

REPORT TO: POLICY AND RESOURCES COMMITTEE - 13 JUNE 2011
REPORT ON: FINANCE DEPARTMENT SERVICE PLAN REVIEW
REPORT BY: DIRECTOR OF FINANCE
REPORT NO: 289-2011

1 PURPOSE OF REPORT

- 1.1 This report reviews the performance of the Finance Department in relation to the Service Plan 2010 - 2012 and adds new actions flowing from this review and assessments carried out in the past year.

2 RECOMMENDATIONS

The committee is recommended to:

- 2.1 approve the contents of the Finance Department Service Review and instruct the Director to continue to seek improvement on the level of performance.
- 2.2 approve the actions identified in the review to be included in the department's Service Plan.

3 FINANCIAL IMPLICATIONS

- 3.1 All actions are within the department's approved budget.

4 MAIN TEXT

- 4.1 The department has made the following improvements or sustained a target level in its priority performance indicators

- Sickness levels
- Council Tax and Non-Domestic Rates Collection rates
- Loans Fund Interest and Expense Rates
- Council Tax level
- Creditor Payment times
- Percentage of Benefit claims processed within 14 days
- Average time taken to process new Benefit claims

The following indicators have shown a decline in trend and will be subject to detailed performance review in the period ahead

- Customer complaints
- Sales ledger debt recovery rates
- Benefits claims accuracy
- time taken to process change of circumstances

The table below presents the department's top priority indicators:

Description	06/07	07/08	08/09	09/10	10/11	Target	Benchmark	Improvement Rates Long Term
Number of Complaints received	86	43	129	64	86	50		▲
% of Council Tax collected in current year	90.7	92.1	91.3	91.4	92.9	92	94.4	●
% of Non Domestic Rates collected in current year	95.4	96.5	95.4	95.2	95.7	96	96.9	●
% of debt outstanding over 30 days	63	51	48	78	42	50	50	▲
Annual Efficiency Savings (£ million)	1.9	2.9	3.5	5.4	4.5	4.0		▲
Council Tax Level (Band D)	1211	1211	1211	1211	1211	1211	1211	●
Capital Budget Spend				97.9	95.5	100	100	●
Revenue Budget Spend				98.9	100.1	100	100	●
Payment of creditors within 30 days	93	92	93	94	95	95	93	●
% of benefit claims calculated accurately	98	98	98	97.8	82.7	98	96.1	▼
% of claims processed within 14 days	81.1	82.5	83.6	84.7	85.6	99.0		●

4.2 Highlights

The department's key achievements during the year were:

- Council Tax Level was again frozen
- Both Revenue and Capital Budgets have been kept on target despite severe budget pressures
- Council Tax Collection Rate has improved
- Council Tax Direct Debit payers continue to increase
- Average time to process new benefit claims has improved significantly
- Sickness levels have reduced significantly

4.3 New Actions and Improvements

The department has taken account of the Service Delivery Plan, the Council's new structure, the Best Value Improvement Plan and the Corporate Changing for the Future Strategy into account and added the following key actions to its Service Plan.

- 4.4 The department will carry out a self-assessment using the Public Sector Improvement Framework in 2011/12. This will identify strengths and areas for improvement.
- 4.5 Appendix 1 sets out the department's Service Plan with the most up to date performance indicators and an update on each of the actions indicated in the Service Plan plus the new actions inserted in the relevant section.

5 POLICY IMPLICATIONS

- 5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty and Risk Management. There are no issues in this regard to report on.
- 5.2 An Equality Impact Assessment has been carried out and will be made available on the Council website <http://www.dundee.gov.uk/equanddiv/equimpact/>

6 CONSULTATIONS

- 6.1 The Chief Executive and The Depute Chief Executive (Support Services) have been consulted on this report.









7 BACKGROUND PAPERS





- 7.1 Finance Department Service Plan 2010-2012.
Equality Impact Assessment.




MARJORY M STEWART
DIRECTOR OF FINANCE









12 AUGUST 2011

Finance Service Plan 2010-2012




















	Performance Statistics		Improvement Status		Benchmarks		Commentary
Definition	Previous Figures	Latest Figures	Yearly Trend	Long Term Trend	Average	Best	Latest Update (followed by remedial action if declining performance indicated)
<u>Develop a motivated, well-trained and empowered workforce that is committed to delivering excellent services</u>							
% internal promotions	None	03/11 - 2.6					Limited posts advertised in year
% recruitment completed within 90 days of vacancy occurring	None	03/11 - 75					This provides a base figure for the department to work to.
% reduction in recruitment costs	None	03/11 - -53					Limited posts advertised in year
Number of sickness days absence per FTE in Finance Department	03/10 - 11.4 03/09 - 11.44	03/11 - 8.05					Sickness levels continue to improve
Staff turnover rate	None	03/11 - 11					This is mainly result of staff leaving through VR/ER
<u>Maintain a high level of customer satisfaction when contacting front-line services of the Department</u>							
% of complaints not upheld	None	03/11 - 75.6					This figure is a reasonable starting point to drive forward improvement. Remedial Action: Managers monitor all complaints and where upheld, action is taken in an endeavour to ensure that complaints of a similar nature are not received in future.
% of complaints responded to within 5 days	None	03/11 - 90					While not perfect, this figure is a good starting point to ensure that performance improves. Remedial Action: Managers will continue to monitor resources in an endeavour to improve performance.
							Performance remains consistent.





Average call waiting time in minutes	04/11 - 1 03/11 - 1 02/11 - 1 01/11 - 1	05/11 - 1				Remedial Action: Managers continue to monitor resources in an endeavour to improve performance.
Complaints as a % of total number of service transactions	None	03/11 - 0.04				The total number of transactions in 10-11 was 172,082 and the number of complaints 86, giving a % total of 0.04% Remedial Action: The % is an extremely small figure but managers will continue to monitor complaints in an endeavour to reduce their number.
Customer satisfaction with accuracy of response	None	03/11 - 79.5				Revenues are using the GovMetric product to gather customer opinion on different aspects of the service. This figure represents the percentage of customers who completed the survey and rated this aspect the most important. This is a good starting point for benchmarking future results. Remedial Action: Managers will continue to monitor resources in an endeavour to improve performance.
Customer satisfaction with explanation of query	None	03/11 - 98.4				Revenues are using the GovMetric product to gather customer opinion on different aspects of the service. This figure represents the percentage of customers who completed the survey and rated this aspect the most important. This is a very good starting point for future benchmarking future results. Remedial Action: Managers will continue to monitor resources in an endeavour to improve performance.
						Revenues are using








Customer satisfaction with fullness of response	None	03/11 - 91.7				<p>the GovMetric product to gather customer opinion on different aspects of the service. This figure represents the percentage of customers who completed the survey and rated this aspect the most important. This is a very good starting point for benchmarking future results.</p> <p>Remedial Action:</p> <p>Managers will continue to monitor resources in an endeavour to improve performance.</p>
Customer satisfaction with length of wait to be seen	None	03/11 - 92.4				<p>revenues is using the GovMetric product to gather customer opinion on different aspects of the service. This figure represents the percentage of customers who completed the survey and rated this function the most important . This is a very good starting point to benchmark future results.</p> <p>Remedial Action:</p> <p>Managers continue to monitor resources in an endeavour to improve performance. The move to Dundee House may have an impact but only time will tell.</p>
Customer satisfaction with manner in which dealt	None	03/11 - 98.4				<p>Revenues are using the GovMetric product to gather customer opinion on different aspects of the service. This figure represents the percentage of customers who completed the survey and rated this aspect the most important. This is a very good starting point for benchmarking future results.</p> <p>Remedial Action:</p> <p>Managers will continue to monitor resources in an endeavour to improve</p>



						performance.
Number of complaints received	03/10 - 64 03/09 - 129 03/08 - 113 03/07 - 86	03/11 - 86				<p>The number of complaints received has increased from Last year.</p> <p>Remedial Action:</p> <p>All complaints are investigated and where upheld, the appropriate action is taken in an endeavour to ensure that no further complaint of a similar nature is received.</p>
Maximise the collection and recovery of taxes and debts						
% of Council Tax collected for any year within 4 years of the year finishing	None	03/11 - 94.4				<p>Performance has exceed target.</p> <p>Remedial Action:</p> <p>Managers continue to monitor resources in an endeavour to improve performance.</p>
% of Council Tax collected in current year for current year	03/10 - 91.4 03/09 - 91.3 03/08 - 92.1 03/07 - 90.7	03/11 - 92.93			94.45	<p>This is an improvement on the previous year.</p> <p>Remedial Action:</p> <p>Managers continue to use all methods at their disposal to improve collection.</p> <p>Comments on Comparative Data:</p> <p>Scottish average for 2009/10</p>
% of Non Domestic Rates collected for any year within 2 years of the year finishing	None	03/11 - 97.3				<p>Performance did not achieve target. The economic downturn has not helped with collection.</p> <p>Remedial Action:</p> <p>Managers continue to monitor resources in an endeavour to improve performance.</p>
% of Non Domestic Rates collected in current year for current year	03/10 - 95.2 03/09 - 95.4 03/08 - 96.5 03/07 - 95.4	03/11 - 95.65			96.22	<p>Performance has improved on last year.</p> <p>Remedial Action:</p> <p>Managers continue to monitor resources in an endeavour to improve performance.</p> <p>Comments on Comparative Data:</p> <p>Scottish average for 2009/10</p>

% of debt outstanding over 30 days	03/10 - 78 03/09 - 48 03/08 - 51 03/07 - 63	03/11 - 42					
% of debt outstanding over 90 days	03/10 - 22 03/09 - 30 03/08 - 18 03/07 - 25	03/11 - 28					High value debts on arrangement/deferral. Remedial Action: None required.
<u>Reduce the cost of the Finance Department services by efficiency savings and/or maximising income generation</u>							
% of Council Tax payers paying by Direct Debit	03/10 - 42.4 03/09 - 41.6 03/08 - 39.9 03/07 - 35.3	03/11 - 44.28					Uptake of direct debits has improved since last year due to staff continually promoting the benefits of this method of payment. Remedial Action: Managers and staff will continue to promote this payment method and look at any new initiatives that can be considered to improve take up.
% of reduction in number of cash payers	None	03/11 - 12					There has been a 12% reduction in the number of cash payers since this time last year. Remedial Action: Managers will continue to promote alternative methods of payment for customers.
Cost of Finance Department service (£)	None	03/11 - 9,622,295					
Cost of benefits administration per claim (£)	03/10 - 71.52 03/09 - 71.18 03/08 - 72.32 03/07 - 93.78	03/11 - 71.85			45.00		Comments on Comparative Data: Scottish average 2009/10
Cost of collecting Council Tax per property (£)	03/10 - 21.67 03/09 - 21.32 03/08 - 23.88 03/07 - 25.31	03/11 - 22.26			14.03		Comments on Comparative Data: Scottish average 2009/10
Cost of collecting Non Domestic Rates per property (£)	03/10 - 35.81 03/09 - 39.51 03/08 - 49.47 03/07 - 47.43	03/11 - 43.69			33.10		Remedial Action: Cost allocation continues to be reviewed Comments on

							Comparative Data:
							Scottish average 2009/10
Loans Fund Expenses Rate (%)	None	03/11 - 0.07					In line with previous years
Loans Fund Interest Rate (%)	03/10 - 4.74 03/09 - 5.35 03/08 - 5.75 03/07 - 5.52	03/11 - 4.83					Marginal increase from last year
Protection against Council liability and material damage exposures - cost of covers (£)	None	03/11 - 1.4					This is Council-wide in millions.
Service delivery preservation - % of continuity plans tested	None	03/11 - 100					Full coverage
Take strategic responsibility for aspects of Corporate Change and Improvement							
% procurement spend with contracted suppliers	None	03/11 - 58					Good improvement on last year.
Annual efficiency savings (£ million)	03/10 - 5.4 03/09 - 3.5 03/08 - 2.9 03/07 - 1.9	03/11 - 4.5					Significant savings again achieved Remedial Action: Last year's figure is high. Current figure meets 2% saving requirement
Council Tax level (Band D)	03/10 - 1,211 03/09 - 1,211 03/08 - 1,211 03/07 - 1,211	03/11 - 1,211					Council Tax freeze for 2011/12, as agreed at Special Policy & Resources Committee on 10 February 2011.
Monitor the capital budget (% spend)	03/10 - 97.9	03/11 - 95.5					Within tolerance levels
Monitor the revenue budget (% spend)	03/10 - 98.9	03/11 - 100.1					Within standard Service Plan tolerance levels.
Payment of creditors in less than 30 days	03/10 - 94 03/09 - 93 03/08 - 92 03/07 - 93	03/11 - 95					Very high performance level.
Payment of local creditors in less than 14 days	03/10 - 82 03/09 - 80 03/08 - 74 03/07 - 75	03/11 - 86					Performance maintained Remedial Action: None required
Procurement savings achieved in financial year	03/09 - 387,000 03/08 - 250,000	03/11 - 700					Continued improvement on previous periods Remedial Action:

(£)							None required
<u>To help reduce poverty, promote the availability of benefits, maximise the amount of benefits we can pay and deal with all applications promptly and accurately</u>							
% of Local Housing Allowance claims paid direct to landlords	None	03/11 - 28.55					<p>This indicator identifies those cases of vulnerability where it is better that the benefit is paid direct to the landlord rather than the claimant. This figure will fluctuate depending on the client base at any given time.</p> <p>Remedial Action:</p> <p>Each case is reviewed on it's merits and the most appropriate decision taken. The main priority is to ensure that the claimant is not made homeless on the basis that they are unable to manage their own affairs.</p>
% of Local Housing Allowance claims paid directly to claimant by BACS	None	03/11 - 93.67					<p>This indicator will fluctuate due to the changes in claimant numbers, although the figure is a very good starting point.</p> <p>Remedial Action:</p> <p>Claimants will continue to be encouraged to have their benefits paid by BACS.</p>
% of claims calculated accurately	03/10 - 97.8 03/09 - 98 03/08 - 98 03/07 - 98	03/11 - 82.3				94.84	<p>Performance has dropped from previous year. However accuracy is now measured in a more robust manner with all parts of the calculation process being taken into account. The measurement of performance from last year to this is not comparing like with like.</p> <p>Remedial Action:</p> <p>Managers continue to monitor resources in an endeavour to improve performance.</p> <p>Comments on Comparative Data:</p> <p>Scottish average 2009/10</p>

% of claims processed within 14 days	04/11 - 91 03/11 - 85.6 02/11 - 84.7 01/11 - 83.6	05/11 - 93				Performance has improved again. Remedial Action: Managers continue to monitor resources in an endeavour to improve performance.
% of enquiries received from those targeted by take-up campaigns	None	03/11 - 0				No take-up campaigns have been undertaken this year. One of the main drivers is an on-line benefit application form, which would allow the campaign to be driven in a very efficient manner. The on-line form has yet to be made available in its final format. Remedial Action: Other options regarding an on-line benefit application form are being investigated in order to move the process forward.
Average time taken to process change of circumstances in days	03/10 - 11 03/09 - 11 03/08 - 12 03/07 - 13	03/11 - 12.4			9.92	Performance was below target. However performance would have been better if IT problems in June/July and August were not encountered. Remedial Action: Managers continue to monitor resources in an endeavour to improve performance. Comments on Comparative Data: Scottish average 2009/10
Average time taken to process new benefit claims in days	03/10 - 37 03/09 - 30 03/08 - 32 03/07 - 31.7	03/11 - 31.7			26.94	Performance is improved on last year. However performance would have been much better if IT problems in June/July and August had not been encountered. Remedial Action: Managers continue to monitor resources in an endeavour to improve performance. Comments on

						Comparative Data:
						Scottish average for 2009/10
Right time indicator - average time to process change events in days	03/10 - 15 03/09 - 13	03/11 - 15.4				<p>Performance is slightly below target. This is as a result of the IT problems encountered in June/July and August. Performance would have been much better if these problems had not occurred.</p> <p>Remedial Action:</p> <p>Managers continue to monitor resources in an endeavour to improve performance.</p>