



**Metropolitan
Borough of Wirral**

APPENDIX E

**FINANCE
DEPARTMENT**

**YEAR END
PERFORMANCE MONITORING
REPORT 2006-2007**

1. OUR OUTCOMES IN RESPECT OF THE COUNCIL'S CORPORATE PLAN AND IMPROVEMENT AGENDA

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1. OUR OUTCOMES IN RESPECT OF THE COUNCIL'S CORPORATE PLAN AND IMPROVEMENT AGENDA

The financial year 2006/07 has seen the Finance Department playing a key role in supporting the functions of all the other services provided by the Council. Clearly the work the Department undertakes with residents of the Borough with Housing matters fits within the corporate “**Meeting the housing needs of Wirral**”. It is, however, difficult to identify the Finance Department’s contribution to any other service led corporate objectives; its main impact is in the area of “**continuously improving services**”. In addition to the regular day to day activities during the year the Divisions of the Department made the following significant contributions:

Accountancy

- **1Business** – the new system was implemented and is embedded into working practices, the benefits are becoming clearer with greater familiarity
- **Year–end accounts** - The District Auditor gave an unqualified opinion on the accounts for 2005/06. Annual Governance report together with the amendments to the accounts was approved by Audit Committee. The challenges of implementing the Integrated Financial System were recognised.
- **Budget 2007/08** - The detailed work on preparing the budget was undertaken and the Council’s Budget was set within the approved timescale.

Audit

- All audits completed during the year identified high and medium priority recommendations to improve systems in operation. With the advent of the Audit Committee any significant items were reported to members.

Merseyside Pension Fund

- In addition to dealing with the day to day administration of The Fund including payment to almost 40,000 pensioners and collecting from 50,000 contributors, investments performed well within this sector. This is an area of significant changes of legislation and much work had to be carried out in particular around “The Rule of 85” and The Draft Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. Further activity around these changes will occur during 2007/08

Revenues, Benefits and Customer Services

- **Call Centre** – A highlight of the year was handling of the Open Golf calls, which proved to be a valuable part of the overall Open success with a thousand calls being handled.
- **One Stop Shops** – Our first Information Point opened at Ridgeway Library which is at Noctorum High School, Noctorum Avenue. This exciting development is part of a corporate approach and involves Finance working with colleagues in Libraries. During 2007/08 more Information Points will open around the Borough.
- **Council Tax/Housing Benefit New System** – In the Autumn of 2006 a significantly enhanced New System was introduced. In spite of this change the service managed to perform well within their targets.

Support Services

- Work of the Division centred on implementing the revised Creditor Payments System and associated Procurement module. These proved to be very challenging but progress on the associated performance indicator was made towards the end of the year.
- Freedom of Information and Data Protection requests were received at a steady rate and dealt with within appropriate timescales. The Section also made good progress on developing the Archives and Records Management facility as well as the Knowledge Management Function.
- The Section facilitated the Department receiving ISO 14001 (Environmental Management System) accreditation in December 2006.

WITS

- A key challenge for the section during 2006/07 was the implementation of the 1Business suite of programs. This was achieved in partnership with Fujitsu, although much work remains to be completed.
- The section was also developed by merging a number of IT units from within other Departments. This began with the Technical Services Section of the Children's Department and will continue to merge other Departmental sections during 2007/08
- A major survey conducted by SOCITM was reported during 2006/07 and a work programme has been developed survey - the results from the Customer Satisfaction Survey were received and reported to ISG in September. Presentations were also made to all Corporate ICT staff.

2. EXTERNAL CHALLENGE AND INSPECTIONS

Audit Commission

The Accounts of the Council were closed down within the agreed timetable and completed by 30 June 2006. As stated above The District Auditor gave an unqualified opinion on the accounts for 2005/06. The Annual Governance report and the amendments to the accounts were both approved by Audit Committee on 28 September.

Comprehensive Performance Assessment

The Audit Commission forms a judgement on the council's ability to secure economy, effectiveness and efficiency. This is often referred to as the value for money judgement. This judgement is made on the basis of twelve criteria including **Use of resources**. This assessment looks at five themes: financial reporting, financial management, financial standing, internal control and value for money. The value for money element contributes to 8 of the 12 criteria for the value for money judgement. As a 2* authority the council is not required to undertake a new self-assessment, however there is a requirement to update the existing assessment. Following the submission the Council is still regarded as 2* but good progress was noted with a view to improving performance in 2007/08 in line with the approved Action Plan that is regularly reviewed by Committee.

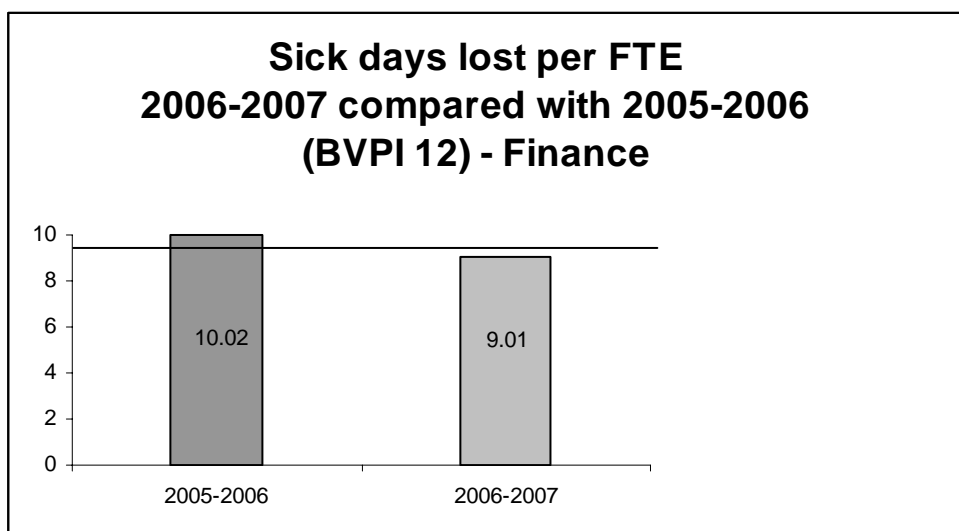
3. REVIEW OF RISKS AND CONTINGENCIES

The Department takes a pro active approach to managing risk and keeps a departmental risk register outlining risks, control measures as well as risk scores. The departmental management team identified the following issues and managed their impact on achieving departmental objectives during this period:

- ❖ Implementation of the 1Business programme
- ❖ Development of key IT systems, such as Revenues and Benefits
- ❖ Extra activity at the Call Centre due to change in contractor for the waste collection service and the Open Golf Championship

4. MANAGEMENT OF RESOURCES, IMPROVING CUSTOMER SERVICES AND VALUE FOR MONEY

4.1 Sickness statistics



There has been an improvement in the sickness figures for Finance during 2006-2007; the target of 9.4 or below has been met

5. PERFORMANCE INDICATORS

There are 50 best value performance indicators, corporate plan and local indicators for the finance department. These are currently being assessed to ascertain their validity and usefulness. Due to the nature of some of the performance measures it is not possible to report on all indicators on a quarterly basis. Those that do lend themselves to quarterly reporting are listed in the annex to this appendix.

The chart below depicts the number of indicators that are considered to be above or on target. The remainder are the subject of management action to review and alleviate any identified issues. None of these will inhibit the department from achieving its overall aims as set out in the departmental plan.

Performance summary of the 50 indicators that can be reported at the year end

(i) Direction of travel summary

| % PIs | No of PIs | Direction of travel |
|-------------|-----------|-----------------------------|
| 26% | 13 | Improved |
| 16% | 8 | Deteriorated |
| 36% | 18 | Stayed the same (+/- 2.5%) |
| 4% | 2 | Awaiting data |
| 18% | 9 | Not comparable with 2005/06 |
| 100% | 50 | |

(ii) Target summary

| % PIs | No of PIs | Category | Description |
|-------------|-----------|----------------|--------------------------------|
| 54% | 27 | Green | Within +/- 5% of the target |
| 12% | 6 | Amber | Within +/- 5-10% of the target |
| 28% | 14 | Red | -10% of the target |
| 4% | 2 | Awaiting data | |
| 2% | 1 | Target not set | |
| 100% | 50 | | |

Performance exceptions - of the 50 indicators that can be reported at the year end for Finance, the following 14 PI's have either deteriorated or are not on target:

| PI No. | Title | Reason for exception | Corrective action |
|--------|---|--------------------------------|---|
| 3 | The % of citizens satisfied with the overall service provided by the Council. | Not on target | This decline is in line with national patterns of declining overall satisfaction with authorities. From October 2007, all perception measures contained in the LAA will be measured via the citizens panel. This will mean a changed methodology for this PI (same question wording but different sampling method) and will be re-baselined when the October results become available when targets will be set. |
| 8 | The % of invoices for commercial goods and services which were paid by the authority within 30 days of such invoices being received by the authority. | Deteriorated and not on target | With the implementation of 1Business and the centralisation of Payments, statistics for the first quarter are not available. There has been a marked improvement from a low of 45.1% in October 2006 to the March 2007 figure of 74.83%. Further improvement is |

| PI No. | Title | Reason for exception | Corrective action |
|----------|---|--------------------------------|--|
| | | | expected to continue into 2007/08 as further familiarisation with the system occurs. |
| 76c | Housing Benefit and Council Tax Security: The number of fraud investigations per 1000 caseload | Deteriorated and not on target | Targeting according to risk resulted in increase in sanctions which are more time consuming and more resources intensive, however the performance remains satisfactory for C.P.A We will continue to target risk appropriately to ensure sanction levels are maintained which should see gradual improvement in this PI. |
| 78b | Speed of processing: Average time for processing notifications of changes of circumstance. | Not on target | As with new claims, the integrated revenues and benefits system was implemented in December 2006. Performance for the first 3 quarters averaged 9 days so it was pleasing that we almost maintained that and were only slightly below target at the end of year. Already back close to target despite this massive system change |
| 79b(ii) | HB overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period | Deteriorated and not on target | Age of debt is more difficult to recover and debts are held up to 6 years .There is also a resource issue with HB debt collection but there is a potential for review Divisionally. Review of work procedures and systems including management information to help improve performance within area. |
| 80 (i) | User satisfaction survey: Contact/access facilities @ benefit office | Not on target | Has increased over three year lifecycle and progress achieved is expected to continue. |
| 80 (iii) | User satisfaction survey: Telephone service | Not on target | Has increased over three year lifecycle and progress achieved is expected to continue. |

| | | | |
|----------|---|--------------------------------|---|
| 80 (iv) | User satisfaction survey: Staff in benefit office | Not on target | Has seen a small reduction over three year lifecycle and over all progress is expected to continue. Probable reflection of implementation of new system impacting on service standard late 06/07. |
| 80 (v) | User satisfaction survey: Clarity etc. of forms & leaflets | Not on target | Has increased over three year lifecycle and progress achieved is expected to continue. |
| 80 (vii) | User satisfaction survey: Benefit Office - Overall satisfaction | Not on target | Has increased over three year lifecycle and progress achieved is expected to continue. |
| 2009b | Percentage of orders placed through electronic catalogues | Not on target | Catalogue coverage has been less than anticipated within the first six months, more catalogues are now being loaded onto the system which will enable 2007/08 target to be achieved. |
| 2014 | Improving Customer Services: Achievement of service standards in customer services strategy/pledge: The percentage of letters responded to within 15 working days | Deteriorated and not on target | During 2006/07 a great deal of effort was diverted into implementing the new Revs and Bens system. As this system is now embedded it will be possible to refocus effort on other areas such as this. |
| 2015b | Improving Customer Services: Achievement of service standards in customer services strategy/pledge: The percentage of complaints received, acknowledged within 5 working days | Deteriorated and not on target | As a corporate complaints system is embraced by all council departments it will be possible to ensure that acknowledgement letters are sent within the allowed timescale. This will however be closely monitored in 2007/08. |
| 2016a | % of calls answered through the call centre | Deteriorated and not on target | The dip in performance in 2006/07 was due mainly to 374,245 calls being offered (an increase of 29% over 2005/06). The peaks in call volumes being on Streetscene relating to changes to the refuse/collection and recycling contract. The service has learned lessons from this which will be implemented during 2007/08 including further planning for peaks and temporary staff recruitment. |

6. NEXT STEPS

The focus for the Department in 2007/08 will be to:

- ensure that financial aspects of the 1Business programme continue to be implemented to maximum efficiency and effectiveness.
- respond to Central Government's consultation and the significant changes in the Local Government Pension Scheme arrangements.
- complete the relevant elements of the job evaluation project.
- review the performance management and reporting arrangements in line with corporate guidelines. A new departmental performance management framework is being developed that will focus on the key functions of the department and engage all stakeholders including managers and members.