

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation and Improvement) (Introduced by the Executive Member for Resource)	Overview and Scrutiny	22 May 2008

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 final quarter of 2007/08.

RECOMMENDATION(S)

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

EXECUTIVE SUMMARY OF REPORT

3. Overall good progress was made during the year, with one to two minor issues to resolve in relation to improvements in Accountancy and one BVPI's. The budget variation is –1.25% which is just outside the target tolerance and our efficiency targets have been achieved. Overall I am therefore satisfied with progress made in the year.

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 to the end of the financial year, the 31st March 2008.

BUDGET UPDATE

6. Set out in the table below is a summary of the Directorates final performance in relation to its budget at the moment the figures are draft pending completion of the external audit.

SERVICE LEVEL BUDGET MONITORING 2007/2008		
BUSINESS IMPROVEMENT		
OUTTURN 2008	£'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)
- Communications		(1)
- Insurances 2007/08		60
- Transfer of Capital Recharge Income from Policy & Performance		(20)
- H.R. Expenses (Training/Recruitment)		17
ADJUSTED CASH BUDGET		1,731
Less Corporate Savings:		
- Staffing		(5)
CURRENT CASH BUDGET		1,726
FORECAST		
EXPENDITURE		
Senior Management Review	4	
Staffing Costs	(81)	
Pay in Lieu/Severance Pay	5	
Training Expenses	(5)	
Insurances	(2)	
Parking Permits	(12)	
Treasury Management	24	
Health & Safety	(12)	
Documents On Line Service	(5)	
Consultants Fees (VFM)	9	
Business Improvement & Efficiency Projects (matched by grant income)	47	
Computer Equip - Purchase	5	
Computer Equipment/Maintenance	18	
Roses Marketplace Licence	(5)	
Bailiffs Commission	30	
Local Housing Allowance	8	
Increase in Provision for Bad Debts	38	
Allpay Cards/Charges	(8)	
Other	4	
Expenditure under (-) or over (+) current cash budget		62
INCOME		
NWCE - Shared Services Funding	(8)	
Local Housing Allowance Grant	(8)	
Business Improvement & Efficiency Grants	(47)	
Summons / Committal Costs	(4)	
Other	(13)	
Income under (+)/ over (-) achieved		(80)
FORECAST CASH OUTTURN 2007/2008		1,708
Key Assumptions		
Balance of unspent LHA grant in 07/08 to be carried forward to 08/09.		
Key Issues/Variables		
Treasury Management charges offset by additional interest on investments shown under Net Financing Transactions in Budget Monitoring.		

The budget updates shows that the Directorate was slightly under spent against its cash target in 2007/08, but spent 98.96% of its budget, which is just outside the +/- 1% tolerance.

KEY ACHIEVEMENTS DURING 2007/08




7. Some of the key achievements for the Directorate in 2007/08 are as follows:
- Our benefits service continues to perform strongly with targets and satisfaction in the top 10 of local Council's nationally.
 - Securing top marks for use of resources and VFM and being of the few Council's in the country to achieve this.
 - Achieving almost all of the improvement tasks and targets set for 2007/08.
 - Achieving budgetary and efficiency targets.
 - Maintaining low levels of sickness absence in the Directorate.
 - Delivering against the targets and measures in the Property contract with Liberata.

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	96.71%	96.51	Blue Circle
Ave time to process new benefit claims	18.7 Days	17.12	Green Star
Ave time for benefit changes	6.3 Days	5.53	Green Star
% benefit calculations correct	99.40%	99	Blue Circle
% C Tax collected	98.75	98.74	Blue Circle
% NNDR collected	99.15%	99.11	Blue Circle
Finance Sickness Absence	9.22 Days	4.22	Green Star
Finance % of invoices processed within 30 days	96.71%	97.51	Green Star
Number of fraud investigations	57.54	44.09	Red Triangle
Number of prosecutions/sanctions	13	13.13	Blue Circle
Budget Spend	99-101%	98.96%	Green Star

KEY

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

In summary the position is as follows:

Status	Quarter 3	Year End
Green Star	6	5
Blue Circle	3	5
Red Triangle	2	1

9. Overall performance in the year was positive, with only one indicator being outside the tolerance allowed. 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 in the final quarter an investigator post was vacant.

However that said, almost all of the key indicator targets have either been maintained or improved during the year. This is quite an achievement particularly in revenues and benefits where significant staffing reductions have been seen in the last two years as part of the Council's efficiency drive.

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 2007 had 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 2007/08. 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.

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

15. The table shows that the Directorate has achieved its efficiency savings included in the 2007/08 budget. Final figures can only be produced at the end of June, so the figures given in the report at this stage are indicative. If anything I anticipate the final efficiency figures will be greater than the draft numbers.

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 year the impact assessments have been 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 during 2008/09.

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	12 May 08	ACE(BT)/Reports/2008/Corporate & Customer/Business Improvement Monitoring Statement (2)