

To: POLICY AND RESOURCES COMMITTEE (FINANCE SUB-COMMITTEE)		Subject: FINANCE DEPARTMENT SERVICE PLAN 2001/02: MONITORING REPORT
From: DIRECTOR OF FINANCE		
Date: 15 AUGUST 2001	Ref: JV/LM	

## 1 Introduction

- 1.1 The purpose of the report is to update Committee with details of progress towards achievement of the actions identified in the Finance Department Service Plan for 2001/02.

## 2 Background

- 2.1 The Service Plan was approved by Committee in April 2001, having been updated to take account of budget decisions and other relevant matters.
- 2.2 The Plan sets out the aims of the Department for the year and reflects how these aims will assist the Council in addressing its corporate priorities. It also highlights a number of Priority Actions and Key Actions to be tackled during 2001/02 to fulfil the strategic aims. This report details what has been achieved in the three-month period to 30 June 2001 and outlines planned action for the following three-month period to the end of September 2001.

## 3 Comment

### 3.1 Priority Actions

The Finance Department identified four Priority Actions to be carried out during 2001/02.

#### 3.1.1 Implement Three-year Financial Planning

Three-year financial planning has been made possible following the announcement by the Scottish Executive of the three-year financial settlement for local authorities. This has enabled the Council to produce its Financial Plan, which sets out a framework that ensures that the resources available to the Council are used to address the Council's corporate priorities. The development of three-year budgeting has enabled the integration of the Council's financial planning and service planning processes.

#### 3.1.2 Participate in the Council's Response to the Modernising Government Agenda

The use of Information and Communications Technology is central to the achievement of the government's aim to make services more accessible to the public. The IT Services Division is a key member of North Lanarkshire Direct in its aims to provide integrated public information and services. IT Services also has a role in assisting service departments to improve efficiency and service delivery through taking advantage of ICT.

### 3.1.3 Implement New Financial Systems

Sound financial information is required to ensure that the Council retains control over its finances. A new financial management system was implemented on 1 April 2001 that will bring the benefits of improved management information and will enable the Council to meet the government's Modernising Government targets.

Document Image Processing/Workflow enables streamlining of administrative processes and allows a more efficient service to be produced at local area offices. DIP/Workflow has been launched in the Council Tax service and will be introduced for Non-Domestic Rates during 2001/02.

### 3.1.4 Continue to Implement Best Value per the Performance Management Framework

The Finance Department has established a Performance Management Framework, which sets out the actions that it will take to ensure that the services it delivers reflect the principles of best value. Reports are submitted to Committee on the performance of Finance services compared with targets set.

## 3.2 Key Actions

In addition to the Priority Actions, a number of more detailed Key Actions have also been identified. Their achievement will enable the Finance Department to assist the Council to meet its corporate priorities for the year.

## 3.3 Progress Report

The attached report highlights that significant progress has been achieved during the first three months of the year and that action planned for the next three months will ensure that completion of the tasks is on target to meet the timetable set out in the Service Plan.

## 4 Recommendation

### 4.1 It is recommended that Committee:

Notes the progress towards implementation of the Finance Department Service Plan 2001/02.



**Director of Finance**

**SERVICE PLAN 2001/02**

**MONITORING STATEMENT**

PRIORITY ACTIONS	TARGET	ACTION TO 30 JUNE 2001	ACTION PLANNED TO 30 SEPTEMBER 2001
<p>1 Implement 3-year financial planning                      - Revenue Budget process                      - Capital planning process</p>	<p>April 2001</p>	<ul style="list-style-type: none"> <li>• Draft Plan issued for consultation, March 2001</li> <li>• Financial Plan, incorporating comments, produced June 2001</li> <li>• Three-year financial and service planning processes brought together</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate departmental detailed revenue budgets and efficiency savings proposals per service plan timetable</li> </ul>
<p>2 Participate in the Council's response to the Modernising Government Agenda</p>	<p>March 2002</p>	<ul style="list-style-type: none"> <li>• Senior Officer nominated as main contact with the NL Direct Project Team.</li> <li>• Technical assistance provided for the First Stop Shop.</li> <li>• Further development of the Enquiry System.</li> <li>• Specification for the redevelopment of the Web Site completed.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue the provision of technical assistance for the First Stop Shop.</li> <li>• Investigation into available technologies for call centre.</li> <li>• Further development of the Enquiry System.</li> <li>• Select supplier for development of Web Site.</li> </ul>
<p>3 Implement new financial systems                      a - Financial Management System                       b - DIP/Workflow</p>	<p>"Go Live"                      April 2001;                      Commitment Accounting                      September 2001</p> <p>June 2001</p>	<ul style="list-style-type: none"> <li>• "Go Live" target met: core modules (ledger, creditors, debtors, purchasing) functioning</li> <li>• DIP/Workflow successfully introduced throughout the Council Tax operation in January 2001</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to develop the core system</li> <li>• Rollout of devolved purchasing and commitment accounting to selected pilot sites</li> <li>• Update development plan to incorporate further rollout of commitment accounting, improved reporting, implementation of e-commerce</li> <li>• New Non-Domestic Rates system will be introduced by October incorporating DIP/Workflow</li> </ul>
<p>4 Continue to implement best value per Performance Management Framework</p>	<p>March 2002</p>	<ul style="list-style-type: none"> <li>• Action plans of Best Value service reviews monitored and reported to Committee, June 2001</li> <li>• Performance indicators for 2000/01 reported to Committee, June 2001</li> </ul>	<ul style="list-style-type: none"> <li>• Performance indicators to 30 June 2001 to be calculated and reported to Committee, September 2001</li> <li>• Review of indicators and targets to be undertaken, September 2001</li> </ul>

KEY ACTIONS	TARGET	ACTION TO 30 JUNE 2001	ACTION PLANNED TO 30 SEPTEMBER 2001
Review and monitor methods and quality of service provision per Performance Management Framework	March 2002	<ul style="list-style-type: none"> <li>• See Priority Action 4</li> </ul>	
Progress staff training as identified in the Training Plan	March 2002	<ul style="list-style-type: none"> <li>• Training database established for Accounting Services</li> <li>• Information distributed to staff on training courses available</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a model for a Training and Development Plan to identify training needs and resources required, communication to employees and the establishment of regular reviews of training effectiveness</li> </ul>
Consult with service users and employees	January 2002	<ul style="list-style-type: none"> <li>• Employee Survey and Departmental Survey issued April 2001</li> <li>• Analysis of results of a survey of council tax and area cash office customers</li> </ul>	<ul style="list-style-type: none"> <li>• Produce a summary of results and an action plan to address issues raised, August 2001</li> <li>• Issue Service Level Agreements with departments, August 2001.</li> </ul>
Examine key systems to safeguard against loss to the council	Per Audit Plan timetable	<ul style="list-style-type: none"> <li>• 4 reviews completed per Audit Plan</li> <li>• 7 reviews to be commenced</li> </ul>	<ul style="list-style-type: none"> <li>• 7 reviews to be completed</li> <li>• 8 reviews to be commenced</li> </ul>
Continue to develop the role of the Finance Officers Group	Per Action Plan timetable	<ul style="list-style-type: none"> <li>• All points per initial Action Plan now completed</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare updated Action Plan for 2002/03</li> </ul>
Implement Cedar e-Financials, including phased implementation of commitment accounting and development of e-commerce	Go live April 2001 Commitment Accounting September 2001 e-commerce September 2002	<ul style="list-style-type: none"> <li>• See Priority Action 3(a)</li> </ul>	
Continue to develop the asset register, including interface with Property Services' new property management system	March 2002	<ul style="list-style-type: none"> <li>• Asset register updated to meet Accounting Code of Practice requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Link between systems dependent on future development of property system</li> </ul>
Implement 3-year revenue budgets, 2001/02 - 2003/04	April 2001	<ul style="list-style-type: none"> <li>• See Priority Action 1</li> </ul>	

KEY ACTIONS	TARGET	ACTION TO 30 JUNE 2001	ACTION PLANNED TO 30 SEPTEMBER 2001
Continue to develop the 3-year capital planning process	April 2001	<ul style="list-style-type: none"> <li>• See Priority Action 1</li> </ul>	
Undertake a series of value for money studies	Per Audit Plan timetable	<ul style="list-style-type: none"> <li>• Completed Study: Management of Industrial Units</li> <li>• Commenced Studies: Home to School Transport Non-Domestic Rating Relationship Between Frontline and Central Departments Grants to Voluntary Organisations</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Studies: Home to School Transport Non-Domestic Rating (Phase 1) Grants to Voluntary Organisations (Phase 1)</li> <li>• Continue Studies: Relationship Between Frontline and Central Departments Non-Domestic Rating Grants to Voluntary Organisations</li> <li>• Commenced Studies: Cost of Refuse Collection</li> </ul>
Monitor the effectiveness of the insurance claims handling process	September 2001	<ul style="list-style-type: none"> <li>• Tender approved, April 2001, containing commitment to minimum standards of performance.</li> <li>• Awareness Session for members organised, June 2001</li> <li>• Regular meetings held with claims handler regarding the settlement of claims</li> <li>• Insurance procedures document issued to departments, with follow-up meetings to discuss streamlining of claims process</li> </ul>	<ul style="list-style-type: none"> <li>• Update report on outstanding liability claims to be submitted to Committee in September</li> <li>• Review, with claims handler, performance to date</li> <li>• Continue to meet with departments to explain how insurance reports should be completed</li> </ul>
Assess awareness and effectiveness of risk management techniques and activity	September 2001	<ul style="list-style-type: none"> <li>• 3-monthly meeting of Risk Management Officer Working Group, May 2001</li> <li>• Discussions with insurance adviser regarding future risk management strategy and activity</li> <li>• Participation in Education Department's standing group on school crime</li> </ul>	<ul style="list-style-type: none"> <li>• Continue meetings of Risk Management Working Group</li> <li>• Identify potential risk management projects in conjunction with the Councils' insurers and advisers</li> </ul>

KEY ACTIONS	TARGET	ACTION TO 30 JUNE 2001	ACTION PLANNED TO 30 SEPTEMBER 2001
Review the success of attracting resources to the Council. Identify other sources of external funding to maximise resources available to the Council	September 2001 March 2002	<ul style="list-style-type: none"> <li>• Review of Council's share of the local government financial settlement for 2001/02 to 2003/04</li> <li>• Membership of External Funding Corporate Working Group</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare response on government's ring-fencing and central direction of council grant funding on behalf of COSLA to Scottish Parliament's Local Government Committee</li> <li>• Provide financial input to PPP initiatives undertaken by the Council</li> </ul>
Increase Income Collection for Council Tax in the year to 87.5% per Best Value KPI target:  Restrict the cost of collection of Council Tax to £14.50 per property.	March 2002	<ul style="list-style-type: none"> <li>• Collection rate of 88% achieved in 2000/01</li> <li>• Cost of collection in 2000/01 was £13.33</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to monitor progress and introduce further measures, if necessary</li> </ul>
Improving Customer Service - Pilot the use of Video Conferencing	July 2001	<ul style="list-style-type: none"> <li>• Video conferencing strategy is now under the remit of North Lanarkshire Direct as part of the Modernising Government agenda</li> </ul>	
Promotion of Municipal Bank	June 2001	<ul style="list-style-type: none"> <li>• No new initiatives now planned</li> </ul>	
Evaluate and introduce Electronic Data Transfers for payovers in the Treasury Section	June 2001	<ul style="list-style-type: none"> <li>• Introduced April 2001</li> </ul>	
Expand the use of DIP/Workflow into remaining Council Tax Area Offices	June 2001	<ul style="list-style-type: none"> <li>• See Priority Action 3b</li> </ul>	
Implement new Non Domestic Rates System	September 2001	<ul style="list-style-type: none"> <li>• On target</li> </ul>	<ul style="list-style-type: none"> <li>• Complete preparations for implementation</li> </ul>
Increase the % of creditors invoices paid within 30 days to 70% per Best Value KPI target	March 2002	<ul style="list-style-type: none"> <li>• Not achieved – establishing new financial management system</li> </ul>	<ul style="list-style-type: none"> <li>• Increase resources to remove backlog and achieve target performance</li> </ul>
Reduce the cost of borrowing through debt rescheduling etc.	March 2002	<ul style="list-style-type: none"> <li>• Interest savings of £1.2 Million generated in 2000/01</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to review market conditions and seek initiatives for debt rescheduling if conditions are favourable</li> </ul>
Evaluate and implement new Payroll System	Evaluate: Sept 2001; Implement: Sept 2002	<ul style="list-style-type: none"> <li>• Discussions with existing system supplier</li> <li>• Business Re-engineering exercise in progress</li> </ul>	<ul style="list-style-type: none"> <li>• Commence evaluation of options to be undertaken</li> </ul>
Retender Council's banking operations	June 2001	<ul style="list-style-type: none"> <li>• Contract with existing bank until June 2002</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake preparatory work for tendering exercise due to commence October 2001</li> </ul>

<b>KEY ACTIONS</b>	<b>TARGET</b>	<b>ACTION TO 30 JUNE 2001</b>	<b>ACTION PLANNED TO 30 SEPTEMBER 2001</b>
Negotiate with Trade Unions regarding introduction of single status requirements for pay cycles	December 2001	<ul style="list-style-type: none"> <li>Responsibility for negotiation now with corporate Single Status Working Group</li> </ul>	
Implement Disaster/Recovery for key systems as part of Security Planning/Policy.	December 2001	<ul style="list-style-type: none"> <li>Key systems to be included have been identified</li> </ul>	<ul style="list-style-type: none"> <li>Re-locate Unix box from Motherwell to Coatbridge computer room</li> </ul>
Replace the current Housing Systems	September 2001	<ul style="list-style-type: none"> <li>Work on the development of Rents system is underway</li> <li>The priority of the Allocation system has been reviewed and an implementation date has not yet been agreed with Housing</li> </ul>	<ul style="list-style-type: none"> <li>Rents phase 1 to be implemented in August 2001. Commence Phase 2 for scheduled implementation in 1<sup>st</sup> quarter 2002.</li> </ul>
Roll out Microsoft,s NT4 Workstation Operating System	September 2001	<ul style="list-style-type: none"> <li>Complete</li> </ul>	
Implement the new Print Services Contract	September 2001	<ul style="list-style-type: none"> <li>New service provider selected as a result of tender exercise</li> </ul>	<ul style="list-style-type: none"> <li>Transfer of printing contract to new service provider on 1 September 2001</li> </ul>
Continue to monitor the resources available to IT Services to ensure the development of the service, utilising the optimum combination of in-house and external personnel	March 2002	<ul style="list-style-type: none"> <li>Prepare tender documents for additional resources to supplement existing in-house teams</li> </ul>	<ul style="list-style-type: none"> <li>Detailed evaluation of tender responses</li> </ul>
Upgrade central computing facility within the Motherwell Computer Room	December 2001	<ul style="list-style-type: none"> <li>Orders placed for additional disk storage and new system board for E10000</li> </ul>	<ul style="list-style-type: none"> <li>Plan, installation and commissioning of disk storage and new system board</li> </ul>
Standardise Solaris operating system software on all enterprise servers.	December 2001	<ul style="list-style-type: none"> <li>All applications running on Solaris 2.6,7 or 8</li> </ul>	<ul style="list-style-type: none"> <li>Investigate the potential of further standardisation to Solaris 8</li> </ul>
Rationalise and integrate the Council's private telecommunications network (Voice and Data)	March 2002	<ul style="list-style-type: none"> <li>Data &amp; Voice integration completed at circuit to Shotts Housing Office</li> </ul>	<ul style="list-style-type: none"> <li>Investigate and plan further integration</li> </ul>
Develop Software Management Procedures	March 2002	<ul style="list-style-type: none"> <li>Initial meeting with Federation Against Software Theft.</li> </ul>	<ul style="list-style-type: none"> <li>Record existing information in the new Help Desk application.</li> </ul>
Implement single registration requirements of the new Data Protection legislation	September 2001	<ul style="list-style-type: none"> <li>Departments advised of the new registration process and the importance of maintaining an accurate registration.</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate current registrations in preparation for submission later this year.</li> </ul>
Develop e-procurement options for the purchase of hardware and software	December 2001		<ul style="list-style-type: none"> <li>Examine the feasibility of providing an electronic catalogue, quotation and order request facility via the Intranet</li> </ul>