

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation and Improvement)	Corporate and Customer Overview and Scrutiny Panel	20 November 2007

BUSINESS IMPROVEMENT PLAN MONITORING STATEMENT – FINANCE DIRECTORATE

PURPOSE OF REPORT

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

RECOMMENDATION(S)

2. To note the report and actions included in it.

EXECUTIVE SUMMARY OF REPORT

3. As reported previously the second quarter is one where we start to make progress on the targets in the Improvement Plan. Overall good progress is being made, with one to two minor issues to resolve in relation to improvements in Accountancy and one BVPI. The budget continues to be on track as does the delivery of efficiency targets. Overall I am therefore satisfied with progress being made.

CORPORATE PRIORITIES

4. 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

5. 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 September 2007.

BUDGET UPDATE

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

SERVICE LEVEL BUDGET MONITORING 2007/2008		
BUSINESS IMPROVEMENT		
SEPTEMBER 2007	£'000	£'000
ORIGINAL CASH BUDGET		1,616
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		40
- Chief Officer Car Lease Scheme		(1)
ADJUSTED CASH BUDGET		1,675
Less Corporate Savings:		
- Staffing		(5)
CURRENT CASH BUDGET		1,670
FORECAST		
EXPENDITURE		
Senior Management Review	4	
Staffing Costs	(50)	
Pay in Lieu/Severance Pay	5	
Documents On Line Service	(4)	
Consultants Fees (VFM)	9	
Computer Equip - Purchase	5	
Computer Equipment/Maintenance	12	
Roses Marketplace Licence	(5)	
Bailiffs Commission	31	
Local Housing Allowance	100	
Expenditure under (-) or over (+) current cash budget		107
INCOME		
NWCE - Shared Services Funding	(8)	
Local Housing Allowance Grant	(100)	
Other	(1)	
Income under (+)/ over (-) achieved		(109)
FORECAST CASH OUTTURN 2007/2008		1,668
Key Assumptions		
- Benefits Officer post remains vacant to end of March		
Key Issues/Variables		
Key Actions		

The budget updates shows that the Directorate is on tract 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.
Improve the portal service for CIVICA Exchange module.	This is a self service module for the Council's creditors to show the status of their payments. A Business Case has been produced and will be subject to funding approval later in the year.
Undertake equality impact assessments for all services in Finance.	Completed.
Review financial performance of processes in accordance with the Council's purchase framework.	Completed.
Provide updates on efficiency gains to review.	Completed (see quarterly reference reports).
Improve financial report and create a set of financial health measures.	Not achieved. Staffing/restructure arrangements not yet completed.
Develop and adopt a local Code of Governance.	New Code produced and signed for consultation by Audit Committee.
Complete and update the Council's medium term financial strategy.	Deferred until later in 2007 (December 07)
Update the Council's Treasury Management Strategy	Updated in March 2007 but to be updated further later in 2007. (Dec 07)
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 table shows that in terms of the key project contained in the directorates Business Improvement Plan good progress has been made in most cases apart from those expected in Accountancy.
9. Unfortunately due to the need to concentrate on the closure of the accounts in the first quarter and some staff sickness absence in the second quarter it has not been possible to progress as quickly as planned. Arrangements within the section has recently been changed so that efforts can be refocused on making the necessary planned changes.

PERFORMANCE INDICATORS

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

Indicator Description	Target	Performance as at 30 Sept 2007	Comments
% invoices processed on time	97.61%	94.57	Blue Circle
Ave time to process new benefit claims	18.5 days	15.58	Green Star
Ave time for benefit changes	6.3 days	7.3	Red Triangle
% benefit calculations correct	99.50%	99.60	Blue Circle
% C Tax collected	98.75%	94.57	Blue Circle
% NNDR collected	99.15%	61.2	Blue Circle
Finance Sickness Absence	4.5 days	1.10	Green Star
Finance % of invoices processed within 30 days	97.61%	95.83	Blue Circle
Number of fraud investigations	57.54	57.66	Blue Circle
Number of prosecutions/sanctions	9	16.34	Green Star
Budget Spend	100%	100%	Green Star

KEY

Green Star	5% above target
Blue Circle	within 5% of target
Red Triangle	Outside 5% tolerance

11. In summary the position is as follows:

Status	Number
Green Star	4
Blue Circle	6
Red Triangle	1

12. Overall performance is positive, but off track for the second quarter in succession for the following indicator:

- Change of Circumstances Processing

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

Indicator Number 78b

Indicator Short Name: Change of circumstances processing

Q2		End of Year Target
Performance	Target	
7.3	<6.3	<6.3

Please explain the reasons why progress has not reached expectations

13. Over ambitious target was set, based on previous year's performance. This PI is increasingly difficult to achieve due to changes in Benefit regulations over the past couple of years. This is mainly due to 'Change of address' being classed as a 'Change of Circumstance' rather than a 'New Claim', as had previously been the case. As a lot of information is needed on a change of address, delays are sometimes inevitable. It is also heavily reliant on customers providing information in a timely manner.
14. The DWP has recognised the increasing difficulties with this PI and has amended the number of days for an 'Excellent' score in the Performance Standards from 9 last year to 10 this.
15. However, our current performance is still Upper Quartile (top 15% of LA's in the UK at the end of Q1). In addition, is almost 3 days faster than the government's 'Excellent' standard.

Please detail corrective action to be undertaken

16. Daily monitoring of processing times, a change of focus from processing new claims to changes of circumstances, more use of visiting staff to collect missing information, earlier chasing of customers who do not provide information and better use of Customer Services staff to remind customers of the need to provide evidence.

Action planned through financial year

17. As above. In addition, a recent change in DWP guidance and an improvement in our processes for applying rent increases (counted as a 'Change of Circumstance' should mean that we will 'score' a count of 1 day for over 2000 rent increases when applied in late February (for April 2008 onwards). This will improve our overall average in Q4.

Please give an objective assessment as to whether the year end target will be met

18. As our average for the 1st 2 quarters is 7.3 days, we would need to average around 5.5 days over the next 2 quarters to meet our target. We will make strenuous efforts to hit the target and continue our very close monitoring. I do, however, believe that the target may not be achievable.

RISK MANAGEMENT UPDATE

19. 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.

20. 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.
21. 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 December update, but I am pleased to report that in terms of the implementation of the new arrangements there have been no major issues.

VALUE FOR MONEY AND EFFICIENCIES UPDATE

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

	ESTIMATED VALUE OF GAIN £	VALUE OF GAIN ACHIEVED IN FIRST QUARTER £
Shared Services Contact Centre	43,000	43,000
Saving from better procurement negotiation	30,000	10,000
Invoice consolidation	3,000	3,000
Property Services Outsourcing	65,570	65,570
Directorate Restructuring	102,429	102,429
Total	243,819	213,819

23. 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

24. 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 two quarters good progress was made with impact assessments being produced for all the services. These are currently being quality assessed. 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

25. 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

26. 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
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