

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation and Improvement) (Introduced by the Executive Member for Resource)	Corporate and Customer Panel	11 March 2008

## 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 3rd quarter of 2007/08.

### RECOMMENDATION(S)

- To note the report and actions included in it.

### EXECUTIVE SUMMARY OF REPORT

- Overall good progress is being made, with one to two minor issues to resolve in relation to improvements in Accountancy and two BVPI's. 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

- 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 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.

<b>SERVICE LEVEL BUDGET MONITORING 2007/2008</b>		
<b>BUSINESS IMPROVEMENT</b>		
<b>DECEMBER 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		40
- Chief Officer Car Lease Scheme		(1)
- Communications		(1)
- Insurances 2007/08		60
<b>ADJUSTED CASH BUDGET</b>		<b>1,734</b>
Less Corporate Savings:		
- Staffing		(5)
<b>CURRENT CASH BUDGET</b>		<b>1,729</b>
<b>FORECAST</b>		
<b>EXPENDITURE</b>		
Senior Management Review	4	
Staffing Costs	(44)	
Pay in Lieu/Severance Pay	5	
Insurances	(2)	
Treasury Management	5	
Documents On Line Service	(4)	
Consultants Fees (VFM)	6	
Business Improvement & Efficiency Projects (matched by grant income)	60	
Computer Equip - Purchase	5	
Computer Equipment/Maintenance	11	
Roses Marketplace Licence	(5)	
Bailiffs Commission	31	
Local Housing Allowance	100	
Other	3	
<b>Expenditure under (-) or over (+) current cash budget</b>		<b>175</b>
<b>INCOME</b>		
NWCE - Shared Services Funding	(8)	
Local Housing Allowance Grant	(100)	
Business Improvement & Efficiency Grants	(63)	
Summons / Committal Costs	(4)	
Other	(3)	
<b>Income under (+)/ over (-) achieved</b>		<b>(178)</b>
<b>FORECAST CASH OUTTURN 2007/2008</b>		<b>1,726</b>
<b>Key Assumptions</b>		
- Benefits Officer post remains vacant to end of March		

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 performance 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.	Completed as part of budget process February 2008.
Update the Council's Treasury Management Strategy	Completed as part of budget process February 2008.
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.
Implement the Civica Portal Module to enable self service for user of exchequer system.	Delayed until 2008 following approval of funding in 2008/09 budget.
Review Financial Performance of key partnerships in accordance with the Council's partnership framework.	½ yearly report completed and presented to Executive Cabinet.
Develop a programme of VFM work.	Programme agreed and first review in neighbourhoods well advanced.

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.

Unfortunately due in the main to staff sickness absence 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, with a view to making the proposed improvements required for early in the new financial year.

## PERFORMANCE INDICATORS

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

Indicator Description	Target as at 31 December 2007	Performance as at 31 December 2007	Comments
% Invoices processed on time	97.61%	95.45	Blue Circle
Ave time to process new benefit claims	18.5 Days	16.64	Green Star
Ave time for benefit changes	6.3 Days	7.42	Red Triangle
% benefit calculations correct	99.50%	98.4	Blue Circle
% C Tax collected	74.07	87.33%	Green Star
% NNDR collected	74.3%	88.21	Green Star
Finance Sickness Absence	6.93 Days	2.34	Green Star
Finance % of invoices processed within 30 days	97.61%	96.62	Blue Circle
Number of fraud investigations	57.54	52.1	Red Triangle
Number of prosecutions/sanctions	9.75	13.85	Green Star
Budget Spend	100%	100%	Green Star

In summary the position is as follows:

Status	Quarter 2	Quarter 3
Green Star	4	6
Blue Circle	6	3
Red Triangle	1	2

9. Overall performance is positive, but off track for the third quarter in succession for the change of circumstances indicator. An explanation of the actions taken and planned to try and improve performance is attached. In addition the indicator for the number of fraud investigation undertaken has also not achieved target. The main reason for this is the moratorium on data exchange between the Council and the DWP as a result of the recent loss of data incident. This means not as much data matching is taking place so the number of incidents for investigation has reduced. In addition there is currently an investigator post vacant.

## 10. ACTION PLANS

### Indicator Number: 78b

*Indicator Short Name: Change of circumstances processing*

Q3		End of Year Target
Performance	Target	
7.42	<6.3	<6.3

#### **Please explain the reasons why progress has not reached expectations:**

This ambitious target was set, based on previous years performance. This target is increasingly difficult to achieve due to changes in benefit regulations over the past two 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 to process a change of address, delays are sometimes inevitable. It is also heavily reliant on customers providing information timeously.

The Department for Work and Pensions has recognised the increasing difficulties with this performance indicator and has amended the number of days for an 'excellent' score in the Performance Standards from 9 last year to 10 this.

Performance in the third quarter has deteriorated slightly as a result of the impact of the Christmas period whereby working days lost are not accounted for and evidence takes longer to collect. The most recent performance information available indicates that changes in circumstances are being processed in five days which will have an impacts on performance in the fourth quarter.

However, our current performance is still top quartile, in addition, is almost 2 days faster than the governments 'excellent' standard.

#### **Please detail corrective action to be undertaken:**

- 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:**

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:**

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.

**Action Plan Owner: Dave Price**  
**Unit: Finance**  
**Contact Number: 5426**

## RISK MANAGEMENT UPDATE

11. 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.
12. 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.
13. The Liberata contract commenced on the 1st July. The initial period of the contract up to the end of December 2007 has been spent bedding in the change of provider. The focus in the first 6 months has been on correcting a number of pieces of outstanding work in relation to health and safety, particularly around legionella and asbestos management. Under the terms of the contract Liberata are not required to produce performance information until the last quarter of this financial year. That said their performance to date has been satisfactory.

## VALUE FOR MONEY AND EFFICIENCIES UPDATE

14. 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	10,000
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>

15. 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

16. 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 three quarters good progress was made with impact assessments being produced for all the services. These have been 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, but we are now in a position to implement improvements and some of these are being undertaken in the last quarter of this financial year.

## IMPLICATIONS OF REPORT

17. 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

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

GARY HALL  
ASSISTANT CHIEF EXECUTIVE  
(BUSINESS TRANSFORMATION)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	7 March 08	ACE(BT)/Reports/2008/Corporate & Customer/Business Improvement Monitoring Statement