



**FINANCE SERVICE
SERVICE PLAN
2007 – 2011
update at June 2009**

**PLANA-SEIRBHEIS
SEIRBHEIS AN IONMHAIS
2007 – 2011
ùrachadh san Ògmhios 2009**

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Section 1 Background and Context

Earrann 1 Eachdraidh is Co-theacsa

1.a Purpose of the Plan, Time Frame and how it will be monitored

1.a Adhbhar a' Phlana, Frèam-ùine is mar a thèid a sgrùdadh

This Service Plan is a strategic document which outlines how we will contribute to the delivery of the commitments of the Programme of the Highland Council for which the Finance Service has either a lead or supporting role. In addition the plan also details key actions required for the delivery and improvement of the statutory and core functions of the Service and corporate governance priorities. The plan covers the period 2009-2011 and is supported by a series of specific operational and project plans, where appropriate.

It presents an overview of the Service's aims, objectives and resources, how the Service intends to contribute to corporate objectives, current Service issues and priorities, and the main risk factors identified in relation to these matters.

The plan is an active document and will be subject to review on an annual basis with reports being submitted to the Resources Committee for consideration. In addition the plan will be monitored on a quarterly basis through the Chief Executive's Quarterly Performance Review of the Service with the Service Director and Senior Managers.

The Service Plan will be formally updated annually taking into account internal and external influences and actions arising from monitoring activity throughout the year including the development of the Scottish Government's requirements surrounding the Single Outcome Agreement.

The plan will be useful to many people including:

- Staff
- Customers
- Elected members
- Other Council Services
- All partners or potential partners

1.b Main Functions, Overview of Financial Resources and Structure

1.b Prìomh Dhreuchdan, Thar-sealladh de Stòrasan is Structair Ionmhasail

Finance Service Statement of Purpose

Aithris Adhbhair Seirbheis an Ionmhais

The following is the Finance Service agreed statement of purpose.

“We will deliver and demonstrate efficient and effective stewardship of the Council’s funds by providing leadership and excellence in relation to financial issues”.

1.b.1 Finance Service Goals & Values

1.b.1 Amasan & Luachan Seirbheis an Ionmhais

The Service has agreed the following goals and values:

- Confident, developed and well motivated staff.
- Excellent financial resource management founded on first class systems, procedures and processes.
- Recognised excellence in service delivery to our customers.
- Culture of continuous improvement.

1.b.2 Main Functions of the Finance Service

1.b.2 Prìomh Dhreuchdan Seirbheis an Ionmhais

Central to the role of the Finance Service is the statutory obligation imposed by the terms of Section 95 of the Local Government (Scotland) Act 1973. Each local authority is bound to make arrangements for the proper administration of its financial affairs and shall ensure that the Proper Officer has responsibility for the administration of those affairs. For The Highland Council, the Depute Chief Executive and Director of Finance is the Proper Officer and, as such, has this responsibility. In accordance with this duty, Financial Regulations are compiled and issued, which govern conduct of the Council in financial matters and the Proper Officer has direct jurisdiction over all financial activities taking place in the Council.

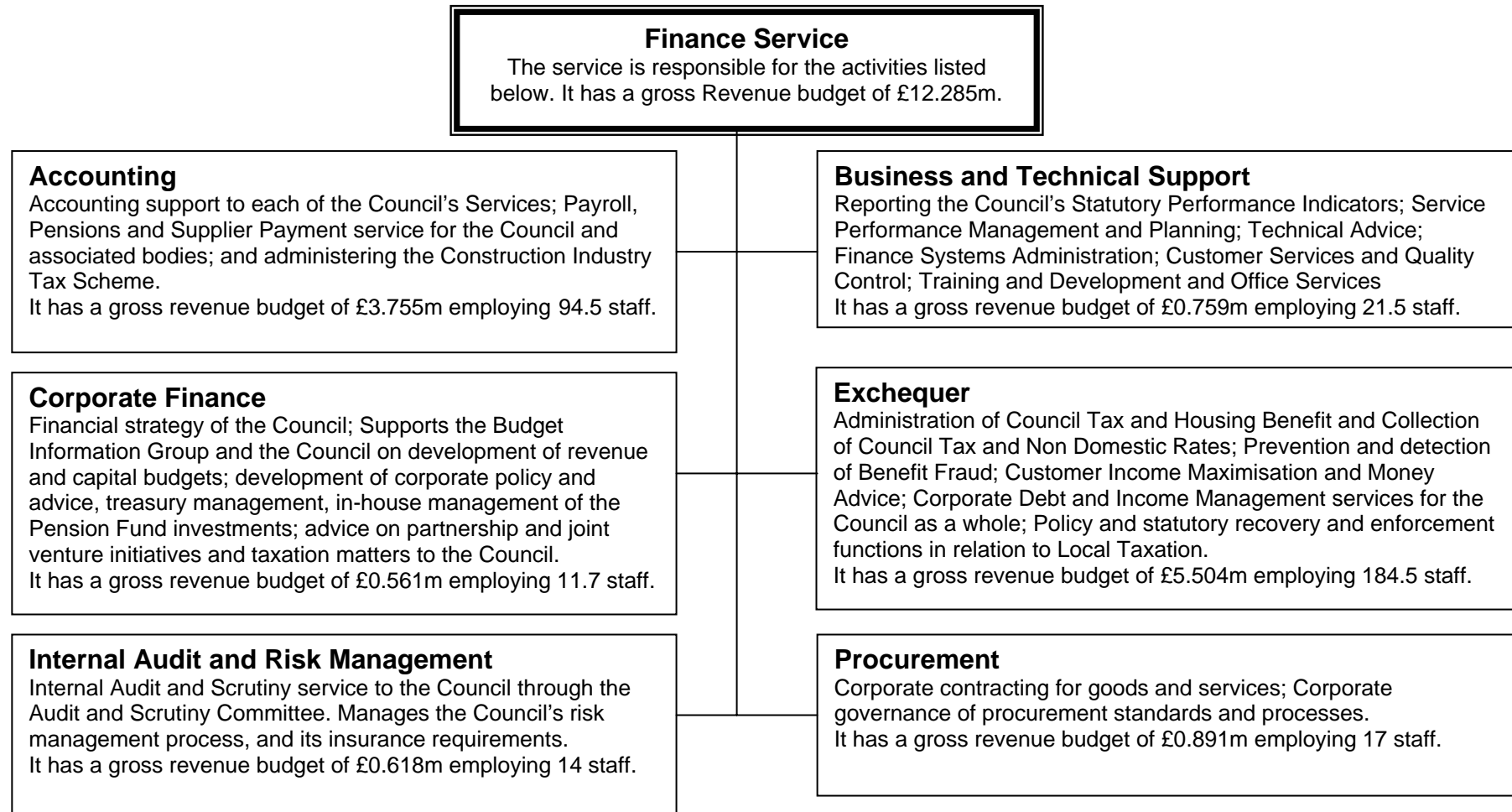
In addition to providing corporate support to the Council and Joint Boards, and the mainstream financial responsibilities including local government taxation and administration of Benefits, the Service now manages Money Advice and Income Maximisation. It also administers the Pension Schemes for the Highland Council, Comhairle nan Eilean Siar, Northern Constabulary and Highlands and Islands Fire and Rescue Service. It provides financial management support and advice to the Council which administers, as trustee, the Council’s Pension Fund. The fund covers employees and pensioners of the Council and a number of other “Scheduled and Admitted Bodies” to the Fund.

The Service also bills and collects water and wastewater charges on behalf of Scottish Water, along with Council Tax, and manages the Council’s Consolidated Procurement Service.

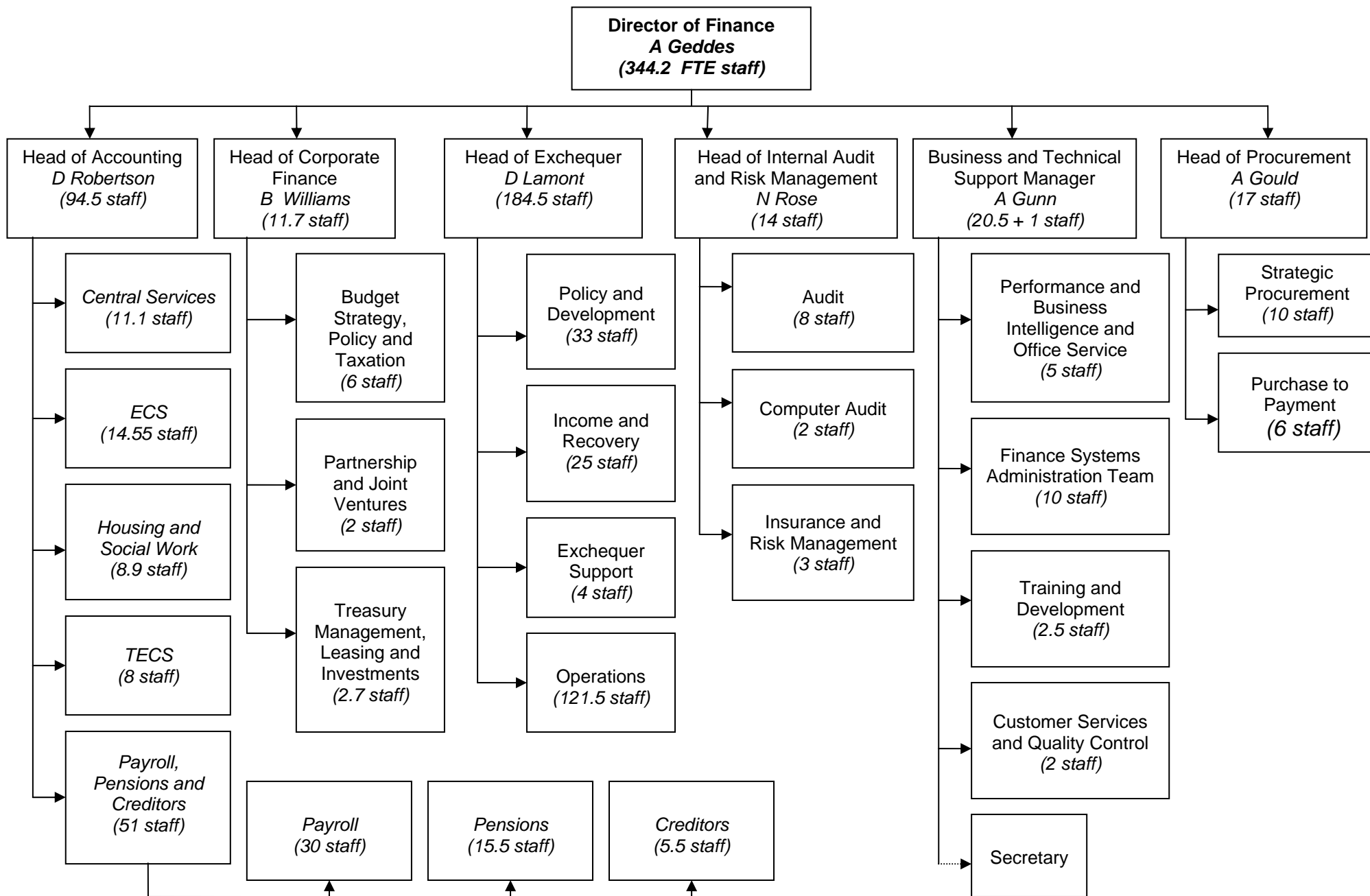
1.b.3 Overview Of Financial Resources

1.b.3 Thar-sealladh de Stòrasan Ionmhasail

The Finance Service is responsible for delivering a range of services through the Director supported by six sections, Accounting; Business and Technical Support; Corporate Finance; Exchequer; Internal Audit and Risk Management, and Procurement.



1.b.4 Finance Service Structure
1.b.4 Structair Seirbheis an Iomhais



1.b.4 Finance Service Structure

1.b.4 Structair Seirbheis an Ionmhais

Accounting

Cunntasachd

Accounting support is delivered to each of the Council's Services through four Service Finance Teams each led by a Service Finance Manager. The Services supported by these teams are:

- Central Services (Chief Executive's, Corporate, Finance, Planning and Development);
- Education, Culture and Sport (ECS);
- Housing & Property and Social Work; and
- Transport, Environmental and Community Services (TECS).

These teams provide a full range of accounting support to Service Directors and their Management Teams at Headquarters and to Service staff in Areas. The Central Services Team prepares the end of year accounts for the Council and the Joint Boards and manages financial systems development.

The Payroll, Pensions and Creditors Team provides a Payroll, Pensions and Supplier Payment service for the Council and associated bodies. The Payroll Team make payments to around 13,000 employees on a weekly, fortnightly and monthly basis. The Pensions Team administer The Local Government Pension Scheme for the Highland Council, Comhairle Nan Eilean Siar and around 30 other organisations and administer the pension schemes for the Police and Fire-fighters.

The Creditors Team are responsible for the payment of around 300,000 invoices each year for the Council and associated bodies and for the administration of the Construction Industry Tax Scheme.

Business and Technical Support

Taic Gnothachais is Teicneolais

The Business and Technical Support Manager is responsible for the following teams:

- Performance Management and Planning, and Technical Advice;
- Finance Systems Administration Team;
- Customer Services and Quality Control;
- Training and Development, and
- Office Services Team.

The Business and Technical Support Manager provides executive support to the Depute Chief Executive & Director of Finance and the Performance Team advises on technical issues relating to Grant Aided Expenditure (GAE) to both the Depute Chief Executive & Director of Finance and the Council.

The Business and Technical Support Manager also provides support in the implementation of Council policies within the Finance Service including Recruitment and section, Equalities Impact Assessment (EQIA) and Energy Management.

The Performance and Business Intelligence Manager has the responsibility for the production of the Accounts Commission's Statutory Performance Indicators for the Council and supports the Business and Technical Support Manager on the production of the annual Service Plan.

The Finance Systems Administration Team provides systems administration for the Finance Service systems as follows:

- Oracle (Corporate Financial system);
- Revs and Bens (Local Tax collection and Benefits administration system);
- Axis (Cash Receipting system);
- Radius (Community Charge system);
- PECOS (E-Procurement system);
- ResourceLink (Payroll system); and
- Civica (ECDM)

The Customer Services Officer administers and analyses Complaints, Freedom of Information requests and Ombudsman enquiries received by the Finance Service. This post also identifies Customer Care training and development issues.

The Finance Control Assistant provides Quality Assurance and Control, including Service Plan actions. They also provide assistance for the provision of Performance Management information.

The Training and Development Team provide specialist training to all relevant staff. In addition to identifying and developing innovative methods of delivery, they also identify and develop opportunities presented by close working with other Councils.

The Office Services Team provides administrative support to the Finance Service as a whole, including maintaining personnel and training records, providing administrative support for the recruitment process, booking travel and accommodation, ordering stationery and other materials, taking minutes of meetings, and typing support.

Corporate Finance **Ionmhas Corporra**

The Finance Manager (Budget Strategy, Policy and Taxation) and the staff reporting to that post are crucial to the financial strategy of the Council. The team supports the Budget Information Group and the Council in relation to the development of revenue and capital budgets, and is responsible for the development of corporate policy and advice in relation to financial matters. It also provides advice on taxation matters to the Council as well as ensuring that the Council's statutory duties in that respect are fulfilled. The team assists the Council in developing policy in relation to efficiency measures to meet national directives, and supports the monitoring and reporting of

efficiency, primarily through the Council's Annual Efficiency Statements, and addresses related in-house budgetary issues.

The Finance Manager (Partnerships and Joint Ventures) and the staff reporting to that post provide financial management, guidance and support to a range of strategic partnership projects and joint venture initiatives being progressed by the Council.

The Principal Accountant (Treasury Management, Leasing and Investments) and the staff reporting to that post provide treasury management services to the Council. They also administer the effective investment of the Council's Pension Fund monies and manage banking and leasing services provided to the Council.

Exchequer **Roinn an Ionmhais**

The Exchequer Manager (Policy and Development) and the team reporting to that post provide policy guidance to the Operations Team and are responsible for ongoing development of Local Taxation and Benefits, and related systems. The Policy and Development Team also deals with prevention and detection of benefit fraud; works on a virtual team basis, using digital technology to enhance efficiency and improve direct service delivery of Non-Domestic Rates; and provides the Council's Money Advice and Customer Income Maximisation Services. The team also provides second tier advice to the third sector and training for both in-house and external providers.

The Exchequer Manager (Income and Recovery) and team provide corporate debt and income management services for the Council as a whole, as well as the statutory recovery and enforcement functions in relation to Local Taxation etc.

The Exchequer Manager (Operations) manages the locally-based Exchequer staff whose role is to deliver Council Tax and Benefits services to the public. Members of staff in 8 local offices work on a "virtual team" basis, using digital technology to enhance efficiency and improve direct service delivery.

In the context of our responsibility in relation to benefits, we aim to pay the right benefit, to the right people, at the right time and to ensure that all those who may have an entitlement are identified and encouraged to apply.

The Business Support Officer works closely with the Head of Exchequer to ensure the adequacy of reconciliation functions, timeous submission of returns to central government, and claims for grants and subsidies. Performance is closely monitored in order to ensure that Exchequer services are responsive to the needs and expectations of customers.

Internal Audit and Risk Management **In-Sgrùdadh agus Stiùireadh Cunnairt**

Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment (the systems of governance, risk management and internal control), by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient

and effective use of resources. It undertakes this through a planned programme of work.

This programme of work comprising of both general and computer audit is provided to the Council, the three Joint Boards and external organisations.

The Head of Internal Audit and Risk Management is also responsible for managing the scrutiny function by reviewing the effectiveness of Council policy implementation and service delivery in order to identify potential improvements. This is achieved by an annual programme of scrutiny reviews.

The Insurance and Risk Management Team is responsible for Insurance Management and managing the risk management process, throughout the Council, by:

- Arranging cover for all insurable perils, and the processing of insurance claims;
- Providing guidance and assistance to Services in identifying, analysing and controlling risks; and
- Providing Risk Management guidance and advice to The Council, and the Risk Management Working Group.

The Team provides an Insurance Management service to the three Joint Boards, Caledonian Community Leisure Ltd, Eden Court Theatre. It also administers various non-profit Community Schemes and a Home Contents Scheme for Council tenants.

Procurement

Solar

The two sections in Procurement are Strategic Procurement and Purchase to Pay. There are three teams in Strategic Procurement which are Corporate Contracts, Technical Contracts and Facilities Management Contracts.

The Strategic Procurement Division deals with the delivery of public services by commercial means, the securing of the Council's commercial requirements, and liaison with both providers and other public bodies (e.g. other Councils, Procurement Scotland, Scotland Excel) in the development of businesses, competition, and collaborative opportunities, throughout the procurement lifecycle:

- Identification of requirements and definition of outputs
- Market intelligence
- The make/buy decision
- Determining specifications in partnership with clients
- Determining and managing the procurement strategy and process
- Strategic contract and supplier management
- Contract Compliance
- Disposal

Its remit is for all goods and services other than care services, and it will manage all projects within this remit where the value of the requirement is £25K or more. It will also provide advice and support in respect of lower value projects and works contracts where requested and when resource allows.

The Purchase To Pay Operations Division deals with the Council's commercial processes including ordering and invoice payment efficiency; supplier adoption and supply base (as opposed to contract) management; and strategy development. It is also responsible for development, control and management of the e-procurement toolkit (e-sourcing, management information and Best Practice Indicators (BPIs) via the Observatory, the Public Contracts Scotland portal, e-Procurement/PECOS, purchase and fuel cards) and liaison with both system providers and other public bodies (e.g. other Councils, e-Procurement Scotland, Scotland Excel) in the development of efficiency and shared business processes.

The section also provides direct user support in terms of purchase to pay procedures and non-system issues relating to use of PECOS, purchase cards, Public Contracts Scotland and e-sourcing.

1.c Resources

1.c Stòrasan

1.c.1 2009/10 Budget

1.c.1 Buidseat 2009/10

Financial Year	Gross Revenue Budget (£m)
2009/10	12.285

Breakdown of 2009/10 Budget

By Section

	2009/10
Section	Gross Budget (£m)
Directorate	0.197
Procurement	0.891
Business and Technical Support	0.759
Accounting	2.244
Corporate Finance	0.561
Internal Audit and Risk Management	0.618
Payroll, Pensions and Creditors	1.511
Exchequer	5.504
Total	12.285

By Staff and Other Costs

	2009/10
Cost	Gross Budget (£m)
Staff costs	10.338
Other costs	1.947
Total costs	12.285
Income	5.477
Net budget	6.808

1.c.2 Major achievements and changes in relation to staffing, in terms of use and development.

1.c.2 Coileanaidhean is atharrachaidhean mòra a thaobh sgioba-obrach, a thaobh cleachdadh is leasachadh.

Payroll

The successful payment to all council employees of the new Job Evaluation salaries and wages.

Pensions

The successful development of tiered contribution rates for the new Pension Scheme.

Procurement

Annual spending through the Council's e-procurement system on a rolling 12 month basis has exceeded £160m, a major step forward in terms of achievement of best practice. New savings have been identified from a range of procurement projects totalling £685k.

Response to Economic Downturn

During 2008/09 the Customer Income Maximisation Team gained additional annual benefits for customers of £402k. In 2009/10 it is anticipated that customers will see the advantages of further investment in this area, as well as synergies from close working with the Money Advice Team, under the same Exchequer management.

Training & Development

Feedback from Finance Service staff on the Training & Development they receive is extremely positive, including from the Council's MORI Staff Surveys and course evaluations.

Supported by the Finance Service's Training and Development Policy, more than 90% of staff receives their Personal Development Plan (PDP) every year. The PDP identifies the training needs which The Finance Management Team then discusses and approves, as appropriate.

A variety of methods are used to deliver training including coaching, face-to-face and e-Learning. The Finance Service has now developed 3 e-Learning courses which have proved popular amongst staff, including Service Point and Service Centre staff. E-Learning offers numerous advantages including that learning can be undertaken from staffs' own computer eliminating the need for travel and office cover pressures.

The Finance Service is also committed to supporting staff in obtaining professional qualifications in relation to their post. This is in addition to permanent Trainee Accountant post in the structure.

Year end accounts

The Council's and Joint Boards Year End Accounts were successfully completed on time including managing significant changes to the Statement of Recommended Practice (SORP).

Significant Efficiency Projects (started and due)

Use of Technology

Within the Exchequer Section, 2008/09 has seen some significant changes in how Non Domestic Rates, Council Tax and Housing and Council Tax Benefits are administered. By the use of digital technology it has been possible to achieve ongoing annual efficiency savings in excess of £250k. Fewer staff are now dealing with a higher caseload, and 2009/10 will see continuing improvements in customer service and efficiency. Such use of modern systems helps to overcome the constraints of the Highland geography and should position the Service well for Shared Services collaboration with other Councils.

1.c.3 Impact and Resourcing of ICT Enabled Developments
1.c.3 Buaidh is Goireasachadh Leasachaidhean Comasaichte le TFC

Note: No. * – This is the Finance Service Improvement Priority number from Pages 38 – 42

No. *	Finance Service Target	Impact Assessment	Funding source	Anticipated Costs	
				2009/10	2010/11
3.5	Increase e-procurement including purchase cards, e-tendering, and e-auctions throughout the Council, leading to efficient and modernised procurement practices which will support the improved delivery of public services.	Supports greater efficiency in purchase to pay processes, improved relationships with suppliers, and delivery of corporate savings.	Service Budget	£84k	£84k
5.17	Implement a work flow process in Pensions.	Improve the allocation and monitoring of routine tasks and the document storage process.	Service Budget	£8k	£8k
5.23	Implement phase 2 of move towards paperless Direct Debits.	Improved customer care and opportunity to further increase Direct Debit take-up. Affords opportunity to further improve collection levels and efficiency. Costs to be confirmed.	Service Budget	£3k	£0k
5.26	Implement payment of Housing Benefit by BACS.	Increased efficiency in payment method and improved Customer Care.	Service Budget	£7k	£0k
5.27	Investigate, and if appropriate, plan implementation of electronic banking facilities for income reconciliation.	Increased efficiency in the support work required including undertaking reconciliations.	Service Budget	£0k	£0k

No. *	Finance Service Target	Impact Assessment	Funding source	Anticipated Costs	
				2009/10	2010/11
5.30	Implement Version 6 of Revenues and Benefits software by December 2009.	Current version de-supported in June 2009. Costs to be confirmed. # Cost dependent on Project Initiation Document (PID)	Service Budget	£tbc #	£tbc
5.32	Implement a solution to enable the collection and enforcement of levies relating to Business Improvement Districts (BID).	Collection and enforcement of BID Levy.	BID Levy	£tbc	£tbc
5.33	Implement Northgate Performance Management and QA module.	Enables productivity measurement and enhanced reporting for Council Tax, Benefits and Non Domestic Rates.	Service Budget 2008/2009	£tbc	£0k
5.36	Investigate and, if appropriate, implement an electronic system to record and monitor risk.	Increase in effectiveness of Risk Management. Investigations to be completed by March 2009.	Service Budget	£80k	£0k

1.d The Council Programme, Statutory and Corporate Governance priorities including the Single Outcome Agreement,
1.d Prògram na Comhairle, prìomhachasan Reachdail is Corporra Riaghlaidh a' gabhail a-steach Aonta na Buile Singilte

1.d.1 The Council Programme
1.d.1 Prògram na Comhairle

The Finance Service plays a key supporting role in respect of the whole Council Programme. The themes that the Finance Service leads and/or is a major contributor to are:

- What we will do for communities and older people.
- What we will do for the economy.
- What we will do to make Highland Council more effective and efficient.

1.d.2 The Scottish Government and Central Government
1.d.2 Riaghaltas na h-Alba is Àrd-riaghaltas

The Local Government in Scotland Act 2003 came into force on 1 April 2003 and is a major change in the environment in which Councils operate. The Act has three core elements:

- The duty to secure Best Value and Accountability in Local Government service provision.
- Duty of Community Planning to ensure long term commitment to effective partnership working with communities and between local authorities and other key bodies and organisations.
- The Power to Advance Well-Being to enable local authorities to work in a more innovative and creative way in responding to the needs of their communities.

The Act also contains other miscellaneous provisions including the repeal of the Section 94 borrowing consents for local authorities and the introduction of a prudential system of capital investment.

Finance also has an integral role with our customers in relation to new legislation. The Department for Work and Pensions (DWP) continues to review the delivery of the welfare benefits system, with Housing Benefit and Council Tax Benefit as usual at the forefront

On the Income and Recovery side, procedures have been changed to take account of the Debt Arrangement Scheme and other changes arising from the Bankruptcy and Diligence etc. (Scotland) Act. Policies are being reviewed to take account of the changed operating environment.

The Government's Shared Services Agenda has already gathered momentum in the North of Scotland, and a Scottish Government funded feasibility study into Shared Services for Revenues and Benefits has been completed. It is now receiving consideration by potential local authority partners and if implemented, could bring radical changes to how these vital functions are delivered.

The Councils involved in the feasibility study were Aberdeen City, Aberdeenshire, Argyll and Bute, Highland, Moray, Orkney and the Western Isles, but it is not yet known how many will continue to participate or whether new Councils will wish to become involved.

This is only possible because of the Scottish Government's announcement that they will not now be proposing to change the system of local government taxation within the term of the current parliament.

Consideration separately continues to be given to opportunities for the Finance Service to work in partnership with other public bodies wherever the opportunities present themselves. An example is the recent joint procurement of Sheriff Officer services.

A new Joint Officer Group has been established to replace the 3-Year Settlement Group. The Depute Chief Executive & Director of Finance can feed into this group any concerns regarding distribution issues. The Joint Officer Group consists of Directors of Finance from Councils together with COSLA and the Local Government Division of the Scottish Government. This Group is the key sounding board between the Scottish Government and Councils on funding matters. It deals, in particular, with the 3-year settlement, which was first introduced in 2000 for the 2001 – 2004 settlement to allow Councils to set budgets for future years and so plan services better. The current settlement is the 2008 – 2011 settlement. The Council is one of six councils represented on the Data Issues Working Group which advises the 3-Year Settlement Group on technical matters.

The Service also continues to collect the Business Improvement District levy for Inverness.

A major focus from the Scottish Government is efficient government. The Scottish Government Spending Proposals 2008 – 2011 were published in November 2007 and integral to these proposals is the commitment to manage public sector resources more effectively.

The efficiency target originally set for Local Government was annual cash efficiency savings of 2% per annum over the 3 financial years, with these savings being left with Local Government for re-investment rather than top-sliced as was the case previously. At this stage, it is not clear how the additional UK efficiency savings of £5bn for 2010/11, announced in the 2009 Budget Report, will impact on the Scottish local government efficiency target.

The Finance Service will be responding to these priorities in three ways (1) by developing more efficient ways of working within the Finance Service e.g. through shared services, (2) by supporting the Council in achieving the objectives of the Corporate Improvement Programme and (3) supporting the Council in the monitoring and reporting of efficiency savings, and in particular, the publication of an Annual Efficiency Statement.

In 2007, the Scottish Government made available funding of up to £0.150m for each local authority in Scotland to cover the costs associated with using the Improvement Service's Shared Services Diagnostic Tool. The Council's Shared Services Diagnostic Project ended in August 2008 with the production of 12 outline business cases for improvement and efficiency opportunities. The Council decided that nine of these opportunities should be progressed as improvement projects under a new programme called the Corporate Improvement Programme. This programme recognises the need to adopt a robust, comprehensive and systematic approach to deliver efficiencies into the future. It represents a major council-wide initiative focused on a transformation agenda with the ultimate objectives of improving :

- Customer satisfaction
- Efficiency

- Stakeholder satisfaction

The nine projects which are being taken forward within the Corporate Improvement Programme (CIP) are :

- Customer Engagement
- Mobile & Flexible Working
- Information Management
- Asset Management
- Transport
- Procurement
- Business Support
- Human Resources
- Income Generation

Finance Service staff are involved at both Board and working group levels for all of the CIP projects.

A further major change brought about by the latest spending review, is the Concordat between Scottish and Local Government, and flowing from that the Single Outcome Agreement to be agreed between both parties. The introduction of the SOA requires the Council to ensure that its financial plans are aligned with both the Council's and the Government priorities. The SOA sets out how the Council will deliver on these priorities. The Council has already agreed, in the Council Programme, that there will be a comprehensive review of spending priorities by 2009. This review will lead to improvements in the alignment between financial plans and priorities.

Constraints arising from the concordat with the Scottish Government, such as the freeze on council tax, and other pressures arising from the current economic climate put a strain on the Council's budget. There is a risk that this may impact on the Council's ability to meet its objectives including the required outcomes in the SOA.

The SOA requires the Council to ensure that it has comprehensive performance management arrangements in place to measure delivery against these priorities. The Council, Budget Information Group and Strategic committees perform a key role in reviewing expenditure and identifying and monitoring efficiency savings to ensure that resources are targeted to meet corporate priorities. It is anticipated that in time this will lead to a rationalisation of external scrutiny and the array of performance information the Council is currently required to provide. This will allow the focus to be placed on those performance measures which relate to SOA priorities.

1.d.3 E-Government

1.d.3 Riaghaltas-D

Central Government has set the modernisation of public services as a priority. An integral part of this is E-Government, which required Councils to be able to transact electronically by the end of 2005. Delivering the E-Government agenda is a priority of the Council. The Finance Service is heavily involved in ensuring that the desired results, as defined by the Council's Digital Highland Programme, will be achieved.

The Professional Electronic Commerce On-line System (PECOS system) is a system for on-line purchasing which contributes to the implementation of the E-Government agenda. Since the last review of this document, use has expanded to a throughput in excess of £160m

annually. In terms of the 16 Councils currently part of the eProcurementScotl@nd Service, Highland Council is still the biggest user in terms of value of throughput and achievement of its own targets.

Purchasing cards have also been introduced corporately, and in excess of 200 are now in circulation.

Both of these tools not only improve corporate visibility of spending patterns, but improve accountability and the Council's ability to monitor contract compliance.

Electronic tendering has also been more fully exploited, and is used in every centrally managed tendering exercise. Not only does it save on both paper and storage space, but it also improves governance, and sometimes crucially, gives bidders additional time to work on their submissions. Greater visibility of contract opportunities are being pursued via the use of the www.publiccontractsscotland.gov.uk portal, of which the Council is also to most prolific user, and benchmarking and best practice via the national electronic information hub.

1.d.4 Audit Scotland and the Accounts Commission

1.d.4 Audit Scotland agus Coimisean nan Cunntasan

The Inverness office of Audit Scotland, as our External Auditors, performs the External Audit of our annual accounts. The annual audit for 2007/08 accounts was completed on 30 September 2008.

Audit Scotland undertook the Highland Council's first audit of Best Value and Community Planning in summer 2005. The outcomes from their Final Report submitted in 2006 formed an Improvement Action Plan. The Finance Service has successfully completed all their actions, including updating the Risk Register.

The second tranche of Best Value audits (BV2) across Scottish local authorities will commence in 2009/10 with The Highland Council one of the five pathfinder authorities. The approach being proposed should lead to a reduction in overall scrutiny. However, it is also clear that to reduce external scrutiny, there needs to be further improvements in internal scrutiny, particularly making effective use of self-assessment.

This will also mean increased cost information will be required by Services, ensuring a clear understanding of what it means and effectively supporting them to identify opportunities to reduce costs whilst maintaining, or improving, service delivery.

The Finance Service has a key role to play not only in determining that the Service itself is achieving Best Value but also across the Council. The Accounts Commission have made it very clear within the review of Statutory Performance Indicators (SPIs) from April 2009 that Councils must demonstrate publicly that they are securing Best Value – including a proper balance between quality and cost.

As part of the Council's commitment to continuous improvement, managers continue to work towards developing their own additional performance indicators as an integral part of the management process.

1.d.5 Other Bodies

1.d.5 Buidhnean Eile

Guidance on the way the Service and its officers undertake our roles comes from a variety of professional bodies, such as the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Revenues Rating and Valuation (IRRV). It is essential that we have regard to and act upon what they produce. There is a current requirement from CIPFA via the Statement of Recommended Practice (SORP) to attach a statement of internal control to the Financial Accounts.

1.d.6 The Council, the Elected Members and Committees

1.d.6 A' Chomhairle, na Buill Thaghte agus Comataidhean

Following the May 2007 elections, the Highland Council became a political organisation driven by an Administration.

Although one of the key roles undertaken by Finance continues to be financial support and governance for the Council, the Finance Service has also completed its own restructuring, including the Exchequer Section.

There are, perhaps inevitably, changes to the information requirements and an example of this is data at Ward level.

1.d.7 Digital Highland

1.d.7 Gàidhealtachd Dhidseatach

Digital Highland maps the way forward for the delivery of key Council services through the use of technology. This demonstrates the critical contribution IT can provide our organisation.

The Service has successfully implemented the Electronic Content Document Management (ECDM) project for Council Tax, Benefits and Non Domestic Rates, and has played a key role in developing a facility for customers to make electronic payments to the Council.

More details of the ICT Enabled Developments specific to the Finance Service can be found as Item 1.C.3.

1.d.8 Corporate Plan Priorities

1.d.8 Prìomhachasan Plana Corporra

Best Value Improvement Plan

Audit of Best Value and Community Planning			
Fin ID.	Bvip 1		
Objective:	Reduce the number of SPIs in the bottom quartile of Council performance and reducing the number of SPIs which are worsening.		
Reference	Bvip 1		
Lead Officer:	Business & Technical Support Manager	Risk No.	N/A
Resource:	Service budget		
Key Performance Results	<ul style="list-style-type: none"> ▪ Continue to review Finance Service SPIs and, where possible, take action to reverse declining performance. ▪ Movement in SPIs was reported to the Council meeting in September 2008 with specific actions to be taken through service committees and to be included in service plans. ▪ Ranking of SPIs reported to Council meeting in March 2009. 		
Enabling actions		Review Date	
Bvip1	Review SPI data on a quarterly basis and implement appropriate action to improve results.	March 2010	

Audit of Best Value and Community Planning			
Fin ID.	Bvip 2		
Objective:	Reducing dissatisfaction with complaints handling, improving response times and reducing the number of complaints which are escalated or not dealt with satisfactorily on first contact		
Reference	Bvip 2		
Lead Officer:	Business & Technical Support Manager	Risk No.	N/A
Resource:	Service budget		
Key Performance Results	<ul style="list-style-type: none"> ▪ Continue to review Finance Service complaints handling procedures and, where possible, take action to ensure responses are issued on time and to a satisfactory standard. 		
Enabling actions		Review Date	
Bvip2	Review complaints data on a continual basis and report quarterly. Implement appropriate action to improve results.	March 2010	

1.d.9 Employee Survey

1.d.9 Suirbhidh Luchd-obrach

The fourth Employee Survey was conducted in November 2007 with the results reported to Resources Committee on 20 February 2008. 79% of Finance Service staff responded.

The results showed an improving picture of support by line managers and the majority of staff were aware of the Council's Flexible Working Policy, and felt they could use it if they wished to do so. Moreover, the continued commitment to Training & Development is very well received.

The concerns expressed were in respect of job security, pay, morale and communication which also led to a fall in job satisfaction. 49% of Finance Staff who responded advised that they were satisfied with their job, a fall of 8% on 2005. The Council average for job satisfaction was 64%.

Members of the Finance Management Team (FMT) considered that it was critical for them to meet with all their staff. FMT members delivered a total of 21 presentations to their staff reporting the Service-specific results. These presentations were delivered throughout the Highlands and staff were afforded the opportunity to offer any Improvement Actions either during the presentation and/or in writing thereafter, anonymously if preferred.

The wider group of Finance Managers discussed and agreed the Improvement Actions which come under 5 broad themes:

- Communication
- Performance and Stress Management
- Working Arrangements
- Change Management
- Progress

These were approved by Resource Committee in October 2008.

Progress against these actions is monitored by the FMT, the Chief Executive's Quarterly Performance Review meetings and the Council's Employee Survey Reference Group.

1.d.10 Recession Action Plan

1.d.10 Plana-ghnìomha an t-Seacaidh

In response to the economic downturn, the Council has implemented an action plan to assist Highland businesses and individuals deal with the impact. This plan supports the Council's Programme to create sustainable communities with more balanced population growth and economic development across the Highlands and to build a fairer and healthier Highlands.

Agreed action	Lead officer
Housing	
Consideration of the Council's potential role as a funder of last resort	Depute Chief Executive & Director of Finance
The Council's Capital Programme	
Ensuring successful implementation of this £60m+pa programme has the potential to create several hundred construction jobs with multiplier impacts	All Service Directors coordinated by Depute Chief Executive & Director of Finance
Additional private sector resources could be brought to bear to help deliver the programme e.g. on design and project management	All Service Directors co-ordinated by Depute Chief Executive & Director of Finance
The scope to accelerate some high impact aspects of the capital programme e.g. on areas with weaker local economies will be looked at.	All Service Directors co-ordinated by Depute Chief Executive & Director of Finance
Money advice and support to individuals	
The Customer Income Maximisation team to continue to promote benefits and also access social tariffs from energy advisors	Depute Chief Executive & Director of Finance
Business Advice & Support	
The up-coming public sector procurement on seminars could have an increased focus on dealing with the recession for local businesses & the third sector	Depute Chief Executive & Director of Finance
The Council's maintenance contracts should aim to maximise local spend where possible	Depute Chief Executive & Director of Finance / Service Directors
The Council should ensure it pays bills promptly to avoid cash-flow problems for small businesses. The UK government has stated that it will try to pay invoices within 10 days rather than 30 for example	Depute Chief Executive & Director of Finance / Service Directors
Proactively promote the Small Business Bonus Scheme	Depute Chief Executive & Director of Finance

1.d.11 Gaelic Language Plan

1.d.11 Plana Gàidhlig

The Finance Service will fulfil it's obligations under the Gaelic Language Plan and make Finance staff aware that the implications of the plan are far reaching and will impact upon the general working of the Council in various ways. We will also raise the visual profile of Gaelic, using Gaelic in press statements and official notices and on the website, and adopt a marketing strategy for Gaelic by drawing on the action plan to help increase the visibility of Gaelic.

1.e Review of Performance and Progress

1.e Sgrùdadh air Coileanadh is Adhartas

1.e.1 Service Improvement Priorities (SIP) 2008/09 – Review of Performance as at 31 March 2009.

1.e.1 Prìomhachasan Leasachaidh Seirbheis (SIP) 2008/09 – Sgrùdadh air Coileanadh mar aig 31 Màrt 2009.

For ease of reference the following symbols have been used to provide an assessment of performance:

✓	Commitment progressing well, is on target or has been completed	47
—	Too early to assess impact or no change is recorded yet	2
M	Mixed performance – positive and negative movement in indicators	9
X	Commitment not met	4
	Total	62

What we will do for communities and older people. (Programme theme 2)

Na nì sinn airson coimhearsnachdan is daoine nas sine (Cuspair prògram 2)

2.1 Develop new corporate action plan for Income Maximisation.

✓

Action Plan for service delivery (with Money Advice) completed June 2008.

2.2 Implement a programme of corporate measures for Income Maximisation.

✓

Implementation by June 2009.

2.3 Continue to work in partnership with the Service Point Network and Service Centre to further improve services.

M

Service Level Agreement (SLA) being reviewed again to ensure a joint understanding of performance standards and roles including following the introduction of ECDM.

2.4 Implement E-Payments project in co-operation with co-sponsor, Head of E-Government.

✓

Ability to take Bulky Uplifts payments through Service Centre completed on target. Further opportunities to implement E-Payments will be progressed as part of Corporate Improvement Programme.

What we will do for the economy (The Programme theme 3)
Na nì sinn airson na h-eaconamaidh (Cuspair prògram 3)

- 3.1 Participation in National Shared Services work with North of Scotland Local Authorities (NOSLA) partners. Project implementation if feasibility study results acceptable.** ✓
- Feasibility study by consultants received and completed. Implementation dependent on political buy-in, future of Local Income Tax etc. Significant investment needed for “one organisation” Option.
- 3.2 Collaborate with partner agencies to make the Highlands and Islands Public Sector more accessible to Small and Medium-sized Enterprises and minority/third sector businesses.** ✓
- All contract opportunities dealt with by Procurement advertised via the www.publiccontractsscotland.gov.uk portal.
- Joint events with Highland and Islands Social Enterprise Zone (HISEZ) and the Inverness Chamber of Commerce delivered and positively received. A further 10 events will take place during 2009/10.
- 3.3 Re-write the Council’s Sustainable Procurement Policy, and assist partner agencies to do the same. Agree shared procurement plans, specifications and evaluation criteria that make full use of new legal rights.** ✓
- Policy has been re-written. Opportunities to deliver community benefits through procurement exercises are being developed on a case-by-case basis.
- 3.4 Develop procurement service web presence including updated buyer profile to ensure maximum access to Council business for all potential providers/suppliers/contractors.** M
- Not yet complete but work ongoing and expected to be completed during Quarter 1 2009/10.
- 3.5 Increase e-procurement including purchase cards, e-tendering, and e-auctions throughout the Council, leading to efficient and modernised procurement practices which will support the improved delivery of public services.** ✓
- Use of all these tools continually increasing.
- 3.6 Develop the long term procurement plans based on both Corporate and Service specific expert knowledge.** ✓
- Services providing details of planned/anticipated projects for 2009/10 in addition to those already known.
- Council contracts register complete and ongoing dialogue with all Services to ensure it remains up to date.

- 3.7 Implement fully the next phase of strategic sourcing, in accordance with Efficient government requirements, allowing direct contract savings and resources to be channelled into public service delivery.** ✓

Work is being undertaken with Services to identify and prioritise opportunities for the next four years.

- 3.8 Develop project management disciplines within procurement projects to maximise delivery of benefits/savings.** ✓

A competency framework for procurement has been developed in conjunction with Employee Development in the Chief Executive's Service. A new training course has been designed and will delivered commencing 2009/10.

What we will do to be more effective and efficient (The Programme theme 5)
Na nì sinn airson a bhith nas èifeachdaiche is nas buadhaiche (Cuspair prògram 5)

- 5.1 Assist, where appropriate, in the provision of training to Members on all Council financial matters.** ✓

Training, where appropriate, provided.

- 5.2 Design and maintain IT System Development Plans for Finance Service - M owned IT systems.**

Revs and Bens System Development Plan completed in June 2008 and is reviewed and where necessary updated on a weekly basis. Northgate Version 6 software for Revenues and Benefits planning is proceeding, towards implementation later in financial year.

The Pecos Post Implementation Review has been completed with a cross-service meeting and output is being reviewed.

IT development plans for other Finance Service-owned systems to be discussed. Lack of dedicated development resource for Oracle system requires consideration; review of Accounting structure required.

- 5.3 Implement Performance Management Framework for the Service, developing relevant Performance Measures for the Sections.** ✓

Corporate implementation of Public Service Improvement Framework (PSIF) will not take place until 2009/10. Consideration will be given to possible roll out of CIPFA FM model as part of the overall corporate implementation of PSIF.

Service participated within the CiPFA Directors of Finance Performance Measures exercise which includes ongoing reviews of measures.

- 5.4 Continue to extend range of Finance Service information available on the intranet and internet.** ✓

Increase availability and access to information continues and improved presentation.

- 5.5 Address all outstanding actions from MORI staff survey.** ✓
- Target dates set for the agreed actions and work continues towards their completion.
- 5.6 Issue quarterly staff Newsletter to all Finance Service staff.** M
- Following staff suggestion from MORI Staff Survey, dedicated pages on the Finance Service intranet replaced the Newsletter.
- Work continues in the development of these pages and will be completed in 2009/10.
- 5.7 Continue to improve the quality and promptness of responses to Complaints and Freedom of Information requests.** ✓
- Improvements evident including quality of responses. 94% of FOI requests for the Finance Service were responded to within the statutory timescale of 20 days.
- 5.8 Design and implement E-Learning Council Tax Training System, and roll-out to relevant staff.** ✓
- Action complete and relevant staff have undertaken training and course.
- 5.9 Liaise with COSLA and the Scottish Government with the aim of positively influencing national budgetary settlements. Endeavour to influence the reviews of Local Government Finance in Scotland, to reflect the needs of Highland Council.** ✓
- New Distribution Officer Group has established replacing the three-year settlement group (3YSG). The Data Issues Working Group (DIWG), continues as before.
- Briefings prepared to COSLA and further influence applied through the Resources and Capacity Executive Group which the Council Leader attends.
- 5.10 Review purchasing processes undertaken throughout the Service, and implement changes wherever practicable.** ✓
- Review complete and changes in business processes effectively implemented.
- 5.11 Ensure data, held by the Finance Service, is transported securely to third parties.** ✓
- Pilot underway and data being received from DWP on a daily basis.
- 5.12a Develop ICT Business Continuity Plans in accordance with the requirement of the Civil Contingencies Act 2004.** ✓
- Plans completed.

5.12b	Assess the state of Business Continuity Planning within the Finance Service.	✓
	Ongoing.	
5.13	Increase the number of Supplier payment runs from one per week to two.	✓
	Completed.	
5.14	Develop the interface between Pecos and Oracle to capture invoice date.	✓
	Completed.	
5.15	Review the Financial Monitoring Process.	X
	This action remains outstanding; will be completed during 2009/10.	
5.16	Review the year end Central Support Services (CSS) allocation.	✓
	Completed.	
5.17	Create a budget for Children's Services to comply with Financial Regulations.	M
	The new Children's Service Budget has been created. However governance arrangements still require some clarification.	
5.18	Introduce Financial Management training courses within the ECS service.	✓
	Completed.	
5.19	Tax Councillor's mileage claims at source.	✓
	Completed.	
5.20	Rationalise the number of payrolls following the introduction of Job Evaluation.	✓
	Not due for completion until April 2010.	
5.21	Issue Benefit Statements to Active and Deferred pension scheme members for Police and Fire.	✓
	Completed.	
5.22	Develop electronic bulk timesheets for Supply Teachers.	M
	Not yet completed; will be completed during 2009/10.	
5.23	Review invoice processing procedure.	✓
	Completed.	

- 5.24 Implement a document imaging and work flow process in Pensions. M**
- Imaging up and running; work flow is being done on a staged basis and will be fully operational during 2009/10.
- 5.25 Monitor and report agreed efficiency measures for the Council to meet national directives and address in-house budgetary issues in this regard. ✓**
- Council's Annual Efficiency Statement (AES) for 2008/09 completed on time.
- 5.26 Implement 3 year revenue budgeting within the Council. ✓**
- 2009/10 Revenue Budget agreed by Council in February 2009. High level rolled forward budget also prepared for 2010/11.
- 5.27 Produce rolling five-year capital programmes. ✓**
- Revised Capital Programme for 2008/09 to 2011/12 agreed by Council. Work has commenced, and will continue during 2009/10, to fundamentally review the Council's 5 year rolling Capital Programme and to move to a 10 year capital strategy with focus on spend to save initiatives.
- 5.28 Investigate recommending options to integrate more closely the Council's service planning and budgeting frameworks (including assisting Property colleagues on the development of asset management plans (AMPs)). ✓**
- Following approval of the 2009/10 Revenue Budget in February 2009, work now progressing with the Administration on the further development of the 2010/11 and future years' revenue budgets. This will include improved service planning, the management of agreed efficiency measures to ensure successful delivery and the development of AMPs in liaison with colleagues in Housing and Property Services.
- 5.29 Complete Pension Fund (PF) portfolio transitions resulting from high level appraisal of investment strategy. ✓**
- Completed.
- 5.30 Implement Direct Debit for Special Arrangements for payment of Council Tax and Non-Domestic Rates arrears X**
- Dependent on completion of paperless Direct Debits (No. 5.35 below). Will be implemented during 2009/10.
- 5.31 Restructuring of Finance Service managed effectively, involving staff and Unions wherever appropriate. ✓**
- Completed.
- 5.32 Implement payment of Housing Benefit by BACS. X**
- Not yet operational, testing ongoing.

5.33	Investigate and, if appropriate, plan implementation of Electronic banking.	—
	To be reviewed during 2009/10.	
5.34	Implement single application form for Council entitlements, and limiting the number of assessments undertaken.	—
	To be developed as part of the Corporate Improvement Programme.	
5.35	Implement paperless Direct Debits.	X
	Testing ongoing including discussing some issues with software supplier.	
5.36	Analyse CIPFA Directors of Finance/IRRV Best Practice Programme and produce action plan.	✓
	Completed.	
5.37	Implement Version 6 of Revenues and Benefits software	M
	Will be implemented during 2009/10.	
5.38	Assess case for implementing First Debtors system for overpaid Housing Benefit, following implementation of Version 6 of Revenues and Benefits software.	✓
	Will be assessed by Mar 2010; dependent upon Version 6 software being successfully implemented (action 5.37).	
5.39	Implement a solution to enable the collection and enforcement of levies relating to Business Improvement Districts (BID).	✓
	Completed.	
5.40	Implement Northgate Performance Management and QA module.	✓
	Will be implemented by Mar 2010; dependent upon Version 6 software being successfully implemented (action 5.37).	
5.41	Implement Employment Support Allowance Software.	✓
	Completed.	
5.42	Link audit planning process to Risk Management process undertaken by Services.	✓
	The Tactical Plan for 2010/2011 will be based upon the Council's Risk Management process and is not due for completion until Mar 2010.	
5.43	Review the methodology adopted for the Audit Planning Process.	✓
	Completed.	

- | | | |
|-------------|--|----------|
| 5.44 | Review Financial Regulations. | ✓ |
| | Review of Regulations to be completed by October 2009 and agreed by Council in December 2009. | |
| 5.45 | Investigate and, if appropriate implement, an electronic system to record and monitor risk. | ✓ |
| | Investigations continuing including whether a single system can provide both Performance and Risk Management. Invitations to Tender to be issued in May 2009. | |
| 5.46 | Address the implementation of Operational Risk Management throughout the Council. | M |
| | Services continue to be encouraged to develop and maintain Risk Management at Operational level. Success is largely dependent on action 5.45. | |
| 5.47 | Undertake a review of the Internal Audit Manual following the introduction of an automated Audit Management System. | ✓ |
| | Completed. | |
| 5.48 | Pursue the establishment of a Scotland Excel regional office hosted by Highland Council to ensure a high profile for the Council in the development of the national procurement agenda. | ✓ |
| | Completed. | |
| 5.49 | Produce Best Practice indicators (BPIs) as part of the McClelland Implementation Project. | ✓ |
| | Completed and further analysis and reporting will be undertaken during 2009/10. | |

1.e.2 Progress against Accounts Commission Statutory Performance Indicators
1.e.2 Adhartas an aghaidh Comharran Coileanaidh Reachdail Coimisean nan Cunntasan

Our performance in each of these Statutory Performance Indicators (SPIs) over the past 4 years is shown below. Information in respect of 2008/09 performance will not be available until September 2009. The rankings will not be available until January 2009.

SPI monitoring during the year is undertaken by reporting to both the Resources Committee and the Quarterly Performance Reviews (QPR) with the Chief Executive. The QPR contains a range of performance management information including SPIs.

Finance Service Statutory Performance Indicators
Comharran Coileanaidh Reachdail Seirbheis an Ionmhais

Measure	Rank in 07/08		SPI Measurement				Better ✓ or worse ✗ since 07/08. Performance compared to 05/06		
	1-32	✓ 1-8 ✗ 25-32	04/05	05/06	06/07	07/08	5-9%	10-14%	>15%
Benefits Administration									
Administration costs - the overall gross administration cost (£) per Council Tax or Housing Benefit application	28	✗	-	-	68.60	65.12			
New claims - the average time (days) taken to process new claims	31	✗	-	32.8	28.7	38.4			✗
% HB overpayments written of as % of total overpayment debt outstanding			-	1.9	1.6				
Corporate Management									
Litigation claims – number of claims per 10,000 popn	2	✓	13.9	10.8	10.6	8.4			✓
Council Tax – the gross cost of collecting Council Tax per dwelling (£)	29	✗	17.68	17.61	18.28	18.61	✗		
Council Tax – the percentage of Council Tax income for the year that was collected in the year	14		94.1	95.1	95.4	95.5			
Invoice payment – the percentage of invoices paid within 30 days	20		90.0	88.8	83.8	83.9	✗		

1.e.3 Progress against other Performance Measures

1.e.3 Adhartas an aghaidh Ceumannan Coileanaidh eile

The CIPFA Directors of Finance Best Value Working Group has pulled together performance indicators for all Scottish Councils and the latest year for which these are available is 2007/08. These indicators provide a wider picture of the services provided by Finance and the Highland Council takes part in collecting and returning these indicators. The indicators are then shared amongst the Scottish Councils and are valuable management information for internal use. Not all Councils are able to return all of these indicators and they are not audited by the External Auditor which makes definitive comparisons between Councils difficult.

The Internal Audit Team issues a customer satisfaction questionnaire to each Client Manager at the end of each audit review. This seeks feedback with respect to different aspects of the audit including the approach to and the conduct of the audit; the format, style and content of the audit report and the customer care shown.

In 2008/09 there was an improvement in the average ranking to 86% this compared with 83% in 2007/08.

1.f Above the Line Risks

1.f Cunnartan Àrda

The following are the risks identified by the Service as being categorised as 'Above the Line'. Risks are defined as being above or below the tolerance line. The above the line risks require to be managed and will be reviewed periodically by the Management Team, to identify need for further action required to reduce the level of risk. Part of this review will include assessing whether the risks are still relevant and also identifying any new scenarios.

Updates are as at 31 March 2009.

Corporate Risk:

There are currently no Corporate Risks which are above the line on which the Finance Service is the sole lead.

Service Risks:

Owner: Head of Exchequer

Risk No.	2	Likelihood	C II	SIP ref	
Money Advice Team within Exchequer fails to deliver improved customer service and increased benefits maximisation.					
Update: Co-location of teams depends upon accommodation issue.					

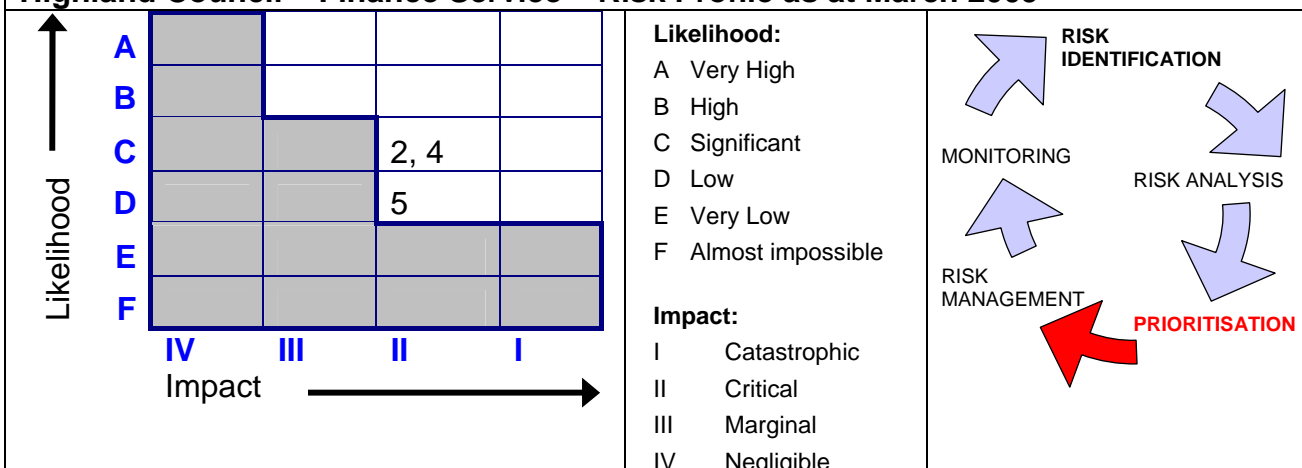
Owner: Depute Chief Executive

Risk No.	4	Likelihood	C II	SIP ref	
Staff need to be involved in goal setting and informed and updated. The Service does not have a fully worked up performance management framework.					
Update: Council has agreed to participation in Phase 2 of the Public Service Improvement Framework (PSIF) model. Consideration will be given to possible roll out of CIPFA FM model if required.					

Owner: Head of Exchequer

Risk No.	5	Likelihood	D II	SIP ref	
Due to the volume, pace and technical nature of change, there may be inadequate resources available within the strategic teams to provide timely and comprehensive direction to operational staff. Software supplier is often late in delivering software which complies with new legislation.					
Update: Change management successful to date, but there is a full understanding of the continuing need to support Operational Staff. Software issues being monitored. Major software release imminent.					

Highland Council – Finance Service – Risk Profile as at March 2009



Section 2 Objectives and Actions

Earrann 2 Amasan is Gnìomhan

2.a Programme Commitments being led by the Finance Service

2.a Dealasan Prògram gan stùireadh le Seirbheis an Ionmhais

Programme Commitments being led by the Finance Service

Programme theme: 3. What we will do for the Economy			
Fin ID:	Finance 1		
Programme Commitment:	Pursue initiatives to support the procurement of local products and services by the Council and others.		
Reference:	Programme 3.12; CP 3.36		
Lead Officer:	Head of Procurement	Risk No.	n/a
Resource:	Service Budget		
Key Performance Results:	<ul style="list-style-type: none"> More local suppliers tender for Council goods and services. 		
Date Equalities Screening conducted:	03/05/08	Equalities Impact Assessment conducted:	N/A
By (Initials):	AJG	Date Published:	N/A
Enabling actions			Review Date
F1.1	Recording and reporting on the numbers of bids received from target organisations: first reports to be provided early financial year 2009/10.		June 2009
F1.2	Supplier Development events for financial year 2009/10 are currently being planned.		March 2010
F1.3	Adoption of fully corporate approach to procurement, and of national, sectoral, and local joint working on procurement is in development.		March 2010

Programme theme: 2. Communities and Older People			
Fin ID:	Finance 2		
Programme Commitment:	Seek the support of the Scottish Government for the removal of the remaining discount on Council Tax for Second and Holiday Homes		
Reference:	Programme WG2.02; CP 2.73		
Lead Officer:	Head of Exchequer	Risk No.	
Resource:	Service Budget		
Key Performance Results:	<ul style="list-style-type: none"> Greater freedom to the Council in being able to vary the level of taxation of Second and Holiday Homes 		
Date Equalities Screening conducted:	01/05/2008	Equalities Impact Assessment conducted:	N/A
By (Initials):	DL	Date Published:	N/A
Enabling actions			Review Date
F2.1	Respond timeously to consultations.		March 2010
F2.2	Effectively lobby Scottish Government.		March 2010

Programme theme: 5. More Effective and Efficient Council			
Fin ID.	Finance 3		
Objective:	We will continue to pursue best value for our residents and service users, seeking efficiencies in the way we work and continuously review the Council's spending programmes. We will modernise our services to achieve an annual 2% efficiency savings target.		
Reference:	Programme 5.01; CP5.03/5.05/5.06; SOA 15.D.14		
Lead Officer:	Heads of Corporate Finance (5.03 & 5.06) & Accounting (5.05)	Risk No.	N/A
Resource:	Service Budget		
Key Performance Results:	<ul style="list-style-type: none"> ▪ Budget aligned to spending priorities. ▪ Customers feel that the Council offer Value for Money. ▪ The Council scores well against the qualities valued by customers. ▪ Efficiency Targets met. ▪ Positive report from Best Value Audits. ▪ Have clear framework of financial accountability. ▪ Year end spend positions consistent with original estimates. ▪ Unqualified Audit report. 		
Date Equalities Screening conducted:	01/05/08	Equalities Impact Assessment conducted:	N/A
By (Initials):	BW / DR	Date Published:	N/A
Enabling actions		Review Date	
F3.1	Service Plans and Budgets aligned.	April 2009	
F3.2	Efficiency Programme deliveries by Services collated and Annual Efficiency statement signed off.	Annually, by 30 June	
F3.3	Effective financial stewardship confirmed in the audit of the Council's accounts annually.	Annually, by 30 September	

Programme theme: 2. Communities and Older People			
Fin ID.	Finance 4		
Programme Commitment:	We will implement the Gaelic Language Plan based on the principle of equal respect for Gaelic and English, and review the plan and progress in implementing it annually		
Reference:	Programme 2.17		
Lead Officer:	Operations Manager	Risk No.	N/A
Resource:	Service Budget		
Key Performance Results:	<ul style="list-style-type: none"> ▪ Raise the profile of Gaelic in relation to Finance Services. ▪ Raising Awareness of Gaelic. ▪ Implement Gaelic Language Plan. 		
Date Equalities Screening conducted:	Screening to be undertaken in 2009.	Equalities Impact Assessment conducted:	N/A
By (initials):	AB	Date Published:	N/A
Enabling actions		Review Date	
4.1	FMT to attend Gaelic Awareness Course	December 2009	
4.2	Relevant documentation reviewed to ensure compliance with Gaelic Language Plan.	September 2009	

Finance Service Plan Measure

Programme theme: 5. More Effective and Efficient Council			
Fin ID.	Finance 5		
Objective:	Corporate risk register reviewed quarterly and management actions in place		
Reference:	Programme 5.03		
Lead Officer:	Head of Internal Audit & Risk Management	Risk No.	N/A
Resource:	Service Budget		
Key Performance Results:	<ul style="list-style-type: none"> ▪ Implementation of appropriate electronic risk monitoring system. 		
Date Equalities Screening conducted:	01/05/08	Equalities Impact Assessment conducted:	N/A
By (Initials):	NR	Date Published:	N/A
Enabling actions		Review Date	
5.1	Investigate and, if appropriate implement, an electronic system to record and monitor risk.	October 2009	
5.2	Address the implementation of Strategic Operational Risk Management throughout the Council. Dependent on 5.1 being implemented.	March 2010	
5.3	Review of corporate risks through Weekly Business Meetings every two months.	June 2009	
5.4	Review of corporate risks through Quarterly Performance Review meeting.	June 2009	
5.5	A six monthly review of corporate risks by the Audit & Scrutiny Committee.	June 2009	

Corporate Plan Objectives being led by the Finance Service

Corporate Plan CP 2.03b. The Administration's Corporate Objectives for the Highland Council – Communities and Older People			
Fin ID.	Finance 6		
Objective:	Increase in financial benefit to customers from the advice given (THC)		
Reference:	CP 2.02; 2.03, SOA 7.G		
Lead Officer:	Head of Exchequer	Risk No.	N/A
Resource:	Service Budget		
Key Performance Results:	<ul style="list-style-type: none"> Financial benefit to customers from the advice given – (The Highland Council) 		
Date Equalities Screening conducted:		Equalities Impact Assessment conducted:	N/A
By (Initials):		Date Published:	N/A
Enabling actions		Review Date	
CP2.03b	Quantify aggregate service to customers receiving advice. (Target £900k)	March 2010	
CP2.71	Commit and spend a further £100k to promote benefit take up across the Highlands from 2009/10	March 2010	

Corporate Plan CP 2.04. The Administration's Corporate Objectives for the Highland Council – Communities and Older People			
Fin ID.	CP2.04		
Objective:	Paying the right benefit, to the right people at the right time. Average time taken in calendar days to process all new claims and change events in Housing Benefit and Council Tax Benefit (HB/CTB).		
Reference:	CP CP2.04		
Lead Officer:	Head of Exchequer	Risk No.	N/A
Resource:	Service Budget		
Key Performance Results:	<ul style="list-style-type: none"> Meet DWP target. 		
Date Equalities Screening conducted:		Equalities Impact Assessment conducted:	N/A
By (Initials):		Date Published:	N/A
Enabling actions		Review Date	
CP2.04a	Reduce the average number of days per case to process new HB/CT claims.	March 2010	
CP2.04b	Reduce the average number of days per case to process change events HB/CT claims.	March 2010	

2.b Service Improvement Priorities 2009/10

2.b Prìomhachasan Leasachaidh Seirbheis 2009/10

The Service Improvement Priorities below are grouped by the relevant Programme themes.

Programme Theme 2: Communities and Older People

Cuspair Prògram 2: Coimhearsnachdan is Daoine nas Sine

What we will do	Outcome target
2.1 Implement a programme of corporate measures for Income Maximisation.	By June 2009.
2.2 Continue to work in partnership with the Service Point Network and Service Centre to further improve services.	By June 2009.
2.3 Implement E-Payments project in co-operation with co-sponsor, Head of E-Government.	By March 2010.

Programme Theme 3: The Economy

Cuspair Prògram 3: An Eaconamaidh

What we will do	Outcome target
3.1 Participation in National Shared Services work with North of Scotland Local Authorities (NOSLA) partners. Project implementation if feasibility study results acceptable.	By June 2009 - Seek Resources Committee approval in principle to participate in implementation project.
3.2 Collaborate with partner agencies to make the Highlands and Islands Public Sector more accessible to Small and Medium-sized Enterprises and minority/third sector businesses.	By March 2010.
3.3 Re-write the Council's Sustainable Procurement Policy, and assist partner agencies to do the same. Agree shared procurement plans, specifications and evaluation criteria that make full use of new legal rights.	Sustainable Procurement Policy complete, remainder by March 2010.
3.4 Develop procurement service web presence including updated buyer profile to ensure maximum access to Council business for all potential providers/suppliers/contractors.	By April 2009.
3.5 Increase e-procurement including purchase cards, e-tendering, and e-auctions throughout the Council, leading to efficient and modernised procurement practices which will support the improved delivery of	By March 2010.

What we will do

Outcome target

public services.

- | | | |
|-----|---|--------------------|
| 3.6 | Develop the long term procurement plans based on both Corporate and Service specific expert knowledge. | By September 2009. |
| 3.7 | Implement fully the next phase of strategic sourcing, in accordance with Efficient government requirements, allowing direct contract savings and resources to be channelled into public service delivery. | By March 2010. |
| 3.8 | Develop project management disciplines within procurement projects to maximise delivery of benefits/savings. | By March 2010. |

Programme Theme 5: Effective and Efficient Council **Cuspair Prògram 5: Comhairle Èifeachdach is Bhuadhach**

What we will do

Outcome target

- | | | |
|-----|--|---|
| 5.1 | Assist, where appropriate, in the provision of training to Members on all Council financial matters. | By March 2010. |
| 5.2 | Design and maintain IT System Development Plans for Finance Service -owned IT systems. | By September 2009.

In respect of Oracle system, this may require review of Accounting structure. |
| 5.3 | Implement Performance Management Framework for the Service, developing relevant Performance Measures for the Sections. | By March 2010. |
| 5.4 | Continue to extend range of Finance Service information available on the intranet and internet. | Increased availability and access to information.
Ongoing. |
| 5.5 | Complete improvement actions from MORI staff survey. | By December 2009. |
| 5.6 | Design and maintain dedicated Finance Service web pages on the Council's Intranet. | Ongoing. |
| 5.7 | Continue to improve the quality and promptness of responses to Complaints and Freedom of Information requests. | Improvements evident including quality of responses. By March 2010. |

What we will do	Outcome target
5.8 Design and implement public e-Learning Council Tax system.	By July 2009.
5.9 Liaise with COSLA and the Scottish Government with the aim of positively influencing national budgetary settlements. Endeavour to influence the reviews of Local Government Finance in Scotland, to reflect the needs of Highland Council.	Continue to participate in reviews of Local Government Finance in Scotland reflecting Highland needs.
5.10 Ensure data, held by the Finance Service, is transported securely to third parties securely.	Data transported securely to third parties. Ongoing.
5.11 Update Finance Service Recruitment and Selection procedure incorporating the implementation of Disclosure checks.	30 June 2009.
5.12 Maintain ICT Business Continuity Plans in accordance with the requirement of the Civil Contingencies Act 2004.	Ongoing.
5.13 Review the Financial Monitoring Process.	By December 2009.
5.14 Rationalise the number of payrolls following the introduction of Job Evaluation.	By April 2010.
5.15 Develop electronic bulk timesheets for Supply Teachers.	By March 2010.
5.16 Implement work flow processes in Pensions.	By March 2010.
5.17 Monitor and report agreed efficiency measures for the Council to meet national directives and address in-house budgetary issues in this regard.	By June 2009.
5.18 Implement 3 year revenue budgeting within the Council.	Currently 2 year – move to 3 year by Feb 2010.
5.19 Produce rolling five-year capital programmes.	By June 2009.
5.20 Investigate recommending options to integrate more closely the Council's service planning and budgeting frameworks (including assisting Property colleagues on the development of asset management plans (AMPs)).	By Feb 2010.
5.21 Implement phase 2 of move to paperless Direct Debits.	By September 2009.

What we will do	Outcome target
5.22 Implement Direct Debit for Special Arrangements for payment of Council Tax and Non-Domestic Rates arrears.	Dependent on completion of paperless Direct Debits (5.21). Action to be reviewed by newly appointed Income and Recovery Manager. Indicative completion date July 2010.
5.23 (a) Implement payment of Housing Benefit by BACS.	By June 2009.
(b) Increase the percentage of Housing Benefit payments by BACS.	By March 2010.
5.24 Investigate and, if appropriate, plan implementation of Electronic banking.	Investigations completed. Dependent on banking sector completion of beta testing. Implementation planned by March 2010.
5.25 Implement single application form for Council entitlements, and limiting the number of assessments undertaken.	Dependent on Corporate Improvement Programme and ongoing buy-in from Services. To be rolled out on a phased basis commencing June 2010.
5.26 Implement Version 6 of Revenues and Benefits software.	By December 2009.
5.27 Assess case for implementing First Debtors system for overpaid Housing Benefit, following implementation of Version 6 of Revenues and Benefits software.	By March 2010.
5.28 Investigate and if appropriate, implement an IT solution in the administration of levies relating to Business Improvement Districts (BID).	By December 2009.
5.29 Implement Northgate Performance Management and QA module.	By March 2010.
5.30 Implement findings of Oracle Accounts Receivable consultant's review	By July 2010.
5.31 Improve the Council Tax collection rate.	By March 2010.

What we will do	Outcome target
5.32 Review Financial Regulations.	Review of Regulations to be completed by October and agreed by Council in December 2009.
5.33 Investigate and, if appropriate implement, an electronic system to record and monitor risk.	By March 2010.
5.34 Address the implementation of Operational Risk Management throughout the Council.	Request all Services to develop and maintain Risk Management at Operational level. Success is dependent on 5.33.
5.35 Review the operation of the Audit Management System (Galileo) and revise the User Manual accordingly to ensure that audits are undertaken in the most efficient way.	Operations reviewed and Galileo User Manual is revised. By September 2009.
5.36 Revise the Internal Audit Section's Employee Development Programme (EDP) to ensure it continues to reflect the ongoing training requirements of the Section and meets the recommendations from the CIPFA guidance "The Excellent Internal Auditor".	By December 2009.
5.37 Implement and manage new Internal Audit structure, enabling additional time for unplanned investigations.	By March 2010
5.38 Appropriate compliance with the recommendations, applicable to local authorities, of the McClelland report.	By March 2011
5.39 Produce and analyse Best Practice indicators (BPIs) as part of the McClelland Implementation Project and act upon any improvements identified.	September 2009
5.40 Deliver Procurement training courses to plan.	March 2010.

To request this information in an alternative format e.g. large print, Braille, audio tape, or suitable language, please contact:

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Airson am fiosrachadh seo fhaighinn ann an cruth eile m.e. clò mòr, clò nan dall, teip chlaistinneach, no cànan freagarrach, cuiribh fios gu:

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