

REPORT TO: FINANCE COMMITTEE – 17 APRIL 2000

REPORT ON: FINANCE DEPARTMENT, REVENUES DIVISION CONSULTANCY

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 273-2000

1 PURPOSE OF REPORT

The purpose of this report is to seek authorisation from the Committee to commission a report from the consultant firm of Barony Group Limited.

2 RECOMMENDATION

That the Committee authorises the Director of Finance to commission a report from Barony Group Limited with regard to the operation of the Council Tax Billing and Collection and Benefit Administration as undertaken by his Revenues Division, at a cost not exceeding £45,380.

3 FINANCIAL IMPLICATIONS

3.1 The total cost of commissioning the report will not exceed £45,380.

3.2 It is anticipated that the reduction in future expenditure brought about by the implementation of the report recommendations will, within a twelve month period, exceed the cost of commissioning the report. The Finance Department will contain this expenditure within its total 2000/01 Revenue Budget.

4 LOCAL AGENDA 21 IMPLICATIONS

The efficient and effective administration of Council Tax Billing and Collection and Benefit Administration assists the Council in meeting its local needs and objectives in addition to fulfilling its statutory obligation.

5 EQUAL OPPORTUNITIES IMPLICATIONS

There are no equal opportunities implications.

6 BACKGROUND

6.1 The Revenues Division has been in a position of continual change since Local Government Reorganisation in 1996. This has been brought about by both legislative requirements and the adoption of procedures and practices which have succeeded in improving the efficiency and effectiveness of the Division.

6.2 Investment by the Council through purchase of an Electronic Document Management and Workflow System, the first stage of which was successfully implemented in September 1999, has assisted greatly to the improvement of the service provided and has by necessity brought change to procedures and practices.

- 6.3** The Council in report No 37/2000 has authorised the purchase of new core computer systems for the Revenues Division which it is believed will continue the improvement in service provision.
- 6.4** Further necessary changes to procedures and practices will be brought about as the Council has made a commitment to the Benefit Fraud Inspectorate to introduce the Verification Framework in late 2000/01.
- 6.5** Further change will be brought about with the introduction of new regulations regarding the administration of Housing Benefit in respect of Supported Accommodation.

7 CONSULTANTS REPORT

- 7.1** The continual change that has existed and will continue to exist for the foreseeable future, coupled with the Division's responsibilities and requirements to adhere to the Council's Best Value strategy, has resulted in the necessity to take an analytical look at our present operations to ensure that we are providing them in the most efficient and effective manner and to plan for our future changes in a constructive manner.
- 7.2** In carrying out a review of the Division it is considered necessary to obtain information regarding best practices as carried out in Revenues Divisions that are operated by both local government and private companies.
- 7.3** Such information, particularly of private companies, is not readily available. However the Barony Group Limited have been providing consultancy services in the Revenues area for many years and has built up a wealth of data of both public and private organisations.
- 7.4** Due to their existing knowledge base, which would not otherwise be available to use, it is considered that added value will be gained by commissioning Barony Group Ltd to work with the Council to produce a report that will map out the best way forward in order that the Division not only continues to meet its challenges but also to ensure that Best Value is achieved.
- 7.5** As part of the service provided by Image Systems Europe when implementing the Document Image and Workflow system, they commissioned the Barony Group Limited to carry out a high level overview review of the then position of the Revenues Division. Amongst other matters this review confirmed the Director's view that a detailed review was required.

8 TERMS OF REFERENCE

The terms of reference that will be given to the Barony Group Limited covers Council Tax, Council Tax Benefits, Housing Benefit and Rent Allowances and would be in the following terms:-

"By reference to the performance of other Councils and private agencies, identify areas for resource reduction and methods improvement with a view to achieving targets identified in your previous report taking into account our present and projected levels of technology.

Within the report provide details of methods and procedures used within these authorities or agencies to achieve this performance,.

Provide detailed advice for effective and efficient implementation of Verification Framework".

9 CONSULTATION

The Chief Executive and the Director of Personnel and Management Services together with the Trade Unions have been consulted in the preparation of this report.

10 BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than containing confidential or exempt information) were relied on to any material extent in preparing the above report.

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DATE

**DAVID K DORWARD
DIRECTOR OF FINANCE**

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