

Vale of White Horse District Council (VWHDC) &  
South Oxfordshire District Council (SODC)  
Financial Services Contract  
September 2008 Summary

**Highlights**

**Benefits** performance in processing New Claims during September was inside the 24 day target for both authorities.

**Council tax direct debit take-up** continues to improve for SODC and Paperless Direct Debit has now been implemented.

**Council tax collection rates** for both authorities remain ahead of target and ahead of last year.

**Council collection rates for 2006 and 2007** continue to increase and stand at **99.40%** and **99.13%** respectively for VWHDC and **99.43%** and **99.04%** respectively for SODC.

**Payment of invoices within 30 days** has shown good improvement from last month and Capita created and issued all 5,331 invoices for September within 3 working days (VWHDC and SODC).

**General Comments**

A new Council Tax write-off procedure has been implemented this month and Capita will concentrate on submitting write-off batches in financial year order.

Within Benefits the September combined N181 Right Time Indicator continues to improve upon the DWP's predicted mean figure of 15.70 days across both councils.

Aged debtor and legal reports continue to be produced on a monthly basis and progress is now being made in addressing older debts as well as current debts. Since December 2007 debts collected due to cases being referred for legal action now total £250,000 at VWHDC.

Capita continues to focus on getting benefits assessments "right first time" which will help improve customer satisfaction and reduce the number of complaints. Refresher training on a key trend causing benefit assessment errors has been planned for October and will be attended by both Capita assessors and members of the councils' client team.

During September Capita and both councils participated in a joint charity event that raised £407.00 for Macmillan Nurses.

**Council Tax**

**Percentage of council tax collected** - In year collection to date is **59.20%** for VVHDC and **58.92%** for SODC against year to date targets of **58.70%** and **58.80%** respectively. These targets are based upon the end of year collection rate target of **98.55%** for both councils.

The year to date collection for VVHDC is **0.47%** higher than at the same time last year (58.73%) whilst SODC is **0.29%** higher than at the same time last year (58.63%).

The collection rates for 2006/2007 and 2007/2008 currently stand at **99.40%** and **99.13%** respectively for VVHDC and **99.43%** and **99.04%** respectively for SODC.

Direct debit take-up currently stands at **75.19%** compared to **75.22%** last month for VVHDC and **72.18%** compared to **72.12%** compared to last month for SODC.

Implementation of Paperless Direct Debit at SODC was completed and approved by the council's bank on the 29 September 2008 and the Contact Centre commenced using this function on 30 September 2008.

VVHDC outstanding correspondence currently stands at **1,080** items (equates to approximately 11 days worth of incoming post). SODC outstanding correspondence figures continue to improve and the end of month total currently stands at **1,480** (which equates to approximately 12 days worth of incoming post) compared to **1,769** last month. Despite this, all refund requests remain within target.

There were no issues to report following the September 2008/09 recovery run for either council.

A new write-off procedure has been introduced for both councils and write-offs will now be submitted monthly.

Regarding the remaining 'flooded' cases in VVHDC, the council has yet to receive the additional funds covering the ongoing 2008 liability. Once received a letter will be issued to the affected taxpayers, advising them of the position.

#### **Business Rates**

**Percentage of business rates collected** - In year collection to date is **61.25%** for VVHDC and **60.30%** for SODC against a year to date target of **60.50%**. This target is based upon the end of year collection rate target of **99.36%**

The September 2008 collection figure for VVHDC is **0.59%** lower than the percentage collected at the same time last year (0.89% down last month). The collection figure for SODC is down by **1.04%** (1.88% last month).

Analysis work was completed towards the end of September to ascertain the

extent of the impact on collection levels, following the 1 April 2008 empty relief legislation changes. The findings explain the current dip in collection from last year, which at the time of the reports (mid September) was affecting VVHDC by **0.67%** and **0.98%** for SODC.

At the time of the analysis work the in-year collection rate for occupied accounts for VVHDC and SODC was **56.92%** and **57.25%** respectively, whereas, the collection rate for unoccupied accounts was much lower, **45.47%** and **36.93%**.

Capita will continue to explore ways to improve the empty rate collection, which will ensure any end-of-year dip is minimised.

There were no issues to report following the September 2008/09 recovery run for either council.

## **Benefits**

**New claims** – Monthly performance (taken from the Single Housing Benefit Extract [SHBE] of 25 September 2008) is **20.77** days for VVHDC and **19.40** days for SODC. This is a considerable improvement upon August's figures of **22.64** days and **23.40** days respectively and both councils are inside the annual target of **24** days.

It has now been possible to derive a year to date figure for new claims, using a revised simulated SHBE extract, and as of 2 October 2008 the year-to-date figure for VVHDC and SODC is **26.52** days and **28.34** days respectively.

**Change events** - Monthly performance (again taken from the Single Housing Benefit Extract [SHBE] of 25 September 2008) is **12.56** days for VVHDC and **11.72** days for SODC. This is an improvement upon VVHDC August's figure of **12.70** days but a drop in SODC's, which was **10.28** last month.

As with new claims, a year-to-date figure has now been established for VVHDC and SODC and as of the 2 October 2008 stands at **12.79** days and **14.39** days respectively.

**Right Time Indicator (NI 181)** - this indicator is a combination of processing times for new claims and change events. Monthly performance (once again taken from the Single Housing Benefit Extract [SHBE] of 25 September 2008) is **15.03** days for VVHDC and **13.54** days for SODC. The year-to-date figure for VVHDC and SODC has been established and as at 2 October 2008 stands at **16.27** days and **17.52** days respectively.

**% of overpayments outstanding recovered in year** – The monthly performance is **78.53%** for VVHDC and **51.35%** for SODC, compared to August's performance of **38.76%** and **79.38%** respectively. The year-to-date figure for VVHDC is **70.56%** and **74.09%** for SODC.

Further improvements in processes used by the central overpayment recovery section in Mendip and ongoing communication with major landlords concerning outstanding debts will improve overpayment collection rates to the point that the year to date figure will, by year end, meet the annual target. A major focus for Capita is to ensure that cases which have been through the recovery process are progressed to the legal stage. This final stage is now imminent.

#### **Exchequer Services**

##### **Accounts Payable**

**Payment of invoices within 30 days** – Provisional monthly performance for WWHDC is **93.47%** and **91.76%** for SODC. Although this is an improvement upon last month (**88.39%** and **90.31%**) it is below the annual target of **96%**. Capita continues to work with the councils to identify any invoices paid outside the 30 days which relate to disputes with suppliers. The year to date performance for WWHDC is **88.81%** compared to **93.23%** for SODC.

Capita target (100% of invoices paid within 5 working days of receipt of correctly authorised payment) - Monthly performance was **100%** for both WWHDC and SODC.

##### **Accounts Receivable**

**Invoices created within 3 working days** - Monthly performance is **100%** for both WWHDC and SODC with Capita creating **2,238** and **3,093** invoices respectively during September within the 3 working day target.

##### **Financial Management System (FMS)**

**99% system availability during supported hours** – System availability was at 95% during September for SODC and 100% for WWHDC. SODC system availability was affected on the 3 September and partly on the 4 September because of a fault on the BT line that had to be fixed by BT's engineers.

##### **Payroll**

End of year reconciliations are still ongoing at both councils. A good deal of time has been necessary for both WWHDC and SODC staff with involvement from Capita staff. This includes those from accountancy, payroll, and Nicky Davis. Capita is now also liaising with HRMC with a view to resubmitting end of year returns. These are primarily around the need for splitting WWHDC's return from those other organisations it traditionally provided a payroll service for (Town councils and OYAP). It would seem that Capita made the submission based upon Vale's specification from the start of the contract which was based on the previous WWHDC process as they were not informed that each employer had a separate tax reference. This will not be a problem this year because SODC has arranged for the other organisations to submit their own monthly returns and for the payrolls to be submitted separately by Capita.

Capita has been requested to provide updated documented procedures, which are in the process of being done. CAPITA offered to pay by automated means payovers to third parties; the details and processes for which are being considered.

SODC's P11d's were run for a third occasion in September (due in July), which created concerns for some staff, and additional work for SODC payroll. The long outstanding VAT problem on SODC mileage has now been resolved.

A useful meeting has taken place with South and Vale officers meeting Capita. The majority of the end of year problems have now been resolved, and actions put in place to avoid a similar problem next year. Other issues involving Capita's support and service are now covered in an action log which will be reviewed by all parties on a regular basis. The emphasis is now on looking forward and learning from the past several months. Part of this is to implement telephone conferencing to aid better communication with Capita Carisle.

Payroll was processed on time for both councils.

#### **Cash Office (South Oxfordshire only)**

Continues to work well. Discussions between Capita and the council relating to PCI-DSS and upgrading the Icon system are continuing.

#### **Contact Centre**

Revenues and Benefits calls - the Coventry centre took **4653** and **6931** calls for WWHDC and SODC respectively. SLA (% of calls answered within 20 seconds) was **82%** and **85%**. Call backs generated amounted to **352** and **509** calls respectively. The longest wait times were **352** and **274** seconds and abandoned calls numbered **95** and **50** respectively. Payments totalling **£86,000** were collected from SODC council taxpayers.

SODC switchboard – **6146** calls were answered with a further 207 abandoned. **86.2%** of calls were answered within 20 seconds whilst **93.61%** were answered within 50 seconds. The longest wait time was **735** seconds.

Assisted Travel – **205** calls were answered with a further 4 abandoned. **90%** of calls were answered within 20 seconds. A total of 303 new applications were received for the scheme with 31 pending further information.