

Report of	Meeting	Date
Director of Finance (Introduced by the Executive Member for Resource)	Corporate and Customer Panel	25 September 2007

## BUSINESS IMPROVEMENT PLAN MONITORING STATEMENT – FINANCE DIRECTORATE

### PURPOSE OF REPORT

- To report progress against the key actions and performance indicators included in the Finance Business Improvement Plan for the first quarter of 2007/08.

### RECOMMENDATION(S)

- To note the report and actions included in it.

### EXECUTIVE SUMMARY OF REPORT

- The first quarter is always a challenging one for the Finance Directorate as a number of year end processes absorb a significant amount of resource. However, that said I believe the first quarter to have been a successful one, for the following reasons:
  - Progress on service development is as expected.
  - The year end processes and timetables have been achieved.
  - Performance in the main is on target with the exception of 2 indicators for which there are valid reasons for the variances.
  - The budget at the end of the first quarter is on track but there is further work to do on achieving efficiency savings at a corporate level.

### 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 reports progress against the key actions and performance indicators included in the 2007/08 Business Improvement Plan for the Finance Directorate. The report covers the period of 1 April to 30 June 2007.

## BUDGET UPDATE

6. Set out in the table below is a summary of the Directorates first quarter performance in relation to its budget.

<b>SERVICE LEVEL BUDGET MONITORING 2007/2008</b>		
<b>FINANCE</b>		
<b>JUNE 2007</b>	<b>£'000</b>	<b>£'000</b>
<b>ORIGINAL CASH BUDGET</b>		<b>1,616</b>
Add Adjustments for In year cash movements		
Virements to/from other Services		
- Transfer Office Support Officer post to Finance		20
- Transfer of Health & Safety from H.R. to Finance		34
<b>ADJUSTED CASH BUDGET</b>		<b>1,670</b>
Less Corporate Savings:		
- Staffing		(5)
<b>CURRENT CASH BUDGET</b>		<b>1,665</b>
<b>FORECAST</b>		
<b>EXPENDITURE</b>		
Staffing Costs	(25)	
Documents on Line	(2)	
Payroll Service	(1)	
Computer Equipment - Maintenance	6	
General Subscriptions	(1)	
Bailiffs Commission	30	
Other	-	
<b>Expenditure under (-) or over (+) current cash budget</b>		<b>7</b>
<b>INCOME</b>		
NWCE - Shared Services Funding	(7)	
Other Income	-	
<b>Income under (+)/ over (-) achieved</b>		<b>(7)</b>
<b>FORECAST CASH OUTTURN 2007/2008</b>		<b>1,665</b>
<b>Key Assumptions</b>		
<b>Key Issues/Variables</b>		
<b>Key Actions</b>		

The budget update shows that the Directorate is on track to achieve its cash target for 2007/08.

## SERVICE DEVELOPMENTS












7. During the first quarter the following key actions were due to be completed, progress against these actions is summarised in the table below:




Milestone	Progress
Procedures set up to monitor take up in relation to equal access to services.	Draft equality impact assessment completed, monitoring arrangements/ procedures reviewed and amended.
Complete and update the Council's medium term financial strategy.	Deferred until later in 2007
Update the Council's Treasury Management Strategy	Updated in March 2007 but to be updated further later in 2007.
Ensure corporate ownership in the preparation of the Council's Governance Statement.	Directorate Assurance Statement produced which formed part of the Council's annual Governance Statement – action complete.

8. The bulk of the Directorates improvement activities are scheduled to take place in the next three quarters. This is planned deliberately as the first quarter of the year is very much concentrated on completing "business as usual" rather than improvement work. The Directorates focus in the first quarter is on the production of the Annual Statement of Accounts, closing down financial systems and a significant emphasis on processing and recovery actions in Benefits and Council Tax. This is done to ensure a good start to the year. However, that said, during the first quarter good progress was made on the actions that were planned, apart from the production of Council's medium term financial strategy. I have the view that given the significant number of unknowns in relation to key financial aspects of the Council's business, it would be more appropriate to refresh the MTFS at the same time as the refreshed Corporate Strategy in the outturn of this year, so that firstly the strategy was based on the latest information with regard to the effect of Job Evaluation and the Gillibrand Link Road arbitration. More importantly the key corporate planning document would be aligned with the Council's resource position.

## PERFORMANCE INDICATORS

9. Set out in the table below is a summary of the key performance indicator data for the first quarter

		30/06/07
BV008 % Invoices paid	Actual	92.9
	Target	96.71
	Perf vs Target	
BV009 % Council Tax	Actual	30.2
	Target	24.69
	Perf vs Target	
BV010 % NNDR collected (Percent)	Actual	30.7
	Target	24.78
	Perf vs Target	
BV076b Number of fraud investigations	Actual	n/a
	Target	n/a
	Perf vs Target	
BV076c Number of fraud investigations	Actual	11.79
	Target	57.54
	Perf vs Target	
BV076d Number prosecutions &	Actual	3.47
	Target	3.25
	Perf vs Target	
BV079a % Benefit calculations	Actual	99.2
	Target	99.5
	Perf vs Target	
BV156 % LA public buildings	Actual	83
	Target	88
	Perf vs Target	
BV078a Ave time new claims	Actual	16.3
	Target	18.5
	Perf vs Target	
BV078b Ave time for changes	Actual	6.06
	Target	6.3
	Perf vs Target	
BV008 % of invoices	Actual	93.61
	Target	96.71
	Perf vs Target	
BV12 sickness absence	Actual	0.6
	Target	2.31
	Perf vs Target	

	5% above target
	within 5% of target
	Outside 5% tolerance

10. In summary the position is as follows:

Status	Number
Green Star	5
Blue Circle	4
Red Triangle	2

11. Overall performance is positive, but off track in relation to the two following indicators:

1. Number of fraud investigations.
2. % of public buildings accessible to disabled people.

The explanations of why these have occurred and the actions planned to correct the positions are set out below:

BVPI 76c

The number of fraud investigations per '000 caseload

Qtr 1 Performance	Target	Previous performance
11.79	14.4	16.55

12. Annual leave in the team in June has impacted upon performance for a short period of time. This meant that out of 42 'man days' (2x21 working days in June) 21 were lost in annual leave. Consequently, investigators weren't in work to:

- a) complete and close investigation cases; and
- b) move current cases along

The figures for April and May extrapolated over the 12 months would have put performance ahead of the target demonstrating that it was June's performance which impacted upon Q1 performance.

13. The closed cases for July have been examined and from 1.7.07 to 19.7.07 we have closed 24 cases which extrapolated for the month puts performance at about 37 investigations. This will bring the number to 18.31 (April - July) which extrapolates to 54.93 at year end putting performance of this indicator back on track for 2007/08.

**BVPI56 % LA BUILDINGS**

Quarter 1 Performance	Target	Previous Performance
83	88	83

14. The delay in meeting the target is purely a result works at both Clayton Green and Brinscall baths not yet being completed. These are scheduled to be done in the coming months, with Brinscall being completed by Christmas and Clayton Green completed by March 2008.

## RISK MANAGEMENT UPDATE

15. The major risk to performance and achievement of the Business Improvement Plan were the impact of the numerous restructurings to achieve the 2007/2008 efficiencies and the possible effect of Job Evaluation on morale. In addition there was a significant risk regarding the Liberata contract for Property Services as this would be the first year of operation. Therefore robust management processes would be required.
16. To date all the key risks are being managed effectively. All of the restructurings are complete and to date performance, as measured by BVPI's and expected outputs ie Statement of Accounts has been achieved and in many areas cases exceeded. The effect of Job Evaluation was still unknown in the first quarter but morale has been high and sickness levels low along the period.
17. The Liberata contract remained unsigned for the first quarter of the year but commenced on the 1st July. I shall report on the performance of the service in my September update.

## VALUE FOR MONEY AND EFFICIENCIES UPDATE

18. Set out in the table below is a summary of the progress against the expected efficiency gains for 2007/08.

	<b>ESTIMATED VALUE OF GAIN</b> £	<b>VALUE OF GAIN ACHIEVED IN FIRST QUARTER</b> £
Shared Services Contact Centre	43,000	43,000
Saving from better procurement negotiation	30,000	0
Invoice consolidation	3,000	3,000
Property Services Outsourcing	65,570	65,570
Directorate Restructuring	102,429	102,429
<b>Total</b>	<b>243,819</b>	<b>213,819</b>

19. The table shows that the Directorate is on track to make its efficiency savings included in the 2007/08 budget. Further work is required on corporate procurement savings, but these are expected to materialise later in the year as more procurement activity is undertaken and completed, for example the telephony contract.

## EQUALITY AND DIVERSITY UPDATE

20. The aim for 2007/08 was to complete the actions included in the Council's Equality and Diversity Policy. The key task being the completion of Equality Impact Assessments on all of the services in Finance. During the first quarter good progress was made with draft impact assessments being produced for all the services. These are currently being quality assessed with the intention to complete in September 07 as per the timetable in the Business Improvement Plan. Some actions have already been completed pending the completion of the assessment, mainly in the area of recording activity to monitor the usage of our services by the equality strands to gauge if we are reaching those groups.

## IMPLICATIONS OF REPORT

21. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	✓
Legal			

## COMMENTS OF THE DIRECTOR OF POLICY AND PERFORMANCE

22. The actions outlined above will support the delivery of the Council's Equality Scheme approved by Cabinet in December 2006.

GARY HALL  
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	13/09/07	DOF/REPORTS/BIP Monitoring Statement