

Report of: Chief Executive

To: Executive Board

Date: 13th March 2006

Item No:

Title of Report : 3rd Quarter Performance Report

Summary and Recommendations

Purpose of report: This report highlights the performance for the 3rd Quarter (October – December 2005)

Key decision: No

Portfolio Holder: Alex Hollingsworth

Scrutiny Responsibility: Finance

Board(s) affected: All

Report Approved by: Lindsay Cane, Legal Services

Policy Framework: Oxford Plan

Recommendation(s): Note the report

Background and context

1 In November 2005, Finance Scrutiny requested the quarterly performance monitoring to be a highlight report from the Chief Executive on Key Best Value Performance Indicators and progress against the Oxford Plan. Directors will be present at scrutiny meetings to expand on any performance issues. Appendix A shows the third quarter results for the 23 Key Performance Indicators.

2 The Directors and Chief Executive now have a monthly performance workshop where issues on performance are analysed. The first of these was held in February.

3 There is now a clear monitoring structure in place with more emphasis on director leadership. Directorate meetings are held with Business Managers to discuss progress made and areas of concern for BVPIs, corporate projects and progress against plans. It is hoped that this co-ordinated approach will:

1. Provide focus and enable us to be more proactive rather than reactive. This will also add value in external inspections
2. Stop unnecessary duplication of monitoring
3. Encourage changes in service delivery based on customers comments / concerns

4. Allow time to share good practice / learning throughout the organisation

Summary of Performance Indicators

4 There are a total of 23 key performance indicators being collected quarterly. Results have not been collected for 2 indicators. The main messages about Key BVPI performance for this quarter are:

- 57% show an improvement and 43% show a decline on the same period last year.
- Of those collected, 29% (6) BVPIs are predicted to meet the year-end target, 71% (15) are predicted to be below the year-end target.
- Areas where there have been significant improvements are land charges, rent collection and invoice payments.
- Performance has declined notably in benefits (speed of benefit claims, processing changes of circumstances and recoverable overpayments) and sickness absence.

Improvements

5 For the second year running Rent Collection (BV66a) continues to improve. The amount collected over the last three quarters (dwellings and garages) now stands at £21,144,607, which at 98.02% of the total amount collectable. This is just 0.18% short of the year-end target. This is an excellent result, particularly as these figures take into account the lead up to the Christmas period, when historically the amount of rent collected tends to fall. We remain confident that we will meet the year-end target of 98.20%.

Action – Continuing good practice. Further detail is in the February Housing Scrutiny performance report.

6 Payment of Invoices (BV008) - the third quarter result was positive although it must be noted that there has been a disappointing January result of 89.06%, which brought the year to date down to 93.55%. However we remain on target and are performing better than last year. **Action** - Purchase cards will be rolled out in March, which should see further improvements. Continuing training and monitoring.

7 Improvement has continued with Land Charges (BV179). Local Land Charges form a link in the conveyancing process of properties. Solicitors submit the vast majority of searches, many of whom are signing up to 'NLIS' (National Land Information Services). This enables searches to be submitted electronically and so speeds up the whole process. This indicator has largely improved due to closer management. Process changes have involved four business units. It is positive to see that simple system changes can be made. The process management lessons are being transferred to other indicators. It is important to share knowledge and best practice.

Action – Continue good practice.

Areas of concern

8 The third quarter demonstrates that 3.35 days per employee have been lost through sickness absence (BV12). This equates to 8.94 days on a cumulative basis for the year. Using trends from previous years we can predict that the year-end result is likely to be around 11.6 days. This is above our revised year-end target of 10.5 days. It is clear from these results that the interventions made to date are not achieving a

consistent improvement in absence levels. This is a disappointing BVPI result but it must be noted that this does not mean every employee takes this many days sickness absence. Broadly speaking, 20% of the staff takes 80% of the sickness. Around one third of employees have not had any time off sick this quarter.

Action – We have been focusing on data collection and validation. Business Managers and Directors are getting monthly summary reports and there is training available to all managers. We have strengthened Occupational Health resources and formalised the back to work interviews. Over a third of the Council's employees will be part of a six-month pilot (OBS, City Works and Revenues and Benefits) with Diagnostic Health Solutions. For further details please refer to the report by Anne-Marie Scott.

- 9 Benefits (BV78 / 79) made rapid improvements last year but have fallen back for a number of reasons that have been well documented over the year. However the results are around the Local Authority average and we are close to the national target of 36 days. Results have slipped as the service has suffered from high staff turnover, the Government changing processing rules and the workload increasing significantly.

Action – The Benefits team is working through the Improvement Plan that was agreed in the BFI inspection:- working on all documents meeting Government standard; completing the CIPFA and 'Benx' benchmarking exercises; reporting to scrutiny and the Council's Improvement Board on productivity; sharing process management techniques with external agencies. The Audit Commission will also be completing a 'Value for Money' reassessment of the benefits function in March. For further details please refer to the report by Paul Warters.

- 10 The collection rate for Council tax (BV009) and Business rates (BV10) has reduced. However, the key focus for revenues is not the BVPI, but to collect as much money as possible, as quickly as possible, from as many people as possible.

Action - We are continuing to increase the number of people who pay by direct debit as there is a strong association between the use of direct debit and high levels of collection rates. We have reviewed our debt-collecting processes. We are targeting recovery on older debts (those owing for more than one year) which is approximately £10m. We have introduced an out-of-hours telephone answering service. A new firm of solicitors is working on cases. Full Council in February agreed to further improve performance by co-operating with other local authorities and outsourcing responsibility for collection to an external provider. The Council tax base has risen and more effort is being placed in confirming discounts and exemptions.

- 11 New information on the requirements of the Equalities Standard (BV02) was released to authorities in January. No authority will be able to declare that it is at Level 3 of the Standard unless it has been formally validated by the Audit Commission. Whilst we are confident that we will have met the necessary requirements, we will need to seek external validation before we can officially be recognised as having reached Level 3. The Audit Commission has not been able to give a clear timetable for validation.

Action – Continue striving towards level 4 of the equalities standard and report progress on validation.

Progress against the Oxford Plan

- 12** The committee requested an update by exception on progress against the measures in the Oxford Plan. There are 61 measures in total, 28 are short term with a delivery date of March 2006. These 28 are listed in Appendix B. Of the 28 short-term measures; 22 are progressing, 6 are anticipated not to be achieved within this timescale. The six are listed below with commentary for actions (items 13 – 18). Appendix D lists progress against all 61 statements.
- 13** **Achieve Level 3 of the Equalities Standard by March 2006**
Work has progressed but we need to seek external validation, this may not be achieved within the March 2006 timescale (expected summer 2006). This links to BV2a, please refer to earlier text.
- 14** **Reduce days lost at work through sickness to an average of less than 8.93 days per person by March 2006**
Members have revised our target. This links to BV12, please refer to earlier text.
- 15** **Improve customer service by continued implementation of the corporate Customer Contact Strategy. Redesign service delivery to meet customer need according to proposals and costings agreed by SMB by May 2005**
Report received by Improvement Reference Group in August. Recommendations are being implemented.
- 16** **Provide Customer Relationship Management software across the Council and deliver training to staff using it by March 2006**
City Works pilot scheme in progress. Integrated CRM project stopped following project review, data warehousing project undertaken instead.
- 17** **Provide a structure of supporting documents to our revised financial regulations by March 2006**
Some supporting documents have been updated (others are still to do) in part because of staff shortages. A major upgrade to constitutional documents now is underway and further supporting document changes will follow this work.
- 18** **Deliver basic financial training to all Business Managers and interested Councillors by March 2006**
This is programmed to start in May – delayed due to staff shortages.
- Customer feedback**
- 19** Appendix C lists the consultation exercises that are happening in each business unit. Further cross-referencing is needed in this area as we are still viewing the feedback in isolation. Directors' performance workshops will have emphasis on trying to embed knowledge gained from customers into business / strategy changes. Once the development of the customer satisfaction index is complete it will be easier to evidence the changes in our customer perceptions over time.
- 20** The Customer Satisfaction Index is a measure of customer satisfaction that can be monitored over time. On November 3rd successful focus groups were held to find out what was important to our customers' about the services the Council provides The results of these discussions helped to form a questionnaire which was sent out in

December to 5,000 randomly sampled households across the City (using the electoral role). A similar technique was used by Stratford on Avon who recommended the customer satisfaction index as an excellent way of measuring and monitoring customer satisfaction. The results of this survey will be available in February and will enable business unit managers to create priorities for improvements.

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Background papers: None



Appendix A: 3rd Quarter Monitoring, Key Performance Indicators October – December 2005

Green = Above target, getting better Amber = Not on target but getting better Red = Not on target and getting worse

| BVPI | Polarity | Result | 2005/06 Year end Target | Year end predications on Target? | 20004/05 Quartile position | Current Performance |
|--|----------|------------------------------|-------------------------|----------------------------------|----------------------------|---------------------|
| Corporate | | | | | | |
| BV008 % invoices paid within 30 days | High | 93.76% | 95% | ✓ | Worst | Green |
| BV012 Sickness absence | Low | 8.94 days | 10.5 days | ✗ | Worst | Red |
| Chief Executive | | | | | | |
| BV002a Equality Standard for Local Government | High | Level 1 | Level 3 | ✓ | N/a | Green |
| BV016a % employees declaring DDA | High | 1.55% | 3.00% | ✗ | Worst | Amber |
| BV017a % employees from BME Communities | High | 6.8% | 7.0% | ✗ | Best | Amber |
| Finance and Corporate Services | | | | | | |
| BV009 collection rates for Council Tax | High | 81.96% | 98.50% | ✗ | Worst | Red |
| BV010 collection rates for NNDR | High | 88.1% | 99.12% | ✗ | Second | Red |
| BV078a average time for processing claims | Low | 38.94 days | 36 days | ✗ | Second | Red |
| BV078b process change of circumstances | Low | 23.84 days | 15 days | ✗ | Worst | Red |
| BV079a % cases calculation of benefit correct | High | 94.67% | 95.00% | ✗ | Worst | Amber |
| BV079b (i) this years overpayments recovered | High | 69.99% | 98.50% | ✗ | N/a | Red |
| BV079b (ii) this years and last years over payments recovered | High | 31.29% | 45.00% | ✗ | N/a | Red |
| BV079 (iii) this year and last years overpayments written off | Low | 1.58% | 4.00% | ✗ | N/a | Red |
| BV157 % interactions delivered electronically | High | 86% | 100% | ✗ | Best | Amber |
| BV179 % standard searches in 10 working days | High | 96.31% | 90.00% | ✓ | Worst | Green |
| Housing Health and Community | | | | | | |
| BV066a % housing rent collected | High | 98.20% | 98.20% | ✓ | Best | Green |
| BV184a % Non-decent homes at April 2005 | Low | 31.1% | 30% | ✓ | Third | Amber |
| BV203 - % change families temp accommodation | High | -1.48% | -8.00% | ✗ | New N/a | New N/a |
| BV211a Proportion of planned repairs & maintenance expenditure on HRA dwellings compared to responsive maintenance expenditure | High | Result still to be collected | New N/a | New N/a | New N/a | New N/a |
| BV211b Proportion of expenditure on emergency and urgent repairs to HRA dwellings compared to non-urgent repairs | Low | Result still to be collected | New N/a | New N/a | New N/a | New N/a |
| Physical Environment | | | | | | |
| BV82 a % household waste recycled | High | 14.60% | 18.00% | ✗ | Third | Amber |

| BVPI | Polarity | Result | 2005/06 Year end Target | Year end predications on Target? | 20004/05 Quartile position | Current Performance |
|---|-----------------|---------------|--------------------------------|---|-----------------------------------|----------------------------|
| BV109a % major planning applications determined in 13 wks | High | 76% | 57% | ✓ | Third | Green |
| BV204 Percentage pf appeals allowed | Low | 42% | 33% | ✗ | N/a | New N/a |

Appendix B: 28 Statements in Oxford Plan with a delivery date of March 2006.

Appendix C: Consultation activities within the business units

Appendix D: Progress against all statements in Oxford Plan