

REPORT TO: DUNDEE CITY COUNCIL BEST VALUE SUB COMMITTEE 16 May 2002

REPORT ON: Best Value Review 2000/01 – Financial Services – Social Work

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 447-2002

1.0 PURPOSE OF THE REPORT

This report is the result of a Best Value Review into Financial Services provided by the Finance Section of the Social Work Department as part of the Council's Best Value review process.

2.0 RECOMMENDATIONS

It is recommended that the committee:-

2.1 Agrees the programme of process improvements noted below. It is anticipated the timescale for full implementation will be more than one financial year. Full implementation is expected by April 2003.

- Devolve the processing of supplier invoice payments to residential and day care units where appropriate.
- Provide a business credit card method of payment to residential units and day care units.
- Provide clients with more detailed service based information on Home Care and Occupational Therapy invoices.
- Introduced 'utility style' annualised billing for residential clients from January 2002.
- Replace existing manual cash book with a computerised version linking directly to the main accounting system.
- Introduce reimbursement of units' cash floats by E-mail and direct credit to their bank accounts.
- Introduce a Direct Debit invoice payment option for residential clients from January 2002.
- Increase print size on remittance advices to make them easier to read.
- Increase print size and remove dotted background from invoices. This will make invoices easier to read for older clients.
- Extend BACS payment method for Foster Carers.
- Provide a comprehensive list of fees and allowances to Foster Carers.

2.2 Approves the establishment of an implementation group comprising officers from Social Work, Finance and Personnel and Management Services Departments.

2.3 Approves a review of staffing requirements to be undertaken by Personnel and Management Services after the process improvement programme has been completed.

2.4 Approves the continuous improvement proposals stated in section 13 namely:-

- Establish a number of independent focus groups to monitor improvements in customer service.
- Pay residents' personal allowances four weekly and directly into their personal bank accounts.
- Introduce 'utility style' annualised billing for non residential clients.
- Computerise the residential Financial Assessment process.

3.0 **FINANCIAL IMPLICATIONS**

This review accounts for 1.1% of the Department's revenue budget at a budget cost of £455,400. This represents 7.8% of the Best Value reviews undertaken within the department in 2000/01.

4.0 **AGENDA 21**

There are no Agenda 21 implications.

5.0 **EQUAL OPPORTUNITIES IMPLICATIONS**

During the review it became apparent that some of the Council's Foster Carers were unable to open bank accounts. With assistance from the Director of Finance it was agreed with the Council's bank in Dundee that it would be possible for carers to open a basic bank account facility on production of a letter from the Director of Social Work. A number of carers have already benefited from this. This has promoted Social Inclusion in a practical way.

The proposed introduction of a business credit card facility for residential units for adults with learning difficulties and young people will eliminate the need to use the Council's order-book for food and clothing shopping. This will contribute to the aim of achieving 'normalisation' by de-stigmatising buying of everyday goods and services in community settings.

6.0 **DEFINITION OF SERVICE REVIEWED**

The service area under review is the financial services undertaken by the Finance Section in the Social Work Department. The services provided are cash distribution and payment arrangements throughout the department, payment to departmental suppliers, foster carers and service providers, the financial assessment process, pension collection and cash distribution for residents in Local Authority residential units, processing of sales ledger invoices (including residential and non-residential services) and the interface with service users.

The staffing establishment comprises one Financial Services Officer (AP5 / PO1), two Administrative Assistants (AP2) and eight Clerical Assistants (GS2)

7.0 **JUSTIFICATION FOR REVIEWING THIS SERVICE**

There were a number of points of justification for this review. These are noted below:

- To improve the quality of customer care.
- Modernisation of methods is needed
- To eliminate any duplication which may exist.
- To improve the integration of systems
- To use information technology effectively

8.0 **REVIEW METHODOLOGY**

8.1 Team Members

The team members are listed below:

Steve Swann - Team Leader - Personnel & Management Services

Mark O'Donnell – Lead Officer - Social Work Department

Karen Beatt – Social Work Department

Sandy Flight – Finance Department

Charlotte Nelson – Social Work Department

Pat Ellis - Social Work Department

May Masters – Social Work Department

Pat Croal – Finance Department

Helen McKay – Social Work Department

8.0 REVIEW METHODOLOGY (cont'd)

8.2 The review employed the following techniques

- Consultation with customers
- Cost benchmarking with other Councils, including meeting with officers of other Councils to identify possible improvements
- Option Appraisal

9.0 CRITICAL SUCCESS FACTORS

9.1 Stakeholders

The following stakeholders were identified:

- Service users, including Home Care and Day Care
- Suppliers, including residential and nursing homes
- Foster carers
- Council run homes and day care facilities

9.2 Consultation

All stakeholders were invited to complete a questionnaire which assessed what they regarded as being the important factors in a good service and how the Financial Services Section met those expectations. An example of the type of questionnaire used is at appendix 2.

9.3 Critical Success Factors

As a result of the consultation process, the following critical success factors were determined. In order of importance these are:

- Reliability
- Assurance
- Empathy
- Cost of the service

The Critical Success Factors took into account customers views on access to the services, communication, perceived competence of staff, courtesy of staff, credibility, reliability of the services, responsiveness and security of information and advice.

10.0 PERFORMANCE REVIEW

10.1 Activities

The table below shows the section's current performance against the Critical Success Factors:

| TABLE 1 | | | |
|--------------------------------|--------------------|--------------------|--|
| Critical Success Factor | Expectation | Performance | Performance as % of Expectation |
| Assurance | 86% | 78% | 91% |
| Empathy | 85% | 78% | 92% |
| Reliability | 87% | 78% | 90% |

Service users do not pay directly for the services received from Financial Services. This was not, therefore, an important factor in their expectations of the section's performance.

10.2 Cost Performance:

The table below shows of Dundee City Council's unit costs for the services provided by the Financial Services section.

| TABLE 2 | | | | |
|-------------------------|--------------------------|---|-----------------------|-----------------------------|
| STAFF COSTS ONLY | | | | |
| Unit Cost per | Cash Book Payment | Supplier Payment (including Homes) | Debtor Invoice | Foster Carer Payment |
| Dundee | £3.26 | £0.86 | £1.29 | £2.04 |

10.3 Satisfaction ratings by customer

The table below shows the section's current overall performance against as assessed by each customer group:

| TABLE 3 | |
|------------------------|------------------------------------|
| Customer Group | Overall Satisfaction Rating |
| Service Users / Carers | 94% |
| Foster Carers | 94% |
| Suppliers | 90% |
| Service Providers | 84% |
| Weighted Total | 91% |

The process improvement plan addresses the need to improve service to these customers by devolving some payment processes.

11.0 RESULTS OF COMPARISON

11.1 Cost Comparison

A cost comparison questionnaire was distributed to eleven other councils. Four of these were returned, however, only two were comprehensively completed. The cost comparisons are shown below.

| TABLE 4 | | | | |
|-------------------------|--------------------------|---|-----------------------|-----------------------------|
| STAFF COSTS ONLY | | | | |
| Unit Cost per | Cash Book Payment | Supplier Payment (including Homes) | Debtor Invoice | Foster Carer Payment |
| Dundee | £3.26 | £0.86 | £1.29 | £2.04 |
| Council A | £2.24 | £0.40 | £1.87 | £2.77 |
| Council B | £2.45 | £1.06 | £5.03 | £1.75 |

Dundee's unit costs showed as lowest in one activity, highest in one activity, and in the middle for the other two. The process improvement plan has identified an action point for the cash book payment system which will lead to a reduction in the unit cost. In the case of supplier payments, Council A had not included the costs of officers outwith the Finance Section who played a significant part in the system of payments to residential and nursing homes. This function is carried out within the Financial Services Section in Dundee. It is also noteworthy that on the other area compared (Foster Care payments) the highest overall satisfaction rating of any customer group of the section was recorded. The lowest satisfaction rating is against service providers. This group included residential and nursing homes including internal customers from day care, home care and residential services.

11.2 Qualitative Comparison

No information was available for qualitative comparison.

12.0 OPTIONS APPRAISAL

Four options were identified:

1. **Do Nothing:** This was not regarded as feasible owing to the gap between current performance and customers' expectations, (Table 1).
2. **Transfer the Financial Services Section to the Finance Department:** This option was discounted as there is a clear requirement for the department to retain direct control of its individual expenditure budgets. This restates the point made in Report 576/2000 on the Best Value Review into the Finance Department's Purchase Ledger System. Operating within the Finance Department is a model which one Council has adopted. This approach did not show any evidence of costing less than Dundee City Council's arrangements.

3. **Externalise all or part of the service:** This option was discounted as the elements of the service are too diverse to interest a single comprehensive provider. The component parts of the service are too small on their own to externalise. It should be noted that certain elements of the service, such as cash distribution, have already been externalised. This was primarily for reasons of security and efficiency.
4. **Retain the Service in Social Work and Implement a Process Improvement Plan:**

The team considered each area of activity and identified the particular issue arising and how to improve performance and meet customer needs. The team then developed a Process Improvement Plan to prioritise and address the outstanding issues comprehensively and in a planned and co-ordinated way. As well as this, the development of the effective use of resources was a major priority in meeting customer needs. The expected outcome of the implementation is for customers' needs to be met in a more effective and efficient way and for customers' to be measurably more satisfied with the services received from the Financial Services Section.

The process improvement plan recommended will address the areas seen as important by customers.

13.0 CONTINUOUS IMPROVEMENT PROPOSALS

The following continuous improvement proposals have been identified and related to the appropriate Critical Success factors. It is intended that customers will be contacted by the Implementation Group annually for three years using the existing surveys. This methodology will identify the level of improvement in a consistent way and will provide data for comparison with baseline customer satisfaction percentages noted in table 1 in paragraph 10.1 above. It is expected that performance as a percentage of customer expectations for each of the Critical Success Factors will increase by at least two percentage points year on year as the process improvement plan is implemented. The plan is intended to improve the section's overall performance and the improvement level targeted recognises that customer expectations may rise over time.

- Supplier payments being devolved will mean suppliers have the same point of contact within the department for delivery of goods and services and payment queries. This will also shorten the chain of communication and speed up invoice payment leading to improved communication and reliability. This will not affect the department's requirement to adhere to Council policy in respect of payments to suppliers. It is expected this will improve the section's scoring on both empathy and reliability.
- The credit card method of payment will further reduce the need for suppliers to contact us regarding payment queries. It will also reduce the volume of invoices. This will lead to improvements in suppliers' perceptions regarding communication and therefore empathy.
- Service users in personal contacts and through user groups have stressed their need for more information on invoices. This point was also made to us during the consultation process. The service based information to meet this need is held within the department's client database and a direct link to the sales invoicing system would allow it to be transferred to invoices. Improved information will lead to improved ratings across all four critical success factors.
- Annualised billing and direct debit options for payment will improve the section's performance in terms of reliability and will also widen customer choice of payment methods. This 'utility style' billing for residential clients will improve the reliability of the service. Each client will pay a fixed monthly amount with a single review and recalculation point in the year. Reliability and competence will be improved as the number of calculations per customer per year will be reduced. This change will allow more time within the section for improved responsiveness and general customer service.
- The improvements to the cash distribution systems within the department will be of benefit mainly to internal customers. They will improve both the quality of information and the use of resources. In particular, reimbursing imprests by direct credit to bank accounts eliminates the need for a trip to Tayside House by a member of staff. This means front line staff will spend more time on direct care.

- The unit cost per cash book payment is the highest of the three authorities providing responses. This arises because the cash book is a manual system which requires triple recording of information. A computerised cash book with a direct link to the main accounting system will eliminate two of these steps thereby reducing the unit cost of each transaction. It is expected that this will improve the section's assurance rating.
- Increasing the print size on remittance advices will make them easier to read. This should improve empathy with customers.
- Increasing the print size and removing the dotted background from invoices will make invoices easier to read for older clients in particular and is expected to lead to an improvement in empathy.
- Extending the BACS payment method for Foster Carers will benefit customers in terms of reliability.
- During the review it became clear that Foster Carers would like to have a leaflet which identified all the fees and allowances available. This should improve the section's performance in terms of empathy.
- A small number of short life focus groups will be established by the Implementation Group during financial year 2001/02 to monitor the proposed improvement plan and to identify further possible improvements in performance and customer service. The establishment of the groups will in itself improve empathy but will also improve performance across all of the critical success factors. The groups will be drawn from the section's customers and be led by a group member. It is intended that each group will meet no more twice.
- Paying residential clients' personal allowances four weekly (as opposed to the two weekly frequency at the moment) and directly into their personal bank accounts will lead to improved reliability but may have implications for service providers and needs further research prior to implementation. It is proposed that a short life working group is established within the Social Work Department during 2002/03 to research this and make appropriate recommendations.
- Extend 'utility style' annualised billing to home care clients during 2002/03. The experience gained in implementing this option for residential clients will be valuable in the more complex area of home care invoicing. This will also lead to improved reliability.
- Computerisation of the residential Financial Assessment process will be evaluated by the Implementation Group in 2002/03. The process for home care clients is already computerised. This would update the current manual system leading to improvements in reliability and assurance.

14. **CONSULTATION**

Services users and carers, suppliers, foster carers, other councils and internal customers were consulted as appropriate during this review.

15. **BACKGROUND PAPERS**

Best Value submission to the Secretary of State - December 1997 Policy and Resources Committee - 11 December 1997.

Chief Executive

APPENDICES:

- Appendix 1 - Cost Questionnaire Distributed To Other Councils
- Appendix 2 - Sample Customer Questionnaire
- Appendix 3 - Summary of Questionnaire Results

BEST VALUE FINANCIAL SERVICES QUESTIONNAIRE



Social Work Department

APPENDIX 1 - COSTS QUESTIONNAIRE

**SOCIAL WORK DEPARTMENT
ANYTOWN COUNCIL
SCOTLAND**

Dear ****,

As questionnaires go this is a short one so we hope that you will look upon it favourably. We are looking for 10 pieces of information about the Social Work Department Financial Services Section. These are listed below in two sections:

Section 1 - Workload

| Task | Number per Year | % of Section's Time Spent |
|---|-----------------|---------------------------|
| Cash Payments and Handwritten Cheques | | |
| Payments to Suppliers (including Homes) | | |
| Debtor Invoices Raised | | |
| Payments Made To Foster Carers | | |
| Other Work | | |
| TOTALS | | 100% |



Social Work

Questionnaire For Foster Carers

This questionnaire is about the Financial Services Section in the Social Work Department. We prepare the payment which you receive from the Social Work Department. We are also responsible for answering any queries you have about your payment.

The Social Work Department is committed to the continuous improvement of its services, and to listening to the views of service users and other key stakeholders as a means of promoting more effective and efficient services.

Currently a team are undertaking a best value review of this service. The team would like to find out what you consider would make a very good service AND how we measure up so far.

In order to gain your views we would value your help in completing the following questions. When completed please return this form in the pre paid envelope attached. If you have any questions regarding the form please contact:

Karen Beatt
Financial Services Officer
Social Work Department
Floor 7, Tayside House
Crichton Street
Dundee
DD1 3RN
Phone 01382 433130

Many thanks

Please complete the form using ticks

| | | | |
|--|-------|----------|-------------------|
| 1. In a very good service information given to me would always be accurate | | | |
| | √ | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| The information given to me in the current service is always accurate | | | |
| | √ | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

We might want to contact you about your answers and comments. If you do not mind this, could you let us know a contact name, address and/or telephone number. Please put this in the space below.

| | | | |
|--|-------|----------|-------------------|
| 1. In a very good service information given to me would always be accurate | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| The information given to me in the current service is always accurate | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

| | | | |
|--|-------|----------|-------------------|
| 2. In a very good service I would receive consistent advice and information no matter who I spoke to | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| In the current service I receive consistent advice and information no matter who I speak to | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

3. In a very good service I would know who to contact when I have a query

| | | | |
|---|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| I know who to contact when I have a query | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

4. In a very good service staff would have a genuine interest in helping when I have a problem

| | | | |
|--|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| Staff have a genuine interest in helping when I have a problem | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

5. In a very good service all staff are polite, respectful, friendly and considerate

| | | | |
|--|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| Staff are polite, respectful, friendly and considerate | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

6. In a very good service where people promise to do something by a certain time they do it

| | | | |
|--|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| Staff do the things they said they will do on time | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

7. In a very good service I would be treated in a sensitive and confidential way

| | | | |
|--|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| I am treated in a sensitive and confidential way | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

8. In a very good service my remittance advice would be clear, well presented and would provide sufficient information

| | | | |
|---|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| My remittance advice is clear, well presented and provides sufficient information | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

9. In a very good service staff would explain things to me in a way that I clearly understood

| | | | |
|--|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| Staff explain things to me in a way I understand | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

10. In a very good service I would have been given enough information

| | | | |
|-------------------------------|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| I am given enough information | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

11. In a very good service I would be advised promptly of any changes

| | | | |
|--------------------------------------|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| I am advised promptly of any changes | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

12. In a very good service I would receive my payment on time

| | | | |
|------------------------------|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| I receive my payment on time | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

13. In a very good service I would be able to choose a payment method which suits my needs

| | | | |
|---|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| I am able to choose a payment method which suits my needs | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

14. In a very good service my payment would always be correct

| | | | |
|--------------------------------|-------|----------|-------------------|
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |
| My payment is always accurate. | | | |
| | | | |
| Strongly Agree | Agree | Disagree | Strongly Disagree |

Any Comments?

IS THERE ANYTHING ELSE THAT YOU CONSIDER A VERY GOOD SERVICE SHOULD HAVE ?

PLEASE TELL US IN SPACE BELOW. TRY TO LET US KNOW HOW IMPORTANT YOU THINK THE THINGS ARE.

IF THERE ARE ANY COMMENTS OR SUGGESTIONS THAT YOU WOULD WISH TO MAKE ABOUT THE CURRENT SERVICE WE WOULD WELCOME THESE HERE

TRY TO LET US KNOW HOW IMPORTANT YOU THINK THE THINGS ARE.

THANK YOU FOR YOUR CONTRIBUTION

| APPENDIX 3 - SUMMARY OF QUESTIONNAIRE RESPONSES | | | | | | CRITICAL SUCCESS FACTOR | | | | | | | |
|---|-------------------------|------------|------------|---|------------|-------------------------|------------|-------------|-------------|------------|-------------|----------------|--|
| | | | | | | RESPONSIVENESS | | RELIABILITY | | ASSURANCE | | EMPATHY | |
| | | | | | | QUALITY FACTORS | | | | | | | |
| Customer Grouping | Questionnaires Sent Out | Returned | % Response | Overall Satisfaction rating by Customer Group | Access | Communication | Competence | Courtesy | Credibility | Security | Reliability | Responsiveness | |
| Service Users / Carers | 200 | 68 | 34% | 94% | 95% | 94% | 92% | 95% | 90% | 93% | | 94% | |
| Foster Carers | 170 | 57 | 34% | 94% | 95% | 93% | 94% | 96% | 92% | 96% | | 93% | |
| Suppliers | 100 | 28 | 28% | 90% | 88% | 90% | 90% | 93% | | 94% | | | |
| Service Provider | 33 | 16 | 48% | 84% | 84% | 82% | 83% | 84% | | 87% | 84% | 86% | |
| Totals (Weighted by Group) | 503 | 169 | 34% | 91% | 91% | 90% | 90% | 92% | 91% | 92% | 90% | 86% | |