

THE HIGHLAND COUNCIL

RESOURCES COMMITTEE

18 February 2009

Agenda Item	
Report No	

Finance Service Quarterly Performance Report
For the quarter to December 2008

Report by Depute Chief Executive & Director of Finance

Summary

This report provides members with details of 2008/09 Finance Service performance to the quarter ending 31 December 2008.

1. INTRODUCTION

- 1.1 This report contains information on the Accounts Commission's Statutory Performance Indicators (SPIs) for Finance and Benefits Administration. It compares current year figures with figures for the same quarter of the last financial year, 2007/08.
- 1.2 Where possible, comparison is made to the previous financial year. In general, where the definition has changed, no direct comparison can be made.
- 1.3 Reports will continue to be brought to Committee on these Statutory Performance Indicators on a quarterly basis so that trends can be monitored.

2. FINANCE

2.1 Council Tax In Year Collection Rate

Performance as at	2007	2008
December 31	81.91%	81.47%

- 2.1.1 This indicator is a measure of the effectiveness of the Council in collecting current Council Tax due in year.
- 2.1.2 Current performance shows a 0.44% decrease on the same quarter last year and this reflects the introduction of payment breaks from April 2008. Direct Debit Customers can now take payment breaks in July and August, or December and January. This increased flexibility has a minor effect on the payment profile during the year but the current economic climate is also affecting the collection rate, which on the basis of current payments is estimated to be 95.24% by the year end.
- 2.1.3 Since April 2007, the percentage of Direct Debit payers has risen from 58.9% to 59.7%, an increase of 0.8% (2,402 properties). The facility to pay over 12 months

has been a factor in this success. Customers are now able to pay Council Tax by Direct Debit weekly, fortnightly, quarterly, monthly and annually.

2.2 Payment of Invoices

Performance as at	2007	2008
December 31	84.9%	86.8%

- 2.2.1 This indicator measures the Council's efficiency in paying invoices. It measures the number of invoices paid within 30 calendar days of receipt, as a percentage of all invoices paid.
- 2.2.2 The results to September 2008 reflect a 1.9% increase from the same period in the previous year and an overall increase of 2.9% from the 2007/08 outturn result of 83.9%.
- 2.2.3 The Council, in an effort to assist the local economy through the current economic crisis, will look to make payment faster than the current target of 30 days.
- 2.2.4 An increase in the speed of payment will not present the Council with cash flow difficulties but will have an effect on deposit levels held by the Council and as a consequence reduce the overall amount of interest received.

3. BENEFITS ADMINISTRATION

3.1 Paying the right benefit at the right time

Performance as at (year to date)	
June 30	49 days
September 30	54 days
December 31	52 days

- 3.1.1 This new composite indicator measures the average number of days per case to process new Housing Benefit (HB) / Council Tax Benefit (CTB) claims and to administer change events. It replaces the previous "new claims" indicator, which did not take into account the time taken to process changes.
- 3.1.2 The indicator reflects the Council's ability to process work as quickly as possible to ensure applicants receive their entitlement on time and at the correct rate.
- 3.1.3 Performance is derived directly by the Department for Work and Pensions (DWP) through the analysis of data extracts/scans sent electronically to them.
- 3.1.4 The DWP has not set national targets for 2008/09. Because this is a new indicator prior year comparisons are not possible. Reports during 2008/09 will compare performance levels to previous quarters.
- 3.1.5 The Highland Council has implemented appropriate measures to improve performance and these have been effective. These include changes in the way work is distributed to staff, and reprioritisation of processing activities by the Operations

Team.

- 3.1.6 The performance for December 2008 alone was 45 days. It is anticipated that performance levels will continue to improve. However, because of the cumulative way in which the indicator is calculated, it is likely to be 2009/2010 before improvements achieved in current performance are fully reflected.
- 3.1.7 Improvements in processing times are being achieved despite an increase in workload. Overall, Housing Benefit and Council Tax Benefit caseload has increased by 1.9% over the 12 months to December 2008. Some case types show greater increases particularly private sector applications reporting an increase of 8.7%.
- 3.1.8 The workload situation is being closely monitored as the recession bites, and appropriate action will be taken if additional staffing is required to maintain a satisfactory level of service to customers.

Recommendation

Members are asked to consider the contents of this report.

Signature:

Designation: Depute Chief Executive & Director of Finance

Date: 3 February 2009

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