



OVERVIEW AND SCRUTINY BOARD

DATE	TITLE	Wards
7 th December 2011	Monitoring Performance – (First Quarter) Monitoring: FCS and Corporate PIs	All

SYNOPSIS

At the meeting on 21st September 2010, Overview and Scrutiny Board (OSB) agreed an updated set of performance indicators (PIs) comprising key national and local performance indicators and asked that these be reported quarterly for monitoring by the Board, on an exception basis. This report includes the 2nd quarter status on:

- Financial, HR, Electoral Registration and Contact Centre PIs,
- Updating the position on reporting PIs that were included in the council's Local Area Agreement and Community Strategy.

CONTRIBUTORS

All Departments/FCS (Communications & Policy Division).

RECOMMENDATION(S):

That the committee monitor the performance indicators included in this report.

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NEXT STEPS

Continued monitoring reports to the Overview and Scrutiny Board in 2011-2012.

Second Quarter Monitoring: FCS and Corporate Pls

1. Background

- 1.1 Key performance indicators are monitored each quarter as part of the council's performance management system. This report contains the key corporate and financial indicators as agreed by OSB in September 2010.

2. Second Quarter Monitoring Report

- 2.1 The attached tables in the Appendices are for the second quarter (July to September 2011).
- 2.2 The report uses traffic light colour coding to indicate performance.
- Green signifies at or above targets, amber is below target but within a reasonable tolerance level (e.g. above last year's performance) and red is outside the tolerance level. The report structure focuses on monitoring indicators by exception (i.e. red/amber, where performance is below target). This applies to all areas of the report excluding sickness absence and the corporate totals, which are provided in full.
 - The report uses year to date (YTD) actual performance compared to the target set for the year. The trend will show 'improving', 'not improving' or 'static' based on year to date (YTD) actual compared with the performance for the same period in the previous financial year.

3. Financial Indicators

- 3.1 The attached Finance Performance Indicators (Exceptions) Report identifies those indicators that are below target and which are marked as red or amber. The report will also show where information on an indicator is not available. The text below provides greater detail on causes and corrective actions.

Business Support

- FCS 010 Weighted average rate of cost of borrowings below the average 7 day LIBOR rate (%) – This is not colour coded as there have not been any borrowings undertaken in 2011-12.

FSB - Corporate

- FCS 063 Payments made by BACS as percentage of total – The performance for the second quarter of 2011/12 was 64.28% which was below last quarter's outturn of 69.07% and the target (70%) but is above the 2010/11 outturn of 62.02%. The September payment volumes were: 3,254 BACS payments (£74.4m), 2,080 cheque payments (£2.3m). No significant improvement in performance is anticipated until the end of the year when the intention is to end all cheque payments.

H&F Direct

- BV079bi Housing Benefit overpayments recovered as percentage of those deemed recoverable in that period – In quarter 2 of 2011/12 performance to date was 41.6%. This is below the performance for 2010/11 (44.42%) and target of 50%.

A project team was established in April to reduce the backlogs or work, (review outstanding / suspended housing benefit cases, fraud referrals, and change of circumstances) which whilst reducing overall volumes from over 14,000 to just over 7,000 has created an additional £2.3m in benefit debt (100% increase) as overpayments have been identified. Over £700k more has been collected this year (against last year) but the increase in debt means that this impact is not reflected in the percentage result.

This, along with the fact that over 25% of the debt has to be 'clawed back' from ongoing benefit payments at minimal amounts (average is £9 per week for income support cases), means that the impact will continue to be felt for the foreseeable future.

The recovery of housing benefit overpayments is part of the Cost Reduction Programme Procurement exercise currently in progress, which is market testing the recovery of this debt, with a view to letting a contract in early 2012.

- NI 181 Time to process housing benefit and council tax benefits - The performance data is produced by DWP but there has been a significant delay in publishing results in the past and DWP have stopped publishing these from the beginning of the financial year. They have also advised that from quarter 3 they will amend the indicator, splitting it into two parts; 'new claims' and 'change of circumstance claims', future reports will be in this format.

H&F's revised focus on new claims, reported last quarter, has seen improvements on this aspect, reducing new claims processing from 36.2 days up to June to 26.7 during September.

However this has been at the expense of 'change in circumstance' processing. The overall impact for NI 181 for the year to date at Quarter 2 is an estimated level of 37 days against the target of 30 days.

The Lean review that has also been going on over the last few months, is now piloting new processes and arrangements that will reduce the time taken to deal with changes in circumstances – these include:

- dealing with changes (and transacting it) while the

customer is on the phone) – this has increased from 25% of cases to 47%

- contacting customers who have made appointments to come in and see officers, with a view to dealing with the query without the need for an appointment. This pilot is already seeing appointments waiting times reduce from over 7 days to next day (as unnecessary appointments are now being avoided),.

Revenue

- BV010 Business Rates received in the year – The performance for the year to September was 54.28% which is below target (55.84%).
The recession continues to impact on businesses making collection difficult. The report last quarter advised of the change in the payment method by the NHS. In 2010/11 the bills for Charing Cross & Hammersmith Hospitals were paid in full in April - these are now paid by monthly direct debit. The impact of this will diminish as we go through the year but currently equates to -0.7% impact on target. The performance figures have been further affected by the recent occupancy of the Ark. This has retrospectively increased the collectable debt by £1.5m and -0.8% impact on target. Allowing for the impact of these changes, would otherwise indicate a performance around target.

4. Sickness Monitoring

- 4.1 Corporately, the position on sickness absence in this quarter is 7.9 days lost per member of staff, which is marginally higher than target (7.8). When leavers are excluded, the corporate absence figure for current employees is 6.2 days, although slightly lower than last quarter, it remains better than target (6.5).
- 4.2 Children's Services – Continued performance better than target (7.8) with a slightly improved figure of 7.2 days sickness absence (from 7.3 in June). When considering current employees only, the level of 5.8 days is an improvement on the June position of 6.2 days and is significantly better than target (6.5 days).
- 4.3 Community Services – Management actions, supported by HR, have seen continued improvements in the level of sickness absence, from those in earlier quarters. By September the sickness absence level had been reduced to 8.3 days from that in June (8.6), although it remains higher than target (7.8 days). When considering current employees only, the level of sickness absence has increased to 7.9 days, from the position in June (7.0) and is a higher than target (6.5). HR have additionally identified a training need for some managers in this department where a number of managers are not ending sickness on the HR system for staff when they return from sickness absence, thus recording a higher sickness figure than is actually the case. A targeted

programme of refresher training on the HR system for these managers should see this figure fall in the next quarter.

- 4.4 Environment Services – Sickness absence had reduced slightly to 7.7 days, from 7.6 days in June and is better than target (7.8 days). For current employees, there was a small increase in the level of sickness absence to 7.4 days from 7.2 in June, which is above target (6.5 days). Management actions continue to address these issues and seek to achieve target.
- 4.5 Finance & Corporate Services – In September sickness absence had improved to 7.3 days (from 7.9 days in June) and is better the target (7.8 days). When considering current employees only, there was a significant decrease to 6.2 days (from 6.9 days in June), which was 0.3 days better than target (6.5 days).
- 4.6 Housing & Regeneration - This new department now includes the former Hammersmith and Fulham Home's staff. Absence in Hammersmith and Fulham Homes has always been above that of the Council. A targeted programme of intervention has been put in place to address those areas of the department where absence is highest. Sickness absence in the second quarter was 8.1 days an increase from 7.7 days in June and missed target (7.8 days). When considering current staff only the level was 7.5 days (from 7.0 days in June) and didn't achieve target (6.5 days). One existing HR officer has been allocated to work solely with ex H&F Homes managers to reduce sickness absence in those areas with the highest absence. Reports will also be scrutinised at DMT level to ensure managers are managing absence effectively in their areas.
- 4.7 Residents Services – Sickness absence, the improvements from the first quarter continued with the level of sickness absence reducing further to 7.2 days (compared to 7.3 days in June) following robust management actions and is significantly better than the target (7.8 days). There has been an increase in the sickness absence for current employees, up to 5.8 days (from 4.9), but remains significantly better than target (6.5 days).

5 Electoral Registration - supporting local democracy:

- 5.1 Performance Indicators for Electoral Services were ambitious in their target setting, to reflect the importance attached to maximising voter registration. Both FCS 165a and FCS 165b exceeded their targets (95% and 98% respectively) with performances of 97.3% and 98.09% at the end of September.
- 5.2 FCS 165c (Rolling registration of home movers) this works towards achieving an 85% registration by September each year of all the home movers. The performance of 83.5% at the end of September was marginally below the target of 85%.

6 Community Strategy

- 6.1 Ongoing reprioritisation of services means that performance against these indicators is no longer being monitored

7 Local Area Agreement (LAA)

- 7.1 These targets were originally set in 2008 and the majority were timed to run until March 2011; however Local Area Agreements were scrapped by the Coalition following the general election in 2010. Performances for 2011 against some targets, such as those for mortality and for educational attainment, have yet to be published. These are expected to be available in December and January. Final performance against as many LAA targets as possible will therefore be reported for information at the next meeting of OSB.

8 Contact Centre Performance

- 8.1 The contract with Agilisys was renegotiated for 2011/12 realising a substantial saving, which resulted in a reduction of staff in the Contact Centre. As a result there is a slight dip in the 'year to date' performance for answering calls within 25 seconds in three areas: Cleaner Greener which achieved 78.5%, Electoral Services which achieved 77.9%, Environment which achieved 79.7% all below their common target of 80%. Information is no longer reported due to the very low call numbers. The reduction was expected however, this is still within the accepted guidelines set out in the SLA.

LOCAL GOVERNMENT ACT 2000 - LIST OF BACKGROUND PAPERS

No.	Description of background papers	Name/ext. of file holder	Dept. & location
1.	Performance Monitoring data	David Wilsher Ext. 2212	CPD, FD Room 39, HTH
2.	CorVu Performance System	Tom Conniffe Ext. 2195	CPD, FD Room 39, HTH