the need to talk to the Council if ever customers had any difficulty in paying and that those who were genuine have nothing to fear. The Council would pursue non payers vigorously. The earlier the Council were notified of any problems customers had with paying their Council Tax the easier it would be to help them. The aim was to go out into the community and explain that help was available.

The following table indicates questions raised and responses given:

Questions raised by Members	Officer response
On target for In Year tax collection do you mean this year?	In year collection 2008/09 is close to target and better than last year. We want to achieve at least 94.4% by the end of the year.
Benefits performance will get worse before better what would be the expected longest wait for claims to be processed?	40-50 days on average – many cases would be less others would be longer as this is the average. The oldest backlog to April has been cleared. We are systematically clearing older claims.
How confident are you that the targets will be met?	Almost 100% confident that we will achieve 42% by the end of the year - the average committed in the local area agreement.
Where people are waiting for their benefit claim to be processed what impact does that have on their Council Tax?	Hard to be precise. Backlog just over 5,000 - quite a small percentage of the total – every case is looked at as an individual case.
Benefit claim figures what percentage of those figures are we taking action against this year?	Figures not available at the meeting – Information to be sent to Members if possible without distracting from the service priorities.
Are we pursuing those who have a benefit claim	We endeavour not to however, if a claim is submitted just prior to a case going to court it may not be picked up. In addition there will be cases where recovery is being taken as the council taxpayer is not in receipt of 100% benefit.
Is there any way to separate those who put in a late claim as a delaying tactic from those who put a claim in late because they have only just been	To ensure equality in the service every benefit claim must be considered on its own merits and requires dialogue with the resident. It

made aware of their entitlement to claim?	is not possible to provide further details as each case, whether a genuine claim or not, must go through the full assessment process and a determination made even if the claimant does not qualify.
Are there any plans for the reinstatement of an officer to look at the history of a case before taking court action as used to be the case in the past?	Due to the volume we have to use a largely automated process. Not able to comment on what happened in the past. Before customers are taken to court they would have received the required reminder and/or final notice(s). At the moment action is being taken to improve performance in respect Council Tax collection. Evidence shows that whilst we get a few cases wrong the correct action is being taken for the majority. However in future a proactive campaign including new letters will emphasise the need to talk to us ASAP if there is a problem making payments.
How are you going to help those who call in when they have problems?	We have given clear guidance to the front line which now includes CAB as well as Customer Services. There is an escalation process included for Members helping their constituents and we should now be able to respond more quickly, consistently and appropriately than ever before. CAB can offer debt counselling – we are meeting with them tomorrow to discuss more ways in which they can help
Have we taken into account the current economic downturn – those that have paid in the past may have a problem in the future due to the economic situation	Yes we have benchmarked ourselves against other Authorities who have the same make up. This is a factor but it must be recognised that our collection rate for a long time has been amongst the lowest in the Country. There are too many people who are deliberately avoiding paying the tax that is due at the expense of genuine taxpayers and the funding available to Council services.
Some people are paid in the middle of the month others at the end causing difficulties with payments	Direct Debits can be set up for alternative dates. The majority of council taxpayers will only make instalment payments for 10 months

	each year. They will have two months (February and March) when they will not be required to make an instalment payment which should make it easier for them to budget for future years payments. Again each case is dealt with on its own merits and we encourage any resident with difficulties to talk to us.
Do we assume that in respect of last years collection the 13,700 people who fall into the top three categories (Bailiffs instructed, on instalments, liability order obtained) are able to pay and will be made to pay or have we gone as far as Bailiffs liability orders etc without speaking to them to find out?	Every effort is made to get them to speak us but not all do. We are progressing each case individually, will take into account any response and intend to collect all that we appropriately can.
How confident are we that they exist and live at a particular address?	This is an issue for every authority. We encourage everyone to tell us of any change in circumstances. But accidentally or deliberately not all do. Bailiffs often find that they have moved in which case we make every attempt to trace them and collect the debt. There are several established processes to help us do this.
Could you provide an analysis of those cases we have a trace on. What percentage of those who have moved out.	Not immediately but will see if this analysis can be easily provided for Members separately.
In the past owners/landlords were given cards to complete and submit to the Revenue Department when a tenancy changed perhaps we should consider something similar.	There are some landlords who would respond and some who wouldn't. Those that would tend to write to us anyway.
We need to make it as easy as possible, the easier it is for people the more likely they are to respond.	Agreed, this is our aim. We do advise people to let us know if tenants move out. We also have an email address for those that prefer this medium.

A member of staff from the Service commented that he was surprised to see that the Council were still looking for a solution to a problem that it had had for four years, he added that Peterborough should have brought a plan.

The Director of Corporate and Customer Services pointed out that the Council had a failing Revenue Service and that the extent of this had only become apparent recently. Peterborough City Council would be managing

the service until October and had produced a comprehensive action plan for the service, which was being implemented. He added that at the moment the most burning issues were being prioritised and stressed that there was still significant work to be undertaken in order to bring the service back on line.

The interim Head of Revenues & Benefits reported on progress in respect of the action plan / restructuring and other issues:

PROGRESS IN RESPECT OF THE ACTION PLAN

- completed due diligence (Fraud team was the last)
- restructure (more to follow)
- changed print supplier from 28th July
- cancelled external bureau contract
- introducing new work planning, good practice, reconfigured system & processes all to become robust & effective
- making reporting reliable and timely – historic data issue
- clearing backlogs & improving productivity/accuracy this should produce additional subsidy funding of £600,000 in a full year with £100,000 expected in 2008/9.
- tax collection – focusing on all means to improve effectiveness – achieve target in-year collection in 2008/9 and recover more of under-collection last year and in previous years
- managing stake-holders and keeping everyone informed
- still awaiting DWP benefit subsidy determination

The Director of Customer & Corporate Services advised Members that the outstanding report reviewing the Fraud Team had been received and whilst noting strengths had suggested significant shortcomings. He added that the draft report had been issued for consultation and once finalised would allow him to conclude any action required.

RESTRUCTURING

- developed new structure
- staff & stakeholder consultation
- developed job descriptions & person specifications
- job evaluations and job matching undertaken
- Phase 1 complete, phase 2 underway now
- staff assessment centres
- identify training gaps and plan how to fill
- new structure largely in place by end August 2008
- recruit to fill any unresolved gaps
- managing displaced staff separately

OTHER ISSUES

- better understanding our customers and how we best meet their needs and expectations
- building strong foundations for the future and ensuring the service is stable and compliant
- sustainability of improvements
- engaging with stakeholders to the service
- mentoring and supporting staff
- managing expectations particularly on speed and extent of improvements
- fraud team

The following table indicates questions raised and responses given:

Questions raised by Members	Officer response
Is this not core failure of the management in the first place, what performance regimes are in place to ensure staff aren't penalised for poor management, what supporting structures are in place?	There were significant management failings, mechanisms are in place but there are lessons to be learnt. In the short term, we have a proven excellent Authority managing the transformation for us.
It was well known that there were serious problems in the management of the service. Four years ago the new administration said something was wrong with the management of the service. Not until the Audit Commission came in did anyone take notice why has it taken 5½ years for something to be done about the situation?	This has been discussed before. The service has long standing problems and comparatively poor performance. Members and in particular the portfolio holders from both recent administrations have seen the analysis, action plans, performance indicators improving, favourable external and internal inspections, the additional funding and resources, distracting and abortive regional initiatives and heard the assurances of management directly so it is quite wrong to say nothing has been done. Only recent events have revealed the extent of the failings, the risk of government intervention led to the urgent and fundamental action now being taken.
What changes to the process have been made which make reporting more reliable than before?	Peterborough had looked at our data and collection mechanisms across the service and found shortcomings. We have adopted their recommendations including how we use our core system Academy to produce accurate reports in the future.
Was this the fault of our software or were our figures at fault?	It was the fault of management. The system is capable of producing all the required data and we have fully adopted the recommended approach. Unfortunately this does mean that any data for previous years must now be considered with caution.
Systems not being robust – how frequently is information reported on – how is that fed back into the system?	Management look at daily, weekly monthly, quarterly and annual reports. The system is always up to date and feeds departmental and corporate reporting as required.
What process/system were we	You are interested in a level of detail

<p>operating before? What was wrong before? What are we doing now that has identified and filled those gaps? I would find it useful in future if the word significant could be quantified,</p>	<p>here that is best explained in the Service rather than in presentation at this meeting. Many of our processes were broken, we were not using our core system properly or to its full advantage and management have not organised or run the service to meet its clear objectives. This is the whole point of the action plan we have accepted from our interim management team and the fundamental change reported at the last meeting and progress reported today. Propose that all Members are invited to spend time in the service to ask questions and understand the detail they need to assist their scrutiny. Our priority at the moment is achieving the immediate objectives of a safe and compliant service better meeting the needs of its customers and nothing can distract us from that. If more detail is required at future meetings then this can be provided on request.</p>
<p>The Chair agreed that arrangements should be made for those members who wished to visit the service and taken through the process in order to help them have a better understanding of what was involved.</p>	
<p>Awaiting DWP determination – how much longer do we have to wait?</p>	<p>We responded by the 6th March deadline and were told informally that it would be here within 6 weeks. Again informally we are told that DWP have their own backlogs and are running behind so we just have to wait. We expect that our mitigation will be accepted with reprimand and caution rather than significant penalty but until we receive the determination, this can't be ruled out. Members will be kept informed.</p>
<p>Undermining our own staff by asking Peterborough to step in are we guaranteed that we will get it right?</p>	<p>The extent of our failings required assured, urgent and appropriate action. Stakeholders including Members agreed with the decision to establish an interim arrangement with Peterborough in these special circumstances as the most likely route</p>

	<p>to ensure that we do get it right. This was not intended to undermine our staff and there are already some encouraging signs.</p>
<p>Acknowledge that we were all supportive of Peterborough – what has happened since.</p> <p>Why aren't we prioritising collecting more of the older debt?</p>	<p>Peterborough has undertaken due diligence and some very good diagnostic work.</p> <p>We now have a robust and fully funded interim recovery plan to go forward with and you have seen the progress being made at this meeting.</p> <p>In terms of Council tax collection in general terms the more you collect in year the less arrears are left to be dealt with which means you can target historic arrears. It is much easier if we can collect early and it becomes harder the older it gets. We are introducing new initiatives to help us collect more in-year and from the past. We are looking to have a very focussed recovery team through our new structure and practices.</p> <p>Priority at the moment is on present and immediate past – Peterborough haven't had time to look in detail much further back but will as we want to make inroads there too.</p>
<p>A member of staff from service commented that the Housing Benefit/Council Tax service was a major issue the service had fallen down over a number of years, Councillors and Heads of Service had to take responsibility, staff who had worked in the service some for 20 years are under the threat of losing their jobs it's very sad.</p>	<p>The Director of Customer and Corporate Services emphasised that these concerns were understood and shared by officers and Councillors. The service is failing and fundamental action is now being taken. Previous senior management including the Head of Service are no longer working in the service. A new management arrangement is in place. Change brings uncertainty and the anxieties of staff are understood and regretted. Staff are supported through the process. It is the intention to redeploy the few people who may not have a role in the restructured service and therefore they are not under threat of no longer working at the Council. He explained again the key</p>

	elements of the restructuring process and summarised the progress to date.
New Structure how many jobs will be lost?	The brief to Peterborough was to make the service safe and compliant and respond better to customer needs. Due diligence revealed that failings extended across much of the service, not just in Processing and that there were real inefficiencies in the way the service was organised which add in cost and impede the outcomes required. The Business Case and action plan presented in May also therefore included savings from a number of initiatives. The structure has been benchmarked against staffing levels at similar authorities and we are now looking at an overall reduction of approx 15 posts The service already has vacancies it is therefore difficult to be more specific about the numbers actually affected.
How many staff were in the establishment – how many now?	Hard to be precise at this time - approximately 88 posts down to 73
No mention of appraisal and continuous development plan	These are certainly in our plans. Every staff member should have an appraisal and linked to our action plan, each will have a personal development plan from the assessment reviews and other discussions with additional training budget now provided for.
Are we talking about competency of the people being assessed - are these the same posts or new posts.	Management competency was an issue and that's why these and specialist posts have been dealt with in the first phase now completed. There was also the issue of match against new roles and throughout we have acted in accordance with our policies. Most posts have seen significant change from the current job description which is why so few have been able to slot straight in.
How much of this is due to efficiency/cost saving/ cost reductions	The service had committed savings in this years Budget and was earmarked

<p>were already agreed as part of Luton Excellence</p> <p>The Unions had two part time posts made full time and entered into a partnership agreement which conflicts them from being able to properly support their members particularly through the difficult changes that might lay ahead</p>	<p>as a priority Luton Excellence project. Events overtook this and we now have the interim arrangement and action plan with Peterborough although still as part of the LEx programme and with involvement from that team.</p> <p>The unions are not here tonight and must speak for themselves but the scale of change envisaged through Luton Excellence was such that we wanted to establish principles, a partnership and the resources to allow real engagement in major change, early dialogue, consultation and input and another valuable support to staff affected by any change. In no way does that compromise the Unions in representing their Members. The contrary is true as management benefit from their advice in developing proposals and the Unions are better informed in order to help their Members and deal with any impacts.</p>
<p>An employee from the Control team commented that normally if an organisation was in the process of restructuring employees were always given options - no one given any options. His own area (systems) has 2½ posts for 8 employees to apply for no unions no counselling. Some people have not had an interview in 20 years how can they be expected to do well.</p>	<p>The Director of Customer and Corporate Services recognised the concerns and uncertainties and explained that the Council didn't want to make people redundant. An action plan recommended by the interim management team has been accepted and is being implemented. The restructuring is necessary and we are following our Policies. The process has been explained to everyone, all posts have been matched against the new structure and by the end of August, most should know their personal outcome. Management, HR and the Unions have been available to help throughout and a counselling service is available to all staff. Additional support has been arranged for those who do not have a continuing role in the service. All staff should regularly meet with their manager, there should be an annual appraisal and progress</p>

	<p>review. If they haven't happened in a particular team in this service previously then they will in the future.</p> <p>- He expressed concern at the comments raised and stressed that the service was failing and could have been taken out of our hands.</p>
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The Director of Customer and Corporate Services explained that work was still in progress in developing options and a recommendation for the permanent future of the service and this update was intended to convey the broad shape and progress. No conclusions have yet been reached. He presented that:

- options & recommendation for the longer term being developed.
- need for sustainable excellent and efficient service delivery, certainty for the service following radical change and probably to extend interim management arrangements beyond October.
Also consider wider options for common processing/assessment – possibly for longer term

Options being developed/reviewed

- do nothing – continue fully in-house
- shared service with other local authorities
- joint venture with private sector or other local authority
- partial outsource (including some or all of networks, systems administration, and resilience)
- full outsource to the private sector (e.g. CAPITA, Liberata, Anglian Support Partnerships)

The aim was to reach a sustainable solution that would make the service effective. Members were advised that in looking at the above options the following criteria were being considered:

- the do nothing option (and the impact of doing nothing)
- the purpose and benefits of each option
- the scope of the option
- the actions required to implement any option

- the risks of any option

Members were advised that 'thinkingpartnerships' had been recruited to undertake an options appraisal. The Director of Customer and Corporate Services presented details of the work in progress.

He added that he expected the report to be considered by the Executive at their meeting on 6th October and would like the Committee to have an opportunity to consider the report prior to the Executive in order that their views could be incorporated. He proposed some options to achieve this and confirmed that a representative from 'thinkingpartnerships' would be in attendance to answer any questions Members might wish to raise.

The Chair enquired whether there was any scope to either move the next meeting nearer to 6th October or to arrange an additional meeting in order that the most up to date information would be available for Members to consider.

As this was an important issue and the agenda for the next meeting was quite heavy it was suggested that an additional meeting would be more appropriate.

A Member requested that the portfolio Holder for Finance be invited to attend future meetings of Performance Resources and Asset Scrutiny Committee.

Resolved: (i) That the details of the presentation be noted.

(ii) That the Interim Head of Revenues & Benefits be instructed to:

- (a) Provide the following information to Members (recognising the priorities in the service):
 - The percentage of the Benefit Claim figures that the Council were taking action against this year.
 - Investigate whether there was any way to separate customers who put in a late claim as a delaying tactic from those who put a late claim because they had only just been made aware of their entitlement to claim.
 - Provide an analysis of those cases the Service had a trace on – percentage of those who have moved out.
- (b) to make arrangements for Members to visit the Revenues and Benefits Service in order to help them have a better understanding of the processes involved.

- (iii) That the Democratic Services Officer be instructed to:
 - (a) Arrange an additional meeting of Performance Resources and Assets Scrutiny Committee to consider the final report on the Options for Revenues and Benefits Service.
 - (b) Invite the Portfolio Holder for Finance to attend the meeting referred to above.

(Note: The meeting ended at 8.55 pm)