
Appendix D – CSG Service Benchmarking

Considered by the Member-led Working Group on 28th September 2016

Introduction

- The CSG contract review is currently in progress
- The review should be informed by an understanding of the value for money we get currently for CSG's provision of core services
- CIPFA has carried out a benchmarking exercise of the following services where data was available:

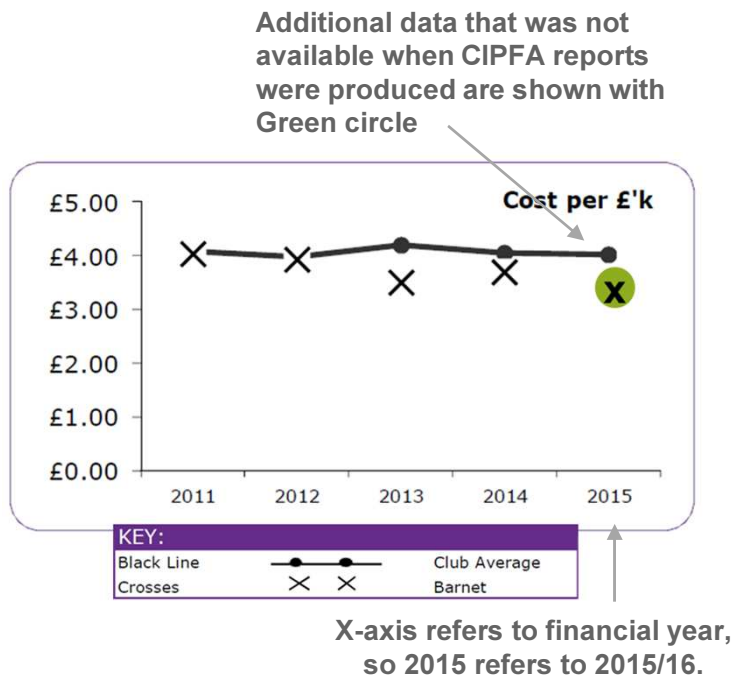
Benchmarked Services	
<ul style="list-style-type: none">• Accountancy• Payroll• Benefits• NDR	<ul style="list-style-type: none">• Council Tax• HR• ICT• Estates

- This report summarises the results of this exercise.

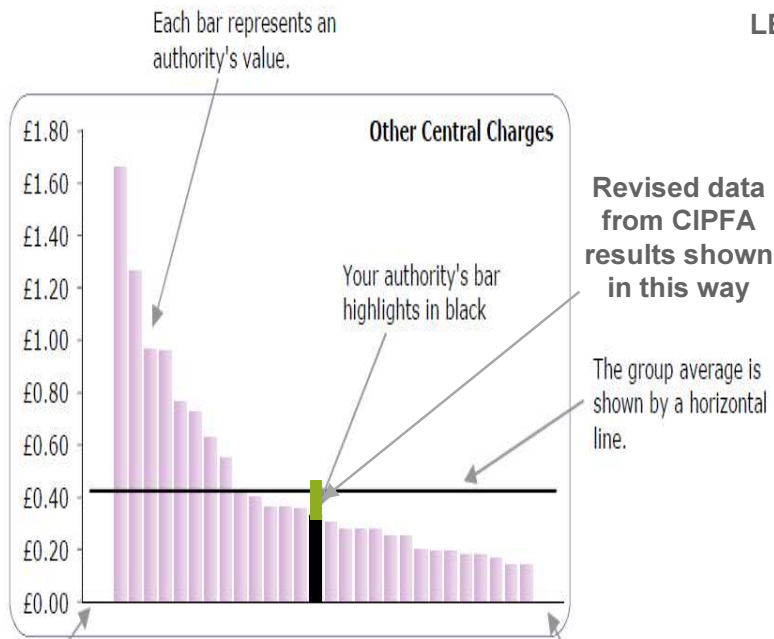
Explanation of data

- CIPFA benchmark cost and performance data for a number of core services against statistical peer groups such as other Outer London Boroughs (the exact group varies for each service)
- Data in the reports is summarised in three main ways:

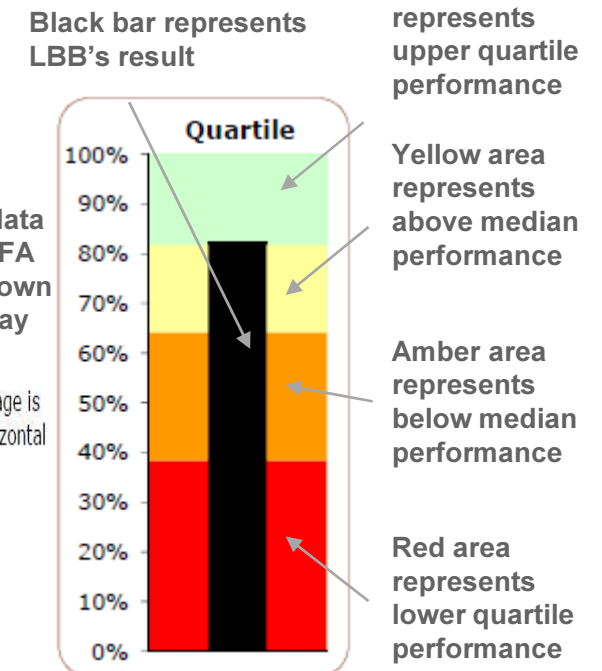
Method 1



Method 2



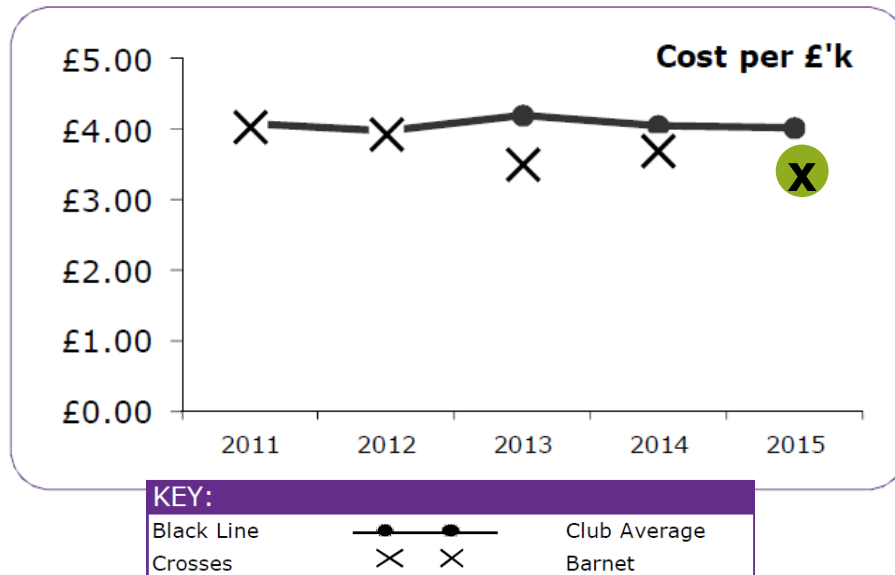
Method 3



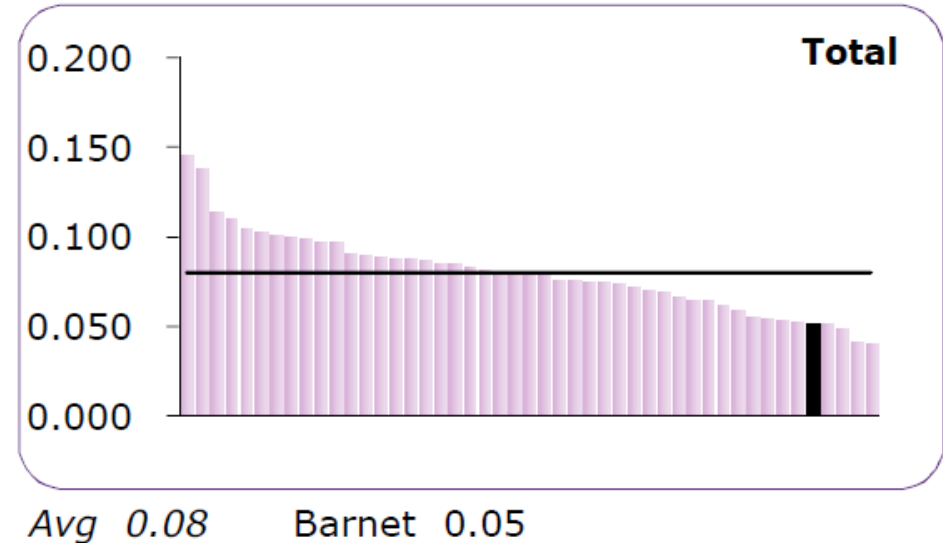
Accountancy service

- Bar chart shows 2015/16 data
- Vs. 46 organisations in benchmarking group

Service cost as a proportion of turnover



FTE per £m of Gross Revenue Turnover



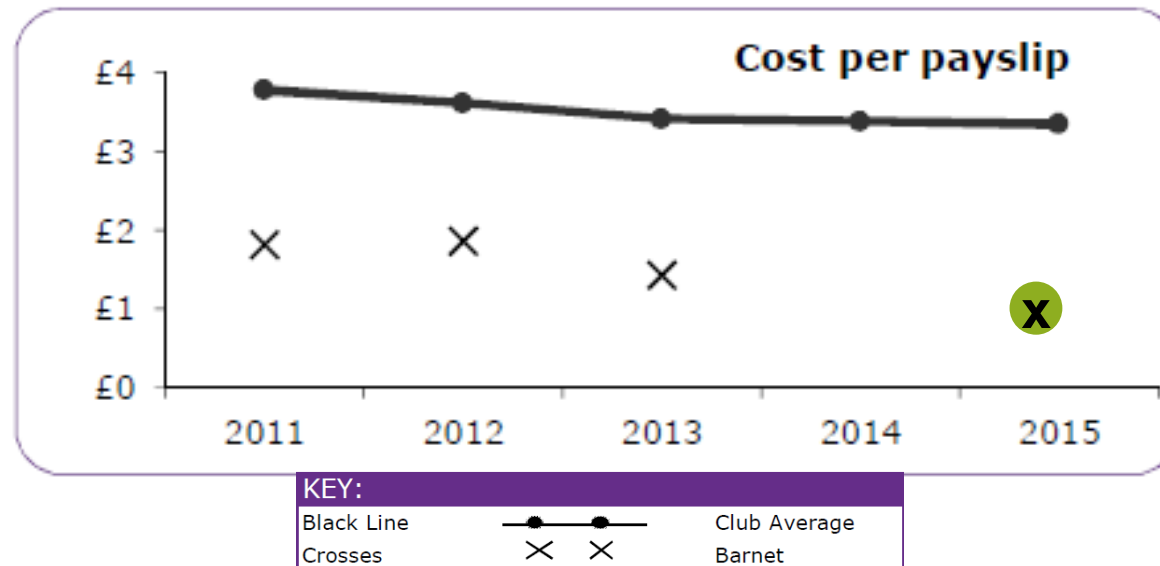
Commentary

Appears to be low cost relative to benchmark group likely driven by a relatively small team. 2015 data is not included in CIPFA report but calculations show service cost is 3.4 per £k of gross turnover, maintaining Barnet's low cost position relative to the benchmarking group.

Payroll Service

- 2015/16 data
- Vs. 28 organisations in benchmarking group

Net Service Cost per payslip



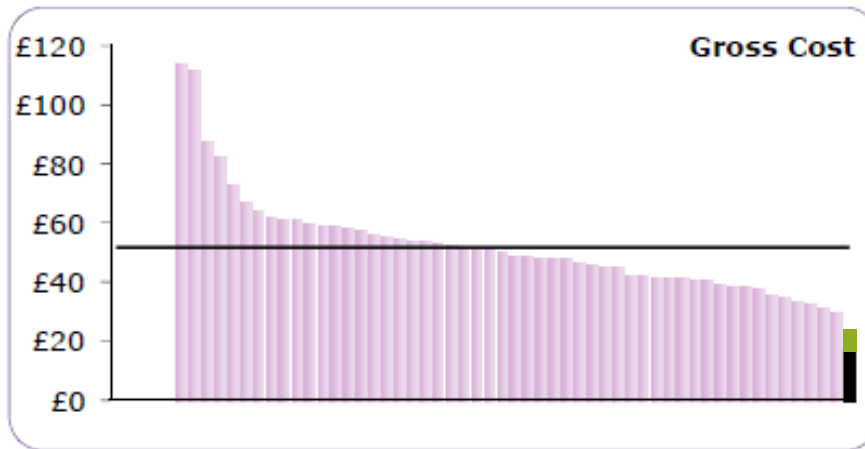
Commentary

Low cost relative to benchmark group although latest figures are not included in CIPFA reports for 2014 and 2015. Calculations show cost per payslip in 2015 was £1.01 so below 2013 level and club average.

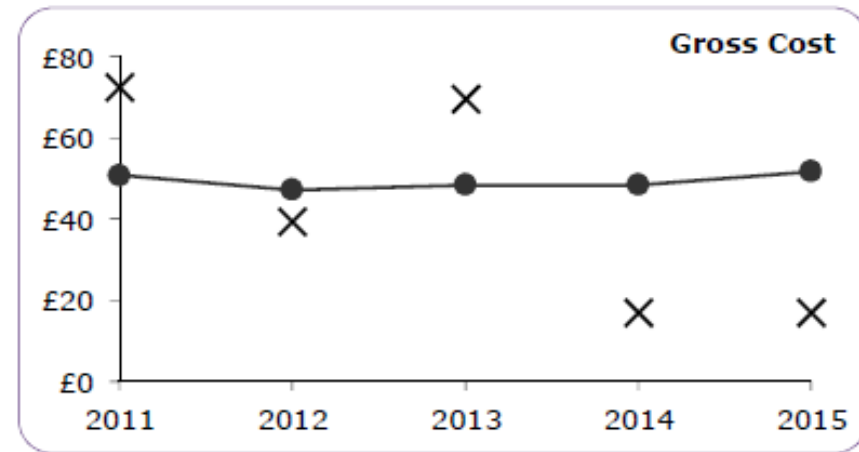
Benefits Service

- 2015/16 data
- Vs. 57 organisations in benchmarking group

GROSS COST/WEIGHTED CASELOAD



KEY:
Club average ●
Barnet X



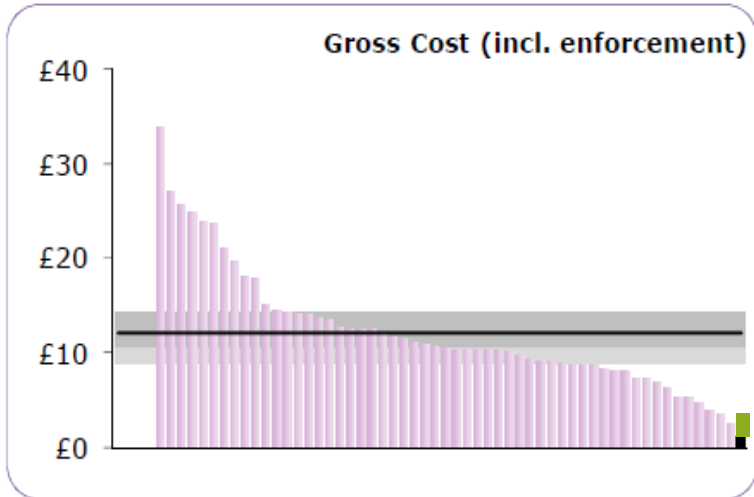
Commentary

Very low cost relative to benchmark group which maintains position from previous year. CIPFA data had not included software costs and other small items. Once accounted for Gross Cost per case is £20.6 from £17 as shown on bar chart graph on left.

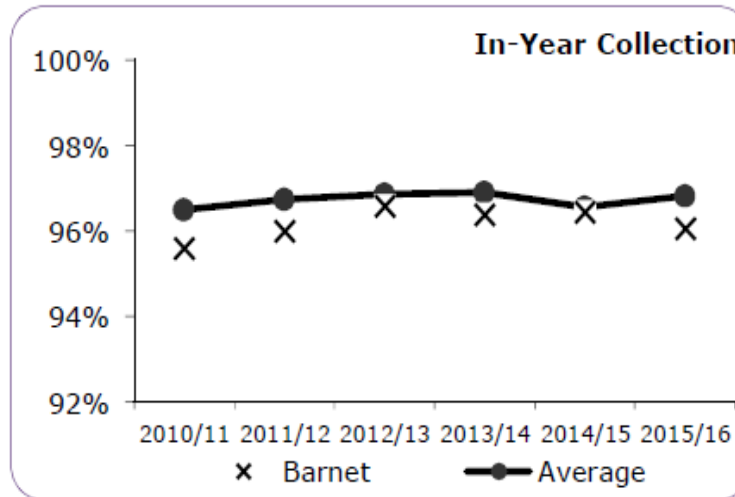
Council Tax Service

- 2015/16 data
- Vs. 58 organisations in benchmarking group

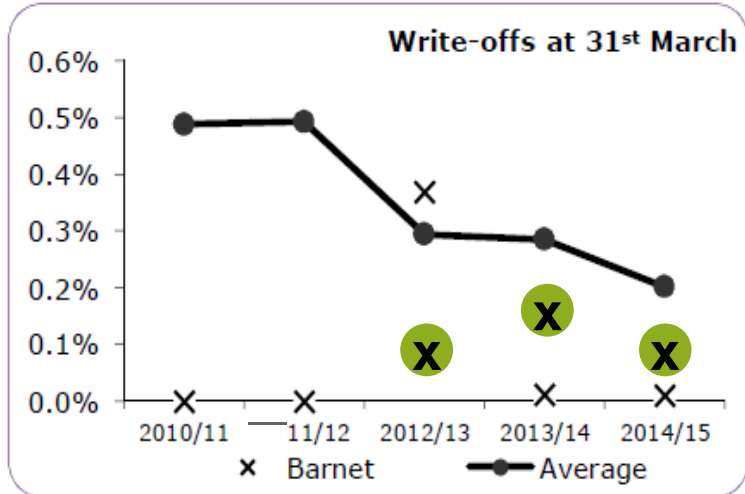
Gross Collection Cost per Banded Dwelling



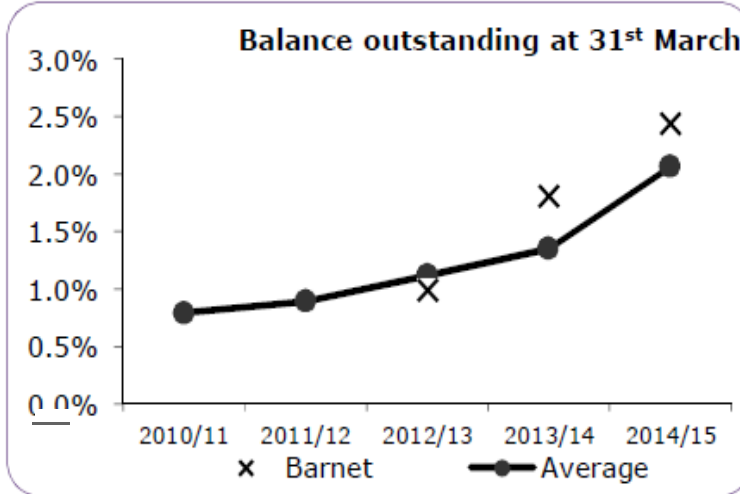
In Year Collection Rates



Amount written off as a % of Net Debit



Net Balance Outstanding as % of Net Debit



Commentary

Council tax service cost per banded dwelling is extremely low relative to the benchmarking group, likely due to low costs, including low relative enforcement costs (net of income). Software costs are missing from CIPFA data. Once accounted for Gross Cost is £3.4, as shown on graph.

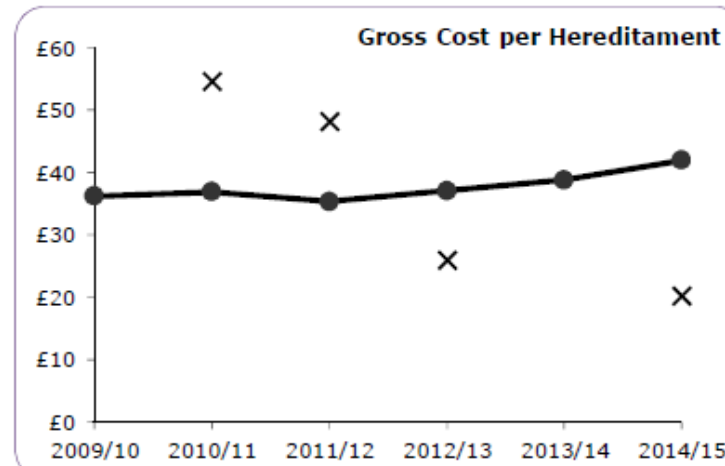
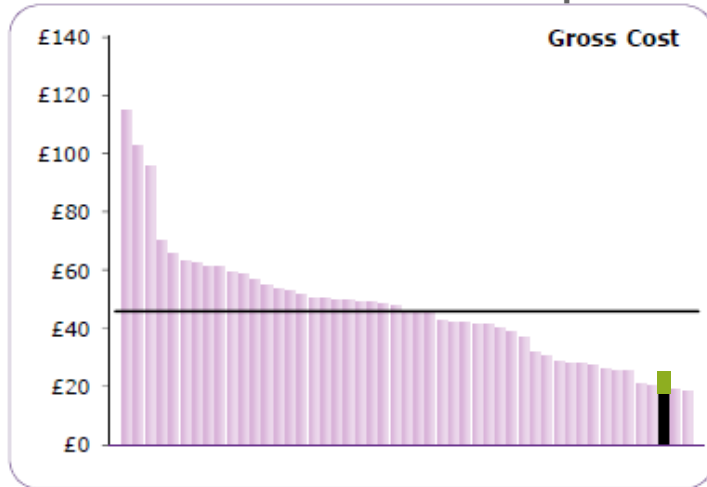
In year collection rates and balance outstanding are worse than average, however the Council is on track at Sept '16 to collect 98.49% of the previous 4 years' debt by Mar '17 (this is the corporate target, rather than in year rates which vary.) Debt is still collected after 4 years but gains reduce as cost of collection increases.

Write-offs shows the amount of each year's debit written off at the 31st March 2016. Revisions to data provided to CIPFA shown on graph.

Non-Domestic Rates (NDR) Service

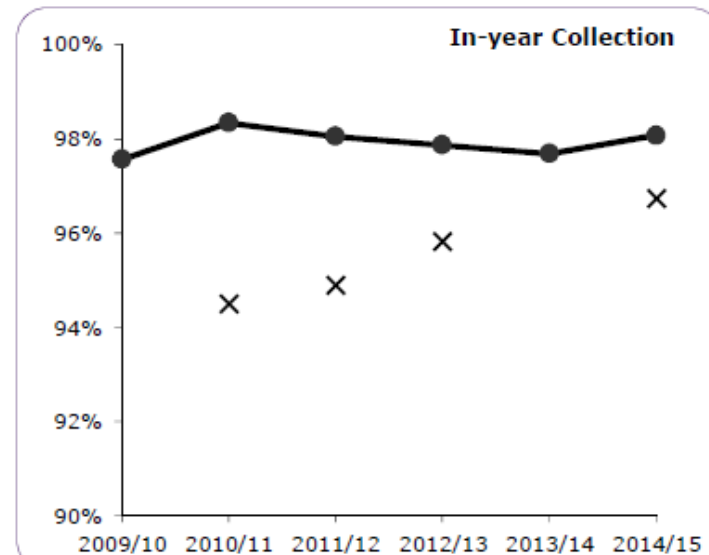
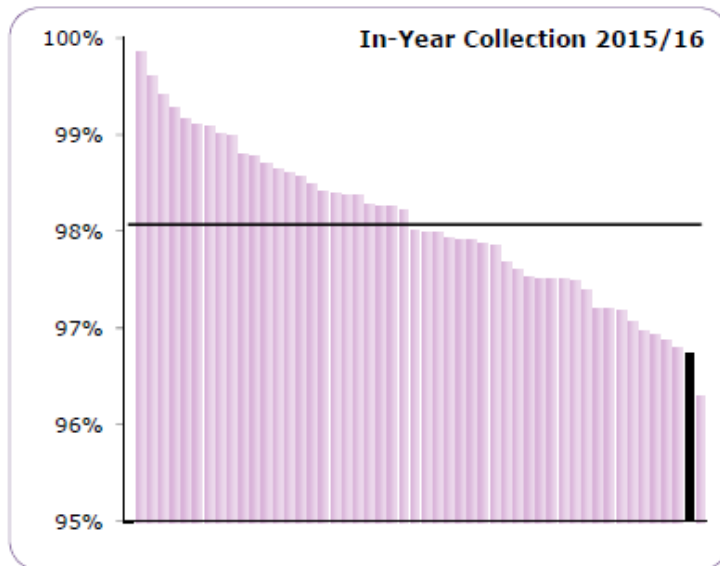
- 2015/16 data
- Vs. 50 organisations in benchmarking group

Cost per Hereditament (land/building)



KEY:
 Black Line Club Average
 Crosses Barnet

NDR Collection Rate



KEY:
 Black Line Club Average
 Crosses Barnet

Commentary

NDR service cost per banded dwelling is low relative to the benchmarking group, moving from being an above average costing service in 2010 and 2011.

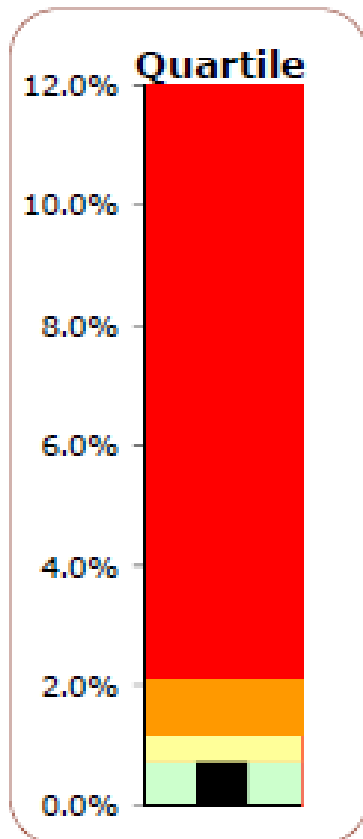
CIPFA data had not included software costs and other small items. Once accounted for Gross Cost per Hereditament is £22.3 as shown on graph.

Collection rates are below average and low relative to others, although performance has been improving year on year since 2010 while cost has been decreasing.

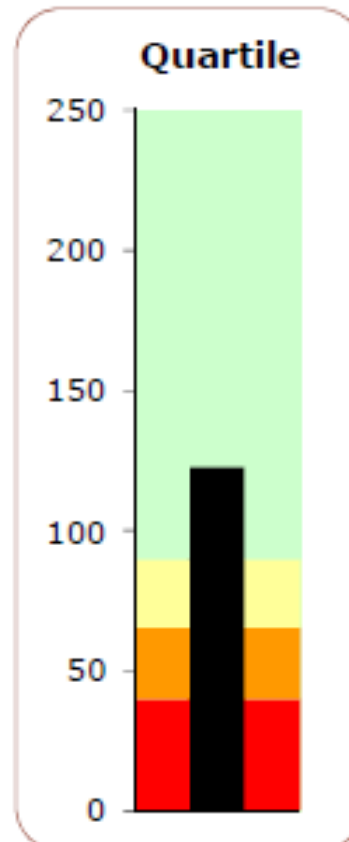
HR Service

- 2015/16 data
- Vs. 262 organisations in benchmarking group

Costs as a % of organisational running costs



Ratio of employees to HR Staff (including L&D)



Commentary

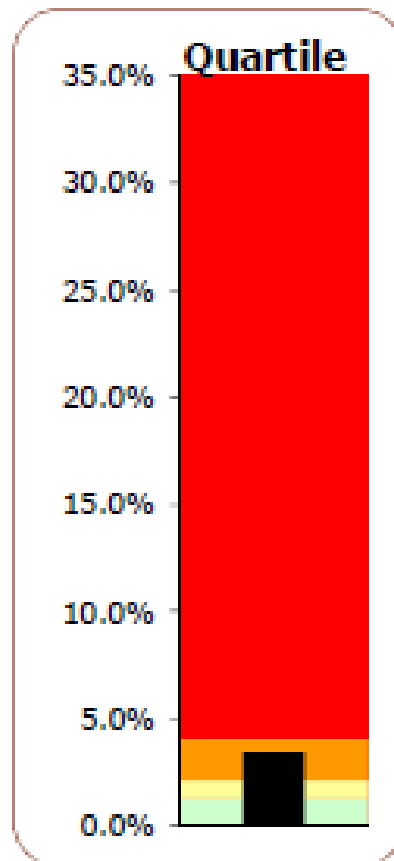
HR service costs are below average, although slightly above the lower quartile, against all CIPFA members as a % of running costs.

In line with this relatively low cost, the ratio of employees per HR staff is high.

ICT Service

- 2015/16 data
- Vs. 230 organisations in benchmarking group

Costs as a % of organisational running costs



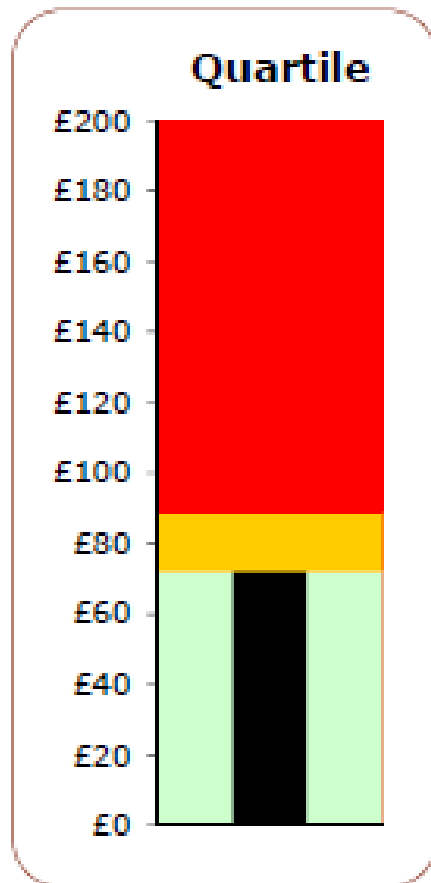
Commentary

The ICT Service is above the median but below the upper quartile in terms of costs as a % of organisational running costs. It is only slightly higher than average (3.5% vs. 3.4% average).

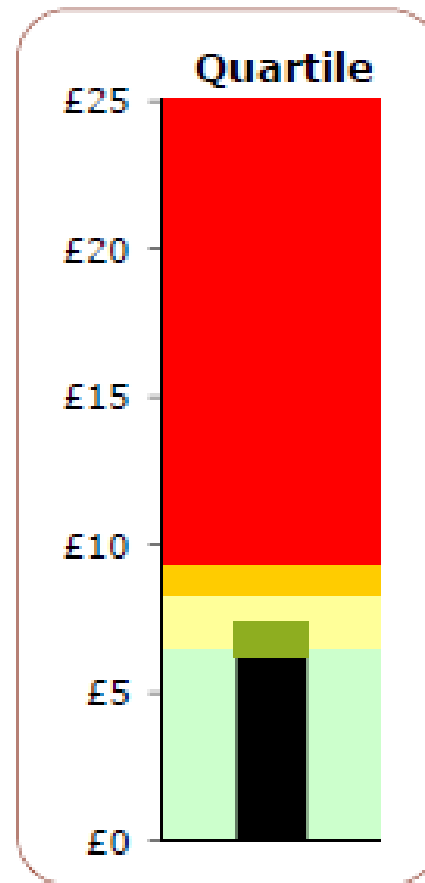
Estates Service – whole estate

- 2015/16 data
- Vs. 7 organisations in benchmarking group

Total Property Costs per square metre Gross Internal Area (GIA)



Costs of the Estates Management Function per square meter GIA



Commentary

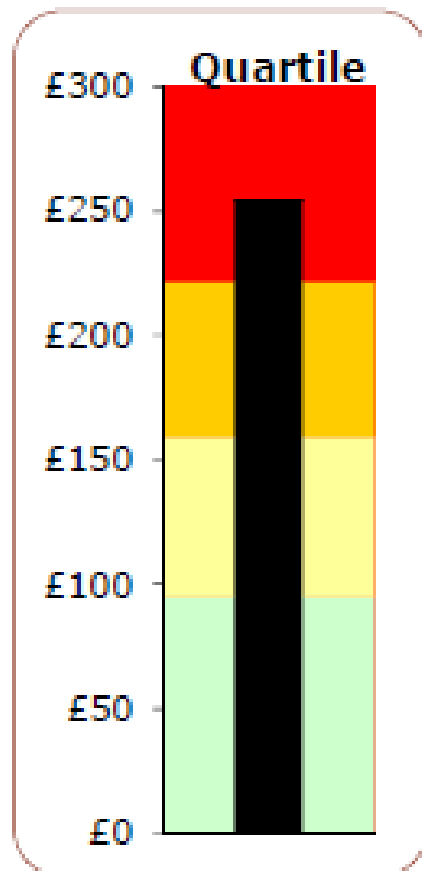
Total property costs (including all occupancy, operational and management costs) per square meter of gross internal area for the entire Barnet-owned property estate are below average, although slightly above the lower quartile. The cost of the Estates management service, a subset of total property costs, is also below average and in the lower quartile.

A review of the data subsequent to the CIPFA submission has shown that the split of Estates Management function costs between the whole estate and admin offices was incorrect. Once correcting for this error, the cost of the function per square meter increases to £7.39 from £6.21, still below the mean of £8.31. There is a minimal impact on total property costs per square metre.

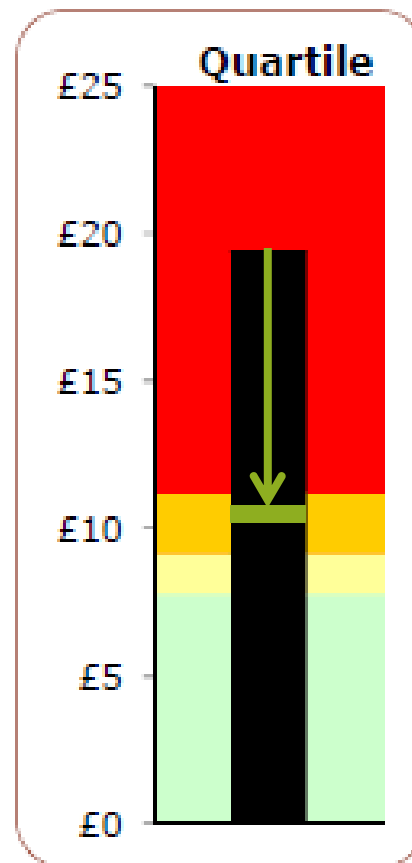
Estates Service – admin buildings only

- 2015/16 data
- Vs. 7 organisations in benchmarking group

Total Property Costs per square metre Gross Internal Area (GIA)



Costs of the Estates Management Function per square meter GIA



Commentary

Both total property costs and the costs of the Estates Management service per square meter of gross internal area in the Council's administrative buildings are within the top (most expensive) quartile compared to other outer London boroughs.

A review of the data subsequent to the CIPFA submission has shown that the split of Estates Management function costs between the whole estate and admin offices was incorrect. Once correcting for this error, the cost of the function per square meter decreases to £10.32 from £19.39, above the mean but below upper quartile. There is a minimal impact on total property costs per square metre.