

4 November 2008

Dear Councillor

OVERVIEW AND SCRUTINY COMMITTEE - MONDAY, 10TH NOVEMBER 2008

I am now able to enclose, for consideration at the above meeting of the Overview and Scrutiny Committee, the following reports that were unavailable when the agenda was printed.

Agenda No Item

8. **Revenue Budget Monitoring 2008/09 Report 2 (End of September 2008) (Pages 77 - 84)**

Report of Assistant Chief Executive (Business Transformation) (enclosed)

9. **Business Plan Monitoring Statements - 1 July to 30 September 2008 (Pages 85 - 92)**

The Assistant Chief Executive Business Transformation)' monitoring report on his Directorate's Business Plan for 2008/09 is attached.

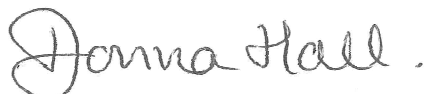
Please also note that the following supplementary item has been added to the meeting's agenda.

Agenda No Item

15. **The Council Investment Process and the Deposit in Landsbanki**

The Chair has requested the inclusion of this item.

Yours sincerely



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Chief Executive

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Distribution

1. All Members of the Overview and Scrutiny Committee (Councillor Dennis Edgerley (Chair), Councillor Alan Cain (Vice-Chair) and Councillors Nora Ball, Mike Devaney, Marie Gray, Harold Heaton, Kevin Joyce, Adrian Lowe, Mark Perks, Rosie Russell, Joyce Snape and Peter Wilson) for attendance.
2. Donna Hall(Chief Executive), Lesley-Ann Fenton (Assistant Chief Executive (Policy and Performance), Gary Hall (Assistant Chief Executive (Business Transformation), Jamie Carson (Corporate Director (People)), Jane Meek (Corporate Director (Business)), Ishbel Murray (Corporate Director (Neighbourhoods)), Carol Russell (Head of Democratic Services) and Gordon Bankes (Democratic Services Officer) for attendance.

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આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822

ان معلومات کا ترجمہ آپ کی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون

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کیجئے:

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation) (Introduced by the Executive Member for Resources)	Overview and Scrutiny Committee	10 th November 2008

REVENUE BUDGET MONITORING 2008/09 REPORT 2 (END OF SEPTEMBER 2008)

PURPOSE OF REPORT

1. This paper sets out the current financial position of the Council as compared against the budgets and efficiency savings targets it set itself for 2008/09 for the General Fund.

RECOMMENDATIONS

2. Executive Cabinet are asked to note the contents of the report.
3. That the additional sum of £10,800 be taken out of working balances to a specific reserve to meet the final costs of equal pay claims.
4. That contingency plans be developed to make additional savings to mitigate the impact of potential overspending in respect of concessionary travel, estimated to be up to £250,000 in 2008/09.

EXECUTIVE SUMMARY OF REPORT

5. The Council expected to make overall target savings of £320,000 in 2008/09 that equates to £160,000 for the first two quarters. I am pleased to report that excellent progress has been made in this area with savings of £234,000 already achieved. Further savings will be made as the year progresses and more vacancies occur, which should ensure that budgeted savings are achieved.
6. There are a number of areas that will be monitored closely as the year progresses, these are:
 - Contributions to Corporate Savings and Efficiency Targets
 - Major income streams, in particular car parking fees, land charges and markets
 - Concessionary travel costs
 - Benefit costs
7. As there is a potential overspend of up to £250,000 in respect of concessionary travel costs, I recommend that contingency plans be developed to identify further savings that could mitigate the effect of this, should a significant overspend materialise.

REASONS FOR RECOMMENDATIONS
(If the recommendations are accepted)

- 8. To ensure the Council’s budgetary targets are achieved.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 9. None.

CORPORATE PRIORITIES

- 10. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organisation	✓

Ensuring cash targets are met maintains the Council’s financial standing.

BACKGROUND

- 11. The Council’s budget for 2008/09 included real cash savings targets of £260,000 from the management of the establishment and a further £60,000 of savings to come from efficiency and procurement related activities.

The budget also included challenging targets for the Council’s main income streams following a full review of fees and charges. The financial risk to the Council is that there could be a level of consumer resistance to the increase in fees.

CURRENT FORECAST POSITION

- 12. Appendix 1 shows the summary forecast position for the Council based upon actual spending in the first six months of the financial year, adjusted for future spending based upon assumptions regarding vacancies and service delivery. No individual service directorate figures are attached. These are available for inspection in the Members’ Room.
- 13. In my report to the Executive Cabinet of 14 August 2008, I advised on the projected outturn for 2008/09, which was a deficit of £188,000, based on monitoring information at the end of June. Before taking into account the potential overspending of £250,000 in respect of concessionary travel, this position has improved. Based on monitoring information as at the end of September, the current projection would be a deficit of £112,000. However, should the ‘worst case’ overspending in respect of concessionary travel materialise, the deficit could increase to £362,000 unless further savings could be implemented to avoid this.
- 14. The significant movements since my last report are shown in the table below. Further details are contained in the service unit analysis available in the Members’ Room:

Table 1 – Significant Variations from the last monitoring report

	£'000
Savings on staff salaries	(146)
Increase in Gas, Electricity, and Water charges	65
Reduction in Land Charges income	63
Planning Application Fees	(30)
Further reduction in Car Parking Fees	40
Income generated from external consultancy work	(25)
Recharge of staff costs on LDF matters	(32)
Savings on waste contract	(33)
Efficiency savings achieved	(24)
Net Financing Costs	30
Equal Pay Claims	11
Other minor variances	5
Net change since June monitoring	(76)
Potential Concessionary Travel overspending – ‘worst case’	250
Net change including Concessionary Travel	174

15. Clearly the most significant change being reported here is the additional savings relating to salaries. These savings are in the main as a result of vacant posts, some of which have been kept vacant pending the outcome of directorate and departmental restructures due to take effect within the coming months.

The main savings achieved are analysed by directorate as £73,000 from Business, mainly as a result of vacancies within the Planning section, £33,000 from People directorate, £20,000 from Policy & Performance, and £11,000 from Business Transformation & Improvement.

16. Over recent months we have seen a dramatic increase in the charges for gas, electricity and water supplies. Despite the 2008/09 budget including a provision for these increases, the effect of several increases from energy suppliers over the last twelve months means that actual costs will far outstrip the budgeted provisions. This, together with a lack of accurate billing information from our energy supplier, has meant that both the setting and monitoring of budgets has been extremely difficult in recent times. Based on the latest information available, the current forecast is for an overspend of £65,000 in 2008/09.
17. With the economy now moving towards recession, the impact is starting to be felt across several areas of the Council's services. One area being affected is the income generated from Land Charge Search fees, a major source of income for the Council with a total budget of around £189,000 in 2008/09. As a result of the slowdown in the UK housing market following the “credit crunch”, it is now clear that actual income levels will be significantly lower than budgeted for this year.

Current income levels are approximately 30% down on last year and this trend is likely to continue for the foreseeable future. The position will be monitored closely over the next few months but at the halfway stage in the financial year the forecast is for a shortfall compared to budgeted income in the region of £70,000.

18. Another of the Council's major income streams, which is potentially at risk, is planning application fees. However, income levels for the first six months of the year remain extremely positive and the forecast at this stage, even after allowing for a slight downturn in applications, is for a surplus of £30,000 over budget. The position will have to be monitored closely over coming months and any change in the position will be reported to members at the earliest opportunity.
19. One area almost certainly affected by the current economic climate is the income from car parking fees. Although it is too early in the financial year to accurately predict the final outturn position, it is clear that budget targets will not be achieved for 2008/09.

Income levels for the second quarter have continued to be below the levels anticipated in the budget and whilst levels are expected to rise in the run-up to Christmas I feel it is prudent at this stage to increase the forecast deficit by a further £40,000.

20. One area where the Council has performed well in recent times is in the generation of additional income resulting from members of staff working for other local authorities. Two particular examples to note are the Assistant Chief Executive (Policy & Performance) providing policy support work for Blackpool Borough Council and the Planning Policy Manager working on Local Development Framework matters in conjunction with Preston and South Ribble councils. These two areas of work will generate additional income of £25,000 and £32,000 respectively in the current year.
21. The current forecast outturn for refuse collection is for an underspend of around £33,000 against the budget in 2008/09, with the saving coming from two areas in particular. The cost charged for green waste processing has come down below the agreed threshold this year which means that the Council no longer needs to make a contribution towards the costs. The 2008/09 budget also included a provision for the additional cost of delivering waste to Whinney Hill Tip, expected to be in the region of £18,000. With waste volumes currently lower than anticipated, it is unlikely that this provision will be required in the current year.
22. Good progress has been made in the first half of the year towards achieving the £60,000 target the Council set itself for procurement and efficiency savings in 2008/09. The new contract negotiated for providing the Council's Documents On Line service realised a saving of around £20,000 for the Business Transformation & Improvement directorate. This, together with the decision to replace Performance Plus software in the Policy & Performance directorate with an in-house solution giving a saving of £4,000 means that a total of £24,000 has been achieved to date.
23. A number of factors affect the 'Net Financing Transactions' budget, which consists of the provision to repay borrowing, plus interest payable on external borrowing, less interest receivable on cash balances invested. The provision to repay borrowing has been reduced because it was not necessary to incur borrowing to finance the capital programme in 2007/08. Offsetting this saving is a reduction in estimated net interest receivable. This is affected by factors such as the availability of cash balances to invest, which may be less than originally estimated because of reduced asset sales and delayed contributions from developers, and the interest rates offered by borrowers.

Overall the forecast for 'Net Financing Transactions' is a reduction in the net credit by £30,000, which approximates to the interest that would have been earned on the sum invested in Iceland but which is at risk.

At present, the forecast outturn is prepared on the assumption that the investment in Iceland is recoverable. Should the cash not be recoverable in full, the estimated 'bad debt' would be a charge against the revenue budget. If this proved to be the case, and the sum

was significant when compared to the Council’s revenue budget and revenue reserves, it may be possible to obtain Government permission to capitalise the estimated loss so that the impact on the revenue budget would be spread over a number of years.

- 24. At the Executive Cabinet meeting in August of this year it was agreed that a sum of £50,000 be transferred to an earmarked reserve to meet the anticipated costs of equal pay claims. The final costs have now been agreed at £60,800 including legal costs and I propose to transfer a further sum of £10,800 from working balances to meet these additional costs.

CONCESSIONARY TRAVEL

- 25. Though the net effect of these changes is an improvement by £76,000 since the previous monitoring report, there is another budget that has the potential to have a significant adverse impact on our year-end position. This is the budget for Concessionary Travel. The Council has only recently received the first cost information for this financial year, which covers the period 1 April to 9 August. Calculations based on this information suggest a forecast outturn ranging from £1.284m to £1.375m compared to the budget of £1.125m, giving a potential budget gap of between £159,000 and £250,000. All twelve Lancashire Districts have written to Government Ministers seeking additional funding; and the proposed pooling arrangements are currently being discussed between the twelve District Councils and two Unitary Authorities.
- 26. Clearly with only four months costing information received to date it is too early to predict the outturn with any degree of accuracy. As more information is made available over the coming months I will update members on this position in due course. In the meantime, I recommend that contingency plans are developed to identify savings that could be achieved in order to mitigate the potential effect of an overspend of up to £250,000.

IMPLICATIONS OF REPORT

- 27. This report has implications in the following areas and the relevant Corporate Directors’ comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

- 28. The financial implications are detailed in the body of the report.

GARY HALL
 ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION AND IMPROVEMENT)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Dave Bond/Michael Jackson	5488/5490	24/10/08	Revenue Budget Monitoring 2008-09 – Sept 08.doc

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General Fund Revenue Budget Monitoring 2008/09 - Forecast Outturn as at September 2008

	(1) Original Cash Budget	(2) Impact of Council Restructure	(3) Agreed Changes (Directorates)	(4) Agreed Changes (Other)	(5) Amended Cash Budget	(6) Contribution to Corp. Savings (Staffing)	(7) Contribution to Corp. Savings (Other)	(8) Current Cash Budget	(9) Forecast Outturn	(10) Variance	(11) Variance
	£	£	£	£	£	£	£	£	£	£	%
Chief Executive's Office	668,740		(25,760)	2,030	645,010	(18,000)		627,010	616,680	(10,330)	-1.65%
Corporate Governance	1,561,690			31,700	1,593,390	(30,000)		1,563,390	1,568,390	5,000	0.32%
Business	934,880		(50,900)	116,450	1,004,430	(15,000)		985,430	995,430	10,000	1.01%
Business Transformation & Improvement (Finance)	1,859,300			25,000	1,884,300	(40,000)	(20,000)	1,824,300	1,814,910	(9,390)	-0.51%
Human Resources	445,150			6,100	451,250	-		451,250	444,250	(7,000)	-1.55%
Information & Communication Technology Services	864,080			66,260	930,340	(10,000)		920,340	912,340	(8,000)	-0.87%
People	2,144,010		76,490	33,000	2,253,500	(33,000)		2,220,500	2,189,500	(31,000)	-1.40%
Policy & Performance	732,580		(4,240)	15,000	743,340	(40,000)	(4,000)	699,340	646,720	(52,620)	-7.52%
Neighbourhoods	4,809,320		4,410	235,250	5,048,980	(24,000)		5,024,980	5,099,980	75,000	1.49%
Budgets Excluded from Finance Unit Monitoring:											
Benefit Payments	(125,530)				(125,530)			(125,530)	(75,530)	50,000	-39.83%
Concessionary Fares	931,830				931,830			931,830	1,181,830	250,000	26.83%
Pensions Account	249,640				249,640			249,640	252,280	2,640	1.06%
Equal Pay Claims	-			50,000	50,000			50,000	60,800	10,800	21.60%
Corporate Savings Targets											
Management of Establishment	-			(260,050)	(260,050)	210,000		(50,050)	-	50,050	-100.00%
Efficiency/Other Savings	-			(60,000)	(60,000)		24,000	(36,000)	-	36,000	-100.00%
Salary Related Savings (Pay Award)	-			(60,000)	(60,000)			(60,000)	(60,000)	-	0.00%
Total Service Expenditure	15,075,690	-	-	200,740	15,276,430	-	-	15,276,430	15,647,580	371,150	2.4%
Non Service Expenditure											
Contingency Fund	40,000				40,000			40,000	-	(40,000)	0.0%
Contingency - Job Evaluation	82,000			(82,000)	-			-	-	-	0.0%
Contingency - Management of Establishment	(260,050)			260,050	-			-	-	-	0.0%
Contingency - Procurement Savings	(35,000)			35,000	-			-	-	-	0.0%
Contingency - Gershon Savings	(25,000)			25,000	-			-	-	-	0.0%
Contingency - Salary Related Savings	(60,000)			60,000	-			-	-	-	0.0%
Revenue Contribution to Capital	-			78,900	78,900			78,900	78,900	-	0.0%
Net Financing Transactions	(424,110)				(424,110)			(424,110)	(394,110)	30,000	-7.1%
Parish Precepts	575,390				575,390			575,390	575,390	-	0.0%
Total Non Service Expenditure	(106,770)	-	-	376,950	270,180	-	-	270,180	260,180	(10,000)	-3.7%
Total Expenditure	14,968,920	-	-	577,690	15,546,610	-	-	15,546,610	15,907,760	361,150	
Financed By											
Council Tax	(6,747,920)				(6,747,920)			(6,747,920)	(6,747,920)	-	0.0%
Aggregate External Finance	(8,221,000)				(8,221,000)			(8,221,000)	(8,220,610)	390	0.0%
Use of Earmarked Reserves - capital financing	-			(71,400)	(71,400)			(71,400)	(71,400)	-	0.0%
Use of Earmarked Reserves - revenue expenditure	-			(347,160)	(347,160)			(347,160)	(347,160)	-	0.0%
Contribution to or use of General Balances	-			(159,130)	(159,130)			(159,130)	(159,130)	-	0.0%
Total Financing	(14,968,920)	-	-	(577,690)	(15,546,610)	-	-	(15,546,610)	(15,546,220)	390	0.0%
Net Expenditure	-	-	-	-	-	-	-	-	361,540	361,540	2.37%

General Balances Summary Position	Budget £	Forecast £
General Fund Balance at 1 April 2008	1,000,000	1,885,620
Budgeted use of General Balances		(159,130)
Forecast (Over)/Under Spend	-	(361,540)
Forecast General Fund Balance at 31 March 2009	1,000,000	1,364,950

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Report of	Meeting	Date
Assistant Chief Executive (Business Transformation)	Overview and Scrutiny Committee	November 2008

BUSINESS IMPROVEMENT PLAN MONITORING STATEMENT – BUSINESS TRANSFORMATION DIRECTORATE

PURPOSE OF REPORT

- To report progress against the key actions and performance indicators in the Business Transformation Directorate Business Improvement Plan for 2008/2009 for the period ended September 2008.

RECOMMENDATION

- To note the report.

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the central Lancashire sub region		Improved access to public services	
Improving equality of opportunity and life chance		Develop the character and feel of Chorley as a good place to live	
Involving People in their Communities		Ensure Chorley is a performing Organisation	✓

BACKGROUND

- The Business Plan Monitoring Statement reports progress against the key actions and performance indicators included in the 2008/09 Business Improvement Plans for the Finance, Legal and Democratic Services, Human Resources and Information Technology parts of the business.

KEY MESSAGES

- There are 28 tasks/projects included in the combined Business Improvement Plan, all of the 28, were due to be started and/or completed by the end of the second quarter. In terms of the projects the following table summarises the position.

Projects Green on track	20
Project Amber	8
Project Red	0



6. Of the projects on track (green) some of the key actions undertaken in the period include:
- Ensuring licensing participate in the weeks of action
 - Completing and updating the Council's Business Continuity Plans
 - Roll out of the Thin Client solution
 - The contract for implementing energy efficiency measures in our buildings has been let
 - The Financial Accounts for 2007/08 has been signed off but the Auditor will save money
 - All the Councils equal pay claims have been settled. During the period the Council was voted the 2nd best Council to work for in the Times 100 Awards and has also been nominated for an award for its work with its workforce on health and wellbeing
7. With regard to the eight projects that are classed as amber the reason for this rating is that projects are slightly behind schedule in relation to in particular:
- Web Accessibility
The web accessibility project which has slipped due to other commitments
 - Strategic Asset Review
The Council is currently undertaking a strategic asset review looking at the Councils 3 main administrative buildings at the Town Hall, Union Street and Bengal Street. The intention of the review is to determine if the assets are fit for purpose and if there is any opportunity for rationalisation. The Strategy is now being drawn up but is behind schedule
 - ARCGIS Migration
ICT begin the process of Migration to ARCGIS 9.2 – This is assigned amber status as the business case has not been completed on schedule. The main reason for this is that the transformation work is highlighting areas where the technology would be useful and it is considered appropriate that the current work in the Business Directorate is completed prior to documenting the business case. For this reason it is requested that the date for production of the business case be amended to end of December 2008
 - Virtualisation Project
ICT Design and implement process of Virtualisation/Storage – This project is progressing and a specification of requirements is currently being drawn up. Although this element of the project is behind schedule, it is expected that the project will still be brought in on time. Therefore the element of work expected in July and September is assigned amber status with the project retaining green.
 - Implement new HR System
The work to update the Council's HR system is currently behind schedule, due in the main to other work commitments and a slow start when the Council tried to involve other parties. However, I expect the project to catch up in the second half of the year and am still aiming for implementation by March 2009 as originally anticipated.

Identification of surplus land assets

- The Council has committed to identifying surplus sites for sale and possible use for affordable housing schemes. The sites have been identified and valued, but further work is ongoing in relation to the impact of disposing of some of the garage sites in particular. This was scheduled to be completed by September 08 but will only be completed by December 08

Update Procurement Strategy

- The project to refresh the Council's Procurement Strategy has been delayed due to the implementation of the Financial Shared Services. I had hoped to make a start on this by September 08, but I still anticipate this project being completed by the expected date of March 2009.

In relation to all of the above action will now be taken to progress these issues and manage the completion, however none of the tasks are significantly behind schedule.

BUDGET MONITORING

12. The first quarter monitoring position for the quarter ended September 2008
The table shows that the directorates are on track to achieve the cash budgets set for 2008/09

SEPTEMBER 2008	£'000	£'000
ORIGINAL CASH BUDGET		4,730
Add Adjustments for in year cash movements		128
ADJUSTED CASH BUDGET		4,858
Less Corporate Savings:		
- Staffing		(80)
- Efficiency Savings		(20)
CURRENT CASH BUDGET		4,758
FORECAST		
EXPENDITURE		
Staffing	(84)	
Insurances	16	
External Audit Fees	29	
Chorley Community Housing - Stock Transfer final costs.	15	
Computer Software - Licences/Maintenance/Purchase	20	
Computer Equipment-Maintenance/Purchase	(16)	
Members Allowances/Expenses	(13)	
Consultants Fees	9	
Bailiffs Commission	(3)	
Liberata Contract	4	
Gas & Electricity	44	
Occupational Health	(4)	
Training	5	
Recruitment	(14)	
Other	3	
Expenditure under (-) or over (+) current cash budget		11
INCOME		
Business Improvement & Efficiency Grants	(18)	
Summons / Committal Costs	9	
NNDR Collection Allowance	(1)	
Housing Benefit Data Collection Grant	(4)	
Income - Rent	(1)	
Income - Other	(7)	
Reduction in use of Lancastrian Suite	5	
Legal Fees Income	(7)	
Hackney/Prvt Carriage Licences	(6)	
Income under (+)/ over (-) achieved		(30)
FORECAST CASH OUTTURN 2008/2009		4,739

PERFORMANCE INDICATORS

13. The Business Improvement Plan contains 59 performance indicators made up of 2 of the new indicators in the national indicator set, 17 that are required by the Department of Work and Pensions in relation to the benefits service and a further 40 which are local performance indicators.

The table below summarises the positions for the first quarter at 2008/09

Green circle (on target)	26
Blue circle (5% off target but within acceptable tolerances)	6
Red triangle more than 5% off target	11
Not measured	16
Total	59

14. Overall therefore the messages are very positive with 32 out of the 43 targets that can be measured performing at an acceptable level. The eleven that are not achieving targets are as follows. Where performance was measured in June 2008, this information is also included to show the trend.

	Measure	Target	Actual to June	Actual to Sept
National Indicator	Right time performance indicator	9.35 days	10.8	10.9
DWP Indicator	Average time to process claim	<17 days	18.8	18.65
DWP Indicator	Average time to process change of benefit entitlement events	6.8 days	-	9.15
DWP Indicator	Number of fraud investigation re 1000 of caseload	50	5.46	12.5
DWP Indicator	Average time to process application for reconsideration	14	32	21.3
DWP Indicator	Average time to process appeals	30 days	51 days	59 days
DWP Indicator	Written off overpayments	1.7%	5	5.1%
Local Indicator	% of women in leadership rates	37.5	-	33.33
Local Indicator	% of debt over 90 days	14.9		49

Local Indicator	Days Authority lost to sickness absence	7.79		8.5
Local Indicator	% of debt over 90 days	14.9	-	49

15. In relation to the above, I would make the following observation:
16. The right first time indicator is a new national indicator for 2008/09 and measures the combined effect of processing new claim and changes of circumstances. At present there are no comparables nationally so our target is based upon our own assessment of what constitutes good performance. We are slightly below the target we set due to the slight under performance in processing new claims. It is likely that the target set of 9.35 days will be upper quarter and therefore performance is still relatively good but not what we hoped to achieve.
17. Fraud investigation were less than target in the half year as a result of a vacancy which has never been filled and annual leave. The indicator measuring how the Council deals with requests for reconsideration of benefit entitlement and any subsequent appeals has not achieved what we expected. Again no relative data is available on this indicator as it is a new measure, but we have allocated additional resources to try to improve processing times and this has resulted in an improvement in the second quarter. The appeals process days indicator has been scewed by a particularly complex appeal. All the appeals and reconsideration for September were done within the target.
18. In respect of debtor days almost half of all debts are up to 90 days old. We do allow up to 38 days to pay before any formal action is taken in terms of recovery, but clearly debts are now taking longer to pay and are having to resort to more use of recovery agencies.
19. Since April the percentage of short term absence has increased from 200708 - there does not appear to be any visible patterns to account for the increase. The average number of occasions of absence has not increased in the last 6 months, however when the average number of days per occasion has been calculated this has increased from 5.6 days on average to 6.9 days in the 6 months of this year. Therefore employees are taking longer periods of absence on each occasion, before their return to work.
20. The increases so far this year, have highlighted the need to not only manage the number of acceptable occasions in 6 months but to also include the number of days absent in the same 6 month review period within the warning trigger system. We are currently looking at reviewing the policy to link periods of long term sickness absence in line with the statutory 8 weeks for SAP. This will ensure that individuals who have returned to work from long term sickness absence then subsequently go off sick will continue to be managed within the long term absence process.
21. As well as the policy review, I am also working on positive proactive interventions such as stress management, setting up the Workplace Listeners scheme and fruit on desks initiative, which will hopefully be rolled out by the end of November.

EQUALITY AND DIVERSITY UPDATE

22. Following the completion of the Equality Impact Assessment for all the services in the group an action plan has been produced to enable the Council to move forward and achieve level 3 of the Equalities Standard. Actions taken to date include:

- In local tax, the discount application forms now asks for information by Equality Standard.
- Plain English ‘crystal mark’ has been obtained for many of the leaflets.
- Officer training has been provided on Equality and Diversity issues.
- The Council’s Procurement and Partnership Framework have been updated so that partners subscribe to equality and diversity principles.
- A review of accessibility of meeting rooms is underway.

RISK ASSESSMENT

23.

Description of Risk
Disruption to services as a result of the development of the shared financial services solution
Uncertainty regarding legislative changes for filtering of complaint against member of the Council
Significant I.T infrastructure changes planned for 2008/09
Costs and disruption from potential equal pay claim

24. In terms of the risks identified to date and through the mitigation, put in place none of the risks have caused any significant business disruption:

- The Shared Financial Services implementation is on track and has not resulted in any performance issues.
- Local filtering arrangements have been put in place.
- Whilst there are minor delays on the thin client implementation due to other priorities, there have been no major issues with the roll out to date.
- Job Evaluation has been fully completed and we are in the process of dealing with a number of equal pay claims that are relatively insignificant in terms of number and potential cost.

VALUE FOR MONEY EFFICIENCIES UPDATE

25.

YR	Gain Anticipated	Estimated Value of Gain £
08/09	More efficient use of photocopies by reduction in	2,700

	number of copiers	
08/09	More uptake of usage of Lancastrian Suite as an events venue	22,850
08/09	Staff savings through reduced hours on post deletion and better deployment	55,810
08/09	Reduction in contract prices through renegotiations	10,000
08/09	Replace civic vehicle council with something more economical	3,000

- 26. In terms of progress on VFM and efficiencies all but the uptake on the Lancastrian have been achieved. In terms of the staffing reduction and it's impact, this report demonstrates that in the main performance is still good and in the main on track. With regard the Lancastrian the position is as follows:

- 27. Additional income has been generated this year following the review of the pricing structure resulting in 50% of the total target of £32k per annum being achieved. However, there have been a number of operational issues relating to the letting of the room for private parties and we are currently reviewing this position as it has created significant health and safety issues. A decision has been taken to not allow private parties to take place in the Lancastrian and therefore the income target will not be met.

GARY HALL
 ASSISTANT CHIEF EXECUTIVE
 (BUSINESS TRANSFORMATION)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	25/07/08	ACE (BT)/Reports/2008/BIP Monitoring Statement