

Report for Corporate Services & Partnerships Policy Overview Committee

Date of Meeting: 20th January 2010

Performance Information Report, first half of 2009-10

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Reason for item

The Terms of Reference for Policy Overview Committees include:

“To monitor the performance of the Council services within their remit (including the management of finances and risk).”

The Quarterly Performance Information Report provides POC with an overview of the performance in **Finance & Resources**.

Options open to the Committee

1. Consider, question officers and comment on the reports, as appropriate.
2. Agree to raise any concerns with the relevant Cabinet member, or
3. Note the content of the reports.

Information

The Finance and Resources Group comprises a number of operational services that, together, keep the council organisation running in a sound and efficient manner. They ensure that high standards are maintained when administering all the council's financial affairs and when procuring goods and services across the council, and they maximise income from Council Tax and NNDR. Our ICT services provide high quality advice and professional services for the whole council, and the award winning Customer Contact Centre is the first point of contact for the public for most of the council's services.

Until the middle of August 2009, the F&R Group was also responsible for managing all aspects of the council's portfolio of non-housing property assets but, since this time, this responsibility has been passed to the Planning & Community Services Group.

The Quarterly Performance Information Report is intended to provide a review of the actions taken to meet the Council Plan targets, the Comprehensive Area Assessment (CAA) targets and key local performance indicators that the groups use to manage and monitor their performance. This report shows the performance management actively taking place in Finance & Resources. As requested previously, further historical data has been provided so that the results can be seen in context.

Backing Documents

None

Suggested Overview Activity.

Corporate Services & Partnerships POC 20 January 2010
PART 1 – MEMBERS, PUBLIC & PRESS

1. The Committee to question Officers about their Group's performance as set out in the QPRs.
2. Make recommendations to Cabinet or Cabinet Member as appropriate.

SECTION A – SERVING OUR COMMUNITITES AND CUSTOMERS

Council Plan Targets

Finance & Resources (F&R) has one objective in the Council Plan, namely “Freeze council tax for all Hillingdon residents for two years”. This has been successfully implemented for 2009-10 and preparations are well underway for 2010-11 implementation.

Comprehensive Area Assessment (CAA) – New National Indicators

The new national indicators, which have been developed to reflect the government’s national priorities, are now in operation. Within F&R, we have developed a range of Key Performance Indicators and Local Performance Indicators to help managers maximise team performance. Our regulators will examine each level of PIs, to enable a judgement to be made on the standard of performance management within the Group.

For Finance and Resources, the following relates to the theme of serving our community and customers:

NI 14 Avoidable Contact

This is a measurement of the proportion of times that we are contacted by our customers that we could have avoided by previously providing better information, providing a service on time rather than late, etc. Clearly, this measurement is one we wish to minimise in order to improve the service experienced by our customers and also allow staff to work more efficiently.

In view of the importance of this measure, it is now an important part of a major project aimed at improving and transforming the way the council works,

National Indicator	Description	Link to Council Plan / Group Plan
NI 14	Reducing avoidable contact: minimising the proportion of customer contact that is of low or no value to the customer	Council Plan: <ul style="list-style-type: none">• Manage performance to ensure continuous service improvement.• Modernise council processes.• Listen and take account of our customers and users.

The first measurement, for the specified range of services from across the whole council, produced a result of **30%** avoidable contact in March 2009. For 2009-10, a half-year sample measurement was taken in July 2009 with a result of **21%** avoidable contact. This was followed by another measurement exercise in November for which results have not yet been released. Measuring twice per year is expected to produce more representative results but, at time of writing, these are being carefully examined in relation to our first measurement in March.

Group Action Plan

There were only two tasks under the theme of serving our community and customers, both of which relate to creating better inter-departmental working in order to achieve more responsive and streamlined services for the public. All of the planned work is on-schedule.

Corporate critical performance data

Although the Best Value regime came to an end in March 2008, the CAA recommended continuation of monitoring these performance indicators. The following table shows the three service critical targets which are reported to the Senior Management Team on a quarterly basis, with their results for Q2. This shows that Council Tax collection was slightly above its target at the end of September whereas NNDR collection was slightly below (**AMBER**), reflecting the difficult general financial conditions being experienced.

PI Code	Council Theme	Description	Out-turn at end of 2006-07	Out-turn at end of 2007-08	Out-turn at end of 2008-09	Target for Q2 2009-10	Q2 2009-10
BV8	Serving Community & Customers	Percentage of undisputed invoices paid within 30 days	94.0%	97.7%	98.7%	99%	99.3%
BV9	Achieving Value for Money	Proportion of Council Tax collected	94.9%	96.3%	96.3%	57.0%	57.1%
BV10	Achieving Value for Money	Proportion of non-domestic rates collected	99.2%	99.3%	99.3%	61.0%	59.7%

Customer Care Standards

Customer Contact Centre

The council's primary point of contact with the public, the customer contact centre, has maintained its high level of performance, as demonstrated by these three key indicators.

	2007-08 average	Q1 2008-09	Q2 2008-09	Q3 2008-09	Q4 2008-09	Target 2009-10	Q1 2009-10	Q2 2009-10
End-to-end quality of service	Not available	86%	85%	84%	89%	85%	88%	89%
Resolution at first point of contact	78%	80%	80%	78%	79%	80%	81%	85%
Customer satisfaction	95%	96%	94%	98%	100%	90%	98%	98%

ICT

The ICT service desk is the primary point of contact for the ICT service and the aim of completing requests at the first point of contact is both cost-effective and the best outcome for the users. The table below shows that good progress has been made in dealing with standard requests and resolving faults.

	Q1 2008- 09	Q2 2008- 09	Q3 2008- 09	Q4 2008- 09	Target 2009-10	Q1 2009-10	Q2 2009-10
Faults: % completed by Service Desk	50%	54%	44%	50%	50%	50%	61%
Standard requests% completed by Service Desk	50%	52%	46%	53%	50%	n/a	60%

Members Enquiries and Customer Complaints

Performance on Member Enquiries and Customer Complaints is now back to an acceptable level after a period of poor performance in the middle of 2008-09. This has been achieved by putting better management controls in place.

	2007-08 average	Q1 2008-09	Q2 2008-09	Q3 2008-09	Q4 2008-09	Target 2009-10	Q1 2009-10	Q2 2009-10
Members Enquiries	94%	82%	50%	74%	88%	95%	96%	96%
Customer Complaints	86%	100%	63%	76%	93%	95%	92%	100%

SECTION B – ACHIEVING VALUE FOR MONEY

CAA – National Indicators

The other National Indicator contributes to the theme of achieving value for money:

NI 179 Value for Money

National Indicator	Description	Link to Council Plan / Group Plan
NI 179	The total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008/09 financial year.	Council Plan: <ul style="list-style-type: none">• Review, challenge and improve the value for money provided by services.• Freeze council tax for all Hillingdon residents for two years.

This indicator covers a three year period up to the end of 2010-11 and targets are based upon 3% of adjusted baseline budgets. Hillingdon has a target of £24.596m for the three year period up to the end of 2010-11.

During Q2, the council reported that the result for the end of 2008-09 was £24.842m. Thus we are reporting that our council, by the end of the first year, has exceeded its three year target.

Group Action Plan

The eight F&R tasks for achieving value for money include a number of restructuring initiatives that arose out of the 2008-09 Whole Service Review, aimed at producing savings and more efficient operations. Four of these have been completed and one is on target. The three tasks managed by Corporate Property are showing slight slippage, largely due to delays in implementing the Corporate Landlord organisational model. However, in Q3 there has been good progress on the Corporate Landlord model and this will allow some of the slippage to be recovered by the year-end.

F&R Group Budget Monitoring

Revenue

The Committee should note that the budget monitoring position reported still includes Corporate Property Services, even though the management reporting lines have now changed. This was done in order to avoid unnecessary work transferring budgets and to maintain focus on various budget balancing actions.

The Finance & Resources Directorate budgets are projecting a breakeven position at month 6. However, there is a gross pressure of £177k across the F&R Services, which is primarily due to ongoing pressures within Corporate Property Services, as set out below:

- There is an ongoing pressure on income streams from commercial properties of £142k, due to a number of vacant tenancies in the Warnford Industrial Estate (£98k), 192 High Street, where the premises have remained vacant for a number of months (£29k) and a recent vacant unit that exists in Uxbridge Market (£15k).
- There is an anticipated shortfall of £20k on income from schools buy back of FM services, due to schools opting to procure services directly rather than through the FM Team.
- There is a pressure of £15k on the cost of maintaining and keeping secure surplus properties prior to their disposal.

These identified pressures will be managed down through a recovery savings plan, which relates to one off reductions in costs that will occur in this year and other planned activity, yet to be implemented.

Capital

Expenditure to month 6 was £701k out of a revised budget of £2,898k, which accounts for 24% of the total programme budget.

As at month 6, 8 schemes out of a total of 12 schemes have been released from the capital moratorium, 2 have received partial release. The other 2 schemes have not yet been released.

There are a number of major variances identified, which relate to the following schemes:

- (a) ICT Asset Management Strategy has identified schemes totalling £454k, resulting in a projected underspend of £46k.
- (b) The Manor Farm project, which completed in 2008/09, has overspent by £350k, which reflects the final total outstanding amount.
- (c) It is anticipated that the Property Enhancements Programme will underspend by £154k based on the schemes that have been identified as at month 6.
- (d) The £300k overspend on the Civic Centre Electrical Works is due to a number of complications that were identified as part of the installation process that needed to be addressed before any further works could be completed. This overspend is currently being contained within the Civic Centre Enhancements budget.
- (e) There are indications that not all of the funds will be needed from the Civic Centre Security Improvements budget, resulting in an underspend of £201k.
- (f) Civic Centre Enhancements is reporting a £500k underspend, £300k of this to be utilised to fund the pressure identified on the Civic Centre Electrical Works.

2009/10 Revenue Budget Proposals

The following table summarises the position with regards to the 2009/10 Budget proposals that have been factored into the base budget:

	Green	Amber	Red
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Number of Proposals	21	4	2
Percentage	78%	15%	7%

Of the 27 proposals built into the 2009/10 revenue base budget, 21 (78%) are green and have either been completed, or will be completed by the end of the financial year, 4 (15%) are Amber and 2 (7%) are red. The Amber and Red proposals are described in more detail below:

Amber:

- a) **Cease the Lease of Darren House (£45k saving):** As at month 6 this proposal has been delayed due to a delay in the works on the YOT/Link 1A project.
- b) **Transforming the Customer Experience (£250k saving):** As at month 6, no specific proposals have been developed to progress this, but this work has been absorbed into a larger BID project, and some alternative short-term savings have been identified.
- c) **Explore the Potential to Generate Additional Income from Property Functions (£50k saving):** As at month 6, no acceptable proposals have been developed to progress this and, in part, this is due to a greater focus on the Corporate Landlord and other more material costs.
- d) **Uninsured Claims (£450k risk contingency item):** Indications suggest that this will need to be fully called down to meet the cost of uninsured claims.

Red:

- a) **Facilities Management (£150k saving):** There are a number of significant repairs and maintenance backlog issues that need to be addressed, which is having a direct impact on delivering the proposed saving.
- b) **Restructure of Property Services (£125k saving):** Due to the need first to develop an agreed Corporate Property Landlord model, and the time to get this agreed, this proposal has not been able to progress.

Controlling sickness absence

Although dealing with individual staff absences is a day to day management activity, it receives a high level of priority and attention due to the large impact it can have on team output and productivity. The F&R Group ended 2008-09 just within its target and had a good first quarter of 2009-10. Absence increased in the second quarter of 2009-10 leading to a projection of 7.89 days per person by the end of the year. However, latest information shows that Q3 is showing an improvement and the projection is now 7.0 days which is much closer to the target.

The council has taken the swine flu pandemic seriously, taking reasonable precautions and putting a monitoring process in place. Overall, this illness has not adversely impacted the Group, however, it is worth noting that there have been occasions where teams have experienced localised high short-term absence that has created operational difficulties. This has been in teams in which staff spend a significant amount of time at their desks, together, such as in the Contact Centre and Business Support Unit.

	2006-07 Actual	2007-08 Actual	2008-09 Actual	Target 2009-10	Q1 2009-10	Q2 2009-10
F&R Average Absence Days	8.02	9.77	7.28	6.5	6.2 projection	7.89 projection
% of absence that is long term	63.9%	54.8%	54.2%		55%	47%

Reducing use of agency staff

For the last two years, the F&R Senior Management Team has made it a high priority to reduce reliance on agency staff and to endeavour to fill posts with permanent employees. Good progress has been made, and the SMT is confident that the agency staff currently being retained are here for more solid business reasons than previously. This close scrutiny has evident results when looking at the associated expenditure. At the end of Q2, there was a projected year-end expenditure for the F&R Group of £782k compared with £1,703k for the whole year of 2008-09.

The SMT also decided that previous data was not fully reliable and has put more robust measures in place, so it is not possible to provide month-by-month historical figures. However, this table gives a snapshot.

	No. of Vacant Posts	No. of Agency Staff Employed	Actual Year to Date Sept 09	Projected Annual Cost 2009/10	Actual Cost of Agency 2008/09
Finance & Resources total	17	23	£556k	£782k	£1,703k

Electronic payments

Previous reports have referred to measures of “invoices processed electronically”, with results consistently in the region of 96% last year. Clearly, this an objective that has been achieved so, this year, the actual payment method is being monitored. Our aim is to maximise payments through the BACS method, rather than by cheque, because it is quicker and the processing costs are lower. The table below shows good progress being made.

	2007-08 Actual	2008-09 Actual	Target 2009-10	Q1 2009-10	Q2 2009-10
Payments by BACS	75%	88%	90%	91%	91%

SECTION C – STRENGTHENING PLANNING & PERFORMANCE

Achievement of HIP deliverables against quality, time & cost

All the HIP workstreams led by F&R (Estates Management, Corporate Finance, and Customer Experience) have remained on track throughout this period.

Group Action Plan

The theme of strengthening planning and performance plays a major part in the F&R Group Plan and there are 9 tasks of which seven have been completed and one is on target. These include the production of a single ICT development plan, focussing all construction projects on the Major Construction Projects team and reviewing all cash-flow activity in the council. The one task showing some slippage is to implement a single system for receiving payments over the internet and, although making progress, this is now due for completion in June 2010.

Corporate Critical Performance Data

In 2008-09, we resolved to identify key performance indicators at a group and local level and implement an effective monitoring and reporting process, using the wealth of local performance data within the F&R group that is collated and analysed at service and team manager level.

The following table shows critical performance indicators which have been agreed by the Senior Management Team and are reviewed regularly with the aim of adding value to the effective management of the business. These are supplemented by a number of local performance indicators, some of which are included in section A.

PI Code	National/Key/ Local Indicator & Council Theme	Description	Actual 2007-08	Actual 2008-09	Target 2009-10	Outturn Q1	Outturn Q2
NI14	National - SCC/AVM	Avoidable Contact; the proportion of customer contact that is of low or no value to the customer	n/a	30.00%	No target set	n/a	To be reported.
NI179	National - AVM	Value for Money; total net value of on-going cash-releasing value for money gains that have impacted since the start of the 2008-09 financial year	n/a	£24,842k	£24,596k by 2010/11	n/a	Mid year published forecast is £29,264k
CP	PB	Freeze council tax for all Hillingdon residents for two years.	n/a	n/a	On Target	Implemented for 09/10	Implemented for 09/10
FR002	AVM	F&R Group expenditure within budget		£592k overspend	Breakeven inc. planned £135k underspend	£210k overspend	£127k overspend
FR003	AVM	Service Review action plans on track	n/a		All on track	78% completed or on track	78% completed or on track
FR004	AVM	F&R Sickness absence	9.77 days	7.32 days	6.50 days	6.2 days	7.89 days
FR103	AVM	Expenditure on all F&R agency, consultancy and contract staff	£3,181k	18.67%	10% of total salaries	8.64%	8.50%
BV8	SCC	Percentage of undisputed invoices paid within 30 days	97.70%	98.7%	99%	99.09%	99.32%
BV9	AVM	Proportion of council tax collected	96.30%	96.3%	96.30%	30.98%	57.1%
BV10	AVM	Percentage of non-domestic rates collected	99.30%	99.3%	99.30%	31.40%	59.7%

SECTION D – BUILDING A CULTURE FOR SUCCESS

Group Action Plan

In further building a culture for success, the F&R Group has made good progress, with tightening objectives, with all team plans being loaded on the Excelsis system and 100% of staff with a PADA.

Service Review

Service reviews are fundamental and integrated reviews which are designed to improve services so they can:

- be provided to a level and quality designed to meet the needs of local residents and increase residents' satisfaction;
- be priced at a level that local residents are willing to pay (through charges and taxes);
- be competitive with other potential suppliers;
- be capable of securing continuous improvement over time;
- meet the needs of the council's MTFE and identify cashable efficiency gains; and,
- be organised and designed and their staff skilled-up to meet the corporate vision, aims and standards in a consistent way.

For F&R (together with DCEO), the Service Review was carried out in Q2 and Q3 of 2008-09 and agreed by Cabinet in January 2009. The resultant actions plans formed a large part of the 2009-10 Group Plan, and the first half of the year was devoted to completing the implementation of most of these.

Team Bonus Targets

HIP team bonus is a key tool for driving improvement through the council and is an important element of becoming a modern, well-managed council delivering excellent services.

In rewarding excellence and council staff's drive for improvement, HIP team bonus has the objective of boosting employee engagement with the work of the council, and creating a culture of achievement across the council. Furthermore, it will reinforce the connection between delivering services and raising residents' satisfaction.

All teams in F&R participate in the scheme and, in Q1, it was announced that the ICT Operational Delivery team had won the 2008-09 award for Best Performing Support Team. All team bonus targets for 2009-10 have been approved by the Corporate Director and Cabinet Portfolio Holder.

Achievements

At the end of each quarter, achievements are collected from each of the service areas and the more significant ones identified are passed to the corporate performance team. The table below shows these for the first half of the year:

F&R Achievements for Q1 and Q2 2009-10

	Contributing to						
	Council Plan	Community Strategy	LAA	HIP	Good News	Equalities	Value for Money
SERVING OUR COMMUNITY AND CUSTOMERS							
The Procurement team worked closely with Community Resources and the Economic Development team to secure £44,000 of grant funding for the development of Heathrow Area Supply Chain.	●	●					●
The completion of IT work for the new North Chapel at Breakspear Crematorium has allowed new technology to be used to enhance services. An example of this involved a webcast of a service to Perth, Australia.	●			●	●	●	●
Despite the harsh economic conditions, the NNDR achieved the second best outturn for NNDR collection out of all the London Boroughs.	●				●		●
The Hillingdon First Card was launched this quarter, which was led by the ICT team. The Contact Centre also gave a great deal of support by dealing with an additional 12418 contacts in connection with the launch of the Hillingdon First Card.				●	●		
Achieving Value for Money							
An energy savings pilot was rolled out to Mezzanine, 4N, 3N, contact centre and Yiewsley district housing office. This involved the "power down" of phones not in use after business hours, which allows power, heat and electrical savings to be made on a daily basis, thus reducing the carbon footprint by LBH.			●			●	
The Schools Finance Team has helped schools monitor their budgets more effectively, and consequently there has been a reduction of the carry forward surplus.	●				●		●
Strengthening Planning & Performance							
The Network Communications Team won the Good Communications award which was presented to the Local Authority or Central Government Department that demonstrated the most effective use of a new or emerging communication technology (eg Voice over IP, SMS).	●					●	
The Corporate Finance team completed the Final Accounts by an earlier date than any previous year. The Accounts were approved by Audit Committee on 29th June.	●						
Building a culture for success							
Our website was tested for compliance, function, performance and accessibility by Sitemorse and given 1st place out of 428 council websites.	●				●	●	
The ASCHH team have just completed 3 presentations across the country (Lancs, Chester & London) showcasing how ASCHH Finance team have increased client income by £1m per annum in real terms through modernising and joining up electronically all finance and ASC systems.	●				●		●

