

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation)	Overview and Scrutiny Committee	21 May 2009

BUSINESS IMPROVEMENT PLAN MONITORING STATEMENT – TRANSFORMATION 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 March 2009.

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 fourth quarter. In terms of the projects the following table summarises the position.

Projects Completed	16
Project Amber	11
Project Red	1

6. Of the projects completed (green) some of the key actions undertaken in the year include:

- The Council retained it's 4/4 for use of resources and value for money
- Completion of the telephony project
- Completion of the VFM review in the Business Directorate
- The Council's organisational development programme has started
- The Financial shared Services with South Ribble the Council commenced
- Member development and support has continued to improved

7. With regard to the projects that are classed as amber, the reason for this rating is that projects are 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, but the work has been completed in the first two months of the new year and an improvement plan is currently being drawn up.

Strategic Asset Review

- The Council is currently undertaking a strategic asset review looking at the Councils 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 has been drawn up but is behind schedule as further work is needed on the impact of neighbourhood working. I expect the Plan to be considered by the Executive in June 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 it is being considered as part of the next phase of the CRM rollout which is due to commence in the 2nd quarter of 2009. The Business Case is almost complete but part of the CRM project is to ensure the technology can integrate properly to CRM, prior to a decision being made to implement.

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 this year. A decision has been made to keep the current system and build on its functionality particularly in terms of self service.

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 work is now feeding into the bigger piece of work being undertaken by the Business Directorate to produce an affordable housing action plan.

Update Procurement Strategy

- The project to refresh the Council's Procurement Strategy has been delayed due to the implementation of the Financial Shared Services. A joint procurement strategy with South Ribble Borough council is currently in draft and due to come to an Executive meeting in the next few months.

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 was not delivered in this year. The expected delivery date is now March 2010.

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 in the first quarter of the new year.

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 now 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. A tender has been received and the works are about to commence.

Financial Systems Improvement Plan

- This project is slightly off track mainly due to the disruption caused by the implementation of the Shared Financial Service. Much was achieved during the year as the cash receipting system was migrated to a hosted service to ensure we comply with new security requirements in relation to holding data. A new budgeting module in the financial system was implemented along with an upgrade to the ordering module. However, there have been some delays primarily to implementing the chip and pin technology.

BUDGET MONITORING

12. The draft year end position is shown below. The table shows that the directorates achieve the cash budgets set for 2008/09

SERVICE LEVEL BUDGET MONITORING 2008/2009		
ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION & IMPROVEMENT)		
PROVISIONAL OUTTURN 2009	£'000	£'000
ORIGINAL CASH BUDGET		4,730
Add Adjustments for in year cash movements		(109)
ADJUSTED CASH BUDGET		4,621
Less Corporate Savings:		
- Staffing		(80)
- Efficiency Savings		(20)
CURRENT CASH BUDGET		4,521
FORECAST		
EXPENDITURE		
Staffing	(102)	
External Audit Fees	28	
Environmental Warranty Insurance	15	
Chorley Community Housing - Stock Transfer final costs.	15	
Computer Software - Licences/Maintenance/Purchase	27	
Computer Equipment-Maintenance/Purchase	(28)	
Telephone Rental/Calls	(10)	
Internet charges	(28)	
Asset Maintenance Fund (including office refurbishments)	49	
Legal Fees	20	
Members Allowances/Expenses	(24)	
Consultants Fees	10	
Bailiffs Commission	(11)	
Gas & Electricity	19	
Non Domestic Rates	14	
Postages	(6)	
Recruitment	(42)	
Other	(7)	
Expenditure under (-) or over (+) current cash budget		(61)
INCOME		
Business Improvement & Efficiency Grants	(18)	
Staff Costs Recovered	(23)	
Local Housing Allowance	(10)	
Employment & Support Allowance	(13)	
Recharges to Capital Schemes	20	
Insurance Settlement	(24)	
Reduction in use of Lancastrian Suite	10	
Legal Fees Income	(13)	
Income - Other	(36)	
Income under (+)/ over (-) achieved		(107)
FORECAST CASH OUTTURN 2008/2009		4,353

PERFORMANCE INDICATORS

13. The Business Improvement Plan contains 60 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 final positions at 2008/09

Green circle (target achieved)	33
Blue circle (5% off target but within acceptable tolerances)	4
Red triangle more than 5% off target	11
Not measured/unavailable	12
Total	60

14. Overall the messages are very positive with 38 out of the 48 targets that can be measured performing at an acceptable level. Of the 10 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. Of those indicators not measured most relate to year end data not yet available for things like customer satisfaction and costs of services. In terms of these indicators some of the key successes include achieving the right first time reference indicator at 8.93 days against a target of 9.35 days, reducing the Councils overall sickness absence figure to 7.23 days, with the transformation directorate achieving 5 days. Improved invoice processing times at 98.95% for the transformation directorate.

Whilst Council tax collection was within the 5% tolerance, the collection rate was 0.3% below target, which in the current economic circumstances might be expected. Our performance comparatively speaking remains good, being the second best collection rate in Lancashire. The story on NNDR is less positive with the actual collection rate being almost 2% off target. This is due in the main to the significant number of insolvencies compared to last year eg (Camelot). As the income from the service is pooled by the Government it has no direct consequence on the Chorley taxpayer.

	Measure	Target	Actual to Sept	Actual to Dec	Actual to March 09
DWP Indicator	Average time to process new claim	<17 days	18.65	19.82	18.42
DWP Indicator	Number of outstanding claims	6.8 days	202	179	262
DWP Indicator	Number of fraud investigation re 1000 of caseload	50	12.5	27	36.92

	Measure	Target	Actual to Sept	Actual to Dec	Actual to March 09
DWP Indicator	Average time to process application for reconsideration	14	21.3	13.4	25.65
DWP Indicator	Average time to process appeals	30 days	59 days	55 days	46.4 days
Local Indicator	% of debt over 90 days	14.9	49	60	27.3
DWP Indicator	Annual number of increases in benefit entitlement	2500	-	3577	5546
DWP Indicator	Annual number of reductions in benefit entitlement	4852	-	3739	6248
DWP Indicator	% of Housing Benefit overpayment ***	1.71	5.1		2.30
DWP Indicator	Number of successful benefits sanctions and prosecutions per 1000 caseload	13	2.04	3.61	12.09
Local Indicator	% of staff receiving an annual face to face performance appraisal	90%	-	-	82%

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. In the last quarterly report the indicator was off target, but the staff worked extremely hard in the final quarter to bring this indicator in below the target of 9.35 days. However the new claims element rather than the change of circumstances element missed the targets of 17 days, coming in at 18.42 days. Given the increases in volume of 20% in the last quarter of the year, this is a very credible performance.
17. Fraud investigation were less than target but the trend was 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 allocated additional resources to try to improve processing times and this has resulted in a minor improvement. The appeals process days indicator has been scewed by some particularly complex appeals. However, in the final quarter a significant amount has been spent on an appeal to the commissioner regarding benefit costs for support where the Council is currently not receiving any subsidy from Government. This costs the Council up to £200k annually and a decision which is of national interest is promised with the next four years.
18. In respect of debtor days over half of all debts were 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 but there was a significant improvement in the last quarter as we took more proactive action to recover debts.

19. In respect of performance appraisals the under performance is primary due to the route and branch restructure undertaken in the neighbourhoods Directorate whereby it was inappropriate, given often the number of changes to give individuals their appraisals until such time there was clarity regarding who was to fulfil which job role.

EQUALITY AND DIVERSITY UPDATE

20. 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.

These actions in part helped the Council to achieve the level 3 criteria. Further work is necessary in this area as the process of re-engineering and changing our services to better meet customer needs is ongoing.

RISK ASSESSMENT

- 21.

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

22. 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 was delivered
- Local filtering arrangements have been put in place.

- Whilst there are delays on the thin client implementation due to other priorities, there have been no major issues with the roll out to date in terms of the technology enabling applications to be delivered.
- Job Evaluation was fully completed including the settling of a small number of equal pay claims.
- A significant proportion of the business plan was delivered and performance on key indicators was generally good.

VALUE FOR MONEY EFFICIENCIES UPDATE

23.

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

24. In terms of progress on VFM and efficiencies all but the uptake on the Lancastrian was achieved. In terms of the staffing reduction and it's impact, this report demonstrates that in the main performance was good. With regard the Lancastrian the position is as follows:
25. 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.

26. Other savings were made in the year as shown in the budget statement that allowed the Transformation Directorate to achieve it's cash target for the year.

GARY HALL
ASSISTANT CHIEF EXECUTIVE
(BUSINESS TRANSFORMATION)

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