

Report to: Corporate Issues Scrutiny
Committee

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Report of: Chief Executive
Director of Corporate Resources

Report No: 20

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Report Title: **Central Departments Service and Financial Performance
monitoring report, second quarter 2007/2008**

Non Confidential: This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose: This report provides the Scrutiny Committee with an overview on the key financial and service performance data from the central departments following the end of the second quarter, 2007/2008.

Recommendations: Scrutiny Committee is asked to consider the performance against the indicators set out in this report and the action being taken

Decision:

**Background Doc(s)
– all enclosed:**

- Appendix A: Performance Dashboard
- Appendix B: Central departments' BVPI exception report
- Appendix C: Central departments' revenue monitor, Q2 2007/2008
- Appendix D: Central departments' contribution to Gershon targets
- Appendix E: Central departments' capital programme 2007/2010

Summary:

This report presents the key financial and service performance data for the first quarter 2007/2008 from the central departments: Corporate Resources, Chief Executive's and Legal and Democratic Services.

The report shows that:-

- Performance of our BVPIs is good, with 88% showing an improvement compared with the same period last year.
- Delivery of Service Improvement Action Plans (SIAPs) milestones is strong with 80% of Q2 tasks being achieved.
- Compliance with corporate customer care standards is good (85% complaints made to the three central departments have been responded to in standard).
- The revenue monitor shows no variances to the budget at this stage.
- Legal Services' trading account is predicted to break even.
- The contribution the three departments are making towards achieving the authority's overall Gershon efficiency targets.
- Capital expenditure is largely on track, although slippage is predicted for the Asset Management Plan as outcomes of the council's change programme are awaited.

More information about each can be found in the enclosed appendices.

INTRODUCTION

1.1 The purpose of this report is to inform the Scrutiny Committee:-

- (i) how the services of the three central departments are performing, as measured by Best Value Performance indicators and other key management information;
- (ii) the 2007/2008 revenue base budget and projections compared to the latest estimate;
- (iii) an assessment of the Legal Services trading account;
- (iv) the contributions made by Corporate Strategy and Finance towards the Authority's overall Gershon efficiency targets, and that these seem likely to be achieved; and
- (v) actual capital expenditure compared to the Capital Programme.

2. DASHBOARD

2.1 See Appendix A

3. PERFORMANCE

3.1 All of the following performance measures are summarised pictorially on the dashboard included with the report (Appendix A).

3.2 BEST VALUE PERFORMANCE INDICATORS

Sixteen of Bolton's 159 BVPIs fall within the three central departments and can be reported at quarter 2. Analysis of these 16 indicators shows that:

- 75% are on target
- 88% have improved compared with the same period last year
- Over half (56%) are projected to be above the top All-England performance quartile
- 1 indicator (BV14) falls within the bottom quartile (see Appendix B for further detail)
- Improvement actions for BVPIs identified as bottom quartile at the end of 2006/07 are being implemented and are having an impact– please see Appendix B for an update.

Action:

Executive Members are requested to work with Directors to improve performance of those indicators that are off target, as well as those within the bottom performance quartile (see Appendix B).

3.3 PRIORITY BVPIs

Twenty-nine of Bolton's priority BVPIs can be assessed at quarter 2. 8 of these indicators fall within the three central departments. Key findings as at the end of the second quarter 2007-08 are:

- 88% are on target and 100% have improved performance since last year
- 60% fall within the top two performing quartiles
- There are no priority indicators that fall within the bottom quartile

Action:

Executive Members are requested to work with Directors to improve performance of those indicators that are off target, as well as those within the bottom performance quartile (see Appendix B).

3.4 Q2 SERVICE IMPROVEMENT ACTION PLAN MONITORING 2007/08

Service Improvement Action Plans (SIAPs) are a key part of our business planning process, enabling managers to plan their work programme throughout the year and track progress in delivering their service's goals. Analysis of progress against milestones set for Q2 2007/08 shows:

- 80% of milestones have been achieved within the three central departments
- Only 18% of milestones were not achieved
- The proportion of milestones achieved has risen compared with the same period last year (72% of SIAP key tasks had been achieved Q2 2006/07)

Action:

Executive Members are asked to work with Directors to improve performance in areas where milestones were not achieved, as part of their regular performance management activities.

3.5 SICKNESS ABSENCE

- Corporate levels of sickness absence have both dropped compared with Q1 2007/08 and Q2 last year and are on target.
- As of Q2 2007/08 the council lost 2.25 days in total through sickness per FTE.
- The Chief Executives department reported 1.26 days, Corporate Resources 3.16 days and Legal and Democratic 2.05 days.

Action:

Executive Members are asked to work with Directors to manage sickness absence levels within departments, ensuring that the revised managing sickness absence framework is implemented fully.

3.6 CORPORATE CUSTOMER CARE STANDARDS

The corporate customer care system monitors progress against the council's customer care standards (excluding social care complaints). It has been fully operational now for over a year. Analysis from within the three central departments as at Q2 2007-08 shows:

- 73 complaints were responded to, 89% within our customer care standard.
- 10% of responses were sent just outside the standard
- Learning logs – which make recommendations for further action or state why a complaint was not responded to - were completed in 97% of cases.

Actions:

- Department Management Teams are working with staff and managers to ensure that – where necessary and appropriate - greater numbers of learning logs are completed on the complaints system.

3.7 As at the end of the previous financial year 2006/07, four of the Central Departments' BVPIs sat within the bottom quartile. Steps to improve performance in these areas were agreed and currently being actioned. See Appendix B for an update and latest projected quartile positions.

4. **FINANCIAL BACKGROUND**

4.1 The Authority's revenue expenditure can be analysed in two ways. Firstly, the costs of each activity or service are calculated including all recharges, both expenditure and income recharges, to and from other activities. This analysis gives the true cost of running that activity or service; it is the way expenditure and income is recorded in the Authority's accounts, and it forms the budget that the Council approves in February each year. It is known informally as the 'bottom line' budget, but it is the proper means of identifying the costs of each service. This analysis can be seen in column A of Appendix C.

4.2 The second way of analysing revenue expenditure is to exclude expenditure and income recharges from the calculation of an activity or service's costs. This gives the expenditure which can actually be controlled by that activity or service. This means of analysis is used during the Corporate Business Planning Process (CBPP), and is used so that departments are only held responsible for those areas of expenditure they can control. This analysis can be seen in Column D of Appendix C.

4.3 Whichever analysis is used, the Authority's overall figures add up to the same grand total, as the difference between the two methods is only that of allocating costs between activities/services.

4.4 There are some activities which are deemed to be corporate in nature, and any under or overspends in the year are met or enjoyed centrally. These areas are usually ones where the authority has little control over the level of spend, or the budgets do not belong to a department, but to the authority as a whole. These activities are shown in the bottom half of Appendix C.

5. **2007/2008 REVENUE EXPENDITURE**

5.1 In Appendix C, an analysis is made of the original 2007/2008 base budget, adjustments made to that budget, and a predicted forecast for the year.

5.2 There have been some adjustments made to the base budget, specifically:

- Virements from departments into Legal and Democratic Services, relating to staff transferring into the Communications and Marketing Agency, and the Licensing function transferring to the department.
- There has been virement of £50,000 from financial arrangements to Information Technology to reflect the fact that inflation on the Fujitsu contract is subject to indexation of the Retail Price Index rather than the Authority's inflation norm of 3%.
- £142,000 has been transferred back to Adults' and Childrens' Services in respect of Payroll virements that were too high in previous years.
- £52,900 has been transferred from Adult Services into the Chief Executive's department, relating to the Bolton Volunteer Centre.
- There have been transfers into Corporate Resources, relating to the Smartcard development, and to Customer Services taking on Blue Badge responsibilities from Adult Services.

5.3 There are no variances forecasted at this stage.

6. LEGAL SERVICES

- 6.1 An analysis of Legal Services shows that this is on target to break even, however assumptions have been made about the income that will be achieved.

7. EFFICIENCY TARGETS

- 7.1 Included in Appendix D are the measures included as Corporate Strategy and Finance's contribution to the overall Gershon efficiency targets. All items were included as reductions within the original budget in Appendix C, and all are on target.

8.1 CAPITAL EXPENDITURE

- 8.1 Appendix F shows the Capital Programme for 2007/2008, and the following two years. It shows the actual spend to date, and the projected spend for the year. At this stage, the outturn appears to be in line with the Programme in most areas, although slippage is predicted for the Asset Management Plan and Area Property reviews. This is due to deliberate delays in projects, because of awaiting outcomes of the council's change programme.

9. RECOMMENDATION

Scrutiny Committee is asked to consider the performance against the indicators set out in this report and the action being taken