

REPORT TO: FINANCE COMMITTEE - 14 JUNE 2004
REPORT ON: FINANCE REVENUES SERVICE PLAN 2003-2007
REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)
REPORT NO: 98-2004

1 PURPOSE OF REPORT

1.1 To report on Finance Revenues Service Plan for 2003-2007.

2 RECOMMENDATIONS

2.1 That the new Service Plan together with performance targets be noted and approved.

3 FINANCIAL IMPLICATIONS

3.1 All services are provided within the Department's Budget.

4 LOCAL AGENDA 21 IMPLICATIONS

4.1 None

5 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 None

6 BACKGROUND

6.1 Reference is made to the Finance Department's original Service Plan Report Number 660/1999 which was approved by the Finance Committee on 8 November 1999, in which performance targets were set. These were measured against actual performance over the three years of the plan.

6.2 On reflection, it was felt more appropriate to prepare two service plans for the Finance Department. The plan for Finance General was approved by the Finance Committee on 12 January 2004.

6.3 For the new Finance Revenues Service Plan, performance targets have been reviewed and updated and actual performance during the period 2003-2007 will be measured against these.

6.4 Also included in the new plan are targets established by the Department's European Foundation of Quality Management Self-assessment. These improvements will be achieved and further improvements identified in future years.

7 CONSULTATION

7.1 The Chief Executive and the Assistant Chief Executive (Community Planning) have been consulted on the content of this report.

8 **BACKGROUND PAPERS**

Report to Finance Committee, 8 November 1999, Report No 660/1999

DAVID K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)

7 JUNE 2004

FINANCE DEPARTMENT

FINANCE REVENUES SERVICE PLAN 2003-2007

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1 STRATEGIC STATEMENT BY THE DEPUTE CHIEF EXECUTIVE (FINANCE)

- 1.1 Council Tax and Housing Benefits issues remain a very high priority both for the Finance Department and the authority itself. The department is acutely aware of the amount of press coverage these activities attract and the need to improve service delivery performance.
- 1.2 The department believes that there is scope for improvement as regards to key indicators and therefore these have been updated and reviewed from those incorporated in the previous service plan.
- 1.3 A key target is reducing the backlog of documentation awaiting processing which has arisen due to the necessary move to new financial systems. This problem is now being successfully tackled and its elimination will greatly improve processing times in the future.
- 1.4 The Department has implemented from February 2004 Central Government's Benefit Verification Framework which is intended to prevent Fraud getting into the Benefit's system. The Framework requires a greater level of checking benefit applications before payment is made.
- 1.5 The Department is committed to continue to improve it's performance in the area of Benefit Fraud detection and to ensure that where fraud is found the necessary action, including where appropriate prosecution, is taken.
- 1.6 The Department has developed a system for monitoring work output per member of staff. This will be used as a tool to help ensure that each post within the Revenue Division provides value for money in addition to allowing the department to monitor output against the rising volumes of incoming work.
- 1.7 The Government has produced a set of Performance Standards that cover Benefit Administration which it expects all Councils to achieve and on which they will be measured and inspected. It is the Department's intention to work towards achieving these standards over the period of this service plan.
- 1.8 The Department has recently received a report following an inspection, based on the Performance Standards, of its Benefits service by the Benefit Fraud Inspectorate. In response to the matters within that report the Department has produced a comprehensive Action Plan to address the issues raised. The issues include issuing a Vision Statement and Statement of Objectives and Targets regarding the provision of its Benefits Service, producing comprehensive guidance and procedural manuals for staff, and increasing the number of checks that are carried out.
- 1.9 Debt recovery also remains a key performance issue. Although recovery rates for Non-Domestic Rates compare favourably with other authorities, greater effort will be made to improve Council Tax Collection Rates which should be assisted by a Best Value Review of the process.
- 1.10 The Department is introducing from April 2004 a new initiative with regard to the collection and recovery of monies owed to the Council that are presently the responsibility of the Revenues Division. The initiative will, over a period of time, encompass Council Tax, Community Charge (Poll Tax), Non-Domestic Rates and Benefit Overpayments. The initiative will include measures such as employing staff outwith 'normal' office hours both during the week and at weekends and the greater proactive use of the telephone as a collection tool.
- 1.11 The Department will continue to take all available measures to collect and recover Community Charge (Poll Tax).
- 1.12 The Department is committed to reducing the level of Benefit Overpayment and to maximising the collection and recovery of such overpayments.
- 1.13 The Department is committed to ensuring that the Council's financial systems are up to date and operated as efficiently as possible and that the Finance staff training and development is such that our staff are allowed to develop to their full potential.
- 1.14 The department is also committed to the Scottish Health At Work initiative and intends achieving the Silver Award during the period of the plan.

2 DEPARTMENTAL OBJECTIVES

- Provide a responsive and effective Council Tax and Housing Benefits service.
- To achieve statutory performance targets.
- To achieve the government's Performance Standards.
- To improve Council Tax collection to 90% by April 2007.
- To improve Non-Domestic Rates in-year collection to 97% by 2007.
- To maximise collection of Benefit overpayments.
- To achieve annually 5 successful prosecutions of fraudulent claimants of Housing Benefits.
- To implement a Health & Safety Committee.
- To maximise income collection of that billed during the year.
- To achieve Scottish Health at Work Silver Award.

3 CATEGORY NAME - KEY FUNCTIONS

3.1 Council Tax Collection

Council tax is a cross between a land tax and a personal tax. Council Tax is levied on domestic dwellings, but the number of people and the type of people who are living in a dwelling may have an effect on the amount of tax to be paid and indeed who pays it.

Not all properties are classed as dwellings, it is the Assessor who decides whether or not a property is, or is not, a dwelling.

The government has attempted to relate the amount people have to pay in Council tax to their ability to pay by basing it, in the first instance, on the assumed value of their dwelling. Dwellings are allocated to one of 8 valuation bands by the Assessor.

In the first instance the council tax bill is based on the assumption that there are two or more residents aged 18 or over in the dwelling. Where there are more than two the bill does not increase, but it may be reduced by:

50% if the dwelling is no one's sole or main residence; or
25% if it is only one 'reckonable' person's sole or main residence. (some people are not classed as 'reckonable' e.g. students)

The council tax payable on a dwelling may be reduced where the dwelling has certain features which meet the needs of someone who is substantially and permanently disabled.

The Council Tax is usually payable by someone aged 18 or over who is solely or mainly resident in the dwelling. Where there is more than one such person the liable person is the one with the greatest legal interest in the dwelling. In particular circumstances a non-resident owner may be liable instead of the resident. Special rules apply where the property is no one's sole or main residence.

Liability for council tax arises on a daily basis throughout the year, but bills are raised on the assumption that the circumstances on which they are based will remain the same throughout the year. Where this is not the case they may be adjusted.

People have the right to pay by instalments. This will usually be ten monthly instalments each year, but where liability to pay commences partway through the year the number of instalments is reduced.

The authority may use a variety of measures to ensure that a liable person pays the tax and any related costs and penalties. These methods range from issuing reminders to taking legal action. Such legal action enables the authority to:

Make deductions from the debtor's earnings;
Seize and sell the debtor's goods;
Request the Dept of Works and Pensions to make deductions from the debtor's IS/JSA.

3.2 Housing Benefit and Council Tax Benefit

Assistance is available to help meet some or all of a person's Rent and council tax liabilities. This assistance is known as Housing Benefit and Council Tax Benefit.

The conditions for claiming and obtaining the two benefits are very similar but with subtle differences e.g. liability for rent mainly depends on the landlord and tenant having agreed a genuine contract, whereas liability for council tax is imposed. The Social Security Acts set out the basic conditions of entitlement. To be entitled all these conditions must be satisfied in every case. The circumstances in which a claimant satisfies these conditions are set out in detailed regulations.

The basic conditions for Housing Benefit and Council Tax Benefit are;

- i a valid claim has been made which includes details of any national insurance numbers; and
- ii the claimant is liable to pay rent and/or council tax for their home; and
- iii they are living in that home; and
- iv they are not a member of an excluded group; and
- v their capital does not exceed the maximum amount; and
- vi their income is not too high as defined by the needs of their households.

Whether or not a claimant's income is low enough depends on five factors;

- i the amount of rent, council tax that is 'eligible' for benefit
- ii the size of the claimant's family
- iii the personal circumstances of the family members e.g. age
- iv the claimant's income, including the income of their family members, when compared to their family size and personal circumstances of its members
- v Whether any other adults who are not part of the claimant's family who live with the claimant as part of their household and, if they do, any assumed contribution they make towards the rent.

The maximum amount of Housing Benefit is 100% of the claimant's eligible rent. The maximum of Council Tax Benefit is 100% of their eligible council tax. As the claimant's net income increases above his or her applicable amount benefit is withdrawn by a percentage of that excess income. Different percentages exist for each type of benefit.

The level of rent which is eligible for benefit in some types of claim is set by the Rent Officer.

Once an award has been made it will continue in payment for a set period until either the authority replaces it with a new award or is replaced by a tribunal following an appeal. Claimants must also keep the council informed about changes in their circumstances.

3.3 Non-Domestic Rates Collection

Rates are a local tax on the occupation of non-domestic property, levied by Local Authorities. The basis of the amount of rates payable in any financial year in respect of a particular property (lands and heritages) is the multiplication of a rate in the pound by a value given to that property called the 'rateable value'.

The Scottish Executive prescribes the non-domestic rate poundage which is uniform throughout Scotland. Since 1997/98 the Scottish Executive has specified two rate poundages. A lower rate poundage has applied for properties with a rateable value of less than £10,000, to that which would otherwise have applied.

The basis of the rates charge is the valuation placed upon lands and heritages by the Assessor. This valuation is known as the rateable value which is an estimate of the rent at which the lands and heritages might reasonably be expected to be let from year to year if no lump sum or consideration other than the rent were payable in respect of the lease and if the tenant undertook to pay all rates and to bear the cost of the repairs, insurance and other expenses, if any, necessary to maintain the premises in a state to command that rent.

The yield from non-domestic rates is paid into a central pool administered by the Scottish Executive. Each authority's share of the pool is also determined by the Scottish Executive.

Local Authorities are required to levy a 50% rate on certain properties which have been unoccupied for a continuous period of 3 months or more. Properties unoccupied for a period not exceeding 3 months are entitled to full rate relief during that period. If a property remains unoccupied after the 3 month "free period", the owner/ratepayer will be liable for unoccupied rates on the remainder of the unoccupied period. If a vacant property is occupied for a period of less than 6 weeks before again becoming vacant, the occupied period is ignored for determining the 3 month vacant period.

Mandatory Charity Relief of 80% is granted, on application, in respect of lands and heritages occupied by a registered charity and used wholly or mainly for charitable purposes. Charity shops are treated as being so used so long as

- i they are used wholly or mainly for the sale of goods donated to a charity and
- ii the proceeds of sale (after deduction of expenses) are applied for the purposes of a charity

Discretionary Charity Relief of up to 100% can be granted, on application, in respect of lands and heritages falling within:

- i The classes attracting mandatory relief for charities or
- ii Other organisations not established or conducted for profit and
- iii Whose main objects are charitable or otherwise philanthropic or
- iv Religious or concerned with education, social welfare, science, literature, or the fine arts:
- v And property occupied for the purposes of a club, society or other organisation not established or conducted for profit, which is wholly or mainly used for purposes of recreation.

25% of any discretionary rate relief granted to organisations other than sports clubs is borne by the council granting the discretion.

The Rate Relief Scheme for Village Shops was introduced in 1997 and enables Authorities to grant Mandatory and Discretionary Relief to General stores, Post offices and other businesses in rural areas.

In order to ascertain which businesses may be considered for this relief it is the responsibility of the rating authority to compile and maintain a Rural Settlement List.

A rural settlement is an area which has a population of not more than 3,000. The term 'settlement' refers to the grouping of 'localities'.

The level of Mandatory Relief for village shops is 50%. To qualify for such relief a property must be wholly or partly used as a General Store or Post office within the specified definition. The rateable value of the property at the beginning of the financial year in question must not exceed the rateable value threshold which has been set at £5,000.

Discretionary Relief can be granted to any business within a Rural settlement. The rateable value of the property at the beginning of the financial year in question must not exceed the rateable value threshold which has been set at £10,000. Before consideration can be given to the granting of discretionary relief the authority must:

- i Be satisfied that the property is used for purposes which benefit the Local community, and
- ii Have regard to the interests of the Council Tax payers.

There is no requirement that the business should be the only one of its' type carried out within the settlement.

The Local Authority must itself fund 25% of any discretionary relief granted.

With effect from 1st April 2003 rates relief is available, on application, to small businesses. The scheme is self funding and will be paid for by a small supplement to the poundage for all properties with a rateable value of more than £25,000.

All properties with a rateable value of £10,000 or less which do not qualify for the scheme will receive 5% relief.

To qualify for relief ratepayers must:

- i Occupy a single or combination of properties within Scotland with a total rateable value up to but not exceeding £10,000.
- ii This/these must be the only property/properties the ratepayer occupies in Scotland.
- iii Ratepayers have to apply for this relief and a fresh application will be required each year.
- iv Properties will not qualify if they are eligible for one of the following

- a mandatory, discretionary charitable reliefs
- b derating allowance
- c unoccupied properties

The percentage relief available is:

| RV | Percentage Relief |
|----------------------|-------------------|
| <£3,000 | 50% |
| £3,000 to £4,000 | 40% |
| £4,000 to £5,000 | 30% |
| £5,000 to £6,000 | 20% |
| £6,000 to £7,000 | 10% |
| £7,000 up to £10,000 | 5% |

Local Authorities have discretion to grant complete or partial remission from rates on grounds of poverty or inability to pay. Such remission can only be granted to the person liable to payment of the rate, and only on application by them. The term hardship is not confined to financial hardship. All circumstances should be considered in judging whether the payment of rates will cause hardship. Furthermore, hardship need not be regarded as relating solely to private individuals as it can also apply to companies or corporate bodies.

Local Authorities are required to grant rebates in respect of institutions occupied by a local authority or other body if half or more of the floor area of any building(s) as is comprehended in that the lands and heritages are used exclusively for one or more of the purposes specified in Section 5(2) Rating (Disabled persons) Act 1978 or purposes ancillary thereto or is available so to be used.

The qualifying purposes are:

- i the provision of residential accommodation for the care of persons suffering from illness or the after-care of persons who have been suffering from illness;
- ii the provision of facilities for training or keeping suitable occupied persons suffering from illness or persons who have been suffering from illness;
- iii the provision of such accommodation or facilities as are mentioned in paragraph (i) or (ii) above for disabled persons not falling within that paragraph;
- iv the provision of welfare services for disabled persons;
- v the provision of facilities under section 15 of the Disabled persons (Employment) Act 1944
- vi the provision of a workshop or other facilities under section 3(1) of the Disabled Persons (Employment) Act 1958.

Care does not include the provision of medical, surgical or dental treatment.

'Transitional Arrangements' have applied since 1995 to phase in the combined effects of the 1995 revaluation, the withdrawal of industrial de-rating and the introduction of the national non-domestic rate poundage for Scotland. In broad terms, it is necessary for local authorities to compare a notional annual bill for the lands and heritages (ignoring reliefs), each year with a notional annual bill for the previous year. If the new bill would exceed the old one by more than a prescribed percentage, the increase is limited; otherwise, the full rates bill for the year is payable and transitional relief ceases. Similar rules provide for a limit on reductions in rates bills.

As a general rule, rates are payable by 10 monthly instalments beginning in the second month and ending the penultimate month of the financial year. Where rates are payable for only part of a year or where for any reason the demand note is not issued until after the first month of that year then if the demand note is issued before the beginning of the last quarter of the year, the rates are payable by instalments beginning in the month following that in which the demand note is issued and ending in the penultimate month of the year.

Where rates are payable by 10 instalments and the equivalent of 4 instalments has not been paid by 30 September, the right to pay by instalments is lost and the balance of rates outstanding becomes payable forthwith. Similarly, if at any time after 30 September any ratepayer liable to pay by instalments is in arrears in the payment of not less than two monthly instalments the balance of rates outstanding becomes payable forthwith.

If the required number of instalments have not been paid the local authority is required to issue a final notice, requiring payment to be made within 14 days before it can petition the Sheriff for Summary Warrant . A final notice must also be issued where there was no right to instalments because the amount demanded was properly payable in a lump sum.

Once a summary warrant or decree in an action for payment has been authorised by a Sheriff the following diligences are available:

- i Seize and sell the debtor's goods;
- ii An earnings arrestment;
- iii An arrestment and action of furthcoming or sale.

4 PERFORMANCE MANAGEMENT AND PLANNING

- 4.1 The Department underwent a Performance Management and Planning audit in 2002. The process involves the annual review of continuous improvements identified in the original submission. The review concludes in 2004 with only one of the original eight proposals for improvement outstanding which is the introduction of Staff Appraisals in Finance Revenues. This is due for completion in 2004. the improvements identified are noted in Appendix II.
- 4.2 In 2002/03 the Accounts Commission published its Overview Report on Performance Management and Planning submissions including that submitted by the Finance Department. It concluded that the department "had more than 80% of good practice elements in place" which was a very high score achieved by only a handful of departments within Scottish authorities.

5 EUROPEAN FOUNDATION FOR QUALITY MANAGEMENT

- 5.1 The Finance Department recently carried out a quality audit of its procedures and practices. A cross-section of staff from all sections were involved in carrying out the analysis work through a series of workshops. The results of this exercise provide the baseline by which the department will be able to assess future progress as regards continuous improvement. Identified improvements are noted in Appendix III.
- 5.2 The department will carry out a review of potential improvements on an annual basis. A further full review of the department using the EFQM criteria is planned for 2006.

6 KEY PROJECTS AND RESOURCES

The department can draw upon a number of resources not least of which is its staffing complement which number approximately 256. The department has identified the key projects which it requires to undertake over the next three years and these are noted in Appendix IV. The department has no major Capital plans in the near future but has an established Gross Revenue Budget of around £6.5m. This is detailed in Appendix V.

7 ICT STRATEGY

The department has a very close working relationship with the Information Technology Department which is its biggest supplier of expertise. To improve efficiency and effectiveness the department prepared an ICT Strategy in agreement with Information Technology which identified a number of improvements to financial systems which would be carried out over the next three years.

8 PERFORMANCE MANAGEMENT AND REPORTING FRAMEWORK

A summary of key objectives and projects is provided in Appendix VI. Noted alongside these items are the members of staff who will be personally responsible for ensuring that the targets set are achieved by the department.

APPENDIX 1**FINANCE REVENUES - KEY PERFORMANCE MEASURES & TARGETS**

| | <u>2003 Baseline</u> | <u>2007 Target</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------|
| <u>Finance Revenues</u> | | |
| 1 <u>Council Tax Collection</u> | | |
| i Percentage of income due from Council Tax that was received during year | 85.7% | 90% |
| ii Percentage of income due from Council Tax that was received for the previous five financial years: | | |
| 2002/03 | 85.72% | 96% |
| 2001/02 | 89.86% | 96% |
| 2000/01 | 91.82% | 96% |
| 1999/00 | 94.53% | 96% |
| 1998/99 | 95.87% | 96% |
| iii Replying to personal correspondence | N/A | 80% |
| iv % of telephone calls answered within 5 minutes | N/A | 80% |
| v % of customers at City Square dealt with within 30 minutes of arrival | N/A | 80% |
| 2 <u>Housing Benefit and Council Tax Benefit</u> | | |
| i Average time taken to process New Claims | 60 days | 36 days |
| ii Average time taken to process Notification of Changes in Circumstances | 22 days | 9 days |
| iii Percentage of cases for which the calculation of the amount of benefit due was correct on the basis of the information available at the determination, for a sample of cases checked post determination. | N/A | 93% |
| iv % of Benefit Claims determined within 14 days of receiving all necessary information | 64% | 100% |
| v Successful benefit fraud prosecutions per annum | N/A | 5 |
| 3 <u>Non-Domestic Rates Collection</u> | | |
| i Percentage of income due from non-domestic rates that was received during year | 96.2% | 97% |
| ii Percentage of income due from non-domestic rates that was received for the previous five financial years: | | |
| 2002/03 | 96.17% | 99% |
| 2001/02 | 97.19% | 99% |
| 2000/01 | 97.70% | 99% |
| 1999/00 | 98.73% | 99% |
| 1998/99 | 98.48% | 99% |

Template C: Improvement agendaCouncil DUNDEE CITYService FINANCE DEPARTMENTContact: ROD McKAY

| 1. Brief description of the current situation that needs to be improved. | 2. Brief description of what the improved situation will be. | 3. Brief description of the improvement actions/ projects that will be used to close the gap between 1 and 2. | 4 Do you have arrangements to monitor progress and results (Yes/No)? | 5. What are the key milestones for this improvement? | 6. Which of the template A headings does the improvement action relate to ¹² |
|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 1. Insufficient easily understandable and tailor made information for non-financial managers | Development of Business Objects financial reporting. | Readily available and easily understandable reports. | Yes. Outputs will be discussed with non-financial managers. | Training of accountants in the use of the package. Briefing of non-financial managers on the output by December 2002. | Customer focus. |
| 2. Sales ledger debt collection rates are not as good as the authority expects | Collection rates will be improved which should assist working capital and cash flow requirements. | Consistent improvement of debt recovery strategy. Improved performance monitoring through enhanced reporting. | Yes. Collection rates are monitored on a monthly basis. These will also be considered in the annual Service Plan. | Re-designed regular Sales Ledger reports by September 2002. Introduction of Direct Debits. | Resource use. |
| 3. Further savings and improved performance of the Superannuation Fund. | Pension fund custodian will be appointed. | Centralisation of the custodian function within the scheme. | Yes. Results will be monitored on a quarterly basis through the Superannuation Sub-Committee. | Contract for the work to be put out to tender. Custodian appointed. Results analysed by June 2002. | Resource use. |

¹² The purpose of this column is to prompt the service to check that it is addressing all aspects of its performance. The service is free to use other headings if it wishes

| 1. Brief description of the current situation that needs to be improved. | 2. Brief description of what the improved situation will be. | 3. Brief description of the improvement actions/ projects that will be used to close the gap between 1 and 2. | 4 Do you have arrangements to monitor progress and results (Yes/No)? | 5. What are the key milestones for this improvement? | 6. Which of the template A headings does the improvement action relate to ¹² |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| <p>4 Too much paper work generated by inter-departmental transactions.</p> <p>5 Lack of activity analysis to inform the Best Value process.</p> <p>6. No formal staff appraisal in operation with Finance Revenues.</p> | <p>Increased electronic transfer of inter-departmental billing.</p> <p>The pilot project should identify weaknesses in the business process which are not capable of being identified by other means.</p> <p>Implementation of the staff appraisal process will assist the identification of training requirements and bring consistency of approach with Finance General.</p> | <p>Working group set up to take action. Close involvement of Information Technology.</p> <p>A pilot exercise on Non-Domestic rates should enable the authority to ascertain how it wishes to proceed with this management tool.</p> <p>Appraisal process will formulate personal action plans to improve employee performance.</p> | <p>Monitored through the Working Group.</p> <p>Results will be evaluated on completion of the pilot.</p> <p>Appraisal process will take place annually and the results evaluated.</p> | <p>Work to be completed by 30 September 2002.</p> <p>Completion of the project. Extrapolation of the findings to a wider context by September 2002.</p> <p>The process will begin in June and should be completed by the end of September.</p> | <p>Resource use.</p> <p>Internal Management Processes.</p> <p>Learning and Development.</p> |

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| 1. Brief description of the current situation that needs to be improved. | 2. Brief description of what the improved situation will be. | 3. Brief description of the improvement actions/ projects that will be used to close the gap between 1 and 2. | 4 Do you have arrangements to monitor progress and results (Yes/No)? | 5. What are the key milestones for this improvement? | 6. Which of the template A headings does the improvement action relate to ¹² |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 7 Payroll cost performance indicators are considered too high in relation to those of other local authorities. | More departmental payrolls will be centralised within the Finance function reducing costs and improving efficiency. | Working groups will examine the departmental payroll functions to bring about increased contribution with the minimum of disruption. | Yes. Progress should be evidenced by a reduction in unit cost per payslip as the initiative moves forward. | The milestones will be dictated by departments being centralised as opportunities arise. Small departments will come on stream first with the larger departments following by March 2003. | Resource use. |
| 8 It is thought that there will always be scope for improved communication between the authority and the public. | The leaflet will inform the public of the extent of the services funded by Council Tax. | Leaflet will be published next year with assistance from the Public Relations Department. | Feedback will be informal at this stage but reference to the leaflet is likely to be made in future customer surveys. | Preparation of the financial aspects of the leaflet. Incorporation of advertising spaces to generate revenue to reduce the net cost of publication by April 2002. | External relationships. |

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| 1. Brief description of the current situation that needs to be improved. | 2. Brief description of what the improved situation will be. | 3. Brief description of the improvement actions/ projects that will be used to close the gap between 1 and 2. | 4 Do you have arrangements to monitor progress and results (Yes/No)? | 5. What are the key milestones for this improvement? | 6. Which of the template A headings does the improvement action relate to ¹² |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 9 The efficiency of the Pension Fund needs to be improved together with the investment returns. | Greater return on investments and capital growth of the fund. | The Pension Fund will be re-structured. | Yes. Progress reported through quarterly sub-committee. | Current structure will be analysed. Recommendations will then be made to the Superannuation sub-committee as to the best way forward by September 2002. | Resource Use. |
| 10 Insufficient mechanisms in place to measure properly the work carried out by Finance Revenues employees. | Procedures will be in place to assist management measure the contribution made by employees. | Revenues Work Measurement system to be implemented. | Yes. Outputs will be monitored on a monthly basis | System will be introduced by June 2002. | Internal Management Processes. |
| 11 Council Tax collection rate is not as high as the authority expects. | Collection rates will improve assisting cash flow of the authority. | Recovery Final Notice schedule will be brought up to date by December following the Implementation of First Software. Enabling Legislation introduced. | Yes. Collection rates are monitored on a monthly basis. | April 2002, the collection rate for 2001/02 will be calculated. Targets will be set for subsequent 3 years in the Service Plan in June 2002. | Resource use. |

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QUALITY MANAGEMENT

| <u>Category</u> | <u>Target Date</u> | <u>Achieved</u> |
|---------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------|
| <u>Customer Results</u> | | |
| Customer Survey Strategy Better Customer Service Training | March 04 Sept 03 | Phased in Achieved |
| <u>People Results</u> | | |
| Extend Availability/Understanding/Training re the Intranet Implement Exit Interviews | Sept 03 July 03 | Achieved Achieved |
| <u>People Management</u> | | |
| Establish Formal Induction Training Review Training Budget to Maximise Take-Up | Sept 03 Aug 03 | Achieved Achieved |
| <u>Processes</u> | | |
| A More Comprehensive Evaluation of New Systems Commencing with Working Group Established to Review New Recovery System | Aug 03 | Achieved |
| <u>Partnerships & Resources</u> | | |
| Raise Student Awareness of Council Tax through University Visits Prepare Schedule of Partnerships for the Service Plan | Sept 03 Sept 03 | Achieved Achieved |
| <u>Society Results</u> | | |
| Annual Consultation on Revenue Budget with Interested Groups | Feb 04 | Scheduled |
| <u>Policy and Strategy</u> | | |
| Improve Use of Forums Commencing With i Revenues Backlog Group ii Communications Group | Aug 03 Sept 03 | Achieved Achieved |
| <u>Key Performance Results</u> | | |
| Review all PI's for Monthly Reporting Purposes | Sept 03 | Phased in |

KEY PROJECTS

| Project Objective | Lead Officer | Resource Allocation | Target End Date |
|---------------------------------------------------------------------|---------------------|----------------------------|------------------------|
| Establish a Finance Revenues Customer Contact Centre | T Bailey | Not Known | March 04 |
| Reduce the backlog of Council Tax and Housing Benefits applications | T Bailey | N/A | March 04 |
| Implement a full system of staff appraisal | T Bailey | N/A | Dec 04 |

REVENUE EXPENDITURE AND INCOME

| | 2004/05 £ | 2005/06 £ | 2006/07 £ |
|----------------------------------|----------------------|----------------------|----------------------|
| Staff Costs | 5,415 | 5,652 | 5,874 |
| Property Costs | 25 | 26 | 26 |
| Supplies and Services | 850 | 858 | 867 |
| Transport Costs | 36 | 37 | 38 |
| Third Party Payments | 87 | 88 | 89 |
| Support Services | - | - | - |
| Capital Charges | - | - | - |
| Gross Revenue Expenditure | 6,413 | 6,661 | 6,894 |

| | | | |
|--------------------------------|--------------|--------------|--------------|
| Government Grants | 2,145 | 2,185 | 2,226 |
| Other Income | 1,114 | 1,247 | 1,381 |
| Net Revenue Expenditure | 3,154 | 3,229 | 3,287 |

| | | | |
|-------------------------------------------|--|--|--|
| LESS CONSEQUENTIAL REVENUE SAVINGS | | | |
|-------------------------------------------|--|--|--|

| | | | |
|-----------------------------------------------|--|--|--|
| NET INCREASE/DECREASE IN REVENUE COSTS | | | |
|-----------------------------------------------|--|--|--|

| Performance Management and Reporting Framework | |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------|
| | Who |
| <i>Communication of the plan</i> | |
| Plan will be issued to all employees | T Bailey |
| Project Monitoring | T Bailey |
| Each of the objectives and key projects will be developed into detailed action plans to ensure delivery | D Dorward |
| <i>Annual report within three months of the year end</i> | |
| Project delivery | D Dorward |
| Performance Data | T Bailey |
| Performance Report | T Bailey |
| Customer Contact Centre | T Bailey |
| Council Tax and Benefits Backlog | T Bailey |
| Staff Appraisal Implementation | I Gillanders |
| <i>Employee Appraisal & Development Review Process</i> | |
| Directors' appraisal with the chief executive on an annual basis will include an assessment of performance in relation to this plan | D Dorward |
| Management Development review process will ensure that the service plan is part of the Management Team's appraisal process. | D Dorward |
| Employee Development Process will be linked to the targets in the Department Service plan. | T Bailey |
| <i>Investors in People</i> | |
| Achieve the liP award | H Robertson |
| <i>Self Assessment for improvement using the EFQM Model</i> | |
| Annual update and review of EFQM results | R McKay |
| <i>Linkages to external networks</i> | |
| IRRV, Landlords Forum, Housing Associations | T Bailey |
| <i>Commitment to Best Value Reviews and Audits</i> | |
| Improving Council Tax collection and benefits application processing rates | A Stephen |