

HAVERING AND NEWHAM SHARED BACK OFFICE SUPPORT SERVICE

ONESOURCE JOINT COMMITTEE 26 June 2015

Subject Heading:

oneSource Annual Performance Report

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Financial summary:

There are no specific financial implications involved in reviewing the performance of oneSource.

Is this a Key Decision?

No

SUMMARY

The report provides an opportunity to update on oneSource's current operating position, and review and monitor the progress of oneSource at the one year anniversary of the formal launch of the shared service.

RECOMMENDATIONS

There are no recommendations. Members are invited to consider and comment upon the first year performance update report for oneSource.

REPORT DETAIL

1. Performance Overview

- 1.1 The oneSource Leadership Team, chaired by the oneSource Managing Director, agreed the following service standards for oneSource prior to the establishment of oneSource. In addition, each service within oneSource has its own performance indicators to monitor and ensure effective service delivery.
- 1.2 The performance indicators are utilised to improve customer satisfaction, perform within budget and improve receipt of net collectable debit. Ultimately ensuring that oneSource provides an improved customer experience whilst reducing the cost of support services to both Councils.
- 1.3 oneSource will be reviewing and developing performance indicators in each service area to ensure robust arrangements are in place for monitoring performance and delivering savings. Business Services will be working with services to develop customer focused KPIs, measures and metrics for oneSource and its customers. The KPIs will be developed once the services have gone through transformation and where possible be standard across both councils. oneSource will be:
- Monitoring the performance of oneSource services, ensuring they meet the needs of our customers and the expectations of the oneSource Management team and Joint Committee
 - Managing the relationship with customers in the two councils, with regular liaison and meetings with customers
 - Ensuring that oneSource is delivering the service outlined in the service level agreements and handling any queries and issues about the services provided
 - Leading business improvement within oneSource, including the review and redesign of individual services
 - Co-ordinating the annual service plans across services.
- 1.4 The Joint Committee Agreement identified the key KPIs to be monitored by the committee at each meeting as follows:
- Budget
 - Delivery of financial savings as per the business case
 - Council tax collection rates

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- NNDR collection rates
- Customer satisfaction.

1.5 This report also identifies a selection of other performance indicators that are monitored by the oneSource Management Team. Individual service indicators that are managed by the relevant director are not included in this report.

1.4 A summary table of the key performance indicators are shown in Annex A to this report

2. Customer Satisfaction

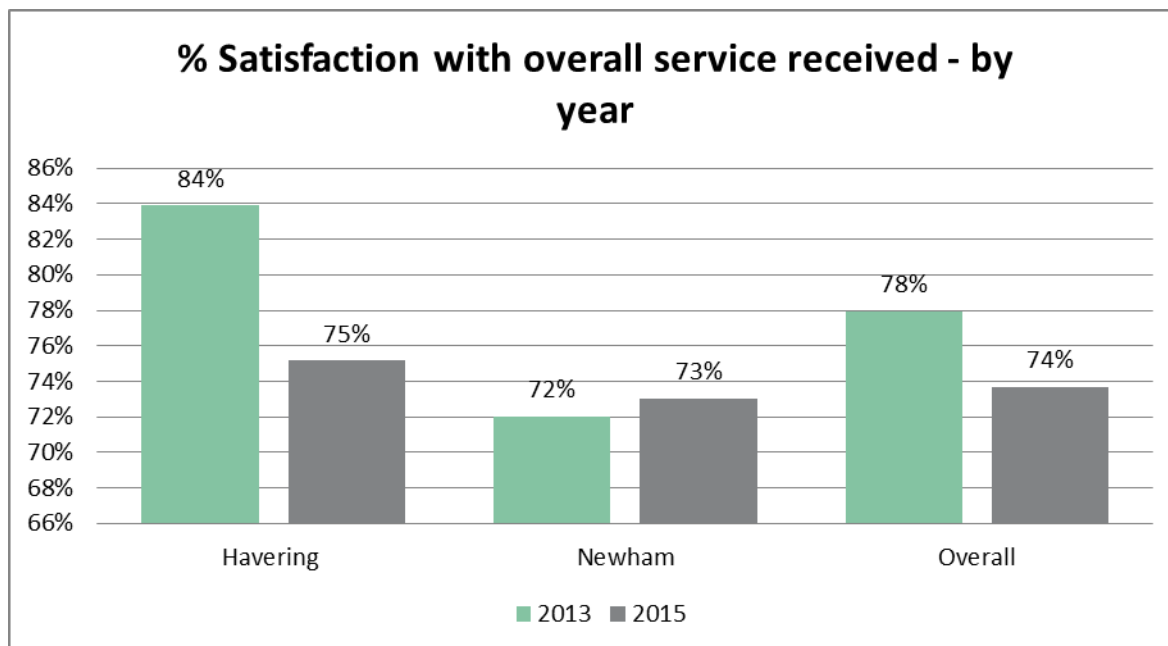
2.1 In January 2015, a customer satisfaction survey was conducted to gauge:

- Overall satisfaction with the service they received
- Satisfaction with the amount of resources / level of support received

2.2 This customer satisfaction survey is part of the biannual survey of internal customers to help inform the service delivery of oneSource.

2.3 The survey was sent to managers, whom are customers within both London Borough of Havering and London Borough of Newham. 55 customers took part, and the survey was aligned to the oneSource key performance indicators.

2.4 The overall satisfaction for oneSource services was 73.7%, which is slightly below the target 75.6%. This is a reasonable level of fluctuation considering the amount of change that has occurred within oneSource. Customer satisfaction with Newham Council is 73%, whilst Havering Council's satisfaction was 75.2%.



Graph 1: Customer Satisfaction

- 2.5 The best performing services within oneSource were Democratic Services (100%), Health and Safety (95%), Exchequer Services (91.67%) and Printing Services (90.48%). Ten of the fifteen services provided within oneSource have a satisfaction level below the target (ICT excluded at 0.04% below target).
- 2.6 HR Transactional, Legal Services and the Audit, Insurance, Risk and Counter Fraud services have the lowest satisfaction levels reported in the survey. Customers in LBN were shown to be less satisfied with the service provided to them by Legal Services, Property Services and the Audit, Insurance, Risk and Counter Fraud. Whilst within LBH, customers were less satisfied with the service provided to them by ICT and HR transactional.
- 2.7 The most common reasons cited for poor satisfaction include amount of resources made available, poor timescales, poor first contact resolution and inconsistent advice.
- 2.8 oneSource continues to develop the customer journey and improve customer satisfaction to offer a good quality, flexible and business focused service which allows customers to have the information needed to do their job effectively. This is being achieved through:
- Revising and standardising processes to provide more efficient and effective service delivery.
 - Customer relation management meetings with Directors to resolve any queries or issues raised, and drive learning and improvement.

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- Transformation of service areas to identify areas of improvement and develop solutions.
- Performance measurement to understand, manage and improve service delivery of oneSource.

2.9 A challenging target of 80% has been set for 2015/16.

3. Savings Achieved

3.1 The level of savings achieved and the basis of how these have been achieved are detailed in the 2014/15 Budget Outturn Report and Transformation Report elsewhere on the Joint Committee agenda.

4. Collection of Council Tax

4.1 The introduction of the Welfare Reforms, in April 2013, resulted in the replacement of Council Tax Benefits with the locally administered Council Tax Reduction (CTR) Scheme. The oneSource Council Tax performance indicator comprises of both CTR and non-CTR Council Tax collection.

4.2 For 2014/15, oneSource met the annual collection target for the London Borough of Newham with an improved outturn position compared to the previous year. There was an increase in the collectible sum of £4.95 million, with 93.95% collected in total. With regards to the separate CTR and non-CTR elements, 94.65% of non-CTR council tax was collected, with the CTR collection rate being 89.13%.

4.3 oneSource met the target collection figure (97%) for the London Borough of Havering, with 97.17% collected in 2014/15.

4.4 For 2015/16, the target collection figure for Havering Council is 97%, and 94% for Newham Council.

5. Collection of National Non-Domestic Rates

5.1 Throughout 2014/15, there were fluctuations in collection levels in both Councils as a result of changes in legislation in April 2014 allowing ratepayers to pay over 12 months, as opposed to 10 months.

5.2 In 2014/15, for the London Borough of Newham, the collection of NNDR exceeded the target of 99.6% by 0.19%, with 99.79% collected. For the London Borough of Havering, the collection of Council Tax is below target by 0.77% with 97.23% of collectible debit collected.

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5.3 As a result of the legislative changes, there is further work to be done regarding re-profiling figures to provide a more accurate picture of collection rates throughout the year.

5.4 For 2015/16, the target collection figure for Havering Council is 98% and 99.78% for Newham Council.

6. Processing times for Housing Benefits / Council Tax – New Claims

6.1 For 2014/15, the target processing time for new claims in Havering Council is 24 days, with oneSource exceeding targets by 8 days. However, performance is marginally poorer than the previous year, with processing times increasing from 16 days to 18 days.

6.2 Processing times for new claims was 27 days, meeting the annual target for Newham Council. oneSource service delivery is constantly improving with performance comparing favourably with the previous year with a 4.5-day reduction in processing times.

6.3 The introduction of Risk Based Verification (RBV) in May 2014, to both Councils, has helped highlight claims that need greater scrutiny and is capable of delivering at the target level with some stability, which is evidenced by a run of solid performance for 6 consecutive months. oneSource is planning to implement an online claim form by the end of May 2015 which will improve processing further in the new financial year.

6.4 For 2015/16, processing times for Housing Benefits / Council Tax (new claims) is 24 days for Havering Council, and 25 days for London Borough of Newham.

7. Processing times for Housing Benefits / Council Tax – Change of Circumstances

7.1 The annual target (8 days) for Newham Council has been met, with the annual outturn for 2014/15 being an improvement on that for 2013/14. The processing time was 6 days.

7.2 For Havering Council, the target processing time was set at 15 days. There was significant improvement in processing times for change of circumstances, with oneSource reducing times from 14 days in 2013/14 to 11 days for 2014/15.

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- 7.3 The steady, sustained improvement seen in processing times is due to the adoption of a 7-day model, where all notified changes are examined within 7 days of receipt and decided on the day of examination. For those claim where additional evidence is required, such information is requested earlier in the claims process. It has also been helped by increased automated processing of ATLAS changes (changes notified electronically by DWP) which rose from 75% in 2013/14 to 85% in 2014/15. This has reduced the volume of work needed to be carried out by officers.
- 7.4 For 2015/16, processing times for Housing Benefits / Council Tax (change of circumstances) is 15 days for Havering Council, and 7 days for Newham Council.

8. Housing Overpayments – Local Authority Error Rate

- 8.1 The annual target of <0.46% has been met with improved performance compared with the outturn for 2013/14. The error rate for oneSource was 0.16%, which was a significant improvement from the previous year (0.21%). This performance has ensured that oneSource (and both Councils) receive full subsidy.
- 8.2 For 2015/16, the target Local Authority Error Rate for oneSource is <0.46%.

9. Percentage of suppliers paid within 30 days of receipt

- 9.1 The annual target set for each council is 95%. For Havering there were 105,139 invoices paid within 30 days of receipt out of a total of 110,133 invoices received (95%). This is on target (95%) and only slightly worse than the same period last year (96%). As the Council increases the use of online invoicing (iSupplier), the amount of paper invoices should decrease, which will improve the speed of processing. There is no comparable performance figure for Newham as it was proposed to use the Oracle system to collect the data but the system is still to be implemented.

10. Percentage of call answered (LBN Council Tax and Benefits)

- 10.1 The outturn for the year end 14/15 is a 7 percentage point improvement on the performance in 13/14 but has not met its target of 95%. The volume of calls received has fluctuated throughout the year with over 9,000 fewer calls received in the month with the lowest number of calls received (December) compared with the highest number in March 2015. The call volume rose by over 4,000 in March compared with February: reflecting a similar pattern to

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the same period last year. The corresponding service in Havering is not in oneSource.

- 10.2 The service reviewed how telephone calls are handled with the review being completed in December. The findings are currently being evaluated before considering any changes to approach to safeguard any negative impact on processing capacity. Customers continue to have high expectations of the time it will take to deal with correspondence with significant numbers calling within a few days of posting a letter to the service. Face-to-face access routes are limited. Options to increase online capability are being considered.

11. Percentage of commercial estate let (Property Services - LBH)

- 11.1 The annual target of 95% for the London Borough of Havering has been met for the year 14/15 and has improved by a margin of 5% in comparison to the previous year. Improved economic activity for commercial lettings has led to an increase in the percentage of properties in occupation. Similar performance statistics are not currently collected in Newham.

12. Capital receipts achieved via asset disposal (Property Services - LBH)

- 12.1 The service exceeded its estimated target of £15M for year 14/15 by £2.3M; however is down by £200K when compared to 13/14.

13. Percentage of invoices collected within 90 days by value (Transactional & Exchequer Services - LBN)

- 13.1 The target of 89% for the percentage of invoices collected within the allotted timescale has not been met this year with the service collecting 87.52%. This is because resources were diverted to the One Oracle Project (in terms of Data Cleansing, Testing, etc), impacting on the team's performance; however it is up by 1% on the year before.

14. Percentage of sundry income invoices collected within 90 Days by volume (Transactional & Exchequer Services - LBN)

- 14.1 The service has exceeded its target by collecting 81.32% of Sundry Income invoices by 1.32% but is down on last year's figure of 83.38%. Again this figure has been affected by the diversion of resources to the implementation of One Oracle.

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15. Percentage of market rent invoices collected within 90 days by value (Transactional & Exchequer Services - LBN)

15.1 In comparison to year 13/14, Newham's Revenue Service's has increased the collection of Market Rent invoices in 14/15 to 97.21% from 93.98%. Closer working with the oneSource Enforcement team has been recognised as the main cause of this.

16. Percentage of commercial rent invoices collected within 90 days by value (Transactional & Exchequer Services - LBN)

16.1 Similar to the previous KPI, better coordination between the revenue team and the oneSource enforcement team is cited as the reason for the service exceeding its target of 89% by 4% for the collection of commercial rent invoices.

REASONS AND OPTIONS

Reasons for the decision:

This report is for information only and does not directly require a decision by the Joint Committee.

Other options considered:

Not applicable.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications identified within this report. The level of savings achieved and the basis of how these have been achieved are detailed in the 2014/15 Budget Outturn Report and Transformation Report provided.

Legal implications and risks:

There are no Legal implications identified within this report.

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Human Resources implications and risks:

There are no Human Resource implications identified within this report.

Equalities implications and risks:

There are no Equalities implications identified within this report.








BACKGROUND PAPERS

None




Annexe 1 – KPI information

Service	Indicator	Council	2013/14 Annual Performance	2014/15 Annual Target	2014/2015 Annual Performance	Direction of Travel	2015/16 Target
oneSource	Percentage of customers satisfied with oneSource services	N/A	75.60%	75.6%	74%	↓	80%
oneSource	Perform within budget (savings achieved)	N/A	N/A	£4.1m	£4.1m	N/A	£7.79m
oneSource	Percentage of Council Tax collected	LB Havering	97.14%	97%	97.17%	→	96.7%
		LB Newham	93.95%	92.5%	93.95%	→	94%
oneSource	Percentage of National Non-Domestic Rates (NNDR) collected	LB Havering	97.42%	98%	97.23%	↓	98%
		LB Newham	99.78%	99.60%	99.79%	↑	99.78%
oneSource	Percentage of suppliers paid within 30 days of receipt	LB Havering	96%	95%	95%	↓	95%
Council Tax and Benefits	Processing times for Council Tax or Housing Benefits Claims: New Claims	LB Havering	16 days	24 days	18 days	↓	24 days
		LB Newham	32 days	27 days	27.5 days	↑	25 days
Council Tax and Benefits	Processing times for Council Tax / Housing Benefits Claims: Change of Circumstance	LB Havering	14 days	15 days	11 days	↑	15 days
		LB Newham	8 days	9 days	6 days	↑	7 days
Council Tax and Benefits	Benefits Overpayments - Local Authority Error Rate	N/A	0.21%	<0.46%	0.16%	↑	<0.46%

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Council Tax and Benefits	Percentage of calls answered	LB Newham	85%	95%	92.3%		
Property Services	% of commercial estate let	LB Havering	90.20%	95%	94.5%		
Property Services	Capital receipts achieved via asset disposal	LB Havering	£17.5m	£15m	£17.3m		
Revenue Services	Percentage of Invoices Collected within 90 Days by value	LB Newham	86.50	89%	87.52		89%
Revenue Services	Percentage of Sundry Income Invoices Collect within 90 Days By Volume	LB Newham	83.38	80%	81.32		80%
Revenue Services	Percentage of Market Rent Invoices Collected within 90 Days By Value	LB Newham	93.98	89%	97.21		89%
Revenue Services	Percentage of Commercial Rent Invoices Collected within 90 Days by Value	LB Newham	92.80	89%	93.07		89%

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RAG Rating		Direction of Travel (DOT)	
Green	On or within 1% of the annual target		Performance is better than last year
Amber	More than 1% off the annual target and where performance has <i>improved or been maintained</i> compared to last year		Performance is the same as last year
Red	More than 1% off the annual target and where performance has <i>not improved</i> compared to last year		Performance is worse than last year