

REPORT TO THE MEETING OF THE EXECUTIVE 9 NOVEMBER 2011**PORTFOLIO: COUNCIL TAX COLLECTION, BENEFITS AND STRATEGIC HOUSING FUNCTIONS****REPORT FROM HEAD OF COMMUNITY SERVICES****SUBJECT: REVENUES AND BENEFITS CAPITA TELEPHONE CALLS CONTRACT****1 DECISION BEING RECOMMENDED**

- 1.1 That Revenues and Benefits telephone calls be returned from Capita LGS to the Council with effect from 1 April 2012. The service to be provided 8.30am to 5.30pm, Monday to Thursday, and 8.30am to 5 pm on Fridays.

2 REASON/S FOR RECOMMENDATION

- 2.1 The current 3-year contract with Capita for taking the Revenues & Benefits calls is due to end on 31 March 2012. In preparation for the end of this contract, Capita were asked to submit a quotation for its continuation on the basis of retaining the existing levels of service provision i.e. 80% of calls answered within 20 seconds and telephone lines open from 8am – 8pm, Monday – Friday and from 9am – 12noon on Saturday.
- 2.2 The original quote received for maintaining this like-for-like service was £95,940. This is £37,140 more than the current cost of the contract and represents an increase of 63%. As a result, further discussions have taken place with Capita in an attempt to reduce cost, including consideration being given to reduced levels of service provision.
- 2.3 The following quotes are now final and they are based on 80% of calls still being answered within 20 seconds but with reduced opening hours of 8am to 5pm, Monday to Friday only and not continuing the longer hours until 8pm Monday to Friday and the Saturday mornings 9am – 12noon.

Length of contract	Cost	Increase on Current Contract
1 year	£78,000	£19,905 (34%)
2 years	£77,000p.a	£18,905 (32.5%)
3 years	£76,000p.a	£17,905 (31%)

Their quotation for a continuation of current service remained at £95,940.

- 2.4 In view of the significant increase in the contract, consideration has now been given to the telephone call answering service being returned to the Council direct with effect from 1 April 2012 and delivered on the basis of our current

telephone opening hours for all other services i.e. 8.30am to 5.30pm, Monday to Thursday, and 8.30am to 5 pm on Fridays.

- 2.5 Although the proposed telephone service would not be provided into the weekday evenings and Saturday mornings, the level of calls received at these times is very low, in comparison to the normal office hours. The total number of calls taken on Saturday mornings from January to September 2011 is only 280, out of a total number of calls in excess of 14,000. The number of calls in the weekday evenings between 5.30-8pm were only 107 in September 2011 and 92 in October, with only two days during this period where there were 10 or more calls.
- 2.6 In order to resource this additional work, it is proposed to utilise our Revenues and Benefits Assistants to take the calls on a “rota” basis, with it being envisaged that 2/3 staff will be required, dependant on the time of day / level of telephone traffic.
- 2.7 It is suggested that one additional Revenues and Benefits Assistant would be required, supported by the commissioning of extra off-site processing resource, as has been used currently to successfully improve our benefit claim processing times. The level of off-site processing resource would be dependant on benefit claim workload / level of telephone traffic, with there being flexibility to control the amount of resource required, but to have a maximum available budget set.
- 2.8 In order to resource bringing the telephone calls back in house, it is proposed to utilise the current level of budget for the Capita contract and the salary of a vacant post within the Revenues and Benefits section. These two budgets would give a total of £85,053.
- 2.9 The advantages of having a blended approach of recruitment and off-site processing support are:-
- Resilience and capacity will be provided throughout the period of transition.
 - This arrangement will provide flexibility enabling the output of the off-site processing support to be managed according to peaks and troughs in the workload.
 - Current levels of performance will be maintained and it will reduce the risk of potential subsidy implications in respect of local authority errors attributable to administrative delays. Failure to keep local authority errors below certain thresholds could cost the authority in the region of £100K.
 - The Council’s own Revenues and Benefits staff taking the calls would be able to progress the enquiry further during the call than the Capita Call Centre employees, as they will be the same staff that will be processing the claims.

- This approach to an increased integration of information from the calls direct into the claim process would fit into the improvement work that has recently been implemented as part of a lean process review (in conjunction with the Performance Development team from DWP) and also further develop the individual ownership of claims.

3 ALTERNATIVE OPTIONS CONSIDERED

- 3.1 Consideration was given to continuing with the current Capita contract for taking the telephone calls but this is no longer considered viable at the significantly increased charge from Capita. In addition, at a time when there is a great deal of uncertainty and potential change facing the local authority welfare and benefits system, it would not be practical to enter into a further 3-year contract.

4 RISK IMPLICATIONS

- 4.1 It is important that appropriate resourcing is allocated to bringing calls back in-house to ensure that an efficient service is maintained and there is not a negative impact on the Council's reputation.

5 RESOURCE IMPLICATIONS

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| 5.1 | • Available budget from current Capita contract and vacant Revenues and Benefits post | £85,053 |
| | • Employment of one x additional Revenues and Benefits Assistant (top of scale + on-costs) | £28,924 |
| | • Offsite processing support (maximum available budget) | £49,000 |

Based on the above figures, there would be a saving on the current budgets of £7,129. However, it is hoped that with the effective management and flexibility of the additional off-site processing support, and dependant on the level of processing benefit claims caseload, that this level of saving could possibly be increased.

6 EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 It is important that the Revenues and Benefits telephone call service is provided in a manner that ensures that all sections of the community have an easy and equal access to the service.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: _____

Head of Community Services

Background Papers:

None.

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