

**REPORT TO: POLICY & RESOURCES COMMITTEE - 10 DECEMBER 2007**

**REPORT ON: FINANCE REVENUES SERVICE PLAN 2007-2011**

**REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)**

**REPORT NO: 653-2007**

## **1.0 PURPOSE OF REPORT**

1.1 To report on Finance Revenues Service Plan for 2007-2011.

## **2.0 RECOMMENDATIONS**

2.1 That the new Service Plan together with performance targets be noted and approved.

## **3.0 FINANCIAL IMPLICATIONS**

3.1 All services are provided within the Department's Budget.

## **4.0 MAIN TEXT**

4.1 The Finance Revenues Service Plan 2007-2011 has been produced within the framework of the Council Plan 2007-2011 approved by the Policy and Resources Committee on 22 October 2007.

4.2 The proposed Finance Revenues Service Plan 2007-2011 and the Annual Action Plan 2007-2008 seeks to address a number of the Council's key priorities, the most relevant for the Revenues Division being:-

- Delivering efficient services and keeping the Council Tax increases low
- Modernising Customer Services

Therefore the priority outcome measures for the next 4 years are:

- level of customer satisfaction when contacting the Revenues Division
- achieve performance standards across the service (statutory and others)

4.3 To meet the above priorities a number of service planning objectives have been identified for within the Plan which include performance measures and targets to ensure progress towards meeting these objectives can be assessed on a regular basis.

## **5.0 POLICY IMPLICATIONS**

5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty and Risk Management with no major issues.

5.2 Each of the projects identified in the Plan have been subjected to an EIA screening and this forms a specific section of the Plan. All items deemed to require further action are shown in the EQIA section of the Plan.

## **6.0 CONSULTATION**

- 6.1 The Chief Executive, Depute Chief Executive (Finance), Head of Finance and Corporate Planning Manager have been consulted on the content of this report.

## **7.0 BACKGROUND PAPERS**

- 7.1 The Council Plan 2007-2011

DAVID K DORWARD	DATE 28 November 2007
DEPUTE CHIEF EXECUTIVE (FINANCE)	

# **FINANCE DEPARTMENT - REVENUES DIVISION**

## **SERVICE PLAN 2007-2011 and ANNUAL ACTION PLAN for 2007-08**



## **PREFACE**

Councillor Joe Morrow

I am pleased to introduce the new Revenues Division Service Plan which will cover the period 2007 to 2011.

The administration of Council Tax, Housing Benefits and Non Domestic rates remains a very high priority for the Finance Department and the authority itself.

The Government has a set of Performance Standards that cover Benefit Administration which it expects all Council to achieve and on which they will be measured and inspected. Performance over the life of the last Service Plan has been improved upon with very satisfactory levels of performance now being maintained. The Division will strive to continue to maintain and improve upon these standards into the future.

Debt Recovery also remains a key performance issue. As recovery rates for Non Domestic rates compare favourably with other authorities the focus was to achieve 90% in-year collection for Council Tax by April 2007. As at 31 March 2007 Council Tax collection has increased to 90.7%, but the drive to improve further continues.

The services provided by the Revenues Division touch upon every household within the authority so the division is acutely aware of the need to continuously improve service delivery performance across the range of activities within the Division is paramount.

In this regard the division is endeavouring to pursue all avenues to attain improvement and one that is key is the use of information technology. The division has many projects that are information technology dependant.

## CONTENTS

	<b><u>Page No</u></b>
PREFACE	2
CONTENTS	3
STRATEGIC DIRECTION	4 -5
REVENUES MANAGEMENT STRUCTURE	6
FINANCE DEPT - REVENUES DIVISION - PERFORMANCE INDICATORS	7 -8
PROJECTS	9
EQUALITIES	10 -11
SUSTAINABLE DEVELOPMENT	12 -13
HUMAN RESOURCE PLAN	14 -15
RISK MANAGEMENT	16
BEST VALUE REVIEWS AND OPTION APPRAISALS	17
CONSULTATION	18
STRATEGIC FINANCIAL OUTLOOK	19
INDICATIVE FINANCIAL RESOURCES AVAILABLE	20

## **STRATEGIC DIRECTION - REVENUES DIVISION**

### ***PURPOSE OF DEPARTMENT***

The Revenues Division is a customer facing part of the Finance Department providing important services to thousands of people and families in the Dundee City area as follows:

- We decide based on rules set down by the UK and Scottish Parliaments who has to pay Council Tax and/or Non Domestic rates and how much you have to pay.
- We pay Housing and Council Tax benefits based on a person's or family's circumstances
- We collect and recover any unpaid sums in respect of bills issued for Council Tax, Non Domestic rates, Housing Benefit overpayments and Community Charge (Poll Tax).

### ***STRATEGIC CHALLENGES***

The Revenues Division needs to continue to provide a responsive and effective Council Tax and Housing benefit service maintaining a high level of customer service whilst trying to strive to reduce the cost of service. All of this can be challenging as the revenues environment is ever changing due to the legislation governing these services and the advancements in information technology.

### ***ADDRESSING THE COUNCIL'S KEY PRIORITIES***

The Council Plan sets out a number of key priorities for the Council as a whole, which the Division will strive to positively impact on where possible, but the most relevant of these for the Revenues Division are:

- a) Delivering efficient services and keeping the Council Tax increases low***
- b) Modernising Customer Services***

Therefore the priority outcome measures for the next 4 years are:

- level of customer satisfaction when contacting the Revenues Division
- achieve performance standards across the service (statutory and others)

The objectives set for the Revenues Division are:

- To improve uptake of Direct Debit payers for Council Tax to 50% by 2010
- To improve in-year Council Tax collection to 93.5% by 31 March 2011
- To improve in-year Non Domestic rates collection to 98% by 31 March 2011
- To achieve 3 successful prosecutions of fraudulent claimants of Housing Benefits annually
- To maintain a high level of customer satisfaction

In addition to the above objectives there are key projects that will be essential for the improvement of the service:

- To implement Local Housing Allowance efficiently & effectively by 7 April 2008
- To achieve the target of 26 staff working from home by April 2010
- To implement the Corporate Visiting system within the Liaison Section by 1 April 2008
- To implement General Filing by 1 April 2009
- To increase the uptake of Housing Benefit payment via BACS to 80% by 2010
- To maximise recovery of Benefit overpayments

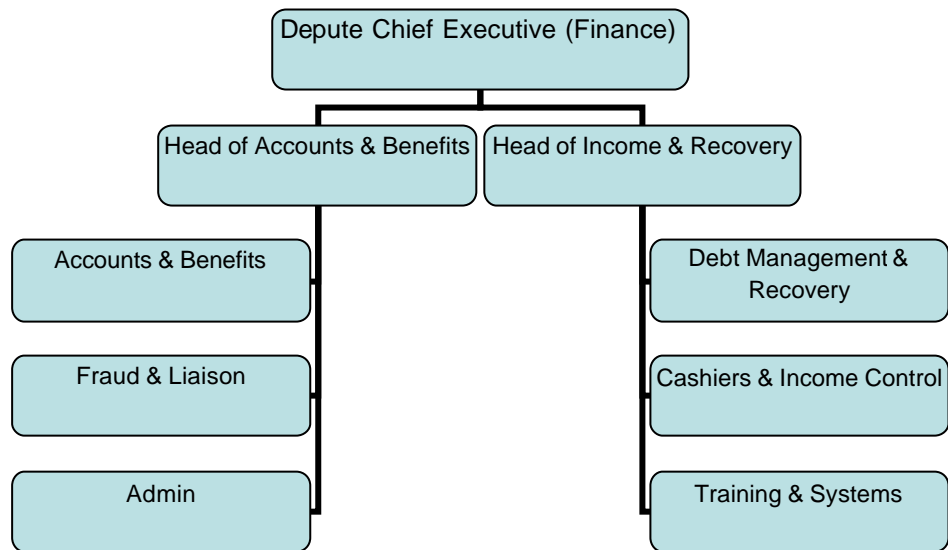
In the lead up to the move to Dundee House, the Division will also actively be involved in corporate projects to further enhance the customer's experience which should lead to a more integrated way of providing services to our citizens. This will be developed during the life of this plan with a high dependency on information technology.

## ***EQUALITIES***

### **CUSTOMER SERVICES, EQUALITY AND DIVERSITY MONITORING**

The Revenues Division is committed to providing good quality, efficient and accessible services which meet the needs of our customers and meet our legal obligations in Equality & Diversity. Mechanisms are in place to capture feedback from all our service users by way of Customer Questionnaires. Where feedback has identified key issues, the Revenues Division will investigate whether any improvements in working practices or processes are necessary.

## REVENUES DIVISION - MANAGAMENT STRUCTURE





## PERFORMANCE INDICATORS FOR REVENUES DIVISION

Service Objective 1: Improve Direct Debit Uptake for Council Tax payers								
<u>Performance Measure</u>	<u>Baseline</u>	<u>Target</u>	<u>External Comparison</u>	<u>Responsible for Data Collection</u>	<u>Link to Strategic Theme</u>	<u>Link to CIPFA FM Model</u>	<u>Previous year Trends</u> <u>2006</u> <u>2007</u>	
% Direct Debit payers	33%	50%	Others LAs	A Calder	Finance	Supporting Performance	N/A	33%
Service Objective 2 : Improve Council Tax collection rates								
In-year % collection	90.7%	93.5%	Scottish LA SPI and Scottish average 93.5%	A Calder	Finance	Supporting Performance	90.7%	90.7%
% for previous years								
previous year	93.4%	94%	N/A	A Calder	Finance	Supporting Performance	90.6%	93.4%
previous year + 1	92.3%	94%					91.5%	92.3%
previous year + 2	92.6%	96%					92.5%	92.6%
previous year + 3	93.2%	96%					93.6%	93.2%
previous year + 4	94.1%	96%					93.7%	94.1%
Service Objective 3: Improve Non Domestic collection rates								
In-year % collection	95.4%	98%	Scottish LA SPI and Scottish average of 97%	A Calder	Finance	Supporting Performance	96%	95.4%
% for previous years								
previous year	97.9%	99%	N/A	A Calder	Finance	Supporting Performance	98.1%	97.9%
previous year + 1	98.5%	99%					98.5%	98.5%
previous year + 2	98.7%	99%					98.3%	98.7%
previous year + 3	98.4%	99%					97.8%	98.4%
previous year + 4	98.4%	99%					98.0%	98.4%

## PERFORMANCE INDICATORS FOR REVENUES DIVISION

<b>Service Objective 4: To maintain high level of fraud detection</b>								
<u>Performance Measure</u>	<u>Baseline</u>	<u>Target</u>	<u>External Comparison</u>	<u>Responsible for Data Collection</u>	<u>Link to Strategic Theme</u>	<u>Link to CIPFA FM Model</u>	<u>Previous year Trends</u> <u>2006</u> <u>2007</u>	
No. of successful prosecutions	5	3 * see note below	Other LAs	I Gillanders	Finance	Supporting Performance	4	5
Change to Benefit Sanction Policy approved on 10 September 2007 Report Ref 463-2007 will result in less prosecutions and increased lesser sanctions. This amendment was required in order to action pensioner cases effectively and to alter our policy to take account of the Procurator Fiscal demonstrating their reluctance to prosecute pensioner cases and cases where the overpayment is repaid in full								
No. of Administrative Penalties	16	20	Other LAs	I Gillanders	Finance	Supporting Performance	18	16
No. of Administrative Cautions	11	20	Other LAs	I Gillanders	Finance	Supporting Performance	16	11
<b>Service Objective 5: To maintain a high level of customer satisfaction</b>								
Ave time taken to process new claims	32 days	28 days	SPI	I Gillanders	Finance	Supporting Performance	31 days	32 days
Ave time taken to process changes of circumstances	13 days	10 days	SPI	I Gillanders	Finance	Supporting Performance	14 days	13 days
% of benefit claims determined within 14 days	94%	97%	SPI	I Gillanders	Finance	Supporting Performance	92%	94%
% of telephone calls answered within 5 mins	98.9%	99.5%	N/A	I Gillanders	Finance	Supporting Performance	98.5%	98.9%
Average waiting time at City Square	4 mins 59 secs	4 mins	N/A	I Gillanders	Finance	Supporting Performance	N/A	4mins 59 secs

## PROJECTS - REVENUES DIVISION

Project Description	Lead Officer	Start Date	End Date	Revenue Budget Allocation	Capital Budget	External Funding (state source)	Strategic Theme
Implementation of Local Housing Allowance	DO / PD	04/07	04/08	£193,000	-	DWP	ICT
Implementation of Corporate Visiting system	AC / BM	12/06	04/08	Existing resources	-	-	ICT/Efficiency
Maximise payment of Housing Benefits by BACS	DO	06/07	06/08	Existing resources	-	-	ICT/Efficiency
Rollout homeworking pilot	IG	06/06	04/10	Existing resources	-	-	ICT/Efficiency
Maximises the recovery of Housing Benefit overpayments	AC	06/06	06/08	Existing resources			ICT/Efficiency
Implementation of General Filing	AC / PD	09/07	04/09	Existing resources	-	-	ICT/Efficiency

### ***EQUALITIES - Service Planning - EQIA Screening***

**Department: Revenues Division**

[illegible]

Explanation of Terms:	Possible Decisions
DEP: People with dependents DIS: People with disabilities GEN: Gender LGBT: People who are lesbian, gay, bisexual or transgender OFF: People with an offending past REL: People with differing religious beliefs	SP: Place as an equality action in service plan* FIA: Complete a full Impact Assessment ER: Complete an equality screening at next review  * This may include formal service plans, team plans or individual job plans

## Sustainable Development

### Sustainability Action Plan - Evidence of Service contribution towards Sustainability Policy

Sustainability Policy Principle	Y/N	Project Description	Lead Officer	Start Date	End Date	Revenue Budget Allocation	Capital Budget	External Funding (state source)	Strategic Theme
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#### 1. Compliance with Environmental Legislation *(is the Department undertaking any projects that contribute to):*

a.	Protecting the environment by complying with the statutory requirements for Strategic Environmental Assessment (SEA).	N							
b.	Improving sustainability performance through the Council's Best Value Audit Improvement Plan	N							

#### 2. Energy & Water *(is the Department undertaking any projects that contribute to):*

a.	Reducing CO <sub>2</sub> emissions from its activities	N							
b.	Promoting energy efficiency and energy from renewable sources	N							
c.	Using water efficiently within its premises	N							

#### 3. Purchasing & Procurement *(is the Department undertaking any projects that contribute to):*

a.	Promoting the use of recycled and recyclable products and disposing of in an environmentally responsible way	Y	Waste Management in the department	H Robertson	04/07	03/11	-	-	-	Environment
b.	Implementing the Council's Fair Trade policy and promoting the use of fair trade products	N								
c.	Encouraging Council contractors and suppliers to improve their environmental performance	N								

#### 4. Travel & Transport *(is the Department undertaking any projects that contribute to):*

a.	Implementing the Council's Travel Plan	Y	Promote within department		10/07	03/11	-	-	-	Sustainable Development
		Y	Rollout of homeworking	I Gillanders	09/07	03/10	-	-	-	Environment
b.	Encouraging greater use of public transport, walking and cycling as an alternative means of travel	Y	Reduce business car use		10/07	03/11	-	-	-	Sustainable Development
c.	Increasing the usage of cleaner fuels in Council vehicles	N								

**5. Built Environment** *(is the Department undertaking any projects that contribute to):*

a.	Protecting the quality of the city's built heritage	N								
b.	Enhancing the city centre and local environments through regeneration	N								
c.	Sustainable design, construction and maintenance of buildings and infrastructure	N								

**6. Open Spaces & Woodlands** *(is the Department undertaking any projects that contribute to):*

a.	Protecting and enhancing the quality of the city's greenspace and woodlands	N								
b.	Promoting leisure and access opportunities to greenspace and woodlands	N								

**7. Natural Heritage** *(is the Department undertaking any projects that contribute to):*

a.	Protecting and enhancing biodiversity	N								
b.	Promoting awareness of Dundee's natural heritage	N								

**8. Waste Management** *(is the Department undertaking any projects that contribute to):*

a.	Minimising the generation of waste	Y	Not significant							
b.	Encouraging re-use and recycling	Y	Not significant							
c.	Maximising economic opportunities arising from waste generation	N								

**9. Minimising & Remediating Pollution** *(is the Department undertaking any projects that contribute to):*

a.	Minimising impact to air and water quality	N								
b.	Reducing Noise intrusion	N								
c.	Monitoring the remediation of contaminated land	N								
d.	Reducing land dereliction	N								

**10. Communication & Environmental Reporting** *(is the Department undertaking any projects that contribute to):*

a.	Implementing the Sustainability Policy principles in its activities	Y	See above							
b.	Monitoring and reviewing the Council's environmental performance and reporting on progress	N								
c.	Consulting and informing the public on the Council's environmental policies and practices	N								
d.	Encouraging and promoting sustainability issues to other organisations.	N								

## HUMAN RESOURCE PLAN

### WORKFORCE PLANNING

Service Objective	Workforce change <sup>1</sup>	Lead Officer	Start Date	End Date	Revenue Budget Allocation	Capital Budget	External Funding (state source)	Strategic Theme (Secondary)
Successful relocation of department to Dundee House	Staff transfer to new working environment	IG & AC	5/07	5/10	Not yet identified	-	-	Assets
Expand home working to meet target	Staff transfer to new working environment & structure review	IG	05/07	5/10	N/A	-	-	Efficiency
Annual Staff Appraisal	Identify training, development and succession issues	Section Heads	4/07	4/11	Existing staffing resources	-	-	People
Review Accounts & Benefits business processes	Impact of homeworking	IG	02/08	03/09	Existing resources	-	-	People/Efficiency
Review Liaison Section business processes	Impact of homeworking and corporate visiting system	IG	04/08	04/09	Existing resources	-	-	People/Efficiency

<sup>1</sup> Insert description of workforce change e.g. new team set up, redesignate types of job, structure review, growth of type of job, redeployment.

In addition to Human Resources as a theme in the Corporate database you should add a secondary theme if the change also relates to another theme e.g. Health and Care.



## HUMAN RESOURCE PLAN

### TRAINING

Training Need	Lead Officer	Start Date	End Date	Revenue Budget Allocation	Capital Budget	External Funding (state source)	FTE to be trained	Strategic Theme (Secondary)
Professional Training	J Hughes	01/08	04/11	£3K	-	-	varies	People
Continuous professional development	J Hughes	01/08	04/11	£17K	-	-	varies	People
LHA - new procedures	H Gordon	09/07	05/08	£40K	-	DWP	150	People

## RISK MANAGEMENT PLAN

### SEVERITY OF RISK

Service Objective	Nature of Risk	Probability	Severity	Overall Assessment of Risk (Probability x Severity)	Risk Controls	Risk Owner	Business Continuity Implications?
Timeous payment of benefits	Public/political criticism	3	3	9	Statutory PIs and Performance Standards	IG	N
Achieving Council Tax collection targets	Reduced cashflow	2	4	8	Statutory PIs and business improvement	AC	N
Achieving Non Domestic Rates collection targets	Political criticism	1	2	2	Statutory PIs and business improvement	AC	N
Multiple service areas	Various IT systems	4	3	12	Increased resilience through second computer suite	AC /IG	Y

**BEST VALUE REVIEWS AND OPTION APPRAISALS**

Review Description	Service Plan Objective	Lead Officer	Start Date	End Date	Revenue Budget Allocation	External Funding (state source)	Strategic Theme
Statutory PIs	Performance	IG / AC	04/07	04/08	N/A	N/A	Efficiency
DWP Performance Standards	Performance	IG / AC	04/07	03/11	N/A	N/A	Efficiency
Benchmarking with other LAs	Performance	IG / AC	04/07	03/11	N/A	N/A	Efficiency

## CONSULTATION

Community of Interest		Consultation Topic	SMART Consultation Project Description	Lead Officer	Start Date	End Date	Link to Theme
<b>Community</b>							
<b>Customer</b>	Public	Cashier Service	Questionnaire	TR	04/07	04/08	Customer Services
	Public	Enquiry service	Questionnaire	IG	04/07	04/08	Customer Services
	Public	Non Domestic Rates service	Questionnaire	AC	04/07	04/08	Customer Services
	Forums (external)	Council Tax & Benefits services	Meetings	IG	04/07	04/08	Customer Services
	Service Level Agreements (internal & external)	Most revenues services	Meetings & written agreements	AC / IG	04/07	04/08	Performance
<b>Staff</b>	All staff	Employee Satisfaction	Corporate - Questionnaire	R McKay	09/07	01/08	People

## REVENUES DIVISION SERVICE PLAN 2007-2011

### *Strategic Financial Outlook*

- 1 **Cost Pressures** - the main cost pressure facing the Division over the period 2007-2011 is anticipated to be the effects of Single Status implementation. Around 95% of the establishment posts within the Department are covered by the Single Status Agreement. Accordingly, there is potential for a significant increase in staff costs depending on the final pay gradings. There is currently no departmental budgetary provision to cover any additional costs, although a corporate contingency provision has been made.

Due to a spending review within the Department of Work and Pensions there is to be changes to the Housing Benefit Administration subsidy paid to LAs which means they will reduce our Administration Subsidy by 5% reduction (in real terms) per year from April 2008. This equates to a reduction of £103,200 per year which will be reflected in our Revenue Budget. The service will require reviews to be undertaken to facilitate these reductions whilst maintaining a high standard of service.

- 2 **Financial Risks** - the inherent financial risks facing the Division over the period 2007-2011 are anticipated to be :

the adequacy of pay award provisions - the Revenue Budget includes an allowance of 2.5% per annum, however each 1% above this allowance would result in additional expenditure of £50,000 (excluding oncosts)

increments - there is no provision in the Revenue Budget for staff incremental progression (estimated at £63,000 in 2007/08), rather this has been accommodated within an increased staff slippage target (see below)

the adequacy of inflation allowances - the Revenue Budget includes minimal allowances for specific and general price inflation, however inflation (RPI excluding mortgage interest) is currently running at a 3.3%

external income - the Division provides a cashier service to a number of other departments and printing services both internal & external to the Council thereby generating external income. The loss of this income would impact in financial terms.

- 3 **Options for Dealing With Budget Problems** - the Revenues Division has a proven track record of operating within its allocated budgetary resources. There are areas identified where limited budget flexibility exists and where activity and expenditure can be curtailed at short notice :

management of staff turnover - delays in the filling of vacant posts, over and above those required to achieve the slippage target (see 2 above).

freeze on admin-type budgets eg furniture, stationery etc

- 4 **Future Savings and Efficiencies** - the following areas will be examined over the period 2007-2011 to identify savings and efficiencies eg:

staffing structures - further rationalisation and service reconfiguration, as posts become vacant and as home-working is rolled out

absence management - reduce absence rates from 5.8% (2006/07) to 4.5% by 2010/11

increased external income - provide additional services to other organisations, within existing resource levels.

## REVENUES DIVISION SERVICE PLAN 2007-2011

### *Indicative Financial Resources Available*

- 1 **Revenue Budget** - the following amounts are included in the Council's 2007-2010 Revenue Budget :

	<u>Final</u> <u>2007/08</u> <u>£000</u>	<u>Provisional</u> <u>2008/09</u> <u>£000</u>	<u>Provisional</u> <u>2009/10</u> <u>£000</u>
Gross Expenditure	8,182	8,587	8,902
<u>Income</u>			
Scottish Water	418	431	444
Other Income	1,086	1,070	1,071
HB/CTB Admin Grant	<u>2,065</u>	<u>2,064</u>	<u>2,064</u>
Total Income	<u>3,569</u>	<u>3,565</u>	<u>3,579</u>
Net Expenditure	4,613	5,022	5,323

- 2 **Capital Budget** - there is no specific provision for the Revenues Division in the Council's 2007-2010 Capital Plan.
- 3 **Other Financial Resources** - it is currently anticipated that there will be no other funding streams available over the period 2007-2010 with the exception of £193,000 in 2007/08 for the implementation of the Local Housing Allowance.