



AGENDA ITEM:

SUMMARY

Report for:	Finance & Resources Overview & Scrutiny
Date of meeting:	12 June 2012
PART:	1
If Part II, reason:	

Title of report:	
Contact:	Nick Tiley, Portfolio Holder for Finance & Resources Author/Responsible Officer: Shane Flynn, Assistant Director (Finance & Resources)
Purpose of report:	To provide the Committee with analysis of performance of services and functions provided by Finance & Resources to 31 March 2012
Recommendations	That the Committee notes the contents of the report and the performance of Finance & Resources to the end of Quarter 4, 2011/12.
Corporate objectives:	The provision of effective financial services and the allocation of resources such as building assets and facilities management support all five of the Council's corporate objectives, with particular reference to the <i>Dacorum Delivers (internal operations)</i> and, through the Revenues, Benefits and Fraud division, <i>Building Community Capacity</i> .
Implications:	<u>Financial</u>
'Value For Money Implications'	<p>Actions to address the growing workload in Revenues and Benefits resulted in short term resource requirements in the region of £50,000 during the final quarter. The costs were offset by underspends in other areas. These pressures will continue into 2012/13 and actions are required to address this.</p> <p><u>Value for Money</u></p> <p>There are no specific value for money implications in the report. Following a Cabinet decision in December 2011, the Facilities Management service within the Commercial Assets &</p>

	Property Development division was subject to market testing and was transferred to Serco on 2 May 2012. This will save costs of approximately £100,000 per year over the lifetime of the four-year contract.
Risk Implications	A Risk Assessment is completed for each service area as part of the annual service planning process and is reviewed quarterly.
Equalities Implications	An Equality Impact Assessment is completed for each service area as part of the annual service planning process and is reviewed quarterly.
Health And Safety Implications	There are no health and safety implications
Consultees:	Group Manager (Commerical Assets & Property Development) Group Manager (Financial Services) Group Manager (Revenues, Benefits & Fraud)
Background papers:	Finance & Resources Service Plan 2011/12

1. Introduction

- 1.1. Performance reports are produced quarterly from the Council's performance management system, CorVu. The service performance report for quarter 4 (January to March 2012), shows a summary of the performance information available for Finance & Resources. Full reports are available on the CorVu Portal on the Council's Intranet. The data relates to the position as at 31st March 2012.
- 1.2. Detailed performance indicators and commentary on progress against agreed targets and against previous periods are annexed. Significant variations from performance are considered below along with progress updates on key initiatives within the sub-directorate.

2. Commercial Assets and Property Development

- 2.1. Commercial Assets had one indicator in quarter 3 showing red against the agreed target which has now been resolved:

CP02 – Percentage arrears on commercial property rents (9.24% against a target of 9.5%: 14.05% for 3rd quarter).

- 2.2. The economic downturn has created pressures for local businesses. Those that occupy premises let by the Council are no exception to this. Also, during 2011/12 the Estates Management service has been taking all opportunities provided by rent reviews and changes of tenant to place rents on a commercial basis, as required by the Council under its fees and charges policy. Both of these general factors resulted in increased levels of arrears during the 3rd quarter, but additional focus has brought income back on line in the final quarter. It should also be noted that there has been no overall decline in occupation rates, which remain very high.

2.3. Income from parking came in slightly below target:

PS01 – Total car parking income received (£2,121,650 against a target of £2,130,340)

2.4. Income from car parking has been below target for much of the year and recovered well in the post-Christmas period, particularly in comparison with 2010/12 where adverse weather was a significant factor. A strategic review of car parking which is designed to consider alternative approaches to charging and use of car parks is scheduled for later this year.

2.5. It has taken some time to complete fully the phase 2 reorganisation of the Commercial Assets and Property Development. This is due to revised approaches towards an appropriate structure for this set of activities. However, the reorganisation is now and this will enable a stronger focus on delivery. Actions that have been completed to date include:

- appointment of a Team Leader for Building Services
- appointment of a Team Leader for Estates Management (to start in May 2012)
- Cabinet decision to transfer Facilities Management to Serco,
- review of possible flexible working arrangements amongst the Cemeteries Team which may include opening cemeteries for burials on Saturdays.

2.6. During this quarter the division has also:

- drafted a Strategic Asset Management Plan (to Cabinet on 24 April 2012) which will provide the context for detailed workstreams designed to maximise the value of the Council's assets
- been closely involved in many of the major corporate projects, such as the Public Service Quarter initiative, development of the old Town and Old Town Hall and proposals for development of Jarman Park
- acquired, through active business management, three strategic assets to support the above initiatives and strengthen the Council's asset base
- finalised plans to relocate to the first ground floor that will result in all three divisions of Finance & Resources being brought together within the Civic Centre, thus achieving greater integration across revenues and resources teams
- achieved ParkMark accreditation in Gadebridge Lane, The Nap and Langley Hill car parks.

3. Financial Services

- 3.1. There is one indicator within the Financial Services area that is showing red against the agreed target:

ACC01 - Percentage of creditor trade invoices paid within 30 days
(83.4% against a target of 95.0% for the year)

- 3.2. A process of reforming the Council's approach to paying short-term creditors is being implemented within all directorates. The purchasing project, which enforces stricter protocol for raising purchase offers, receipting goods and raising invoices was completed in the final quarter. This has already had a significant impact with an improvement to 86.8% in the quarter compared to 79.3% in quarter 3 and to over 90% for the last two months of the quarter.
- 3.3. Further improvement is expected in 2012/13 and will be strengthened further by the introduction of the Government Procurement Card. The division will also finalise two outstanding items from the change of bank exercise: closure of the Lloyds bank account and ending of payment by cheque except in essential cases.
- 3.4. All financial targets were revised along with the revised budget at the end of quarter 3 but there were still instances of underspending against both revenue and capital budgets. Resolving the problem of underspending will be the main focus of Financial Services in 2012/13.

4. Revenues, Benefits & Fraud

- 4.1. A full report on Revenues, Benefits and Fraud was presented to the committee on 30 March 2012.
- 4.2. The Benefits service had been subject to increasing pressure due to the economic downturn. As at March 2011 the live caseload stood at 10,824 which was the highest on record. The caseload has increased to 10,998 as at 31 March 2012. This is the first year in which the number of households we are helping has risen above 11,000. Out of this total, we help about 9,200 households with their rent, and about 10,000 with Council Tax.
- 4.3. This dramatic increase in workload has been exacerbated by the introduction of the ATLAS direct reporting system, by which changes in tax credits are automatically notified to us by government departments. This ensures that more changes are identified but manual adjustments have to be made and additional information requested from the customer, which has added a layer of processing.
- 4.4. As a result of these pressures and other factors, such as high levels of maternity leave and the loss of two permanent staff members, processing backlogs have increased. Benefits officers undertook a campaign to reduce these during quarter 3 and the backlog was cleared in time for annual billing in February. However, phase 2 of the ATLAS programme has had a further impact on processing times, resulting in an average for the quarter of 27.2 days to process each new claim. In overall terms the average processing time has remained below target for most of the year:

RBF 01 - Average time taken to decide a new claim for Housing Benefit or Council Tax Benefit (25.4 days against a target of 21.5 days for the year)

- 4.5. The processing time for changes to existing claims, on the other hand, improved during the final quarter compared to quarter 3. The processing time was reduced to 10.7 days (compared to 19.8 days in quarter 3) which brought the overall average for the year very close to target:

RBF 02 - Average time taken to decide a change event for Housing Benefit or Council Tax Benefit (13.6 days against a target of 13.5 days)

- 4.6. An action plan for addressing the continuing workload pressures has been developed including:
- the introduction of new performance management processes supported by external consultants Liberata
 - a pilot project to site benefits staff within the Customer Services Unit to deal with customers reporting changes of circumstances, which is designed to reduce processes
 - reducing time-consuming reconsiderations by providing clearer explanations at the first stage
 - piloting homeworking to improve productivity as part of the Council's wider flexible working project
 - carrying out an end to end process review of the new claim process in order to improve efficiencies
 - increasing capacity by appointing apprentices as posts become vacant and training these from day one in the Council's systems and approaches
- 4.7. During the quarter the service also:
- concluded the introduction of Auddis and Addacs, which simplifies direct debit processes and enables our systems to receive greater support.
 - undertook targeted proactive work on NNDR which resulted in the service exceeding the NNDR collection target at the end of the year
 - established a joint training post with Chiltern DC to ensure that in-house capacity is available during 2012/13 which will be a year of major change in Revenues and Benefits services both nationally and locally.
- 4.8. Counter fraud activities are continuing positively including targeted work on Blue Badges, the implementation of the Council's scheme for publicising information about fraudsters and increased corporate counter-fraud work in partnership with Internal Audit. The team has exceeded its targets for positive outcomes, with a final quarter of 76% and an overall performance for

the year of 62%. This is a very good result that supports the targeted approach that the service takes.

ANNEX

Performance Indicators for Finance and Resources to 31 March 2012

See attached.