

RESOURCES SCRUTINY PANEL

19 October, 2005

FINANCE DEPARTMENT - PERFORMANCE MONITORING 2005/06

REPORT OF DIRECTOR OF FINANCE

Contact Officer: Sheila Boden Tel No: 01962 848120 Email: sboden@winchester.gov.uk

RECENT REFERENCES:

PS178: Internal Audit Update: End of Year Report to 31st March, 2005, 6th June, 2005

RE002: Finance Department - Performance Monitoring 2004/05 and 2005/06, 13 July, 2005

EXECUTIVE SUMMARY:

This paper gives performance monitoring information for Finance services for 2005/06 to August.

The Scrutiny Panel is asked to consider this matter as part of its role in holding the Portfolio Holder for Finance and Resources to account.

RECOMMENDATIONS:

1. That the Scrutiny Panel considers the report and identifies any issues that it wishes to draw attention to the Portfolio Holder, the Director of Finance or, if significant, to Cabinet or Principal Scrutiny Committee.
2. That the Scrutiny Panel notes that the Director of Finance is recommending that Cabinet approves a Business Rate debt of £33,369.34 be written off.

RESOURCES SCRUTINY PANEL

19 October 2005

FINANCE DEPARTMENT - PERFORMANCE MONITORING 2005/06

REPORT OF DIRECTOR OF FINANCE

DETAIL:

1 Introduction

- 1.1 This paper gives performance monitoring information for Finance services for 2005/06 to August.

2 Accountancy

- 2.1 The Accountancy manual was revised and updated, as was the Budget Book. The work on closing the accounts for 2004/05 was completed on time. The Accounts were approved by the Statement of Accounts Committee on 26 July and have been published on the website. The External Auditor has completed most of his work on the accounts.

3 Design, Print and Word Processing

- 3.1 The Section continues to deal with a high workload. This is reflected in the financial information that indicates an over-recovery of costs. The recharge rates will be adjusted to effect a break even position. A review of Council communications has commenced and this may impact on the Section's workload in future.

4 Risk Management and Insurance

- 4.1 The Risk Register has been updated and the Corporate Risk Strategy has been approved. Further work is being done to ensure that risk becomes embedded into the Council's way of working and to complete action plans, particularly in respect of Strategic Risks. Discussions continue with the Council's insurers on insurance premia and the carrying of risk in-house.

5 Internal Audit

- 5.1 The Annual Audit Plan is on target, with a half-year outturn due to be reported to Principal Scrutiny Committee in November.

6 Customer Service Centre

- 6.1 The Centre became operational during June 2005 and although initially it experienced some technical problems these have now been resolved. The Centre suffered performance issues, as would be expected with the introduction of any major change initiative, but also had an unexpectedly high level of long term sickness. This has affected the grade of service significantly (see below).

- 6.2 The financial summary indicates a variance of £35,000 which reflects the use of agency and temporary staff to provide cover for this absence and the three month

transition period when staff were being trained. It is expected that this variance will be absorbed within the Directorate by the year end.

- 6.3 Approval was given by Personnel Committee on 26th September (PER 94 refers) to increase the staffing establishment by an additional Advisor and a second Team Leader.
- 6.4 Feedback from customer surveys is positive and encouraging. A post implementation review is currently being carried out and will be reported shortly.
- 6.5 A comprehensive range of management information is available on the Intranet on the Customer Care page by clicking on the Phone Stats link.

Telephone performance July - September 2005

- 6.6 Switchboard Calls - The switchboard accepts calls into the Council's general number and operates a filter for calls directing them into the Service Centre (for example, for Housing Repairs) or to other Sections as appropriate.

Switchboard calls				Grade of service
Month	Calls offered	Calls Answered	% of calls answered	% answered within 5 rings
July	10,682	10,643	99.6%	71.7%
August	12,053	11,977	99.4%	66.4%
September	13,084	12,987	99.3%	63.9%

- 6.7 The Service Centre takes calls referred from the switchboard as well as those on certain direct dial numbers (for example, for Planning).

Customer Service Centre				Grade of service
Month	Calls offered	Calls Answered	% of calls answered	% answered within 5 rings
July	14,390	6,970	48%	24%
August	13,850	6,177	45%	25%
September	9,735	5,360	55%	33%

- 6.8 Calls offered are the number of times that customers try to telephone the Council. During a busy period one customer may try to ring several times giving a distorted picture of the total number of customers contacting the Council. The grade of service is the percentage of calls answered within 15 seconds or 5 rings (the Council's current standard).

7 IT Services

- 7.1 An E-Government Programme Board has been set up to authorise (within delegated authority limits) and monitor all ICT projects. Work on the E-Government programme is ongoing with a number of projects completed or underway.

- 7.2 The website is being redesigned with e-forms being set up for all current forms provided throughout the Council. E-procurement of stationery will be live by December. This will enable all departments to order stationery online, to be delivered the next day to their work area. A proposal for an integrated Payroll/HR system, which will enable efficiencies to be achieved throughout the Council, is being progressed.
- 7.3 Three major projects are still to be started - computerising Land Charges, providing Citizen Access to account information and Mobile Working. Work is underway to identify a suitable Performance and Risk Management system for implementation during January 2006.
- 7.4 The Improvement and Development Agency (IDeA) has agreed through the Office of the Deputy Prime Minister (ODPM) further funding of £100,000 to ensure that the 100% target for BVPIs and Priority Outcomes are achieved. A request for further funding has been submitted.
- 7.5 Over the last few weeks intensive work has been undertaken to update the information in the ESD (Electronic Service Delivery) tool kit. This measures (through the BVPI 157) the Council's progress in making available electronically information, access to services and services, where this is possible. Currently the BVPI is 91% and the target of 100% by December 2005, set by the ODPM, should be achieved.
- 7.6 The financial summary indicates a variance of £120,000. This relates to additional contract payments for staff working on IT projects as part of the current drive to complete the e-government programme. It will be funded from ODPM grant and capital projects budgets.
- 8 Local Taxes
- 8.1 Collection rates are on target: however the level of outstanding work is high (four week backlog) and agency staff are being used. A new post has been added to the establishment and recruitment is underway.
- 9 Benefits
- 9.1 The level of outstanding work increased significantly in July and August due to maternity and sick leave. Agency staff are being used and the backlog has reduced (two weeks): however performance has suffered. A new post has been added to the establishment and recruitment is underway.
- 9.2 The benefits payments are in excess of the budget (some £247,000 currently). This budget is difficult to estimate and under the Government's transition rules the amount of subsidy will be recalculated at the end of the year which should bring the net cost within budget overall.
- 10 Exchequer
- 10.1 Following the introduction of the e-payments system under the e-government programme, there are additional costs of £8,000 associated with the maintenance of the new system and the on-going transaction costs. The system has been a success, but the costs are not yet outweighed by efficiencies.

11 Debtors

11.1 A high level comparison of outstanding debts is shown below:

	As at 31/03/05	As at 31/08/05	Movement
	£	£	£
Debtors*	626,670	715,620	88,950
Council tax arrears**	2,856,598	2,523,745	-332,853
Business rate arrears**	1,974,565	1,286,585	-687,980
Housing Benefit overpayments	507,816	480,625	-27,191
Car parking penalties	133,085	117,245	-15,840
Total	6,098,734	5,123,820	-974,914

* these figures include the debt for Winchester Alliance for Mental Health of £350,000.

** these figures exclude the debt in respect of the respective current years.

The increase in general debtors is due to an increase in tenant recharges outstanding (£30,000), outstanding payments for commercial rents (£29,000) and a debt pending write off as the debtor has been made insolvent (£21,000).

11.2 The table below gives a breakdown of outstanding debtors accounts by recovery stage.

	With Legal	On going recovery	On hold	Awaiting w/off	Total
Total as at 31.03.05	148,087	97,818	380,564	201	626,670
Total as at 31.08.05	147,213	181,259	386,946	202	715,620

12 Debt Write Off

12.1 Under Financial Procedure Rules 11.7 the Director of Finance is recommending to Cabinet that a Business Rate debt of £33,369.34 be written off as the rate payer has entered into a voluntary arrangement with creditors under the Insolvency Act 1986.

13 Fees and Charges

13.1 The level of charge applied in respect of liability orders for Council Tax and Business Rates was reviewed in October 2004 and increased to £60 in line with the costs that the Council incurs in preparing and serving such orders. The charge calculation has been reviewed recently and the charge was increased to £70 from the beginning of October.

14 External Interest

- 14.1 At 1 April the base rate was 4.75%. In August the Bank of England reduced the rate to 4.5%. This is lower than the forecast for the budget which assumed that an average of 4.75% for the year would be achieved.

15 CORPORATE STRATEGY (RELEVANCE TO):

- 15.1 Much of the work of the Department is of a support nature and thus underpins all aspects of the Strategy. In addition, efficient collection of debt maximises the income that is available for the Council in pursuit of its aims.

16 RESOURCE IMPLICATIONS:

- 16.1 Resources are required to collect and manage debt whilst efficient collection reduces debt and produces more resources to aid the Council's objectives. There are sufficient resources within the Department to fulfil the requirements of the Business Plan but all areas are under pressure with heavy workloads. In addition, there are organisational pressures on senior management with heavy demands creating difficulties in meeting some deadlines.

BACKGROUND DOCUMENTS:

Working papers held in the Finance Department

APPENDICES:

- Appendix A Key Performance Indicators
Appendix B Service Priorities for 2005/06
Appendix C Summary of Service Budgets 2005/06
Appendix D Subjective Analysis 2005/06