

REPORT TO: FINANCE COMMITTEE - 26 JUNE 2006

REPORT ON: FINANCE REVENUES SERVICE PLAN 2003-2007 - PERFORMANCE REPORT FOR 2005/2006

REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)

REPORT NO: 415-2006

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to advise the Committee of the performance for 2005/2006 against the performance indicators in the Finance Revenues Service Plan 2003-2007 approved by the Finance Committee on 14 June 2004.

2 RECOMMENDATIONS

- 2.1 That the Committee notes the progress in 2005/2006 towards the performance targets set for each service in the Finance Revenues Service Plan 2003-2007.

3 FINANCIAL IMPLICATIONS

- 3.1 All initiatives introduced to improve performance will be contained within Finance Revenues Revenue Budget for 2006/2007.

4 LOCAL AGENDA 21 IMPLICATIONS

- 4.1 There are no direct Local Agenda 21 implications.

5 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 There are no direct equal opportunity implications.

6 BACKGROUND

- 6.1 The Council's Best Value submission to the Scottish Executive on Public Performance Reporting requires an annual report by all departments on the performance indicators in their Service Plans.
- 6.2 The Finance Revenues Service Plan 2003-2007 approved by the Finance Committee on 14 June 2004 indicated performance reporting requirements would be met mainly by an annual report to the Finance Committee.

7 PERFORMANCE INFORMATION 2005/2006 - BALANCE SCORECARD

- 7.1 The department has adopted the Balanced Scorecard approach to measuring its performance as applied to the initiatives detailed in the Strategic Planning Monitoring Database in Appendix 1. Further performance information has been tabulated and is enclosed as Appendix 2. A brief commentary on initiatives planned to improve performance is provided below.

.2 Council Tax Collection

After a review of the processes to collect Council Tax, a Committee Report was prepared and approved on 19 May 2003 that outlined the Recovery Initiative with its objective to increase Council Tax collection by 4% over 5 years, in-year collection for 2002/2003 was 85.7% so by 2007/08 in-year collection would reach 90%, i.e. by 31 March 2008. The 5-year target included 2003/04, which would be the set up year.

The key recommendations of the report were:-

Change practices/procedures
Purchase or develop new software and interfaces
Appoint additional staff with shift working

For each year to 2007/08 there were annual targets set to move towards 90% in-year collection. By 31 March 2006 the in-year collection rate was to be 88%, if the overall target was to be met in the agreed timescale.

As at 31 March 2006, the in-year collection rate achieved was 90.7%, which has surpassed both 2006/07 target as well as the overall target, so the Recovery initiative has achieved its 5 year target 2 years early.

The results of the Recovery Initiative have been remarkable overall, with the primary objectives being met as well as reductions in work processing and more efficient handling of debtors.

7.3 Housing Benefit and Council Tax Benefit

The average time taken to process new claims improved by 46% on the previous year's figure, from 57 days to 31 days. This figure surpasses the target to be achieved by 2007/2008. The average time taken to process notification of changes of circumstances improved by 33% on the previous years figure from 21 days to 14 days.. The percentage of benefit claims processed within 14 days improved to 92%. The department was successful in obtaining 4 successful benefit fraud prosecutions during the year.

7.4 Non-Domestic Rates Collection

The collection rate remains high with very little variation from year to year. The collection rate for 2005/2006 is down slightly on the previous year, ie 0.2%. In 2005/2006 the Public Utilities were removed from the Valuation Roll. As the rates for these subjects are normally collected in full, it is estimated that their removal affectively reduces the collection by 0.3%. Therefore to achieve only a 0.2% reduction would indicate an improvement in performance. Furthermore, this is the first year of a re-valuation and historically, the level of collection drops in the first year.

8 **KEY HIGHLIGHTS**

8.1 The implementation of the Recovery Initiative which improved the levels of collection, together with the improvements in processing times for benefit claims and change of circumstances.

9 FUTURE DEVELOPMENTS

- 9.1 Revenues staff currently have access to certain records of the Department for Work and Pensions, for benefit purposes, and access is limited via 3 remote access terminals (RATS). These RATS are to be replaced in June and a larger number of staff will have access to this information via their own desktops, which should speed up certain procedures.

Another development to take place this year is the payment of Housing Benefit by BACS. It is envisaged that a pilot will be undertaken in the first instance with two registered social landlords. Once this has been run successfully, this facility would be made available to all other social landlords and thereafter to the private landlords.

The Revenues DIP/Workflow system is to be upgraded to the latest web based version and the target date for roll out is the end of October 2006.

10 CONSULTATION

- 10.1 The Chief Executive, Depute Chief Executive (Support Services) and Assistant Chief Executive (Community Planning) have been consulted on the contents of this report.

11 BACKGROUND PAPERS

The Finance Revenues Service Plan 2003-2007 - Finance Committee - 14 June 2004.

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19 JUNE 2006

APPENDIX 1

10 records in this query

Source	Service Area	Type	Theme	Status	Responsibility	Objectives	Assessment Date	Assessment
Organisational Development								
Finance Service Plan 2003-2007		Objective	Health & Care	On Schedule	David Dorward	To achieve Scottish Health At work silver award.	18/05/2006	New plan prepared to ensure Bronze award is maintained and to progress towards the Silver Award. Working group in place and healthy living events scheduled for 2006.
Finance Service Plan 2003-2007		Objective	Health & Safety	On Schedule	David Dorward	Implement a Health and Safety Committee.	22/05/2006	Now fully implemented.
Finance Service Plan 2003-2007		Objective	Human Resources	On Schedule	David Dorward	To review departmental structure.	19/05/2006	Now fully implemented.
Finance Service Plan 2003-2007		Project	Human Resources	On Schedule	David Dorward	Implement a full system of staff appraisal in Revenues.	22/05/2006	Now fully implemented.
Financial Perspective								
Finance Service Plan 2003-2007		Objective	Customer Focus	On Schedule	David Dorward	Process 80% of Housing Benefit claims within 14 days	17/05/2006	In 2005/06 92% of claims were dealt with within the 14 day period.
Finance Service Plan 2003-2007		Objective	Customer Focus	On Schedule	David Dorward	Achieve government's performance standards for benefits processing.	17/05/2006	In 2005/06 new claims processing has improved by 46% on the previous year and is now down to 31 days. Change of circumstances processing has improved by 31% and is now down to 18 days.
Finance Service Plan 2003-2007		Objective	Financial Resources	On Schedule	David Dorward	Achieve Revenues Statutory Performance Indicator targets.	18/05/2006	The indicators reported for 2005/2006 have all improved on the previous year and are either meeting targets or moving rapidly towards them.
Finance Service Plan 2003-2007		Objective	Financial Resources	On Schedule	David Dorward	Improve NDR Collection Rate to 97%	17/05/2006	In 2005/06 the Collection Rate was 96.2% just below the 97% target for 2007
Finance Service Plan 2003-2007		Objective	Financial Resources	On Schedule	David Dorward	Maximise collection of Benefit Overpayments.	24/05/2006	Overpayments are now down to £86,000 per month as the system has been brought up to date throughout last year. Queries are taking place more quickly creating less overpayments
Finance Service Plan 2003-2007		Objective	Financial Resources	On Schedule	David Dorward	Achieve annually 5 successful prosecutions of fraudulent claims of Housing Benefit.	17/05/2006	Four successful prosecutions were achieved in 2005/06

Statistic	Value
Total Number of Records	10
Completed	0%
On Schedule	100%
Ahead of Schedule	0%
Behind Schedule	0%
Unlikely to be Achieved	0%

Performance Indicator	Actual 2003/04	Actual 2004/05	Actual 2005/06	Target 2007
Finance Revenues				
1 <u>Council Tax Collection</u>				
i Percentage of income due from Council Tax that was received during the year	86.2%	87.1%	90.7%	90%
ii Percentage of income due from Council Tax that was received for the previous five financial years:				
Previous Year	90.0%	90.1%	90.6%	90%
Previous Year +1	91.9%	91.5%	91.5%	90%
Previous Year +2	93.1%	92.9%	92.5%	96%
Previous Year +3	95.2%	93.7%	93.6%	96%
Previous Year +4	96.2%	95.5%	94.2%	96%
iii Replying to personal correspondence	n/a	n/a	n/a	80%
iv Percentage of telephone calls answered within 5 minutes	n/a	70%	98.5%	90%
v Percentage of customers at City Square dealt with within 30 minutes	n/a	50%	80%	80%
2 <u>Housing Benefit and Council Tax Benefit</u>				
i Average time taken to process New Claims	82 days	57 days	31 days	36 days
ii Average time taken to process Notification of Changes in Circumstances	26 days	21 days	14 days	9 days
iii Percentage of Benefit claims determined within 14 days of receiving all necessary information	55%	78%	92%	100%
iv Successful benefit fraud prosecutions per annum	n/a	2	4	5
3 <u>Non-Domestic Rates Collection</u>				
i Percentage of income due from non-domestic rates that was received during the year	95.9%	96.4%	96.2%	97%
ii Percentage of income due from non-domestic rates that was received for the previous five financial years				
Previous Year	97.9%	98.2%	98.1%	97%
Previous Year +1	97.5%	98.1%	98.5%	99%
Previous Year +2	98.1%	97.6%	98.3%	99%
Previous Year +3	98.9%	98.0%	97.8%	99%
Previous Year +4	98.5%	98.8%	98.1%	99%