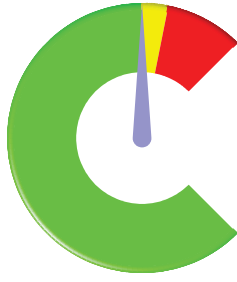


Appendix E Integrated Report- Organisational Development and Corporate Services Q2 2013

Financial Performance

Transformation



Budget: £926,000
Forecast: £926,000
Variance: £0
Prev Mth: £926,000
Movement: £0

Business Improvement & Technology



Budget: £3,803,460
Forecast: £3,803,460
Variance: £0
Prev Mth: £3,804,000
Movement: -£540

Customer Services



Budget: £2,785,000
Forecast: £2,907,000
Variance: £122,000
Prev Mth: £3,015,000
Movement: -£108,000

Finance



Budget: £2,186,000
Forecast: £2,150,000
Variance: £-36,000
Prev Mth: £2,150,000
Movement: £0

Human Resources & Facilities



Budget: £1,557,000
Forecast: £1,664,000
Variance: £107,000
Prev Mth: £1,696,000
Movement: £-32,000

Law and Governance



Budget: £2,569,000
Forecast: £2,649,000
Variance: £80,000
Prev Mth: £2,649,000
Movement: £0

Performance Summary

Service	No Data	Red	Amber	Green
Business Improvement and Technology	0 (0%)	1 (17%)	0 (0%)	5 (83%)
Customer Services	5 (42%)	3 (25%)	1 (8%)	3 (25%)
Finance	0 (0%)	4 (25%)	5 (31%)	7 (44%)
Human Resources and Facilities	0 (0%)	2 (40%)	1 (20%)	2 (40%)
Law and Governance	0 (0%)	0 (0%)	0 (0%)	2 (100%)
Total	5 (12%)	10 (24%)	7 (17%)	19 (46%)
Previous Quarter	No Data	Red	Amber	Green
	6 (15%)	9 (32%)	4 (17%)	22 (54%)

Direction of Travel

Service	No Data	Declining	No Change	Improving
Business Improvement and Technology	0 (0%)	0 (0%)	2 (67%)	1 (33%)
Customer Services	0 (0%)	6 (50%)	0 (0%)	6 (50%)
Finance	0 (0%)	3 (19%)	8 (50%)	5 (31%)
Human Resources and Facilities	0 (0%)	2 (40%)	1 (20%)	2 (40%)
Law and Governance	0 (0%)	0 (0%)	2 (100%)	0 (0%)
Grand Total	0 (0%)	11 (29%)	13 (34%)	14 (37%)

Risk Summary

Service	No Data	Red	Amber	Green
Business Improvement and Technology	0 (0%)	0 (0%)	4 (67%)	2 (33%)
Customer Services	0 (0%)	0 (0%)	0 (0%)	6 (100%)
Finance	0 (0%)	0 (0%)	4 (50%)	4 (50%)
Human Resources and Facilities	0 (0%)	1 (20%)	1 (20%)	3 (60%)
Law and Governance	0 (0%)	0 (0%)	2 (50%)	2 (50%)
Total	0 (0%)	1 (3%)	11 (38%)	17 (59%)
Previous Quarter	No Data	Red	Amber	Green
	0 (0%)	2 (7%)	11 (28%)	15 (35%)

Direction of Travel

Service	No Data	Declining	No change	Improving
Business Improvement and Technology	1 (17%)	1 (17%)	3 (50%)	1 (17%)
Customer Services	0 (0%)	2 (33%)	4 (67%)	0 (0%)
Finance	0 (0%)	0 (0%)	6 (75%)	2 (25%)
Human Resources and Facilities	1 (17%)	1 (17%)	3 (50%)	1 (17%)
Law and Governance	0 (0%)	0 (0%)	2 (50%)	2 (50%)
Total	2 (7%)	4 (13%)	18 (60%)	6 (20%)

Directorate Overview

Overall the Directorate is forecasting an overspend against budget and a number of indicators show some concern. Compared to a latest budget position of £13.827 million the Directorate is forecast to be approximately £273k (1.97%) overspent at year end due to unachieved Town Hall income and unachieved savings in the Customer Services Revenues Team. Mitigating factors have been introduced to reduce the impact of these overspends. In terms of performance indicators almost half are on target or exceeding target with 24% below target including payment of invoices and housing benefit processing times (see below for details). On the positive side 71% show either no change or an improvement since last month. There is only 1 service risk of concern which relates to unachieved income in the Town Hall and measures have been put in place to increase sales in this area.

1. Directorate Financial Performance

Business Improvement and Technology

Current budgetary projections suggest that the service area will spend within latest approved estimate levels. However, in order for this to be achieved further efficiencies associated with new Telephony contracts need to be delivered.

Customer Services

The Customer Services area is projecting a year end adverse position of £122k, which is £108k lower than that reported last month and £104k lower than that reported for Quarter 1. This has been caused by £60k associated with additional temporary staff employed within the Contact Centre, offset slightly by £26k savings associated with Supplies and Services purchases. The Revenues area is predicting a £149k adverse variance at year end due to an unachievable saving associated with the proposed in-year restructure of the Revenue and Rents team. This pressure is reduced by £100k of additional court cost income (this is a net position after taking account of associated bad debts). Housing Benefits are predicted to be a net £39k overspent at year end. A contributing factor of this overspend are associated budgetary pressures arising as a result of a 20% increase in HB caseload.

Finance

Finance is forecast to achieve savings of £36k at the end of the financial year, arising from reduced Internal Audit fees.

Human Resources and Facilities

Human Resources and Facilities are projected to be overspent at year end by £107k. This is £32k lower than that reported for August and £100k lower than that reported in Quarter 1. This has been caused by unachievable income targets for the Town Hall amounting to £160k. A £50k pressure in post room income and a £10k increase in additional supplies and services. The overall pressures are being offset to some degree by turnover savings of £23k in salaries in HR due to structure changes, and a £90k favourable variance on the Apprentices due to 2 year contracts starting midway though 2012/13 rather than at the beginning.

Law and Governance

Law and Governance is projecting an £80k overspend at year-end. The forecast overspend includes a £75k pressure on employees costs due to a base budget shortfall of £79k and maternity cover costs that have been partly offset by £4k of in-year vacancy savings. In addition there are pressures against unachievable income targets in Democratic Services and Elections Services totalling £5k.

2. Directorate Performance - Exceptions

Finance:

The Service is performing well in some areas, with above target performance for the percentage of orders issued electronically and the percentage of income taken electronically. Performance on debt is also above target, with the percentage of debt more than 12 months old now only 7% (compared to a target of 20%) and the percentage of debtor invoices paid within 30 days at 63% (compared to a target of 55%)

The percentage of invoices paid by BACS is at 77% and remains below target of 85% for year to date. However, performance in September improved to 88%. The percentage of invoices paid on time has improved this month to 92.9%, with most service units improving on last month's performance, but this unfortunately is still some way short of the target of 97%. The percentage of remittances emailed has shown poor results this month, so a member of the Payments Team has been tasked with contacting all the suppliers on the print run for September to obtain email details. A steady trickle of new Direct Debit payers is being seen, and staff are still pushing these to existing and new customers, but performance is 10% compared to a 15% target.

Number of housing benefits investigations per 1,000 caseload remains below target but is moving back on track now that cases are being investigated and concluded. Housing benefit prosecutions are at intervention level, but with a number of cases at various stages of progress it is anticipated that the annual target will be met.

There has been no progress against the target for dwellings returned through prosecutions. Little case law exists on criminal prosecution for tenancy fraud to date. This will change with the proposed changes in Housing Law making the subletting a social housing property a criminal offence within housing legislation.

Investment return above base rate has, unfortunately, dropped just below target. This is due to increased balances and rapidly reducing LIBID rates which have lead to a further deterioration in investment return.

Human Resources and Facilities:

Days lost to sickness is currently at 3 days per FTE and so performing better than its periodic target of 4 days. A new attendance management policy is being launched in August to help identify and support staff with attendance problems, and a well-being programme being launched with an emphasis on preventative action around sickness

There is a £160k pressure on the town hall income due to income targets being increased (to meet necessary savings requirements). A new sales officer and new processes are in place to push sales and are helping to address the shortfall. Other impacts include the Main Hall being unavailable for bookings at various times due to maintenance (e.g. work to the balconies meaning the hall was unable to be booked for 2 months) a, 9 month delay in Café opening (now open) and loss of long term bookings. A consultant is working on short and medium term plans aimed to increase income and ensure we have appropriate arrangements in place to maximise this,

Percentage of employees with a disability have increased recently as a result of more employees declaring a disability, which is a positive step as it allows the Council to manage their needs more effectively. The percentage of staff from ethnic minorities is significantly below target. Work is underway to understand what barriers to employment there may be from various communities in the City and then we will take steps to overcome those barriers. We will be focusing on raising the profile of the Council as an employer of choice in 2012/13. The recently-hired new apprentice cohort was encouraging in terms of diversity of appointees

Customer Service:

The percentage of business rates collected is performing well at 60.18% - ahead of its periodic target of 58% for September, which equates to £1,838k in excess of expectations for this point in the year. The percentage of rent collected is also performing in excess of its target at 94.72%.

Council tax collection: As at the end of September the collection rate stood at 56.80%, just short of the profiled target of 57% and down on last year's equivalent result of 57.05%. It is hoped this

situation will improve during October.

Customers getting through first time on Council's main service lines: We are continuing to work through the Improvement Plan for the Contact Centre. Some of the improvements are as follows: The hardware and software used by the contact centre has been upgraded to improve the system response time; a resilience contract to handle the overflow calls is being finalised; a comprehensive training programme for all customer contact staff is in train to ensure all staff can answer the full range of service enquiries; a performance framework for all staff has been agreed, implemented and individual performance is being carefully managed; and a contract for new contact centre telephony software is being let. The number of telephony options offered to customers is being reviewed and it is anticipated these will reduce and make it easier for customers to select the appropriate option. In terms of the efficiency of the contact centre, the percentage of enquiries resolved without hand off to the back office is well above target at 91.2% as a result of ongoing training and individual quality checks. In conjunction with the improving customer satisfaction targets this indicates a quality front line customer service experience providing good levels of accessibility to Council services.

Housing Benefits changes in circumstances: The average processing time in September was 11.86 days which has improved the year to date result from 12.15 days at the end of Aug to 12.09 days at the end of September. The target is 10 days. Due to the nature of the work performance times are usually much lower towards the end of the year, and so we should meet this target. Performance at the end of 2011/12 was 11.97 days, so hitting the 10 day target will demonstrate a significant improvement for the City Council in this area. The average processing time for new claims during September was 21.67 days which has improved the year to date result from 23.06 days at the end of Aug to 22.87 days at the end of September. The target this year is 14 days. It is important to bear in mind that this is an extremely ambitious target. Last year's performance was 19.5 days which represented top quartile performance nationally. The introduction of risk based verification for new claims, which we are expecting to implement in this quarter, will see a reduction in the supporting evidence required for low risk new claims, and should further contribute to moving towards our 14 day target. It is also interesting to note that the DWP are noticing a quarter on quarter deterioration in performance nationally in benefit processing times, however, The City Council performance is improving.

Data for complaints and compliments is shown as missing as there are no targets set for monthly performance

Business Improvement and Technology

Savings identified from business process re-engineering now stand at £448,997 which means the target for the year has already been achieved. The procurement savings are on track to be delivered this year.

The Procurement Team continue to attract local suppliers to win work with the Council and provide training and support to local businesses.

Percentage of quarterly milestones within the ICT strategy achieved within timescale: Performance is currently 50% compared to a periodic target of 85%. This has been due in part to staff restructuring

3. Risk Performance- Exceptions

HR & facilities

There has been difficulty so far this financial year to meet our income targets for the Town Hall; we have taken action to address this which includes putting in additional resources to follow up quickly on enquiries and quotes, opening up other marketing and sales opportunities and setting out a business case for the development of town hall income.