

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader and Cabinet 13 September 2007
AUTHOR/S: Chief Executive, Head of Accountancy, Performance Improvement Officer & Customer Service Project Officer

INTEGRATED BUSINESS MONITORING REPORT – APRIL TO JUNE 2007

Purpose

1. To provide Cabinet with a first opportunity to review performance against budgets, performance targets and service first standards for 2007/08 and to take appropriate actions to address issues arising.
2. The introduction of integrated business monitoring reports is a major step in our plans to drive up performance against our financial, PI and customer service targets (i.e. the key elements of our business). The process will have a much clearer emphasis on using information to agree courses of action to improve performance and use resources more effectively. The intention is to extend the mechanism to include other important business factors (e.g. workforce statistics and risk) once the mechanism is established.
3. The stages in the integrated business monitoring process will be -
 - a) Performance and financial data will be analysed and reported to EMT at the end of each quarter to enable actions to be agreed to address performance issues.
 - b) Actions agreed by EMT will be forwarded to the portfolio holders for resources and performance management to enable them to take an overview of the action being taken to manage resources and performance.
 - c) Corporate Managers will brief relevant service portfolio holders and where necessary gain their approval to the actions agreed by EMT
 - d) Cabinet will receive a report summarising the data and the actions being taken and where necessary seeking their approval. The role of the Cabinet is to give strategic consideration as to whether the Council's financial, performance and customer service targets are being met.

Executive Summary

4. There is a current projection of a General Fund underspend of £340,100, which represents a 2.7 % variation from the original budget against the annual target, which is to be within 3 % of the original budget. Within the projected underspend total, there are sums that could potentially be used to improve performance.
5. Included in the £340,100 projection is a potential net underspend of £67,400 on staff related costs.

6. Progress in the three 07/08 priorities areas is as follows:

Priority 1 – To Improve Customer Service - Significant improvement action has already taken place (e.g. Planning Agents Forum) and more will be initiated shortly (e.g. Evening Cabinet meetings). Supporting PIs are largely on target although there is an issue concerning Land Charges. The Service First project is well established and performance against the various standards is now able to be monitored quarterly but some services are struggling to achieve the required standards.

Priority 2 – To achieve successful sustainable communities for Northstowe and other Growth Areas – The appointment of the Growth Area Project Manager (August 2007) is seen as a very positive increase in corporate capacity. There is a significant work programme to deliver but whilst there are likely to be some slippages in milestone completion dates, none has been highlighted as causing any major concerns. There are currently no clear Council Objectives or PIs but the increased staff resource should now enable this to be progressed.

Priority 3 – To increase the supply of Affordable Housing – The selection of a preferred strategic delivery partner for affordable homes is slightly behind schedule but should be achieved in September 2007. Projections are that the planned number of affordable homes will be achieved but there are some concerns that some applications have not been approved by Planning Committee first time.

7. Officers have not highlighted any milestone or PI, from either priority, as causing enough concern for them to identify them as being a critical problem. There have been no requests for additional resources to enable a priority to be achieved.
8. Most service areas provided the required information on time without any need for prompts but there has been difficulty in obtaining the required information from some areas.

Background

9. The CGI Improvement Plan sets out the intention to introduce:

“Performance reports reviewed quarterly by management team, Portfolio Holders, Cabinet and the Scrutiny and Overview Committee to identify areas of under performance and put in place actions to address them.”

10. As a part of that requirement, this report brings together the three key elements of Service First (**Appendix 1**), Finance (**Appendix 2 and 3**) and Performance (**Appendix 4**), which will provide an improved information source to help improve the decision making process.

Considerations

Financial Position

11. Details of the ‘Actual Income and Expenditure to 31st July (as at 8th August 2007)’ are set out in **Appendix 2**. Cabinet will receive revised forecasts for their September 13th meeting. However for the purposes of this report the key points to note are:

(a) The General Fund underspend is projected to be £340,100. This represents a 2.7 % variation from the original budget, which is within the annual target to be within 3 % of the original budget. Within the projected underspend total, there are elements that could potentially be used to improve performance, including the following two elements:

i. Net projected Salary related underspend - £67,400

In view of the significant under spend on departmental accounts in previous years, a budgetary control report is now being prepared on a monthly basis for SMT. That report compares the expenditure to the end of the previous month with the original budget plus approved virements and rollovers.

Staff related costs include temporary and agency staff who may be taken on whilst a post is vacant. Staff related costs do not include sheltered housing, DLO or DSO.

An analysis of the significant under/over spending areas to the end of July 2007 is attached at **Appendix 3**. If the current levels of savings are replicated for the rest of the year then there is a potential net underspend of £67,400:

ii. Interest on Balances - £300,000

Balances are higher than expected and interest rises have increased the expected income.

b) Uncommitted Budgets are currently £187,000, which is made up of:

i. 2nd Tier restructuring - £95,900

ii. Corporate Governance Inspection (CGI) – £91,900

The underspend in 2nd tier restructuring and CGI is largely the result of the later than envisaged filling of posts. Some of the underspend will be used in recruitment costs and other planned Improvement Plan spending and will also depend on the outcome of a planned BCE bid. Nevertheless an underspend will occur which will be available for spending on projects associated with the Improvement Plan

Priority 1 – To Improve Customer Service (Appendix 1 Tables 13 to 16 refer)

12. Development Control held the first Agents Forum in June, as planned, and have arranged for a second one in September. There will then be two meetings each year, with external speakers brought in to ensure the meetings add value to the process.
13. As planned, significant steps have already been taken to improve public access to decision making i.e.
 - a) Two evening Cabinet meetings will take place in October and February.
 - b) The Scrutiny and Overview Committee has arranged to start its meetings at 5.30 p.m. and is to hold two meetings away from Cambourne (i.e. Comberton in October and Foxton in November). Officers from Democratic Services will provide administrative support to these new evening meetings (i.e. a) and b)).
 - c) Planning Committee introduced public speaking from August 2007. This change was very successful with 20 speakers on 12 items, which added value to the meeting.

14. The new Tenant Compact has been drafted and is in the final stages of approval, as planned.
15. Two milestones are subject to minor delays but only to ensure the desired outcomes are as effective as possible and neither delay will have a detrimental effect on the overall priority aim.
16. Officers are reporting progress in achieving the PI targets, which support this priority, with 12 of the 15 PIs being estimated to be on target (Appendix 4 Table 'Corporately Important performance Indicator Summary' refers). The three PIs, which may not achieve their target are:

BV78b – Average time (days) to process benefits change in circumstances.

16. The target may be missed slightly (8.5 days instead of 8 days). However the level of performance will be managed to ensure we maximise the available government subsidy and this important financial aim will be achieved.

SX25 – Standard search response days, received by post – Target 8 days

SX26 – Standard search response days, received electronically – Target 2 days

17. The electronic applications (SX26) are currently being processed with those received by post and the end of year estimate is 10 days for all applications. SMT have requested a separate report on the issues concerning this level of performance and this matter will therefore not be referred to further in this report.
18. One area of improved customer service performance is worthy of special note, which involves: **BV78a - Average days to process new Benefit claims.** At the 06/07 3-month stage the average processing time was 29 days but this has now been reduced to 23 days for the comparable 07/08 period. This is a very gratifying performance, for which the section is to be commended.
19. The Service First milestones have been achieved, as planned, including agreement on the Customer Services Strategy. **Appendix 1** provides details of the first quarter performance against our service first standards and the main findings follow.

Contact Centre

20. Key SLA targets are not being achieved:
 - a) % Calls answered in 20 seconds
 - b) % calls abandoned.
21. These issues are being proactively progressed with the County Council, the Contact Centre Partnership Board and SCDC officers. The Contact Centre Partnership Board has requested a review of the performance of the Contact Centre and a report will be prepared for Cabinet in October.

Telephone Calls at Cambourne

22. An average of 7 % of calls were abandoned in the first quarter (and the previous quarter) against the standard of 5 % with three service areas finding it difficult to achieve the target i.e. Affordable Homes (12 %), Planning (11 %) and Development Control (10 %). Affordable Homes are bringing this low performance level to the attention of all its managers at team meetings.

23. No plans have been identified by Planning to achieve the standard, although Development Control did improve from 13 % to 10 % over the last two quarters. SMT has approved the new post of Business Support Manager and will expect that post to focus on helping the service to identify the means to achieve the service first targets.

Written Correspondence/letters

24. All services, apart from Planning, reported improved figures on the previous quarter with over 83% of correspondence being responded to within 10 days. Planning reported a figure of 59 % for this quarter but had not provided any information with which to compare for the previous quarter.

Personal Visits – Customer Satisfaction SCDC HQ

25. Customer satisfaction is very high at 97 % against an annual target of 96 %.

DLO Personal Visits: In the tenant's home

26. 98 % of customers expressed satisfaction with their experience after a repair had been carried out.

Complaints

27. A new complaints logging process was implemented for this quarter and the administration of complaints was also centralised. Twenty-two complaints came direct to the council and six complaints were received via the Ombudsman.
28. Only one complaint needed to be past through to Stage 2, which is encouraging. Planning received the highest proportion of the complaints (9 of the 22 i.e. 32 %).

Compliments

29. Officers are now being encouraged to record compliments (i.e. compliments, positive comments and thank you messages) and 53 were recorded in the first quarter. Affordable Homes (25 i.e. 47 %) and Reception (10 i.e. 19 %) received the majority of these compliments. Two particularly good examples, for David Stratford and Julian Ayres, are highlighted in **Appendix 1**.

Priority 2 – To achieve successful sustainable communities for Northstowe and other growth areas (Appendix 2 Table 17)

30. Section 106 agreements are to be drafted for Cambourne and Trumpington Meadows, as planned. The Northstowe Section 106 agreement will be slightly delayed (from Sep 2007) due to the need to wait for the application, which is now not expected until October 2007.
31. Cabinet should be in a position to make a decision on the formation of a Northstowe Trust by November 2007, which is slightly later than the planned September date.
32. The annual review of progress in relation to the growth areas will be delayed, from September until January 2008. The additional capacity, provided by the new post of Growth Area Project Manager (in post August 2007), will enable progress to be made.
33. There are currently no clear Council Objectives or PIs for this priority, which is an area that the Growth Area Project Manager will now be able to contribute towards.

Priority 3 – To increase the Supply of Affordable Housing

34. The Council's planning policy guide to delivering affordable housing will be completed in draft form by the end of September 2007 and it will then be subject to internal consultation. The document has to be in line with the published material in the LDF and the public consultation will not be completed until March 2008, which means that the planned completion date of Dec 2007 cannot be met. It will however go to Cabinet for approval in April 2008, which is not considered to be a serious delay.
35. A preferred RSL partnership has been selected, for the affordable housing at Northstowe, Cambridge Southern Fringe and North West Cambridge, and the proposed outcome will be reported to Cabinet on 13 September. This will mean that the planned date of June 2007 will be missed but this is not seen as a serious delay.
36. A standard section106 agreement for Affordable Housing is due to be developed by December 2007 but this may not be achieved. It had been hoped that a model Section 106 Agreement, that the DCLG produced last year, could be used. However consideration is being given as to whether this model is adequate for all S106 purposes e.g. affordable housing needs. If that model is not adequate then the timetable may slip, as officers will need to develop a new SCDC model.
37. The stock options appraisal is on target to be completed in time to report back to Cabinet and Full Council with a view to providing the necessary information to enable Members to make a decision on the way forward.
38. There are four PIs for this priority area and all four are on target (Appendix 4 Table ' Corporately Important performance Indicator Summary' refers).

Other Important Corporate Matters

39. The Performance Plan 2007 (Tables 24 to 32) identifies other matters of corporate importance (e.g. Quality of service, Cleaner Villages and Environmental Quality etc) and 59 PIs (National and local) are used to monitor progress on these. Officers are reporting that 51 (i.e. 86 %) are on target and 8 (i.e. 14 %) are subject to a non-critical target miss (Appendix 4 Table ' Corporately Important performance Indicator Summary' refers). These will not be reported on further in this report.

New Performance Management Solution

40. The procurement process for purchasing a new Performance Management Solution will be completed by October 2007. This procurement will result in the internal PIMMS system being replaced by a comprehensive web based performance management system. The new system will be capable of including all performance management related systems such as service planning; appraisals; risk management and monitoring.
41. Assuming a suitable product is identified, from the eight shortlisted companies, then this system will be in place by the end of March 2008, ready for the 2008/09 financial year. The implementation of the new Performance Management Solution will make business monitoring information more transparent to a wider audience, without the need to wait for quarterly reports, although these will continue.
42. During the formulation of this report some services found it difficult to input PI data into PIMMS and provide Service First information on time. It is therefore important that all

services recognise the need to provide information in a timely manner and use the remainder of 2007/08 to put in place systems to support this need.

Conclusions/Summary

43. The authority is on target to be within 3% of the original General Fund budget and at the present time there is projected to be a £340,100 underspend on the General Fund. There are therefore potential resources available to be used to improve performance in priority areas. However no service area is currently requesting additional resources to enable them to improve their performance against the three priorities.
44. There has been significant progress in achieving the three priorities but there is a need to monitor the position closely and to be prepared to make effective business decisions if performance in any area begins to slip.
45. There are many areas of excellent performance, which deserve to be publicised. However there are also areas where services are finding it difficult to achieve the required standards.
46. Building blocks to enable the authority to monitor itself against its standards more effectively are in place (e.g. Service First monitoring) or will be in place by the year-end (e.g. new Performance Management Solution).

Recommendations

47. Cabinet is recommended to note that:
 - a) No service is currently requesting additional resources to enable them to achieve the priorities (para: 6 refers).
 - b) There is a potential General Fund underspend which could be used to improve performance in priority areas (para: 10a refers).
48. Cabinet is recommended to:
 - a) Acknowledge the excellent performance in some areas (paras: 18, 25, 26, 29 and Appendix 1 'Compliments' refers).
 - b) Request confirmation of the timetable to develop a standard section 106 agreement for affordable housing (para: 36 refers).
 - c) Require services to provide performance data and information in a timely manner for corporate reporting purposes (para: 24. 42 and Appendix 1).
 - d) Give SMT delegated authority to utilise underspends to fund corporate priorities in consultation with relevant Portfolio Holders (Para: 43 refers).

Background Papers: the following background papers were used in the preparation of this report:

The Performance Plan 2007

Contact Officer: Ian Salter- performance Improvement Officer
Telephone: (01954) 713018