

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation)	Overview and Scrutiny Committee	10 February 2009

BUSINESS IMPROVEMENT PLAN MONITORING STATEMENT – FINANCE 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 December 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 third quarter. In terms of the projects the following table summarises the position.

Projects Green on track	15
Project Amber	10
Project Red	1
Complete	2

6. Of the projects on track (green) some of the key actions undertaken in the period include:
- Completion of the telephony project
 - Completion of the VFM review of ICT in the Business Directorate
 - The Council's organisational development programme has started
 - The Financial shared Services with South Ribble the Council has commenced

7. With regard to the projects that are classed as amber, the reason for this rating is that projects are slightly behind schedule in relation to the projects outlined below. I have included in this report an update to the previous report:

Web Accessibility

- The web accessibility project which has slipped due to other commitments and continues to be amber

Strategic Asset Review

- The Council is currently undertaking a strategic asset review looking at the Council's 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 but will be included in the updated Asset Management Plan to be considered by the Council during the budget Council in February 2009.

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 March 2008

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 the specification to be completed and ready for progress to be made early in the next financial year.

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, with the next steps being identified at that point.

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.

With regard to other projects that are now classified as amber and red and previously not reported. I made the following comments:

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 was reported as behind schedule in my last report, given other commitments particularly on CRM this project has now been classified red and will not be delivered in this financial year.

Implement Actions from Equality Impact Assessments

- During the year we have been putting in place recording systems to ensure we can monitor contacts by equality strand, this is of particular importance in the benefits service. Whilst the data has been gathered I have not yet undertaken the formal review to establish if any trends or issues exist and the service needs to be changed to reflect this customer insight. This will however be completed by the year end.

Implementation of Thin Client

- Whilst the roll out of Thin client has commenced, we are behind target in terms of the rollout. Some technical difficulties have been encountered during the roll out, but an action plan to remedy them is now in place and which has required some external input. For these reasons extending the roll out was postponed until the problems are fixed. Importantly the problems are only minor issues with regard to the infrastructure and all the application software continue to function effectively.

Implement the Energy Management Plan

- The Council previously engaged the energy savings trust to review our main admin buildings and recommend how to improve energy efficiency. This was completed in the summer and a tender let for the works. However, subsequent to their review the Council has also had to undertake an energy audit as part of a new legislative requirement to measure each main building's energy efficiencies. That review highlighted further work required. These are currently being costed and tendered. Consequently the project is behind schedule.

Further Embed Ethical Governance & Improve RIPA Process

- This project is slightly behind track. Whilst the Whistle Blowing Policy has been updated it simply has not yet been rolled to staff and training has yet to be delivered for RIPA.

BUDGET MONITORING

12. The third quarter monitoring position for the quarter ended December 2008 is shown below. The table shows that the directorates are on track to achieve the cash budgets set for 2008/09

SERVICE LEVEL BUDGET MONITORING 2008/2009		
ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION & IMPROVEMENT)		
DECEMBER 2008	£'000	£'000
ORIGINAL CASH BUDGET		4,730
Add Adjustments for in year cash movements		152
ADJUSTED CASH BUDGET		4,882
Less Corporate Savings:		
- Staffing		(80)
- Efficiency Savings		(20)
CURRENT CASH BUDGET		4,782
FORECAST		
EXPENDITURE		
Staffing	(107)	
External Audit Fees	30	
Chorley Community Housing - Stock Transfer final costs.	15	
Computer Software - Licences/Maintenance/Purchase	28	
Computer Equipment-Maintenance/Purchase	(20)	
Asset Maintenance Fund (including office refurbishments)	31	
Fire Risk Assessments	7	
Members Allowances/Expenses	(10)	
Consultants Fees	27	
Bailiffs Commission	(10)	
Gas & Electricity	20	
Postages	(8)	
Non Domestic Rates	10	
Recruitment	(24)	
Other	23	
Expenditure under (-) or over (+) current cash budget		12
INCOME		
Business Improvement & Efficiency Grants	(18)	
Summons / Committal Costs	9	
Housing Benefit Data Collection Grant	(4)	
Staff Costs Recovered	(16)	
Local Housing Allowance	(10)	
Income - Rent	2	
Insurance Settlement	(24)	
Reduction in use of Lancastrian Suite	7	
Legal Fees Income	(7)	
Income - Other	(13)	
Income under (+)/ over (-) achieved		(74)
FORECAST CASH OUTTURN 2008/2009		4,720

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)	32
Blue circle (5% off target but within acceptable tolerances)	1
Red triangle more than 5% off target	14
Not measured	12
Total	59

14. Overall at this stage the messages are very positive with 33 out of the 47 targets that can be measured performing at an acceptable level. Of the 14 measures off target, where appropriate set out below is an explanation as to why. Some measures are better to be viewed on an annual basis. Where performance was measured previously, this information is also included to show the trend.

	Measure	Target	Actual to June	Actual to Sept	Actual to Sept
National Indicator	Right time performance indicator	9.35 days	10.8	10.9	13.11
DWP Indicator	Average time to process claim	<17 days	18.8	18.65	19.82
DWP Indicator	Average time to process change of benefit entitlement events	6.8 days	-	9.15	10.09
DWP Indicator	Number of fraud investigation re 1000 of caseload	50	5.46	12.5	27
DWP Indicator	Average time to process application for reconsideration	14	32	21.3	13.4
DWP Indicator	Average time to process appeals	30 days	51 days	59 days	55 days
Local Indicator	% of debt over 90 days	14.9		49	60
DWP Indicator	Annual number of increases in benefit entitlement	2500	-	-	3577

	Measure	Target	Actual to June	Actual to Sept	Actual to Sept
DWP Indicator	Annual number of reductions in benefit entitlement	4852	-	-	3739
Local Indicator	Recovered overpayments	93.8	-	88.63	69.71
Local Indicator	Days Authority lost to sickness absence	7.79	-	8.5	8.01
Local Indicator	Those receiving a performance review	92	-	-	81

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 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. I also anticipate an improvement will be made in the last quarter.
17. Fraud investigation were less than target in the period but the trend is an improving one in the period as a result of a vacancy which has now been filled. 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 consecutive quarter. The appeals process days indicator has been skewed by some particularly complex appeals.
18. In respect of debtor days over half of all debts are up to some 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. The policy is currently with the Trade Union for consultations, but will be adopted from April 2009. On a positive note the average number of days whilst slightly over target did reduce in the quarter ended December from the level in September.

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. With regard to Performance Reviews the reason the target has not been achieved is that Performance Reviews for many staff in the Neighbourhood Directorate were put on hold pending the restructure. It is therefore the target that needs to be amended.

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 number of copiers	2,700
08/09	More uptake of usage of Lancastrian Suite as an events venue	22,850
08/09	Staff savings through reduced hours and 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.

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There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	05/02/2009	ACE (BT)/Reports/2009/Overview and Scrutiny/BIP Monitoring Statement - February