

**Cheltenham Borough Council**  
**EBI Overview & Scrutiny Committee - 23 September 2002**  
**Best Value Review of Front Line Services - Position Statement**  
**(formerly Exchequer Services)**  
**Report of the Best Value Working Group (Front Line Services)**  
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**1. Summary and Recommendation**

1.1 The Best Value review of Front Line Services (FLS) is due to commence shortly. At its last meeting this Committee set up a working party to drive forward this review, and make recommendations to Cabinet. A significant amount of preparatory work has already been undertaken - both by the Best Value Unit and the FLS management team. This position statement seeks to summarise that work, sets out what still needs to be done. However, the picture painted is a partial one, as more data needs to be gathered. This fact should be borne in mind.

**1.2 On this basis, the Working Party recommend that:**

**1.2.1 The Committee approves the terms of reference and scope outlined in this report and recommend them to Cabinet.**

**2 Introduction**

2.1 FLS, as a division, is of great strategic significance to the council, as it generates income and provides assistance to some of the most deprived people in the community - helping to combat social exclusion and poverty.

2.2 The range of services currently provided by FLS is broad, including elements such as: council tax, residual community charge, business rates, sundry debt, cash hall, car park income collection, housing benefits, main reception, benefits/council tax enquiry counter, telephony, postal services, central purchasing service, custodian services, and catering for the committee rooms. In addition to this, as a result of the recent corporate restructure, the delivery of e-government and external communication (website maintenance, etc) were added to the FLS portfolio.

2.3 Obviously the review cannot assess each of these elements in depth, so the recommendation of the working party is that it will focus upon the following:

- the extent to which FLS is meeting its customers needs in the performance of its main functions - i.e. the collection of council tax, business rates, sundry debt, customer interface services (main reception, telephony, etc) and the payment of housing benefits;
- the extent to which FLS is maximising revenue, through the

performance of its main functions and the prevention and detection of fraudulent claims for benefit;

- the value for money provided by core FLS functions (i.e. exchequer) functions;
- the value for money provided by smaller FLS (i.e. exchequer) functions, such as car park income collection, central purchasing, postal services and custodian services; (given the size of this review, the Council's corporate approach to procurement will not be included in the scope).
- the extent to which FLS presents a clear and consistent image to its customers, through the appearance and performance of staff, and the presentation of leaflets;
- the extent to which current cash hall/reception arrangements are satisfactory as a means of meeting the disparate needs of different customer groups;
- the extent to which FLS assists the council in achieving its corporate objectives, as set out in 'Our Town Our Future';
- the extent to which ICT can be used to improve the performance of FLS, wholly or in part (e.g. by replacing existing cash-based arrangements in areas such as car park income collection, or in providing remote access to centralised services).

2.4 The last point is important, as the implementation of the council's e-government strategy is likely to have a major impact upon the services provided by FLS at present and how they are delivered in future.

2.5 The on-going restructuring process has had an impact upon FLS already, in that the provision of advice services has been split, with a new service being created to provide proactive benefits advice, through Community Housing Services.

2.6 Much of the information required to address the issues set out in the suggested scope (2.3) has already been gathered. It is summarised in the following, under the familiar 4Cs headings of the Best Value process.

2.7 A programme of remaining review activities, plus timetable, will be circulated once the scope of the review and terms of reference have been agreed.

### **3 Comparison**

3.1 The FLS division has been involved in a number of benchmarking exercises of late, looking at a wide range of services provided, including council tax, national non-domestic rates, housing benefits and sundry debtors. The five main exercises conducted are as follows:

#### Comparator Group 1

3.2 Local authority benchmarking group, comprised of : Exeter, Gloucester City, Ipswich, Teignbridge, West Devon, East Devon, Mid Devon and Plymouth.

3.3 One or two members are part of the Exeter Group and the others are neighbouring authorities in or around Devon, as Exeter were co-ordinating

the exercises. Although not all authorities are directly comparable to Cheltenham, a lot can be learnt through process benchmarking with any type of authority or similar organisation.

3.4 Baseline data was exchanged in respect of council tax and non-domestic rates, looking at costs and staffing. The group then focused on council tax and produced and compared a number of process maps. This involved drawing a flow diagram of all the main stages of a process and providing the time taken for each stage. The processes were then compared to identify areas of good practice.

3.5 Comparator Group 2

CIPFA-run local authority benchmarking group, comprised of some sixty-eight authorities from across the country

The exercise covers national non-domestic rates, council tax and benefits. On the council tax side, issues like cost of collection, workload, billing, enforcement, methods of payment and staffing have been explored. While on the benefits side, the group has looked at outsourcing, prosecutions, complaints, IT arrangements, DIP and workflow and fraud arrangements. In all areas covered by the exercise, preliminary data gathering has been undertaken and some headline comparisons made.

Comparator Group 3

3.6 Local authority benchmarking group, comprised of : Gloucester City, Stroud, Tewkesbury, Forest of Dean and Cotswold.

3.7 The county-wide chief revenues officers' group decided to form a benchmarking group which currently meets on a monthly basis. Many of the functions within council tax, housing benefit and non-domestic rates are statutory, however the delivery and costs of these services can vary between authorities. Benchmarking with other Gloucestershire authorities provides a more local perspective to these variances. There is also scope for partnership working within Gloucestershire and this is being explored during the course of the meetings.

3.8 The group has focused on the statutory performance indicators produced by the Audit Commission, which cover council tax, housing benefit and non-domestic rates. Using the CIPFA model as a guide, each authority has broken down the performance indicators into unit costs and then compared the results. The group have now started to look at processes, and some partnership working has already been undertaken with regard to service promotions (inc. the annual bill leaflet), training and the bailiff contract.

Comparator Group 4

3.9 Local authority benchmarking group, comprised of : Cambridge, Colchester, Crawley, Ipswich, Lincoln, Oxford, Thanet and West Oxfordshire.

3.10 Sundry debtors have made tentative links with the Oxford Group, but at present the reporting functions on the debtors system are not sophisticated enough to produce the required data for benchmarking with the group - however this is now being addressed with a view to joining a new club in

the near future

#### Comparator Group 5

##### IRR/CIPFA working groups

- 3.11 Housing benefits, council tax, business rates and sundry debtors are also actively involved in the working groups set up by professional organisations (IRR-CIPFA) and software suppliers. Whilst no benchmarking has been undertaken, the groups are very useful forums for problem-solving and identifying and sharing good practice.

##### Future Plans

- 3.12 The work with the Oxford and chief revenue officers' group is ongoing. Work with the Exeter group has tailed off, quite possibly because Exeter were co-ordinating the exercise and have achieved their own agenda. It is intended, however, that FLS will join in with the benchmarking exercises currently being co-ordinated by CIPFA looking at cash hall services and sundry debt. FLS have also recently agreed to undertake some benchmarking work with other members of the Exeter Group, looking at post room services, telephony and reception. This exercise is being led by Canterbury City Council .
- 3.13 The other piece of comparison work currently underway is a desk top exercise aimed at identifying best practice in the FLS field. This is being conducted by the Best Value Unit, and covers data sources such as Best Value Inspection reports on FLS functions in other authorities.

## **4 Consultation**

- 4.1 Whenever possible, the Best Value project team intends to utilise existing data when assessing service quality - to minimise the resource impact upon the area under review. In the case of FLS, several consultation exercises have already been conducted that are relevant to the review. These are as follows:
- 1997 - cash hall enquiry desk survey;
  - 1998 - central services mailroom survey;
  - 1998 - introduction of corporate customer comment card;
  - 2000 - cash hall surveys (two parts);
  - 2000 - opening hours of reception at municipal offices;
  - 2000/01- best value performance indicator 80 (covering issues of accessibility, staffing and communications in respect of the benefit service);
  - 2001- improvements to leaflet enclosed with council tax demand;
  - 2001 - customer satisfaction survey, council tax;
  - 2001/02 - customer requirements with regard to e-payments.
- 4.2 At least one other broad-ranging consultation exercise will be required to supplement those already conducted. This is likely to be a repeat of the 2000/2001 exercise, based on BVP80. This sought user satisfaction ratings on issues such as : contact/access, service, telephone service, staff in benefits office, clarity of forms and time taken for decisions to be made. By repeating this exercise the review team can establish whether progress has been made in these areas. It is also likely that some focus groups will be undertaken, to tease out issues raised by this and other exercises, and

help inform the future vision for FLS.

## **5 Competition**

- 5.1 This is an area that the project team will have to pay particular attention to, as there is a well developed market for FLS functions nationally, and many authorities have taken the decision to outsource these, wholly or in part. Certainly this is an option that the Best Value Inspectorate would expect the council to seriously consider, as a means of increasing investment in the division and achieving 'transformational change' in the nature of provision and quality of performance achieved.
- 5.2 However, it must be said that Cheltenham's FLS division already performs well in most significant respects, and has a well-deserved reputation for being both cost-efficient and effective. Ironically, it is these very factors that would make it an attractive proposition for a private sector company.
- 5.3 Certainly parts of FLS have already been outsourced - e.g. bailiff services (county-wide contract), printing of annual council tax leaflets, staff training (county-wide partnership), provision of envelopes (planned to extend to county-wide purchasing), design and printing of leaflets and other materials, and provision of software (IBS and Radius). It is the review team's intention to assess the success of these ventures, to help inform decision-making in relation to the core service.
- 5.4 The review will also seek to consider whether there are other alternatives to continued in-house provision in its present form - e.g. given the good all-round performance of FLS, is there is possibility that it might expand and provide core services to other authorities, or in partnership with other authorities?
- 5.5 A series of visits will also be arranged to authorities that have outsourced FLS functions wholly or in part, successfully or unsuccessfully. That way the project team should be able to obtain a sufficiently broad range of opinions to enable an informed decision on this matter.

## **6 Challenge**

- 6.1 The data gathered to-date, supplemented as indicated by additional information, will undoubtedly enable the project team to fundamentally challenge the performance of FLS, its current composition and the rationale or it remaining in-house, either wholly or in part.
- 6.2 Challenge will also be provided one of the council's other investigatory functions - Audit & Assurance. It is the project team's intention to use data from Audit's recent work in various FLS functions - e.g. council tax and business rates - to inform the Best Value review process. This should eliminate the potential for duplication between the two functions and minimise the resource impact upon FLS.
- 6.3 To ensure objectivity and ownership during the review, the project team will include regular input from at least three members, seconded from the Economic and Business Improvement Overview and Scrutiny Committee,

a revenues and benefits specialist from another authority - e.g. Tewkesbury  
- a representative from a client interest group, and possibly a customer.

## **7 Summary findings to-date**

- 7.1 As previously stated, Cheltenham's FLS division is undoubtedly a cost-effective, high-performing and progressive operation.
- 7.2 A quick glance at its key performance indicators (see Appendix A) demonstrates this. Indeed, performance against some of its Best Value PIs is consistent with the top quartile figure for districts nationally - e.g. BVPI77 and BVPI78 (A,B and C). However that is not to say that performance cannot be bettered and the review will consider ways in which this can be achieved.
- 7.3 The FLS division also has an impressive track record in innovation - particularly in the areas of e-government and partnerships. These are worth noting, as they are areas that have come in for particularly close scrutiny during Best Value inspections conducted on other authorities.

### **E-government**

- 7.4 FLS has initiated and implemented a number of e-government projects, and continues to be a key contributor to the fulfilment of the council's e-government agenda. Examples of projects delivered, or planned for implementation during 2002/2003, are :
- E.payment for council services including the payment of council tax, business rates and benefit overpayment by debit card (plus credit card from fourth quarter 2002) in person and on the telephone, automated telephone (24/7) and internet (24/7);
  - piloting on-line, interactive forms;
  - service information on the website;
  - publish e-mail addresses on all correspondence and publicity;
  - working with software supplier as e-government pilot site;
  - implementing automated exchange of information on direct debit with BACS, followed by paperless direct debit completion for customers - on-line and over the phone;
  - payment of benefit by BACS direct to claimants/landlords bank accounts
  - electronic interfaces with various agencies - e.g. valuation office re. banding information;
  - PCs in public areas to encourage use of CBC website and e-payments.

### Partnerships

- 7.5 Exchequer Services has entered into a number of partnerships aimed at reducing costs and improving performance. Examples include :
- Gloucestershire training partnership - county-wide revenues and benefits training (Cheltenham is the lead council in this);
  - Gloucestershire leaflets partnerships (inc. sponsorship where appropriate) - county-wide leaflets for benefits and revenues, including annual council tax leaflet (Cheltenham is the lead council in this also);
  - Chief revenues officers - county-wide;
  - Benefits officers - county-wide;
  - Fraud officers - county-wide;

- DWP Benefit/Job Centre Plus agencies - service level agreement re. benefits administration/benefit fraud;
- Cheltenham and Gloucester alliance - formed this year to maximise efficiencies in appropriate areas of work;
- Voluntary groups - quarterly liaison meetings;
- Landlord forum - annual meetings with Cheltenham's landlords;
- Hardship scheme - developed in partnership with voluntary agencies;
- Software suppliers - working in partnership to develop computer systems to continually improve service delivery.

7.6 There are weaknesses as well, however, in areas such as IT systems, staff resource, addressing social inclusion issues and the limited availability of management information. And there are threats to the division too, posed by new government initiatives, new technology and potential budget cuts. These will be explored in greater depth during the review.

## 8 Conclusion

8.1 The review of FLS is uniquely placed, in that a great deal of the preparation has been done in advance of the review commencing. This should enable a smooth and swift conclusion to the review, potentially well ahead of schedule. However the focus should be upon delivering a high quality review report, containing recommendations acceptable to all interested parties, that will enable FLS to achieve transformational change and meet the challenges of the future.

## 9 Implications

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| 9.1 | Financial  | - none at this stage. |
| 9.2 | Legal  | - none at this stage. |
| 9.3 | Personnel  | - none at this stage  |
| 9.4 | Equal opportunities,<br>social justice and<br>anti-poverty | - none at this stage. |
| 9.5 | Environmental  | - none at this stage  |

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### Background Papers

Front Line Services review papers

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