

**COMMITTEE:** BEST VALUE SCRUTINY PANEL

**DATE:** 3 NOVEMBER 2004

**SUBJECT:** CDMT UPDATE REPORT

**REPORT BY:** BEST VALUE OFFICER

**CONTACT OFFICER:** JOE BISKUPSKI 546941

**IMPLICATIONS:**

<b>LEGAL</b>	<b>COMMUNITY SAFETY</b>
<b>EQUALITIES</b>	<b>ENVIRONMENT</b>
<b>FINANCIAL</b>	<b>CONSULTATIONS</b>
<b>STAFFING</b>	<b>OTHER</b>

**WARDS AFFECTED: NONE**

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**PURPOSE**

1. To inform members of the proceedings of the Corporate Directors Management Team with respect to Best Value.

**RECOMMENDATION(S)**

2. **Best Value Scrutiny Panel is recommended to note the report.**

**BACKGROUND**

3. The Corporate Directors Management Team (CDMT) Improvement and Procurement Board meet on the last Thursday of each month. The meetings are attended by the following: Chief Executive, Corporate Directors, Director of Scrutiny, Heads of Internal Audit, Corporate Finance and Policy & Performance, Procurement Manager, Best Value Officer, and two trade union representatives. The terms of reference of the Board include considering Best Value review reports, providing feedback and input into the reviews, monitoring their progress, and then ensuring the improvement plans are carried out.

**REPORT**

4. This report provides the minutes of the September meeting. The minutes of the October meeting were not yet available at the time of despatch.

5. The overall aim of this stage is to achieve a significant improvement in the cost and quality of the service(s) through step change.

#### **APPENDICES**

6. Appendix A : Minutes from CDMT Improvement & Procurement Board – 30 September 2004.

#### **LIST OF BACKGROUND PAPERS** **LOCAL GOVERNMENT ACT 1972, SECTION 100D**

7. Minutes from CDMT Improvement & Procurement Board – 30 September 2004.

**APPENDIX 1: Insurance, Risk Management & Mortgages Administration Improvement Plan Progress Report**

1. Name of review Insurance, Risk Management & Mortgage Administration
2. Reporting officer Angela Claridge
3. Date of CDMT meeting 24 June 2004
4. Date review completed 23 April 2001
5. Please outline progress on key tasks

<b>Task / issue to be addressed</b>	<b>Deadline</b>	<b>Progress</b>
Actuarial review of self insurance levels	Completed	Review undertaken in conjunction with Council's insurers.
Develop corporate Risk Management Strategy	Completed	Approved by Executive
Work with Internal Audit in developing Corporate Governance disciplines across the authority	Completed	Member/officer Corporate Governance group met, last meeting was held May 2004. Outstanding issues now taken on board by Risk & Internal Control Group.
Implications of Risk to be included as a standard Executive report heading.	Completed.	
Service levels/standards negotiated & agreed with Council's insurer	Completed	
Selection of a replacement insurance claims handling application.	Completed	Initial selection process postponed , revised requirements include the development of a corporate risk register.
Insurance policy guidelines, claims procedures and risk management newsletters available in electronic format for staff.	Completed	Loaded onto the Council's public folders.
Issue an explanatory leaflet to all claimants advising of procedure, timescales etc.	Completed	
Include insurance contact information on the Council's internet.	Completed	
Work with Complaints Liaison officers, offering guidance in distinguishing a complaint from a claim	Completed	
Review alternative mortgage debt recovery/litigation options	Completed	Recovery work & litigation undertaken by Legal Services.

**6. Comments / context – please briefly add any comments on progress or context**

There have been many developments in risk management and the Council's approach to mitigating its risks, which weren't in place at the time the best value review, was concluded. For example, the Comprehensive Performance Assessment (CPA) includes an assessment of risk management, which has required the compilation of corporate & departmental risk registers. The Audit & Accounts Regulations 2003 require each authority to compile a Statement of Internal Control that places strong emphasis on the authority's analysis of risk and risk minimisation techniques.

## APPENDIX 2: Revenues Improvement Plan Progress Report

1. Name of review: Revenues
2. Reporting officer: Head of Revenues
3. Date of CDMT meeting: 24 June 2004
4. Date review completed (approved by Executive): 15/4/01
5. Please outline progress on key tasks

<b>Key Task / issue to be addressed</b>	<b>Deadline</b>	<b>Progress</b>
Customer Service Delivery -The transfer of the call handling operation to a corporate Call Centre and the public reception facility to a new one-stop shop to be created in the town centre.	Call Centre 1/1/2003 Service Centre 1/4/2003	Completed January 2004 with opening of Service Centre (although staff transferred in situ from 20/1/2003)
<b>The development of the Council's website to provide better information to customers, on line access to application forms and the ability for customers to make online Council Tax payments.</b>	1/4/2002	Online application form is now part of the e-Forms project – an on-line form is also being developed by Academy with DWP funding. CT payments went live 03/2003 All Revenues pages are in place for the launch of the council's new internet site in July 2004, although a fully populated website has been available since 24/5/2002
<b>An action plan to provide reductions in net running costs of the service by £760k pa. – a reduction of 17% of the net budget</b>	End of 2005/6 financial year	Revenues have continued to meet its budgets (including savings) since BV report. Some savings (50% of savings from DIP workflow and those arising from Verification Framework ongoing funding) have been rescheduled into 2004/5 due to the problems associated with Comino and a change of scheme on VF
<b>Completion of the Implementation of the Verification Framework</b>	30/3/2003	Implemented 4/5/04 – delayed as government have fundamentally changed the scheme and implementation was rescheduled for the start of the revised scheme on 1/4/04.
<b>The introduction of a new Fraud strategy</b>	1/10/2002	Introduced for 2002/3 financial year (effective from 1/4/2002)
<b>A fundamental review and restructuring of the Benefits Overpayments processes and procedures and the introduction of an Overpayments policy.</b>	1/7/2002	Policy introduced from 1/4/2003. We are currently implementing the recommendations arising from the full review of processes and software functionality in this area.

<b>Introduction of Plastic Payment Cards from Payment Books and the provision of Paypoint as a further option to customers in making payments</b>	1/4/2003	Introduced from 1/4/03
<b>Plan to achieve the Investors in People accreditation</b>	1/1/2003	Revenues are part of the Corporate & Customer Services Departmental accreditation project. It is expected that the complete department will achieve accreditation in early 2005.
<b>The implementation of a corporate debt policy.</b>	Bring forward recommendations by 1/7/2003	Agreement has now been reached with Housing and CAB on a pilot project that is scheduled to go live in December 2004.
<b>Introduction Across the Service of Performance Management and a Business Culture together with training to improve management skills in this area.</b>	1/4/2003	Targets set in appraisals during 2003/4. Now further developing Comino reporting and working with BFI Performance Improvement Action Team to further refine performance reporting and management

6. Comments / context – please briefly add any comments on progress or context

Excellent progress has been made on the key tasks, in fact, all tasks detailed in the improvement plan.

This has been achieved through hard work and excellent support of the staff in Revenues and has involved significant change to processes, procedures and significant IT implementation projects, all of which have been resourced within existing budgets, and been completed in a time when the recruitment and retention of assessment staff has been a real issue both locally and nationally.

All budget savings have been introduced to the Revenues cost centre budgets and the service has continued to perform within budget throughout the 3 years of the plan's progress to date, despite also facing the significant legislative challenges, especially those associated with the changes to tax and pension credits and the revising of the verification framework which is now fully implemented.

On the negative side, some performance targets have not been achieved but there have been good reasons for this. Benefits performance targets were mainly top or second quartile nationally, and mostly met our BV targets, prior to the implementation of Comino which set us back into a backlog situation as a result of its initial instability and excessive downtime, together with the lack of functionality and integration with our core Academy systems. We are working closely with the suppliers to increase the functionality, automation and integration and the next phase of improvement is due for delivery in the Autumn. Further improvements will be required but funding may be an issue.

We are also working closely with the Benefit Fraud Inspectorate's Performance Improvement Team to review all aspects of benefit service delivery to accelerate the rate of performance improvement that we are now beginning to experience.

Council tax performance started well, initially delivering the highest collection rate achieved in Luton and meeting the BV target, but has slipped back in the subsequent two years, initially as a

result of the highest increase in the level of council tax for some time combined with the impacts of the closure of the Vauxhall plant, and last year due to dreadful problems with our private sector billing contractor which impacted adversely on our recovery cycle, and the same issues relating to the Comino implementation. We are seeing early signs of the collection rate moving in the right direction again in the early months of the current year. All of this was despite the IRRV reviewing all of our processes and policies in pursuit of performance improvement in this area.

Non Domestic Rates blipped in 2002/3 but was the 7<sup>th</sup> highest collection rate ever in Luton last year and is already improved in the early months of this year (Comino has not yet been implemented on Non Domestic Rates). We have met or exceeded our BV performance target in every year since the BV review.

The other major disappointments have been that the target for relocating the service on one site has not been met, as the corporate property review is not yet in a sufficiently advanced state to allow for such movement at present, and the lack of Service Level Agreements from internal service providers which may have assisted us to further control our budgets and monitor their performances more effectively (although we do have our own SLAs in place with external agencies (VOA, DWP, Pensions Service, registered Social landlords etc.)

A second review, in partnership with PMSU, is now under way to review the potential to move the back office processing functions relating to Education Awards, Free School Meals and Uniform allowances into the Revenues/benefits processing area.

Work on the pilot implementation of a corporate debt policy is continuing, but delayed. We have recently reached agreement with CAB and Housing on the pilot implementation. We are now awaiting CAB detailed funding requirements whilst requisitioning the necessary and enabling software changes to the Housing In-House system. The pilot is now likely to start in December of this year.