

SERVICES SELECT COMMITTEE – 21 JUNE 2011

REVENUES AND BENEFITS PARTNERSHIP UPDATE

Report of the: Deputy Chief Executive and Director of Corporate Resources

Status: For Consideration

Key Decision: No

Executive Summary: This report sets out the progress made in implementing a partnership between Dartford Borough Council and Sevenoaks District Council for the delivery of Revenues and Benefits Services.

The joint working arrangements, which required significant staffing, IT and management changes, have been implemented to a very tight timescale and it is expected that the savings projected when Members first approved the partnership will be achieved. Customer satisfaction with the service has also been maintained.

The report also sets out the current and future challenges facing the service, and the action being taken to address these.

This report supports the Key Aim of Effective Management of Council Resources

Portfolio Holder Cllr. Ramsay

Head of Service Head of Finance and Human Resources – Tricia Marshall

Recommendation: It be RESOLVED that the progress made in implementing joint working arrangements for Revenues and Benefits Services between Dartford Borough Council and Sevenoaks District Council be noted.

Background and Introduction

- 1 On 20 July 2010 Members approved the implementation of joint working arrangements with Dartford Borough Council (DBC) for Benefits (Housing and Council Tax Benefits), Revenues (Council Tax and Business Rates collection), Internal Audit and Fraud Services. This report updates Members on the progress made in implementing joint working arrangements since that date, as well as identifying the key challenges facing the teams in the future.

- 2 The proposal approved by Members in July can be summarised as:
- DBC and SDC to have a joint Internal Audit and Fraud team, based at the DBC offices;
 - DBC and SDC to have a joint Revenues and Benefits team, based at the SDC offices;
 - Existing customer face-to-face access to remain, with the enhancement that DBC customers to be able to access the above services via SDC facilities and vice-versa; and
 - IT systems, working practices and policies to be aligned, to deliver efficiencies in service delivery.
- 3 As a result of these proposals it was estimated that DBC and SDC would achieve savings of £500,000 a year split between the two authorities, with shared implementation costs of £834,000, a payback period of under two years.
- 4 In addition to the above, the joint working arrangements should improve resilience in the teams, maintain customer satisfaction levels and minimise risks to tax collection and benefit subsidy reimbursement.

Implementation plan

- 5 The overall implementation date for joint working set out in the July report was December 2010, though the report acknowledged that this was an extremely tight timescale when compared with the volume of work still to be completed, and was much more ambitious than similar projects at other authorities. The key tasks to be completed were:
- **Staffing** - Confirm structure, select staff for appointment to posts, attempt to redeploy any displaced staff and build new 'one team' culture and approach;
 - **Customers and Stakeholders** - Capacity plan for the expected workload to minimise the impact on customers during transition and inform stakeholders of changes;
 - **IT and telecommunications** – put in place a joint IT infrastructure across Revenues and Benefits and Audit and Fraud for both councils, implement a common document management system across both teams, route customer phone calls seamlessly to the new joint Revenues and Benefits team and enhance the Revenues and Benefits software to enable more efficient working;
 - **Working practices and approach** - Design and put in place common working procedures and policies for all teams;

- **Accommodation** - Locate Audit and Fraud staff at Dartford's offices and Revenues and Benefits staff at Sevenoaks' offices, including new office layouts and transfer of documents;
- **Finances** - Review the financial projections set out in the Business Case and draw up a detailed joint budget for 2011/12; and
- **Governance** – Draw up the legal agreement between the two authorities.

Implementation progress

- 6 The Audit and Fraud combined team was in place at DBC from September, earlier than originally planned. Joint policies have been approved by Members for the Audit and Fraud team and working practices have been aligned. The early move of the Audit and Fraud team freed up accommodation to be used for training Benefits apprentices, employed to increase service resilience during the implementation period.
- 7 Staff were appointed to the joint structure during July and August. Due to vacancies within the teams, only two staff were made redundant. Between September and December a range of activities took place to familiarise DBC staff with the SDC offices, to share working practices and generally to start to build up relationships between the staff at the two authorities.
- 8 The IT changes were implemented in phases, starting in September and finishing in November. An enhanced phone system was implemented in February, providing customers with better information when queuing and providing managers with performance information that enables them to plan staff resources around customer demand.
- 9 The DBC Revenues and Benefits staff moved to the SDC offices on 13 December, one week later than planned solely due to adverse weather. Since December, staff have worked to align procedures and all staff are working on both DBC and SDC workload. Most correspondence sent out from the teams has both DBC and SDC logos and contact information, and some customers from SDC are using the DBC offices as a service access point as it is more convenient for them than the SDC office location.
- 10 The Financial assumptions in the Business Case have been reviewed and a joint budget for 2011/12 constructed, which confirms that the planned savings should be achieved. Implementation costs are expected to be contained within the budget allowed.
- 11 The legal agreement is currently being finalised, and both councils approved appropriate delegations in December.

Lessons learnt

- 12 As part of the implementation, the Project Board asked for lessons learnt to be captured, to inform future partnership working. Views were gathered from a

range of project participants across both councils. The results of this review are set out the in the Appendix to this report.

- 13 Overall, the project was seen as very successful, with the project management approach and staff communication seen as particular strengths. Key lessons learnt were around identifying the risks associated with actions being delivered by external suppliers and how process mapping could be used early on to build relationships between teams.

Customer Satisfaction

- 14 In addition to capturing lessons learnt, customer satisfaction was surveyed in March/April. These results are generally very positive, showing high levels of satisfaction with the Revenues and Benefits services. It would appear that the changes made as a result of partnership working are not having an impact on customer satisfaction with these services.

Revenues Satisfaction Survey Results

Question	Satisfaction Rating (%)
Contacting the right person is easy to do	83.0
I am treated with consideration and respect	87.8
My Council tax bill is easy to understand	91.1
Letter / Phone calls are clear and understandable	89.3
Overall satisfaction with the council tax service	50.8

Benefits Satisfaction Survey results

Question	Satisfaction Rating (%)
Contacting the right person is easy to do	80.5
I am treated with consideration and respect	87.3
I know what information I need to provide	80.7
Letter / Phone calls are clear and understandable	75.5
I am satisfied with the time taken to assess a benefit claim	71.1
Overall satisfaction with the housing and council tax benefit service	77.3

Performance

- 15 Implementing the project in such a short timescale meant that managers' time was mainly devoted to implementation tasks rather than managing day-to-day performance. In addition, the project led to significant disruption for all staff, as they were working at a new location, to a new manager, with new working practices and/or in a new role (or a combination of these changes). As a result, whilst some additional capacity was added to provide resilience, performance was expected to dip when compared with previous years as the partnership bedded in.
- 16 The outturn results for 2010/11 are set out below – the partnership was in operation for the last three and a half months of that year, but managers were engaged in implementation throughout the year.
- 17 Overall the results for the year are very favourable. For Revenues, most indicators show an improvement when compared with the previous year. For Benefits, DBC shows a significant improvement whereas SDC shows a reduction in performance when compared with the previous year. The position for Benefits is complicated by the increase in workload during 2010/11, including a 15% year on year increase in workload from January. This is considered in more detail below under 'Current and future challenges'.

Revenues performance results

Indicator	Dartford BC		Sevenoaks DC	
Percentage of council tax collected in year	08/09	97.5%	08/09	98.6%
	09/10	97.5%	09/10	98.3%
	10/11	97.4%	10/11	98.6%
Percentage of NNDR collected in year	08/09	98.0%	08/09	98.5%
	09/10	97.1%	09/10	97.7%
	10/11	98.1%	10/11	98.4%
Percentage of council tax payers on direct debit	08/09	61.0%	08/09	66.9%
	09/10	61.6%	09/10	67.2%
	10/11	62.9%	10/11	68.8%
Percentage of correspondence dealt with within 7 working days (DBC) / within target time (SDC)	08/09	100%	08/09	74%
	09/10	100%	09/10	80%
	10/11	99.6%	10/11	99%

Benefits performance results

Indicator	Dartford BC		Sevenoaks DC	
Average number of days to process new claims	08/09	38	08/09	26
	09/10	40	09/10	21
	10/11	24	10/11	27
Average number of days to process change events	08/09	21	08/09	10
	09/10	21	09/10	7
	10/11	11	10/11	8
Percentage of new claims processed within 14 days of full information being received	08/09	n/a	08/09	94%
	09/10	66%	09/10	96%
	10/11	84%	10/11	87%

Current and future challengesBenefits Workload

- 18 Since January, the work coming into the Benefits Team has increased by 15% when compared with the previous year. This is due to changes in customers' circumstances that require their claims to be re-assessed. Other authorities in Kent are experiencing similar or higher workload increases, as are other authorities across the country. This increase in workload has come at a particularly difficult time for the partnership, as it was always expected that the joint service would be in transition up to April 2011, still building up to full capacity. January to March are, in any event, the busiest months for Revenues

and Benefits activity, due to annual billing and uprating (all of which was successfully completed on time by the joint team).

- 19 This increase in workload is having a major impact on turnaround times for customers – currently the time taken to process new claims is around 40 days and to process change events is around 20 days.
- 20 In addition, the Partnership currently has four vacancies for benefits assessors, and recent attempts to recruit to these posts have been largely unsuccessful. This has contributed to the current high turnaround times for customers.
- 21 As a result of the above, the Partnership has put in place a short term plan to address the current work peak and is also working on a longer term plan to recruit apprentices to train as benefits assessors. This is vital to ensure the resilience of the service and to provide a good quality of service to customers.

Future legislative changes

- 22 The Government has announced in its Welfare Reform Bill that it will be replacing a number of benefits, including housing benefit, with a universal credit. The Department for Work and Pensions (DWP) is in the early stages of drawing up an implementation plan for the changeover, but initial indications are that it will be phased in starting in October 2013 for working age claimants and October 2014 for pensioners, with the new system to be fully in place by 2017. Whilst the DWP does not envisage that local authorities will be involved in the processing of this credit, it has not yet decided how face-to-face contact with customers will be provided.
- 23 Part of the proposal is that council tax benefit will be replaced by a new, localised system, with approximately a 10% reduction in funding. Each local authority would decide the basis on which council tax rebates would be awarded to residents. This change is due to come in from April 2013.
- 24 Finally, it is proposed that Benefits Fraud work be centralised under the DWP from April 2013.
- 25 These changes will have a major impact on residents in receipt of benefits, staff in the relevant teams and housing services provided by the Council and by Registered Social Landlords. Members will be provided with further briefings when more details are available and staff are being updated as and when information is available.

Key Implications

Financial

- 26 As set out above, more detailed financial analysis has confirmed that the councils should achieve the projected annual savings of £250,000 a year.

Community Impact and Outcomes

- 27 The provision of face-to-face and other customer facing services is a key part of the planned service provision. Achieving significant savings whilst protecting service standards is of clear benefit to residents of Dartford and Sevenoaks.

Legal, Human Rights etc

- 28 There are no new issues with legal implications included in this report.

Conclusions

- 29 The joint working arrangements have been implemented to a very tight timetable, involving significant staffing, IT and management changes. Customer satisfaction has been maintained during implementation and savings are being achieved. Key annual tasks such as council tax and business rate billing were achieved on time. This has all been achieved whilst working with a significantly increased demand in the Benefits area.

Risk Assessment Statement

New risks are covered above under 'Current and future challenges'.

Background Papers:

Performance data for DBC and SDC Revenues and Benefits Services

Report to Cabinet 8 July 2010 – Item 6 - Revenues and Benefits Joint Working

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Lessons Learnt review– summary of findings

- 1 The project successes identified were:
 - Overall project management approach - the project used a robust methodology which provided consensus on a single business case by involving staff and stakeholders. There were regular project team meetings to ensure communication and involvement and there was direct involvement of Senior Management. The project approach was designed to accept a high level of risk and tailored to manage high risk areas (for example, time critical IT elements were managed more closely). The project drew on external consultancy input, which provides expertise and challenge.
 - Approach to staff - there was minimal use of redundancy or loss of experienced staff, due to vacancies having been held. Managers were appointed early in the process and they acted swiftly to place staff in the new structure, thus minimising uncertainty for staff. Staff communication was seen as successful, particularly the use of a weekly newsletter and 'change management' meetings between staff and the external consultant, to enable staff to raise concerns confidentially.
 - The project was delivered on time and on budget, despite very challenging timescales. Critical activities, such as annual Council Tax and Business Rates billing and Benefits annual uprating in February and March, were achieved successfully.
- 2 Looking at what went less well, and the lessons to be learnt for future projects, more time could have been devoted to mapping and aligning processes prior to co-location rather than afterwards. If it is not possible to align processes early then working separately after co-location should be considered until they are aligned. The project could have used the process mapping work as an opportunity to allow staff to get to know one another better before co-location.
- 3 The IT work had to be completed within a very short timescale, relied on third parties to deliver key elements and was critical to the project's success. With hindsight it was over-ambitious to include bespoke IT work within the implementation workload; although this work was successfully delivered it took longer than planned, with consequent impacts on the time available for other activities. Some other elements of IT work were delayed (mainly by suppliers), again which again reduced the time available for other implementation tasks.
- 4 Including the right people in discussions was difficult due to pace of project – this leads to issues with the staff or managers that are involved (or not involved) with changes that were required.
- 5 The key learning points for future partnership working were:
 - Manage expectation and utilise positive messages from this and other projects (particularly around how few staff were ultimately displaced);

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- Careful consideration needs to be given to backfilling – is it reasonable to expect staff to contribute to the project and still do day job;
 - Multiple options to ensure even handed communication and involvement are essential; and
- 6 Where there is dependency on third parties to deliver key elements of the project there is less control and flexibility than with in-house teams and therefore plans should take account of this.