1. Management Summary   APPENDIX 1

ISCAS LTD. has been requested by Watford Borough Council to provide them with a review of the Revenues and Benefits Shared Service including NNDR, Council Tax and Benefits. The report has a particular emphasis on the following:

- NNDR & Benefits reconciliation: process review, gap analysis and recommendations
- Quality assurance of processes feeding into the Housing Benefit subsidy claim: gap analysis (weaknesses), best practice and recommendations
- Billing and recovery: support needed, current problems and recommendations
- Benefits backlog: throughput management, forecast pipeline, level of staffing resources, complaints handling and customer care
- Benefit service: case load management, Benefit Officer performance and quality assurance.
- General systems and service issues needing urgent attention.

1.1. Introduction

Watford and Three Rivers Council's Revenues and Benefits Services have been through considerable change in the last year. The bringing together of two services, two systems and two cultures is a difficult task and to go live on time on such a complicated project must be applauded. The creation of the shared service, that is collecting monies and paying benefits, is a testament to the hard work and planning of all those involved. This post implementation review is an important part of the change and will give the two authorities a way forward to provide an efficient, highly performing and stable service.

When discussing the service with staff we found them to be enthusiastic about the future delivery of the service. It was clear that IT and working practices

were hindering service delivery but all concerned were optimistic that these could be rectified.

1.2. Reconciliation

Little or no reconciliation to external systems is being undertaken. Reconciliation of payments and refunds is being made to interface files but this does not ensure the Cedar and the Academy systems are in balance.

NNDR conversion reconciliation is now £4000 adrift, based upon a £65million debit. The accountant and the Revenues Manager agree that this is sufficiently close and that external auditors be approached to obtain their views.

There is no reconciliation of Benefit payments to the Cedar system or the Council Tax system. The service is not utilising interfaces that would increase efficiency.

1.3. Subsidy

Accurate subsidy for 2010/11 is likely to be compromised due to lack of training, quality assurance and procedures relating to the Academy system.

Subsidy will be lost in the current year due to the backlog of work causing local authority error.

Monthly monitoring of subsidy is to be introduced which will assist in reducing subsidy loss.

Civica, the system previously used by Watford, was not as advanced in functionally as Academy which the service is now using. This will assist in more accurate subsidy claims in the future.

1.4. Complaints Handling and Customer Care

It is clear that there is no formal procedure within the service for managing complaints satisfactorily.

A backlog of complaints and Freedom of Information requests are present with no formal procedures in place to manage complaints from Three Rivers Council. Resource needs to be applied to clearing this backlog.

Freedom of Information requests are not being replied to due to a lack of skills and resources in system interrogation.

There is very little measurement of customer care within the service with Gov. Metric being the only indication of a customer's satisfaction.

1.5. Communication

Communication across the service is poor. Team meetings haven't been held for several months. With the new Head of Service in post we are sure this will improve.

1.6. Management

The management of the service has been compromised due to the managers responsible being seconded to projects such as the implementation of the shared service. In many instances, Revenues and Benefits officers are not directed on a daily basis in the type or quantity of work they should be undertaking. Whilst one to ones have commenced in Benefits these will only be useful if a benchmark or target of performance is available.

1.7. Procedures

There appeared to be no set work methods or procedures in place for the service although they are available in the form a procedure manual from ACS which is not currently in use. Whilst an analysis of procedures was undertaken prior to the shared service commencing, these have not been shared with officers and/or used for the running of the service. There was a frustration as to the lack of procedures from officers who often were creating their own methods of working. New members of staff have no procedure manual to use when training.

1.8. Systems

Good systems are the key to service delivery. Unfortunately technology issues are holding back the current service. Having the core Academy system on two platforms is severely affecting performance. Some officers having to log on to two systems with keyboard differences only hinders the officers in the day to day administration of the service.

There is a lack of knowledge of the Academy system which will be exacerbated when the current Revenues Manager leaves. Some functionality of the system is not being used which may create additional work for officers and make the service less efficient.

The non payment of refunds has been creating failure demand as customers chase payments due to them.

The document management system (Anite) is not being used effectively. Letters, reports and document imports could all be improved. Memos between Revenues and Benefits are not being utilised well, therefore creating additional work for officers and the scanning and indexing team. A lack of interface between Anite and Academy is hindering the indexing process and leading to an increased risk of error in indexing documents.

Anite is not being used to measure the workload and as such any management information on work outstanding will not give a true picture.

1.9. Performance Management

There appeared to be little or no performance management. Allocation of work by surname or street meant that some officers had little or no work in their work trays whilst others had backlogs of work. This could lead to a two tier level of service for customers based upon their address or surname. Management of work by alphabetical splits only works well if there is no backlog and if the overall workload situation is constantly reviewed. This is currently not the case.

Individual officers and teams are not performance managed by output and/or quality.

Officers were unaware of current performance levels and what their targets were. This will need to be addressed by improved communications.

In any backlog situation, weekly, if not daily, performance management should be used. Claims received, processed and outstanding should be communicated to the teams, together with details of performance levels.

Performance in Benefit overpayment collection is not measured and no targets are set.

The service is not measuring quality as a percentage of claims checked that are correct. Measuring the quality of the will allow it to demonstrate an acceptable level of quality is being acheived

1.10.Controls

During the review a lack of financial control was identified This included balancing of the Academy to other systems such as Benefits and Finance.

1.11.Training

There appeared to be no formalised training. A private training company (ESP) has been used on legislation issues. However this is broad brush training and not based upon the needs of the service or individual officers. Quality checking should be used as a basis for training needs across the service and individual officers.
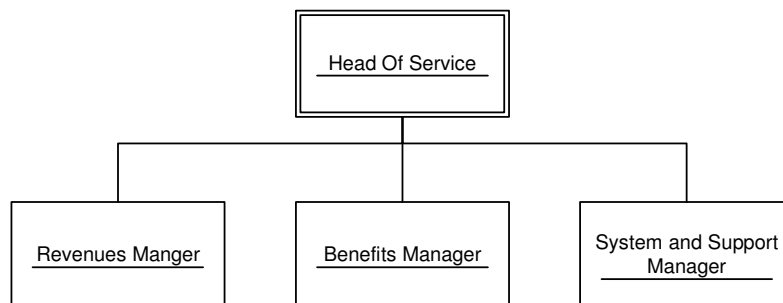
A training plan is being developed

1.12.Structure

The current structure is reasonable but also has some failings. Importantly there is no identified support function for the service. A support function would normally consist of control, system support, and training duties. System control and support is currently provided by the Revenues Manager and Benefits Manager which is not an ideal situation. Previous lack of system control has led to payments not being made at the correct time which not only causes failure demand in customer contact but can impact financially on the authority.

<u>Current structure</u>

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                 │  Head Of Service │
                 └─────────────────┘
                          │
            ┌─────────────┴─────────────┐
   ┌─────────────────┐         ┌─────────────────┐
   │ Revenues Manger │         │ Benefits Manager │
   └─────────────────┘         └─────────────────┘
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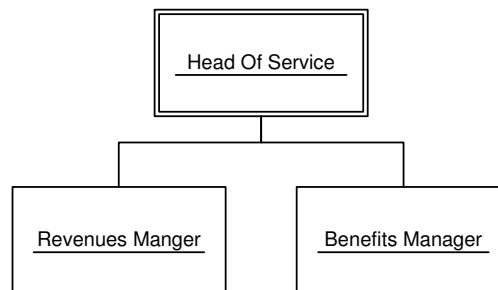
Best Practice Structure

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                    │  Head Of Service │
                    └─────────────────┘
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┌─────────────────┐ ┌─────────────────┐ ┌─────────────────────┐
│ Revenues Manger │ │ Benefits Manager │ │ System and Support  │
│                 │ │                  │ │      Manager        │
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The systems and support function would be responsible for IT, quality and control of complaints and customer care. The Revenues and Benefits services would maintain and update customer records and calculate liability and entitlement.

There is very little succession planning within the current structure. This leaves the authority at risk should key personnel leave.

Benefit overpayment recovery is often best placed within the Benefits service and not with a sundry debt team as is the current situation.

Some of the salary grades appear high for the type roles. Instead the authorities may wish to consider split grades based upon experience and type of work undertaken.

Many of the roles are undefined such as team leaders and the policy team. Officers are unclear as to their duties. A review of these roles should be undertaken immediately.

1.13.Identity

Many shared services have created an identity for their shared service. For example the Anglian Revenues Partnership, Worcestershare, WestWey and Stour Valley Partnership. Not only does this have the effect of removing a "them and us" situation, it also has practical implications in administration such as stationery design, system set up for letters, and email contact.