

**The Highland Council**  
**Resources Committee – 25 November 2015**

Agenda Item	<b>17</b>
Report No	<b>RES/ 108/15</b>

**Finance Service - Quarterly Performance Report**

**Report by Director of Finance**

**Summary**

This report provides a summary of key and statutory performance indicators for the Finance Service as at 30 September 2015.

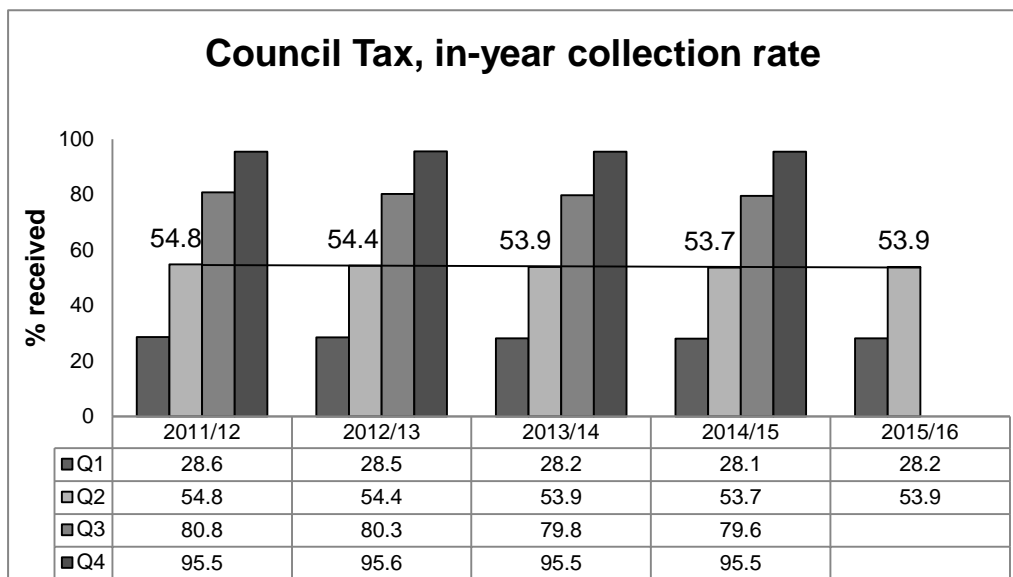
**1. Background**

- 1.1 This report includes performance against the Accounts Commission's Statutory Performance Indicators (SPIs) together with key performance measures for the Finance Service.
- 1.2 Current year figures are compared with those from the corresponding period in the previous financial year where these are available. In addition, figures from previous years are included where appropriate so that trends may be identified.
- 1.3 Where definitions have changed, direct comparisons can only be made within the time period to which that definition has applied.
- 1.4 Reports will continue to be brought to Committee on these performance indicators on a quarterly basis so that trends can be monitored.
- 1.5 A list of the current SPIs for the Finance Service is attached as **Appendix 1**.
- 1.6 Although performance is generally very good across the range of indicators presented within this report, the Finance Service continues to look at unit costs. The Service is undertaking further work in this area as part of the requirement to deliver further efficiency savings.

## 2. Finance Service, Quarterly performance reporting

### 2.1 Council Tax In-Year Collection Rate

#### 2.1.1

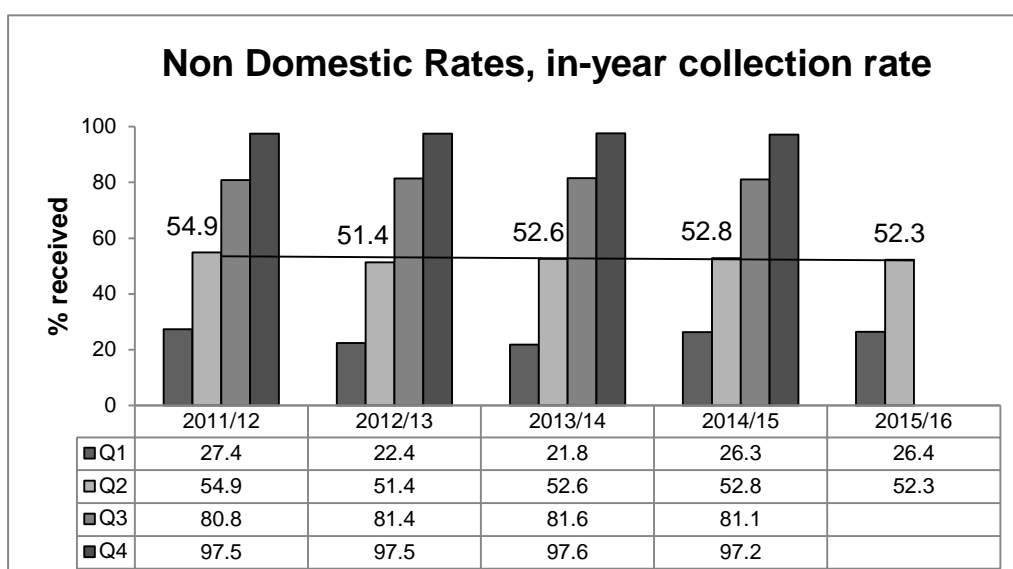


2.1.2 Council Tax in-year collection rate has increased on 2015/16 performance to 53.9%, 0.2% higher than prior year. Indeed, both Q1 and Q2 of 2015/16 have seen an increase on previous year figures; the first time in five years that an upward trend has been achieved. This is at the same time the number of bill payers spreading payments over 12 months has increased by 1.3% from the comparable period last year. The improvements are mainly attributable to ongoing improvement in business processes and resource management. This has also resulted in the estimated collections for 15/16 and prior years being around £1m in excess of budget due to improved recovery and review of the provision for non-collections.

2.1.3 Total direct debits now make up 69.23% of bill payment which representing 78.98% of receipts compared to the prior year position of 68.26% and 78.66% respectively.

### 2.2 Non Domestic Rates in-Year Collection Rate

#### 2.2.1

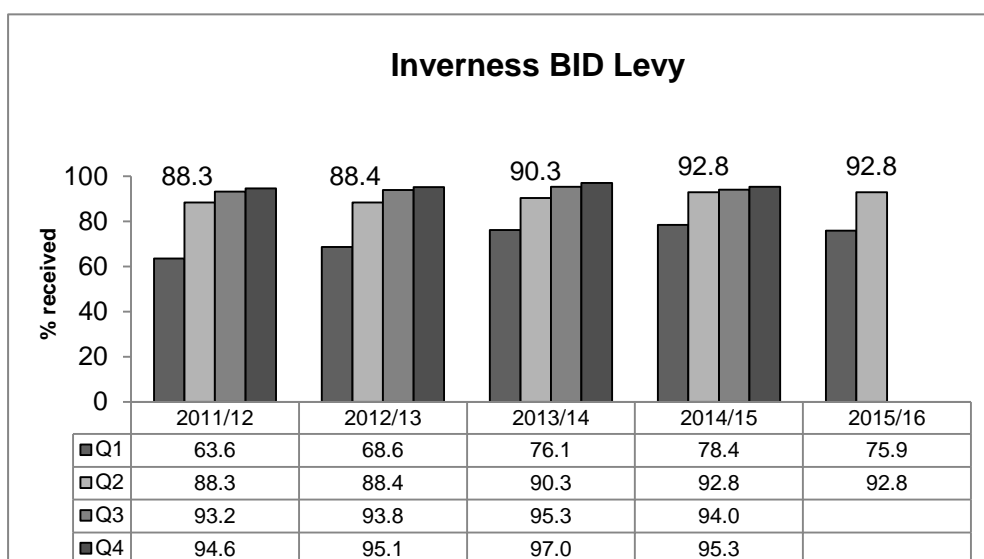


2.2.2 NDR in-year collection rate for 15/16 is 52.3% compared to 52.8% prior year.

2.2.3 The Council continues to use all relevant measures available under the Rating regime to assist local businesses; measures include encouraging payment by monthly instalments and directing businesses to available rate relief schemes such as the Small Business Bonus Scheme.

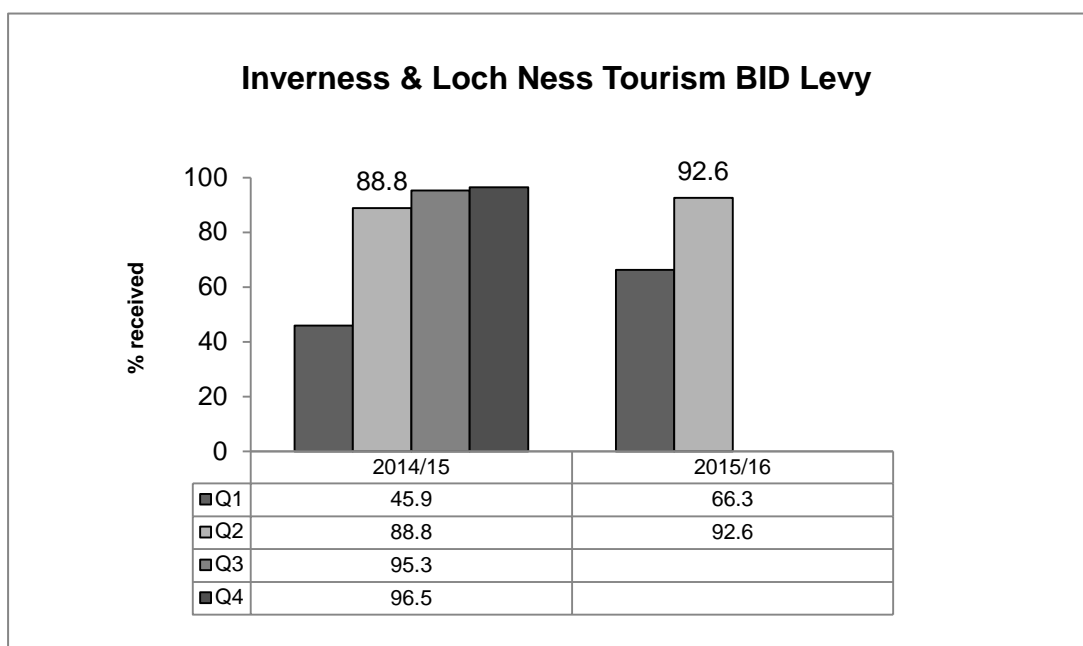
## 2.3 Business Improvement District (BID) Levies

### 2.3.1



2.3.2 2015/16 Quarter 2 collection rate for the BID levy in Inverness was 92.8% consistent with previous year's performance. Finance Service staff continue to work with the BID management team to ensure payment rates are maximised.

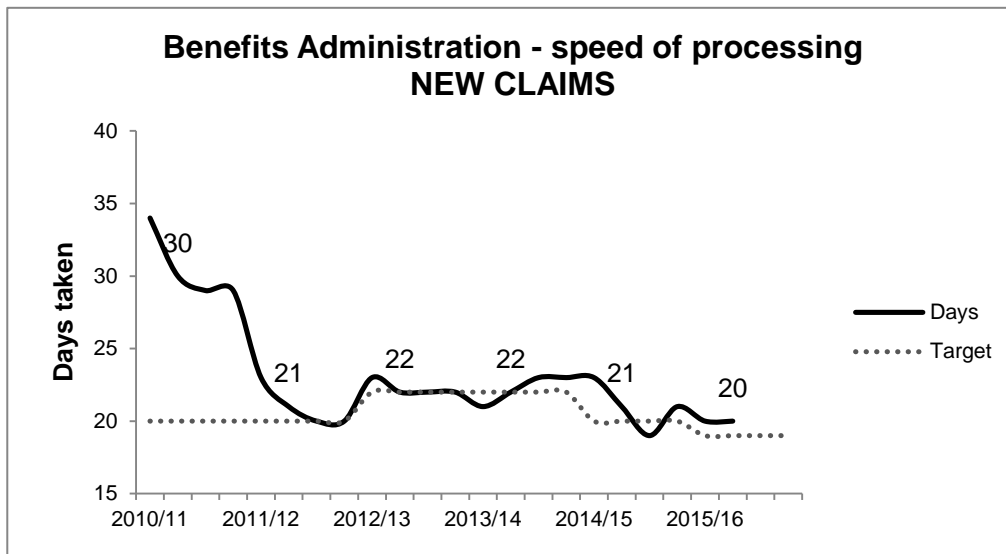
### 2.3.3



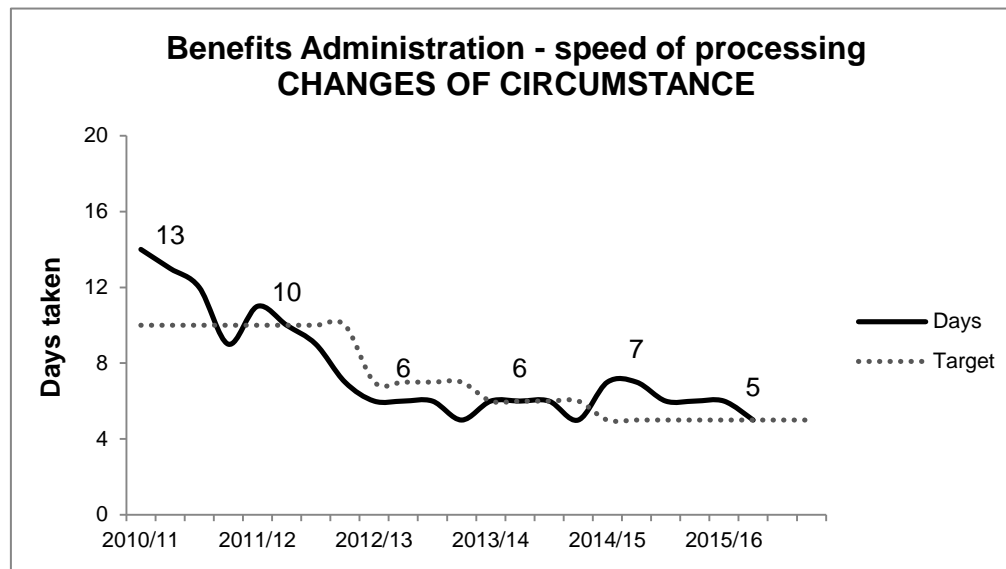
2.3.4 Collection rate for Q2 2015/16 is 92.6%, an increase of 3.8% on previous year. It should be noted that this year's bills were issued a month earlier than 2014/15 which may have contributed to the higher payment rate in Q2. This is only the second year of Loch Ness & Inverness Tourism (Uniqueness) BID and whilst it is too early to predict annual performance, collection rates thus far are positive and Finance Service staff will continue to monitor and offer assistance where required.

## 2.4 Benefits Administration - Speed of processing (days)

2.4.1.i



2.4.1.ii



2.4.2 These indicators reflect the Council's ability to process work as quickly as possible to ensure applicants receive their entitlement on time and at the correct rate.

2.4.3 During 2014/15 more challenging targets of 20 days for new claims and 5 days for changes in circumstances were set. For 2015/16, the new claims target has been further reduced to 19 days. Change of circumstances applications are now being processed within the 5 day target and new claims are now being processed within 20 days; 1 day away from the revised target and 1 day quicker than prior year.

2.4.4 Over the last 12 months, a range of performance improvement measures have been implemented to increase speed in the processing of new claims and change of circumstances. These are having a positive impact and are reported in more detail in another report to this Committee in response to Audit Scotland's Benefits Performance Audit Annual Update 2014/15

## 2.5 Customer Income Maximisation

2.5.1

<b>Financial benefit to the customer from advice given (£000)</b>					
	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Quarter 1</b>	294	352	353	719	644
<b>Quarter 2</b>	573	659	217	1,100	880
<b>Quarter 3</b>	480	347	392	990	
<b>Quarter 4</b>	387	945	673	1,166	
<b>Year to date</b>	<b>1,734</b>	<b>2,304</b>	<b>1,635</b>	<b>3,975</b>	<b>1,524</b>

2.5.2 Income maximisation continues to support customers and maximising benefits awards. As reported to previous Committees during 2014/15, the process improvements implemented have provided business benefits, including freeing up staff time to help customers. The additional financial gains by customers reflect these changes in resource management and business processes.

2.5.3 234 customers received additional financial gain of £880k. Of this sum £215k relates to back-dated awards. The balance of £665k is the annualised weekly gain (i.e. the weekly gain multiplied by 52 weeks).

## 2.6 Money Advice

2.6.1

<b>Performance</b>	2013/14			2014/15				2015/16	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Number of customer contacts	275	264	479	316	347	340	327	284	<b>202</b>
Total debt presented by clients (£000)	1,358	1,779	2,805	1,271	1,619	1,469	1,609	866	<b>1,442</b>

% queries completed with 10 day target (from first contact to initial interview)	98.27	97.01	90.55	95.80	96.32	97.32	98.48	98.80	<b>97.00</b>
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2.6.2 These indicators measure the number of customer contacts and levels of debt dealt with by the Council's Money Advice Team. The general trend of a reduction in Money Advice contacts and an increase in the Income Maximisation contacts continues.

## 2.7 TalentLink (Recruitment)

2.7.1 Led by the Head of People & Performance, the *TalentLink* online recruitment system, which is owned by CoSLA, was implemented in January 2015. It replaced CoSLA's former online recruitment system the *National Recruitment Portal* (NRP). Both systems enable applicants to apply for positions online, and allow Council Managers to complete the recruitment process electronically.

TalentLink	2014/15				2015/16	
	Q1	Q2	Q3	Q4	Q1	Q2
Number of posts advertised	630	643	387	539	695	<b>811</b>
Percentage of posts advertised on time	100%	100%	100%	100%	100%	<b>100%</b>
Number (& percentage) of electronic applications	6,440 (97.0%)	5,345 (95.8%)	3,389 (94.8%)	2,127 (93.6%)	4,301 (94.6%)	<b>4,798 (96.2%)</b>
Number (& percentage) of paper applications	193 (3.0%)	228 (4.3%)	185 (5.2%)	145 (6.4%)	247 (5.4%)	<b>190 (3.8%)</b>
Number of paper applications processed within 2 working days	100%	100%	100%	100%	100%	<b>100%</b>

2.7.2 There were 4,988 applications received during Quarter 2; 4,798 (96.2%) were received in electronic format. With 190 paper applications received, that equates to an average of only 1 in 4 posts advertised now receiving a paper application.

2.7.3 Paper applications submitted are processed in the Council's Electronic Processing Centre (EPC). EPC staff digitises and upload paper or emailed submissions to ensure Managers/Lead officers have all applications available via one portal regardless of method of submission.

2.7.4 Receiving applications electronically provides numerous benefits including significant reductions in paper (and photocopying), increased information security and reduced filing space. Additionally managers are able to access applications in real time, reducing delays and supporting a consistent and auditable approach to the recruitment process. In terms of paper reductions, the annual equivalent exceeds 200,000 pages per annum.

2.7.5 There has been an increase in the number of posts advertised, the main reason for this being the end of school year recruitment exercise to ensure schools are staffed for the coming year.

	2014/15				2015/16	
Position Type	Q1	Q2	Q3	Q4	Q1	Q2
Full-time	53%	37%	46%	53%	59%	<b>47%</b>
Part-time	47%	63%	54%	47%	41%	<b>53%</b>

## 2.8 Travel Desk

2.8.1 The Travel Desk is the corporate delivery model for the arrangement of business travel and accommodation. The booking process incorporates a number of control measures including the requirement for managers to approve the request prior to the commitment of budget.

2.8.2

Travel Desk	2014/15				2015/16	
	Q1	Q2	Q3	Q4	Q1	Q2
Number of requests	1,833	1,561	1,502	1,775	<b>1,788</b>	<b>1,769</b>
% requests processed in time for travel	100%	100%	100%	100%	<b>100%</b>	<b>100%</b>

2.8.3 The percentage of requests processed in time for travel remains at 100%.

## 2.9 Single Grant Applications (SGAs)

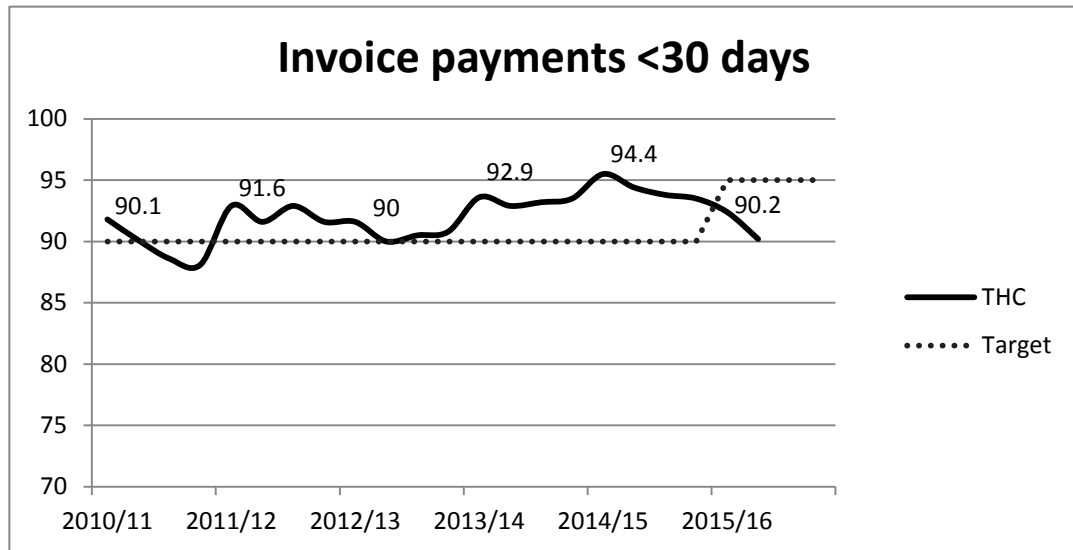
2.9.1 Business Support provides support to a number of Council staff - including Ward Managers – in the administrative process of SGAs. The role is primarily logging SGAs (onto SharePoint), issuing an acknowledgment to customers and distribution of the SGAs to relevant staff.

2.9.2 251 Single Grant applications were received in Q2. This compares to 303 applications processed in Q1 and 297 applications in Q4 of the previous year.

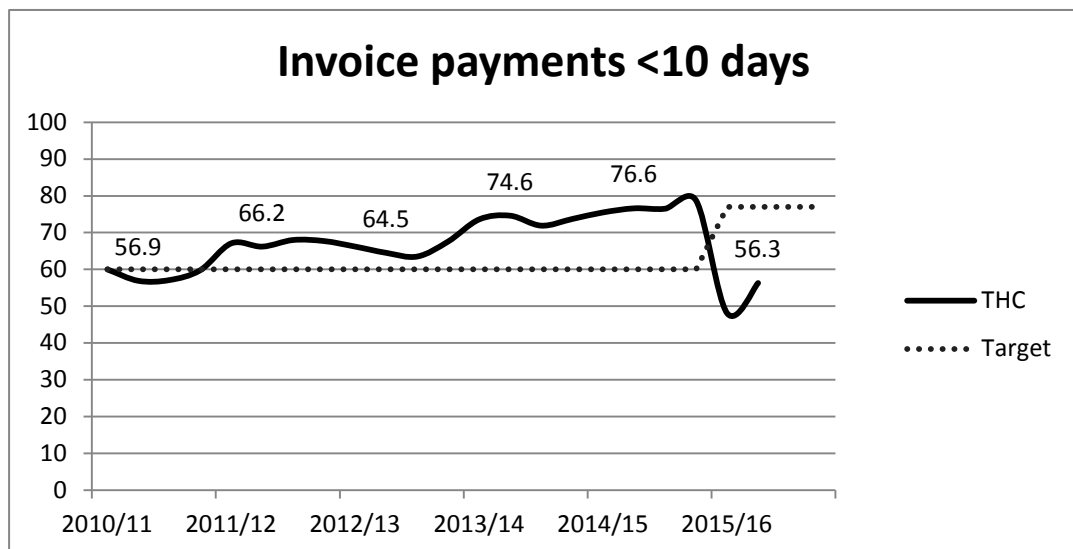
Single Grant Applications	2014/15				2015/16	
	Q1	Q2	Q3	Q4	Q1	Q2
Percentage logged, acknowledged & distributed within 5 days	97.2	96.0	98.8	99.0	96.0	<b>96.4</b>

## 2.10 Payment of invoices

### 2.10.1i



### 2.10.1ii



2.10.2 These indicators measure the efficiency of the Council as a whole in paying invoices. They look at the number of invoices paid within 30 calendar days and 10 days respectively of receipt, as a percentage of all invoices paid. Performance at Service level is detailed in Appendix 2.

2.10.3 More challenging targets have been set for 15/16 reflecting the improvements delivered in the payment of invoices over the last 4 years in particular. They are:

- Within 30 days increased to 95% from 90%
- Within 10 days increased to 77% from 60%

2.10.4 The Council implemented a new financial management system in April 2015. This single system replaced 2 IT systems (Oracle and PECOS) and will



deliver significant IT savings. This was a significant project and met its critical “go live” date of 1 April 2015.

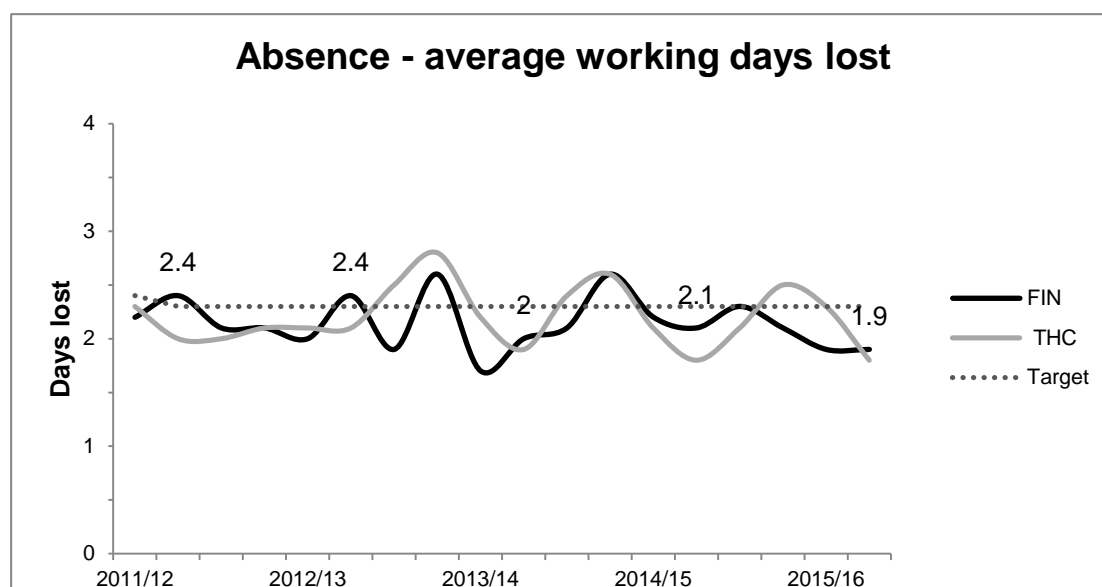
2.10.5 Quarter 2 performance reports a reduction on prior year although the performance within 10 days is higher than Quarter 1 2015/16.

2.10.6 As well as being a new system for users to become more familiar, in order to comply with management responses to earlier audit action points, there have had to be changes to how payments are processed and issued. For example, payments for the Pension Fund are now issued separately. These new ways of working have improved the controls within the system and the information that is generated from the system as required.

2.10.7 Finance Service staff continue to review all processes looking to deliver improvements. For example, since mid-September 2015, the numbers of BACS payments runs have increased from 4 to 5 per week and there have also been some system/process changes introduced to enable end users to process more quickly. Whilst it is difficult to say at this stage as to the materiality of such impacts, Members should note that were the invoices taking 11-13 days to be paid were done so within in 10 days, this would improve performance by 10%.

## 2.11 Attendance Management

2.11.1



2.11.2 This indicator shows the average number of days' sickness absence per employee for the quarter. The latest statistics for the Finance Service show a decrease from 2.1 in Q2 2014/15 to 1.9 in 2015/16. The Finance Service Management Team continues to investigate and implement measures to reduce overall absence figures and ensure it remains below the Council average.

2.11.3 The service aims to keep staff absences as low as possible and follows the Council's personnel policies and guidance, implementing measures such as "return to work" interviews and discussions with staff.

### **3. Implications**

3.1 There are no implications arising from this report.

#### **Recommendation**

The Resources Committee is asked to note these statutory and key performance indicators.

Designation: Director of Finance

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Revenues and Business Support

Date: 13 November 2015

## APPENDIX 1

Statutory Performance Indicators	Report ref:	Frequency
The average number of working days per employee lost through sickness absence for: b) All other local government employees	2.11	Quarterly
The gross administration cost per benefits case		Annual
The cost of collecting Council Tax per dwelling		Annual
Current year income from Council Tax: a) The income due from Council Tax for the year, net of relief and rebates <b>b) The percentage of a) that was received during the year</b>	2.1	Quarterly
The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid	2.10	Quarterly
The number of invoices paid within 10 calendar days of receipt as a percentage of all invoices paid	2.10	Quarterly
Internal Audit - cost of audit/£1m net expenditure		Annual
Insurance - cost/claim processed		Annual
Creditors - unit cost/creditor invoice issued		Annual
Payroll - cost/payslip produced		Annual
Pensions - cost per member		Annual
Cost of Accounting % Net Rev Budget + HRA		Annual
Cost of completing the Annual Accounts		Annual
Cost NDR collection/chargeable property		Annual
% NDR collected by year end	2.2	Quarterly
Cost sundry debtors/debtors account issued		Annual
% income sundry debtors collected during year		Annual
Cost Corporate Finance % Net Revenue Budget		Annual
Cost Procurement section % Net Revenue Budget		Annual

Other performance measures	Report ref:	Frequency
Processing time benefit – new claims (average days)	2.4	Quarterly
Processing time benefit – change in circs (average days)	2.4	Quarterly
Number of customer contacts	2.6	Quarterly
Total debt presented by clients (£m)	2.6	Quarterly
% Money advice queries completed in time from first contact to initial interview (10days)	2.6	Quarterly
Increase in financial benefit to customers from the advice given	2.5	Quarterly
Business Improvement District (BID) Levy	2.3	Quarterly
Business Support - National Recruitment Portal	2.7	Quarterly
Business Support – Travel Desk	2.8	Quarterly
Business Support – Single Grant Applications	2.9	Quarterly

## APPENDIX 2

Due to Council restructuring, performance data against the new Directorates pre 2014/15 is not available.

INVOICE PAYMENT <10 DAYS			
DIRECTORATE	TARGET	2015/16	
		Q1	Q2
Care & Learning Service	77%	46.4%	<b>43.7%</b>
Chief Executive's Office		65.6%	<b>76.1%</b>
Community Services		47.4%	<b>64.4%</b>
Corporate Development Service		62.3%	<b>74.0%</b>
Development & Infrastructure Service		52.6%	<b>54.4%</b>
Finance Service		51.7%	<b>81.5%</b>
<b>Highland Council</b>		48.1%	<b>56.3%</b>

INVOICE PAYMENT <30 DAYS			
DIRECTORATE	TARGET	2015/16	
		Q1	Q2
Care & Learning Service	95%	92.8%	<b>85.9%</b>
Chief Executive's Office		96.9%	<b>95.3%</b>
Community Services		91.6%	<b>93.0%</b>
Corporate Development Service		94.1%	<b>91.1%</b>
Development & Infrastructure Service		90.9%	<b>91.5%</b>
Finance Service		93.8%	<b>98.0%</b>
<b>Highland Council</b>		92.4%	<b>90.2%</b>