

REPORT TO: POLICY COMMITTEE ON 30 APRIL 2008

SUBJECT: PERFORMANCE MANAGEMENT REPORT - FINANCE AND ICT SERVICES

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

1.1 This report has three objectives.

- (i) To invite Committee to consider the progress achieved, as at the end of Quarter 4 2007/08, in implementing the improvements identified in the Finance and ICT Service Improvement Plan 2006-2008.
- (ii) To invite Committee to consider the progress made in achieving, as at the end of Quarter 4 2007/08, the main Finance and ICT Performance Indicators.
- (iii) To invite Committee to consider the progress made, as at the end of Quarter 4 2007/08, in achieving the Finance and ICT Complaint Targets.

1.2 This report is submitted to Committee in terms of Section A (41) of the Council's Administrative Scheme relating to the effective contribution to the achieving the Council's objectives.

2. RECOMMENDATION

2.1 That Committee consider the contents of the report, seek clarification on any points arising, and otherwise approve the report.

3. BACKGROUND

3.1 On 13 June 2007, the Policy Committee approved the adoption of the updated Finance and ICT Service Improvement Plan 2006-2008. Service Improvement Plans are a key element of the Moray Council Performance Management Framework and contain Departmental Objectives derived from a number of sources including the Efficient Government Requirements, the Best Value Review Plan, the EFQM process and the specific Corporate Development Plan objectives that impact Finance and ICT Services.

3.2 Along with the Service Improvement Plan, Service Managers within Finance and ICT have specific Section Operating Targets. A set of Performance Indicators has been developed for these core-operating activities and progress against target is monitored on a monthly basis.

Progress reports on both the Performance Indicators and the Service Improvement Plan are presented to this Committee throughout the year. In addition, responsibility for reporting performance on Departmental complaints has been moved to Service Departments and complaints monitoring is also included in this report.

The tables used to report and monitor performances are provided as Appendices.

3.3 This report covers the period to **31 March 2008**.

3.4 **APPENDIX 1** shows the position on the 15-item Service Improvement Plan for 2007/08. As requested by Committee at the meeting on 29 August 2007, the figures shown are based on "exception reporting" and only priorities behind target at 31 March 2008 are shown. A performance summary on a service-by-service basis is provided in the text of this report at section 5 onwards.

APPENDIX 2 shows the position on the Performance Indicators. As requested by Committee at the meeting on 29 August 2007, the figures shown are based on "exception reporting" and only indicators falling short of target are shown, in the style produced by the Covalent Reporting System. A summary is provided in the text of this report at section 5 onwards for all indicators classed as "red".

APPENDIX 3 shows the position on Complaints. A performance summary is provided in the text of this report at section 5 onwards.

4. **SUMMARY OF PERFORMANCE**

The table below summarises the main points in terms of Performance Indicator progress to 31 March 2008. The summary of performance for the period is presented within three headings:

- Green – performing well (or not due this quarter)
- Amber – requires close monitoring
- Red – requires improvement action

Function	No. of PI's with targets set	Green – Performing Well (or not due this Q)	Amber Close Monitoring	Red Action Required
Accountancy	20	18		2
Internal Audit	5 (5 not measured at present due to staff shortages)			5 (5 not measured at present)
ICT Development	9	7	2	
ICT Support	12	10		2
Payments	12	10	2	
Revenues	9	8	1	
Total	67	53 (79%)	5 (7%)	9 (13%)

5. **PERFORMANCE ANALYSIS**

5.1 **Areas of Good Performance**

Accountancy Services

- All planned Committee Budget Reports and the Report to Council to allow Council Tax Setting were issued to Committee or Council and Rating Returns, Projected Out-turn Budgetary Estimate Return, Local Finance Return and the Complete Rating Return were all sent to the Scottish Executive within laid down timescales.

ICT Development

- Of the 43 completed/closed off projects all were completed within budget and post implementation reviews continue to be done on all projects within 3 months of the closure of the project. The ICT Action Plan for 2008-09 has been finalised.
- As well as contributing to the Best Value Review of the ICT Service, the ICT Development Team had one priority to deliver from the Service Improvement Plan. This was to use ICT to achieve efficiency savings and modernisation of Council Services including the Easy Access Project. A large amount of work has taken place to complete this including the transfer of more enquiries to the Contact Centre.

ICT Support

- The completion of scheduled Print Room activities within timescale has remained at 100% throughout 2007-08. The Production of General Printing Requisitions within 5 days of receipt has averaged 98.9% against a target of 90% over the same period. The percentage of emails taking more than 15 minutes to be sent sits at an average of 0.49% against a target of 2% for the year this is supported by the percentage of Email sent within a 2-minute target, which stands at 99% against a target of 95%. The resolution of all calls (other than Priority 1 and 2) within 2-5 days has sat consistently above 95% against a 90% target throughout the year.
- As well as contributing to the Best Value Review of the ICT Service, the ICT Support Team have completed all actions bar one. This relates to the priority of 'User Training' to ensure all users are sufficiently trained to use ICT facilities, and this item is now being considered as part of the ICT Best Value Improvement Plan.

Payments

- On the number of insurance claims passed to Council Insurers within 5 days of receipt, this has consistently achieved the current target of 100%.
- Performance on returning VAT, P35/14 and P11D returns is also meeting set deadlines.
- In the year to date figure for 'Income received as a % of starting outstanding balances' was 95.51% against a target of 80% at the end of February with March figure still to be finalised at time of writing.
- In the last quarter the number of errors originating in payroll was an average of 21 against a target of 25 or less. This shows an improvement on the first half of the year where the average was 27.6.
- Two of the three priorities on the Service Improvement Plan for Payments are complete. Of the final priority 'Financial Management Information Reporting', all that remains to be completed is the set up of the automated electronic delivery of reports.

Revenues

- Against the Department of Work and Pensions target of 36 days, an average performance figure of 32 days in processing new benefit claims was achieved during the last quarter.
- Council tax collection rate was 96.77% at year-end, meaning that the record collection rate achieved last year has again be achieved and exceeded.
- The percentage of customers paying by direct debit has also increased to 66.7%, beyond that of last year and has also exceeded its target of 64.5%.
- Although the percentage of new benefit claims processed from start to completion within 14 days sits at 86.3% missing the target of 90% in the last quarter it is an area that has shown a significant improvement from the same period last year (77.6%)

5.2 Areas of Performance identified for improvement and how this will be achieved

Accountancy Services

- There were 4 late Trust and Common Good Fund claims processed during the quarter. This was due to the late return of the forms by Members. Position will continue to be monitored but no further action is required at present.
- In the percentage of Milestones achieved in Revenue Budget Preparation and Monitoring (a new indicator for 2007-08), 71% against an annual target of 100% was achieved. Some earlier milestones were missed by a day but the section is now working well towards achieving intermediate targets.
- In the Service Improvement Plan two Priorities are behind target. One of these is to arrange and formalise a staff-training programme and although training is ongoing, the Target date to formally sign off the agreed schedule with Personnel has been revised to June 2008 because of maternity leave.
- The other Priority behind target is the development of the Capital Strategy and Corporate Asset Management Plan. The timetable to develop this has been revised because of significant changes in method of government funding. Revised target September 2008, however the Capital Strategy has been drafted and will go to Council for approval on 14 May with a draft Capital Programme.

Internal Audit

- Internal Audit is emerging from a period of upheaval in staffing terms following absences on sick leave, maternity leave and a subsequent vacancy, which took some time to fill. Such difficulties have a marked effect in a smaller team. A consequence of this is that the planned performance targets have not been achieved given the lack of available resources in the team. The position has been regularly reported to and considered by the Audit and Performance Review Committee. At its April meeting an audit plan outlining the programme of work targeted for completion in 2008/09 will be considered, and now that the team is back to its original staff complement a commitment has been given to closely monitor performance. This will allow the capacity of the team to deliver on all of its responsibilities to be evaluated in six months' time.
- In regards to the Service Improvement Plan two out of three Priorities have been completed from the 2006-2008 original plan. The third priority, which was Reporting for Efficient Government, has now moved over to the Designing Better Services Project.

ICT Support

- In the resolution of Priority 1 calls - 27 calls were resolved out of a total of 29 (93% against a target of 100%). The two calls that failed to meet target were in relation to: (1) an individual user who couldn't access the time recording system and (2) a call relating to slow performance of the Internet. It is debatable as to whether these were priority 1 faults.
- In the production of urgent printing requisitions within 2 days of receipt, the absence rate in the Printing Unit has been unusually high for a number of months now. This is being addressed through Absence Management but a backlog has built up in the meantime. This is reflected in the performance figures for February and March (March - 45 out of 49 jobs completed within agreed timescale) giving an overall percentage for the quarter of 95.6% against a target of 100%.
- From the Service Improvement Plan (SIP) the priority on Disaster Recovery continues to progress and will be carried over into next years SIP with on-gong discussions with Aberdeen City and Aberdeenshire Councils and development and implementation of a prioritised plan of improvements for disaster recovery, these are still on schedule.

Revenues

- Three priorities in the Service Improvement Plan are slightly behind at the end of quarter 4. The first of these is the project to reduce the cost of cash collection. New service provision commenced in mid March 2008 with Council facilities being replaced from 2nd May 2008. The Project will be carried forward to 2008/9 to finalise staffing and accommodation arrangements and monitor efficiencies.
- The second priority is the North of Scotland Local Authorities Shared Service Initiative. The bid for funding from the Scottish Government to conduct a feasibility study has been successful and completion is now estimated for October 2008. It should be noted that this project had been placed "on hold" as a result of the Scottish Parliament elections.
- The third priority was the implementation of Local Housing Allowance. All elements of this project have been completed apart from implementing the ability to pay claimants by BACS. Software has been installed for testing and will be introduced during 2008.

Payments

- Of the three original priorities for Payments only one remains to be completed, 'Financial Management Information Reporting' and of that only one small part remains to be accomplished, that being the implementation of automated electronic delivery of reports.

6. **COMPLAINTS**

There were 8 complaints in the quarter. One of these was upheld and in this case the service manager reviewed the case and took action to avoid a recurrence. Performance in acknowledging and answering complaints was good.

7. **GENERAL OVERVIEW**

There are many good areas of performance e.g. Council tax collection rate has again achieved a record level. Last quarter the comment was made *'Benefit processing times achieved during the quarter were the best ever and it is possible that the Department of Work and Pensions target figure of 36 days will be achieved for the full year. A strong processing performance in quarter 4 is needed to achieve this'*. Following a strong quarter the average figure for the year stands at 35.58%.

The main area for attention is the Internal Audit resource position and action has been taken to provide a permanent solution.

Five performance indicators are classed as "amber" i.e. require close monitoring, these indicators are being carefully monitored and none of them require further action at this stage.

During the past few months, opportunity was taken to review some key Performance Indicators, associated targets and target thresholds. It is intended to implement these changes from 1 April 2008.

8. **SUMMARY OF IMPLICATIONS**

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

Comments on the Service Improvement Plan are contained within the report.

(b) Policy and Legal

None

(c) Resources (Financial, Risks, Staffing and Property)

None

(d) Consultations

Service managers responsible for areas reported are involved throughout the reporting process. There have been no other consultations.

9. CONCLUSION

- 9.1 In general, there are many good areas of performance across the range of services provided by Finance and ICT and appropriate action is being taken in areas where targets are not being met.

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Background Papers:
Ref: CC/LJC/427526/427533/427543/427545