

# Revenues and Service Costs

## Revenues and Service Costs

These pages contain a range of performance information relating to Inverclyde Council's Revenues and Service Costs which will allow you to assess how we are performing in this area.

The performance information that is provided here comes from:

- Key Performance Indicators (KPIs)
- Local Government Benchmarking Framework (LGBF)

You can also view more information on the LGBF indicators on the Improvement Service website: <http://www.improvementservice.org.uk/benchmarking/>

### Performance Overview 2017/18

Our performance in relation to the percentage of invoices paid within 30 days increased by 0.45% in 2017/18 to 97.1%. Council tax collection costs decreased slightly. Performance was better than target (where a target was set) for all but one other performance indicator in 2017/18.

The percentage of sundry debt that is owed to the council decreased, representing an improvement, which meant that the target was achieved.

Our central support and refuse collection costs continue to be lower than the Scottish average.

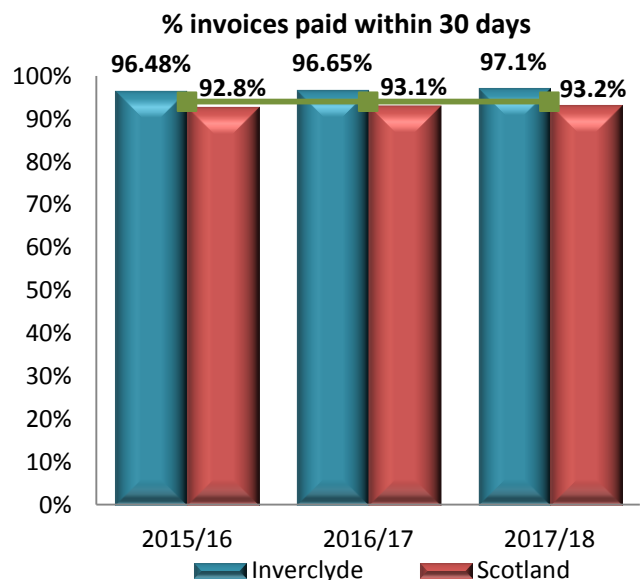
Inverclyde was the highest performing local authority in Scotland for the percentage of invoices paid within 30 days.

### Creditor Payments – The percentage of invoices that were paid within 30 days (LGBF)

The payment of creditors is an area where the Council has maintained excellent performance in the last few years. The current target for this indicator is 94%.

In 2017/18 our performance increased very slightly to 97.1%, which placed Inverclyde as the highest performing authority in Scotland. Our performance is consistently better than the Scottish national figure.

This is an area where we are constantly looking to see where we can improve efficiency. The team has reduced in size as services and Finance work together to maintain performance. The focus is to maintain performance and improve payment times to local suppliers having introduced 20 day payment of invoices rather than the statutory 30 days. Whilst this will not improve the performance of this indicator, it will improve cash flow to local businesses.



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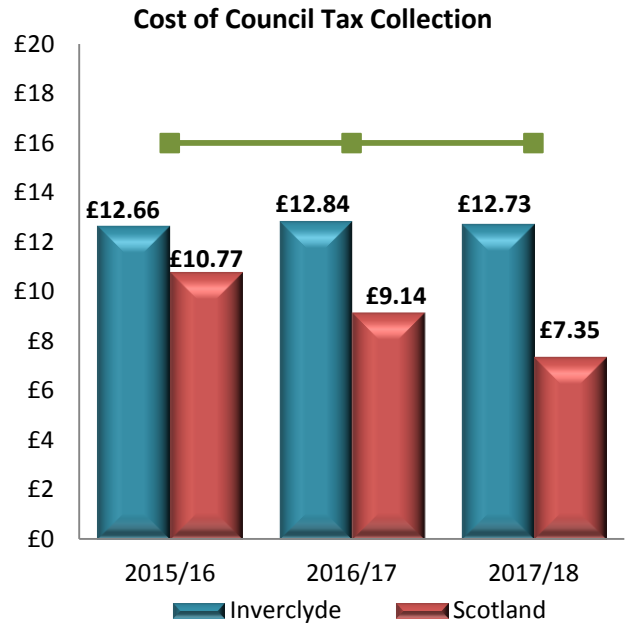
## Cost of Council Tax Collection (LGBF)

The cost of collection of council tax decreased slightly in 2017/18. Costs reflect the level of resource that is required to collect Council Tax, particularly due to the demographics in the area combined with the high benefit caseload.

Our costs continued to be higher than the Scottish average in 2017/18. Inverclyde Council ranked 29<sup>th</sup> out of 32 local authorities in terms of council tax collection costs.

Due to the demographics of the area, officers need to ensure that the Debt Recovery Team is appropriately staffed. Whilst reductions in cost would reduce the cost per dwelling it would likely have a far greater detrimental effect on Revenue.

The target for this indicator is to keep cost at £16.00 or lower and performance is better than target.



## The percentage of Income due from Council Tax that was received by the end of the financial year (LGBF)

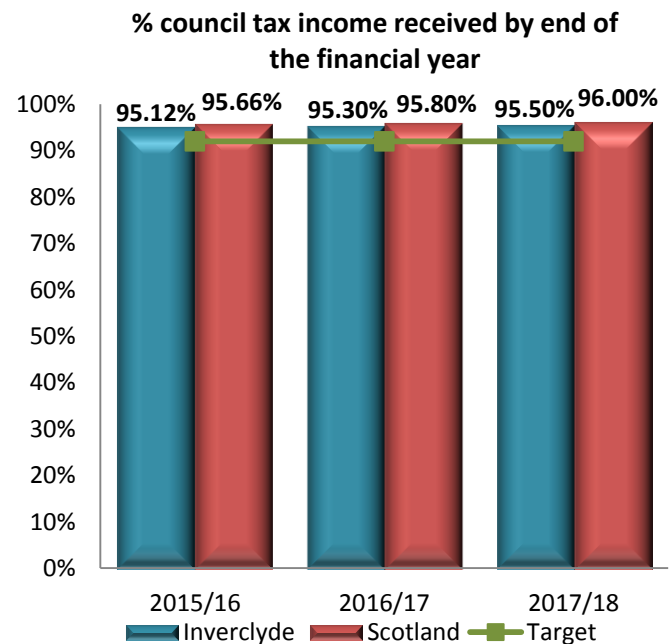
In 2017/18, 95.5% of income from Council Tax was received by the end of the year. This was a small improvement on performance in 2016/17. Performance was very slightly lower (0.5%) than the national average. Inverclyde ranked 24<sup>th</sup> out of 32 local authorities in relation to the collection of council tax.

Performance is consistently under review and fresh initiatives implemented where it is identified that collection levels could be improved.

Performance is also regularly reviewed with the Council's Debt Management Partner. A good practice guide issued by the Directors of Finance has been reviewed to identify areas of possible improvement. Previous detailed comparison with a number of Councils with higher overall collection shows that Inverclyde outperforms these Councils on a Band by Band basis and that housing tenure/values is a key influence on this measure.

Despite the continuing difficult economic climate, in-year Council Tax collection has continued to rise. This is testament to the hard work and commitment of the Council's revenue services and effective partnership working with the Council's debt management partner.

Performance is consistently under review and fresh initiatives implemented where it is identified that collection levels could be improved. Finally, the current economic climate continues to make the collection of Council Tax a difficult task.



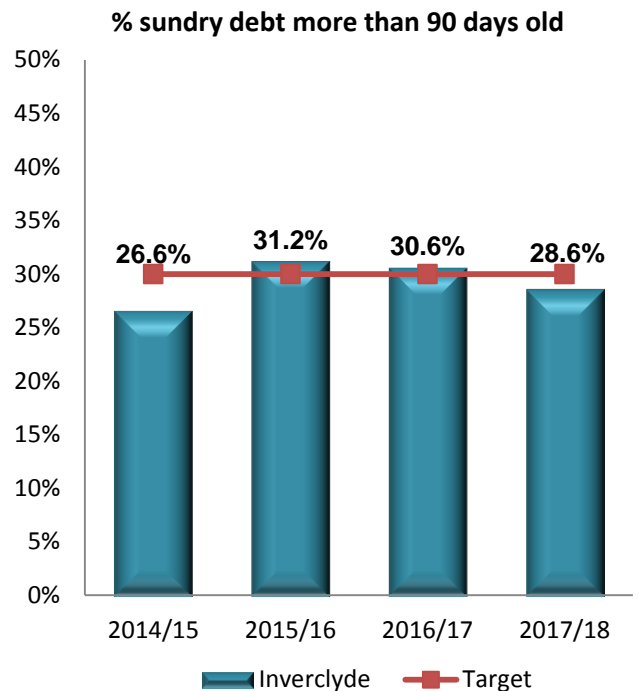
## Revenues and Service Costs

### Collection of Sundry Debtors Accounts: The proportion of outstanding debt that is more than 90 days old (KPI)

Sundry debt is money owed to the Council for services other than Council Tax and Non Domestic Rates. In 2017/18 there was a slight decrease in the proportion of outstanding debt more than 90 days old, which represents an improvement.

It is difficult to control the performance of the sundry debt indicator as one or two very large outstanding invoices can have an adverse effect on the percentage of debt outstanding.

The Council carried out enforcement works on properties in the area from which there are unpaid invoices. This is an example of where performance can be affected. Many of the sundry debtors, although having outstanding balances that are reflected in the outstanding percentage figure, have payment plans in place and Revenue Services has robust processes in place to ensure that appropriate recovery action is undertaken.



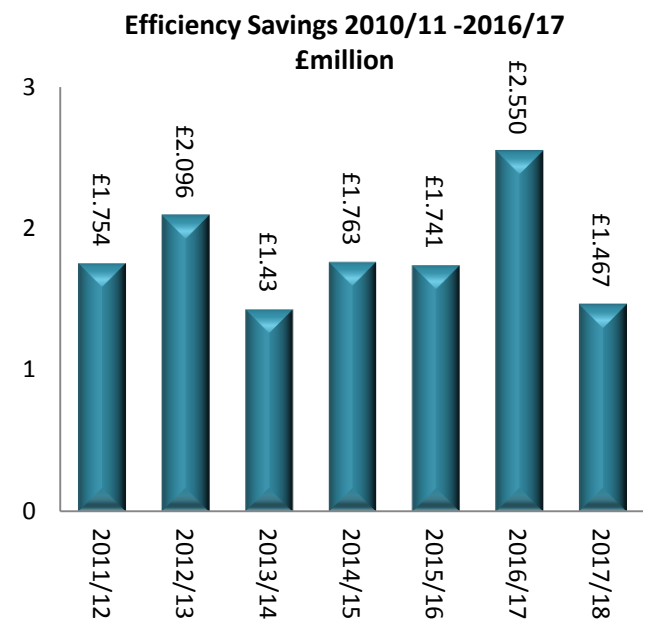
### Efficiency Savings (KPI)

In 2017/18 the Council achieved recurring efficiency savings of £1.467 million.

The Council has delivered £19.5 million of recurring efficiency savings over the period 2008/17 and plans to deliver a further £1.92 million by 31 March 2019.

These savings are helping the Council protect front line services at a time of ongoing reductions in funding.

In addition to this, the Council has re-invested the £4.6 million saved to date by the School Estate Management Plan which has been fully reinvested in our new and upgraded schools.



# Revenues and Service Costs

## Central support services as a percentage of total gross expenditure (LGBF)

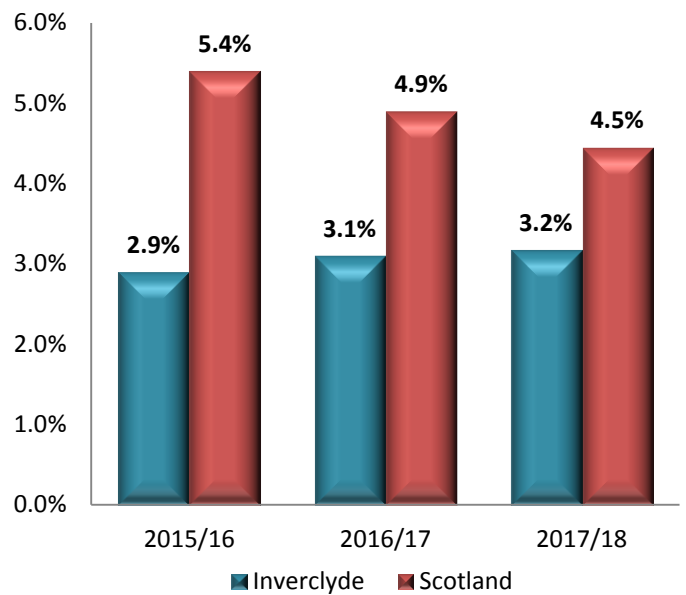
This performance indicator is part of the Local Government Benchmarking Framework (LGBF). Central Support Costs are classed as an overhead cost for services such as ICT, HR, Legal, Finance.

Organisations aim to keep overheads to minimum to highlight efficiency. In 2017/18 however there was a slight increase in support costs, however despite this Inverclyde Council is one of the best performing authorities in Scotland. In 2017/18 we ranked in 3<sup>rd</sup> place nationally (i.e. the authority with the third lowest costs in Scotland).

Inverclyde's costs were lower than the Scottish national costs in all three years shown.

Benchmarking takes place in support areas such as CIPFA accountancy benchmarking and the Society of IT Managers.

Central support costs as a % of total gross expenditure

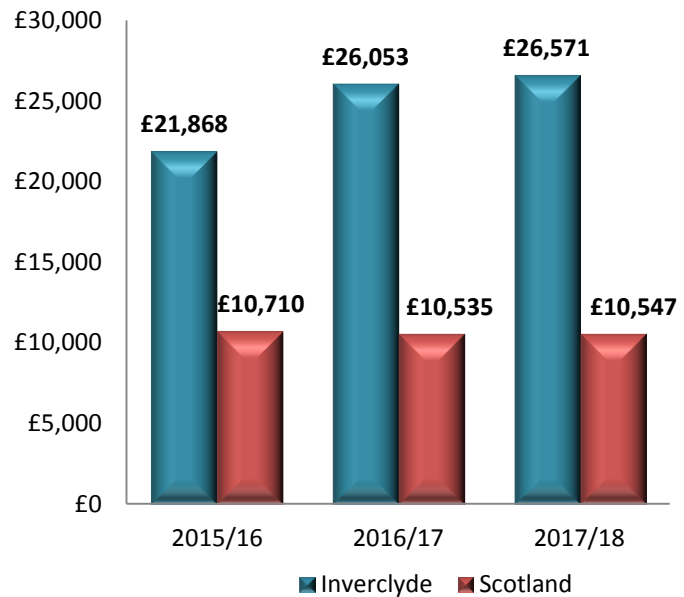


## Cost of maintenance per km of road (LGBF)

This indicator measures the cost of maintenance to the Council per kilometre of road. This performance indicator is part of the Local Government Benchmarking Framework (LGBF).

In 2017/18, Inverclyde's costs were the second highest in Scotland, this is to be expected given the level of investment in roads in recent years. There is some relationship between costs and performance although some factors are subject to constraints outwith the direct control of the Council e.g. winter maintenance costs are subject to winter conditions. The inclusion of winter maintenance costs will skew the data according to the severity of the winter period in question; the costs are also skewed in terms of a comparison to other Councils by the geographical location of each Council within Scotland.

Cost of maintenance per km of road



As part of the LGBF have been meeting with comparator councils that are performing well in this area to see if there are areas where we could improve.

## Revenues and Service Costs

### Net Refuse Collection Costs (LGBF)

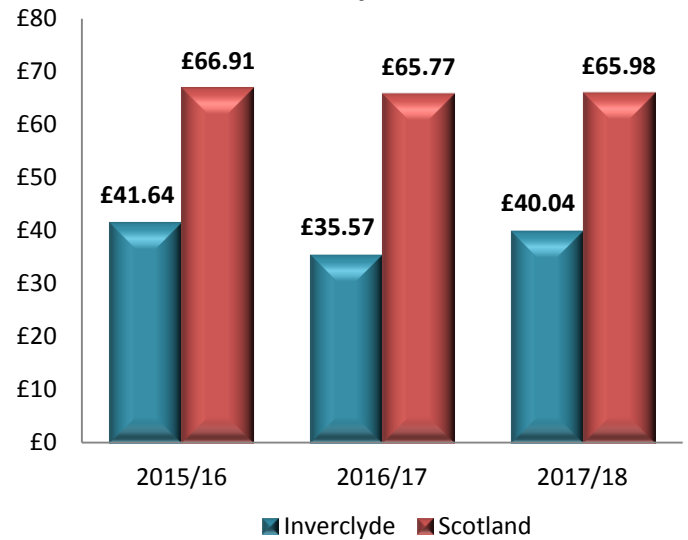
This indicator measures the net cost of refuse collection per premise in Inverclyde.

Net refuse collection costs increased in 2017/18 from £35.57 to £40.04.

This is an area in which Inverclyde performs very well in terms of efficiency of costs. In 2017/18 we had the second lowest refuse collection costs in Scotland.

Our target for the net cost of refuse collection is £51.00 and our costs are well below this, representing high performance. Costs are also significantly below the Scottish average.

Net Cost of Refuse Collection per premise



### Benefits Administration Gross Cost Per Case (KPI)

This indicator is a measure of the gross administration cost per benefits case. Costs increased by £5.73 in 2017/18. The aim is to keep costs below target (£45.00) as this represents increased cost efficiency.

The gross administration cost per case for processing Housing Benefit and Council Tax Benefit reductions is partly attributable to the decreasing case load. A saving was agreed as part of the 2018/19 Budget which will reduce costs for 2018/19. Other costs are out with the control of the Benefits service. Recharges such as accommodation charges impact on the first indicator above. The Benefits service does, however, have controls in place to ensure controllable costs are kept to a minimum.

Benefits Administration cost per case

