

REPORT TO: CORPORATE SCRUTINY COMMITTEE AGENDA ITEM: 6(a)
DATE OF MEETING: 22 OCTOBER, 2001 CATEGORY: DELEGATED
REPORT FROM: CHIEF FINANCE OFFICER OPEN
MEMBERS' CONTACT POINT: CHRIS SWAIN (595812) DOC:s:\cent_serv\committee reports\corporate overview & scrutiny\22 oct 2001\bv rev rev&ben.doc
SUBJECT: BEST VALUE REVIEW FINANCIAL SERVICES – REVENUES AND BENEFITS REF: CJS/JHM
WARD(S) AFFECTED: ALL TERMS OF REFERENCE:

1.0 Purpose of Report

- 1.1 The report sets out the progress made on the Revenue Services part of the Financial Services Best Value Review.
- 1.2 It sets out the background on the approach to this part of the review and refers to the terms of reference.
- 1.3 It also sets out the issues discovered and the options identified at meetings of the Review Team on 6th and 17th September, 2001.

2.0 Detail

- 2.1 The Financial Services Best Value Review commenced in May, 2001 and is due to be completed by September, 2002. Revenue Services is part of that review and covers the provision of Council Tax and National Non-Domestic Rate collection and Housing and Council Tax Benefit administration.
- 2.2 The Terms of Reference are set out at **Annexe 'A'** to this report.
- 2.3 Revenue Services was dealt with first due mainly an external factor, that being the existing working partnership with Derbyshire Dales District Council. That authority has carried out a Best Value Review, part of which involves the replacement of the computer system which both authorities have developed over the years.
- 2.4 A further consideration is that taking Revenue Services first is a logical step following on from the benefit backlog that was experienced last year.

- 2.5 The Review commenced with a one-day seminar held for all review team members. The Team was given details on the concept of the Best Value process, including details of the 4 C's and an outline of where we are now. The latter included the following issues:
- The functions of billing, collecting and recovering Council Tax and Non-Domestic Rates.
 - The function of calculating and paying Council Tax Benefit, Rent Allowances and Rent Rebates.
 - The function of receiving and processing payments in person and via third parties.
 - The function of administering the Concessionary Fares Scheme.
 - Staffing (33 members of staff, with 12 being part-time, filling 29 FTE posts)
 - Performance
 - IT systems
- 2.6 The main purpose of this seminar was to give review team members an insight into the work of the Revenues and Benefits Team as well as identifying the key issues for the Team to address over the next few years.
- 2.7 The information provided at the seminar was based on detailed work carried out by Revenues and Benefits staff over the last 4 months to provide a range of background information for review team members.
- 2.8 Overall comparisons with other authorities indicated that the Revenues and Benefits Team was performing well, or indeed very well in line with upper quartile performance across the country. This represented a considerable level of improvement in relation to Benefits, which in a short time had moved from below average performance to well above average performance.
- 2.9 The key issue identified within the Best Value Review discussion has been how this improved level of performance can be maintained. This can be particularly difficult in a relatively small benefits section which is not staffed to deal with unforeseen peaks in workload or indeed considerable periods of long term sickness.
- 2.10 The review therefore began to concentrate on how this key issue could be addressed through closer working with other public sector partners or indeed private sector partners and with the enhanced use of IT to deliver even more streamlined processing.
- 2.11 The current issues and challenges were outlined. These were:

South Derbyshire specific issues –

- **Partnership with Derbyshire Dales** – the Best Value Review undertaken by Derbyshire Dales indicated the need to replace their existing computer system provided in partnership with South Derbyshire. Our Council faces the prospect of either providing this system ourselves and meeting all of the costs associated with it or looking for an alternative in partnership or on our own.

Across Authorities

- **Benefit Fraud Inspectorate** – visiting all authorities over a five-year period and have already produced a report highlighting the need to make a number of changes in a neighbouring authority.

- **Verification Framework** – all authorities are being encouraged to adopt a more rigorous method of assessing benefit claims to prevent fraud.
- **Council Tax recovery**
- **Constant Improvement/BVPI's** – Best Value performance indicators focus closely on revenues and benefits performance.

2.12 Each of the issues and challenges was addressed and the information that had been collected during the summer months was shared with the Review Team.

2.13 It was pointed out that the existing computer system was fragile in nature and was time consuming to maintain. It was unable to provide management information or embrace technology advances. The existing system requires specialist skills and relies on co-operation between both councils, neither of which is able to maintain the system alone. In particular the existing system would not promote joint working, which is identified as an important issue above.

2.14 It was recognised that the authority would have difficulty in meeting the high standards the Benefit Fraud Inspector in relation to computerised information. Furthermore, the software had a direct bearing on the inability to introduce the provisions of the Verification Framework.

2.15 Ideas to introduce a pro-active approach to Council Tax recovery were limited with the time consuming procedures required due to software limitations.

2.16 There is a requirement to achieve constant improvement and produce performance indicators, some of which cannot be provided due to software limitations.

2.17 The Review Team was informed about the areas that had been investigated. These were:

- New Software
- Acquiring software
- Increasing the use of the Electronic Document Image System
- The possible creation of a Derbyshire Consortium
- The investigation of outsourcing and partnership working
- Information received from Benchmarking Clubs
- The outsourcing of non-core activities
- How to embrace E-government initiatives

2.18 The above investigations created discussions on a wide range of subjects, enabling the current processes to be examined and challenged as well as looking at different ways of delivering the service.

2.14 After considering and debating the information presented, the Review Team, at its next meeting, considered three options for taking the review forward. These options are set out at **Annexe 'B'**.

2.15 The Review Team debated the options and considered that Option 2 should be incorporated into the Best Value Review Implementation Plan.

2.16 Progress on this part of the review will continue to be reported to the Review Team along with the Terms of Reference for the remainder of Finance Services.

3.0 Financial Implications

- 3.1 The financial implications arising from the adoption of Option 2 in the Implementation Plan are being investigated.
- 3.2 A joint bid for funding with four other authorities in Derbyshire under the Invest to Save scheme has been approved in principal and now moves forward to the next stage of the process. If successful, this will provide funds towards the introduction of new software and associated improvements.

4.0 Conclusions

- 4.1 Members are asked to note the progress on this part of the Best Value Review.

5.0 Background Papers

- 5.1 Agenda for Review Team Meeting 6th September, 2001.
Agenda for Review Team Meeting 17th September, 2001.