



Leicestershire Partnership Revenues & Benefits

“CIPFA Benchmarking Club 2015/16”

1. PURPOSE OF THE DOCUMENT

To provide an update with regard to the CIPFA benchmarking exercise that has been undertaken for the financial year 2015/16, and to provide some comparisons to the same exercise that was undertaken for the 2014/15 financial year.

2. RECOMMENDATION

- 2.1 That partners note the many areas of good practice that have been identified as part of the benchmarking exercise.
- 2.2 That areas identified as weak compared to others, are noted together with the work being undertaken to secure a better situation among comparators.
- 2.3 To take a decision to not participate further in the CIPFA benchmarking exercise.

3. BACKGROUND TO THE REPORT

- 3.1 All members of the Leicestershire Partnership Revenues & Benefits (LPRB) elected to participate in the chargeable 2015/16 CIPFA Benchmarking Exercise. This exercise was also undertaken for the financial year 2014/15.
- 3.2 The findings of the earlier exercise were reported to Joint Committee, and it was requested that a further report be bought back to consider the direction of travel of the partnership.
- 3.3 The partnership were previously invited to join the IRRV benchmarking exercise, this invitation was accepted and would have been an ideal place to benchmark against other partnerships. Unfortunately, this invitation hadn't progressed to the formation of a benchmarking club, until very recently. This has developed into a six month free period then a chargeable service in partnership with a third party company (Q2). Further detail has yet to be provided.
- 3.4 The following areas of service were included in the exercise:
 - Council Tax
 - Business Rates
 - Benefits Administration
- 3.5 The latest data that was supplied for comparison was for the financial year 2015/16. It should be noted that a direct comparison between the years won't be possible. The partnership implemented a new structure in April 2015 which sees significant changes to the structure and cost base alike. Therefore, some of the areas highlighted have already been addressed as part of the restructure.
- 3.6 In addition to this, there were areas where data couldn't be provided; primarily due to systems not being able to provide requested information.
- 3.7 The financial data supplied for direct costs was based on apportioned costs and indirect costs actuals for each Local Authority.
- 3.8 A report was produced for each Local Authority for each of the areas detailed above, together with a report for the partnership. Comparator authorities were then selected to compare against; and further reports supplied for each authority for each service area and the same for the partnership. (There were no partnerships in the groups to benchmark against).
- 3.9 The comprehensive reports focus on different areas of administration, cost, and processing to name a few. The key items are as detailed below:

What's Working Well?

Council Tax

- Council Tax collection for the current exercise shows all three authorities are above the average in the group of 97%. The average in the group for the previous exercise was 97.7%, demonstrating a decrease in the average collection figure across the comparators, though not for the partnership.
- Direct Debit averages have increased for the group. The group average is 62.9% for the year in question, compared to a previous year average of 61%. All three authorities have above the average and have increased their Direct Debit take up compared to the previous financial year. Customers are now also able to set up a Direct Debit instruction online.
- Staff Costs were slightly above the group average in 2014/15; this year's exercise has demonstrated that costs for all three authorities fall below the average. This is a positive sign and confirms the prediction that the staff costs would be reduced in their area post the restructure.
- Direct Costs were all significantly below the group average, demonstrating value for money and effective management of the service. **
- The number of collocated flexible workers is significantly above the group average. This is very positive as this helps us to retain staff, improve productivity and reduce the cost of accommodation.

Business Rates

- In year collection was significantly above the group average last year. With similar results this year, though positioning Harborough at the top of the comparator group and NW Leics 4th. This is an excellent position which additionally saw Harborough coming joint 3rd for collection in the country.
- Direct Debit again sees all three above the group average, which is pleasing as this is often not the preferred method of payment for businesses.
- Staff Costs are slightly above the average in the group, though this may be mitigated by the excellent collection figures that are being achieved in an area that provides better financial benefits directly to the authorities by effective collection. It should also be noted that this is an area that prospective customers may be interested in due to the success of the partnership in this area together with weaknesses in some authorities own operating model.

Benefits

- Speed of processing new claims has demonstrated excellent performance again with all three authorities below the group average of 22.4 days. (It should be noted that the group average has increased by 1 day from the previous year, and the group average is in excess of our performance target). This was an area that members were previously concerned about as this is an area that saw a decrease in staff as part of the restructure.
- Appeals lodged per 100 claimants. The partnership continues to have a lower than average number of appeals. By correct decision making and exhausting all options before a claimant goes to appeal ensure the correct emphasis is placed on the rights of the claimant and ensures the resources in this area are used appropriately. Additionally, this has a positive impact reputationally on the authorities.

The above details some excellent areas of good practise, with good performance in these areas continuing to be maintained.

What isn't working quite so well, and what are we doing about it?

- Council Tax dwellings per full time employee (FTE) are above average for all three authorities, in this instance the average has dropped this year, but all three authorities remain above average. This finding has a double meaning. It could be seen as positive that the partnership has fewer staff than the average to deal with more properties per FTE; however this also means that it becomes difficult to manage any unplanned changes within the service. Work continues with regard to individual performance planning and management to ensure this is kept under review, to ensure early recommendations are made to the appropriate boards to ensure performance is not compromised.
- Issue of Council Tax recovery action (reminders, summonses and liability orders are again all below the group average. This has a double meaning in that we achieve our targets with the recovery/enforcement taken, though as we are below average suggests that our policies may not be strict enough to making arrangements without court action. A review of this is to be undertaken to establish if this is the case.
- Issue of Business Rates recovery action is below average, a similar situation to the previous exercise the situation is very similar to Council Tax, though due to the number of Business Rates payers' recovery is more proactive, this demonstrates excellent results, though is more costly. The direction needs to be considered further with regard to an agreed approach
- Benefits Caseload comparison still remains higher than the average, meaning that staff have responsibility for more cases than the average. This suggests that in times of unplanned events there may be reductions in performance as there is no "slack" in the team. The incoming work is closely scrutinised, together with the position of outstanding work with interventions being taken if required.
- ** Indirect costs are generally higher than the benchmark, a separate piece of work of work is ongoing with members of the management board to ensure these costs remain accurate and are upto date. This is particularly important, as it may be one of the questions asked of potential partners.

The areas that are subject to this exercise that are not working so well, are all matters that are and were under review, or there is work ongoing to resolve any areas of perceived weakness.

Whilst the exercise has allowed us to compare with other local authorities, all of the matters detailed were and remain subject to close scrutiny.