

The Highland Council
Resources Committee – 24 August 2016

Agenda Item	14
Report No	RES/ 50/16

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 June 2016.

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 Cost of collecting Council Tax & NDR and processing Benefits (Housing Benefit and Council Tax Reduction)

- 2.1.1 As part of the 2016/17 budget setting process, Members approved cost savings amounting to £1.224m for Revenues & Business Support. Resulting from improved resource management and business process review/changes, the estimated collections from Council Tax was also increased by £1.303m.
- 2.1.2 At this stage of the financial year, the savings are predicted to be fully delivered – indeed, an underspend of £431k is predicted for the Revenues & Business Support section as reported in an earlier item to this agenda per the “*Finance Service Revenue Monitoring Report to 30 June 2016*”. Vacancy Management continues to be an effective management tool in the delivery of savings not just for the current year but also in looking ahead to help effectively manage the delivery of further savings from 17/18 and beyond.
- 2.1.3 Business process improvements are also very important and led by the Business Development & Support Manager significant progress has been made in this regard over the last 18 months – 2 years, as has the overall quality of resource management. This includes excellent progress in the approach to debt collection led by the Revenues Manager and the innovative approach to helping to improve Health & Wellbeing for staff as reported later at 2.11.4 led by the Operations Manager (West).
- 2.1.4 Members are also asked to note that the Council Tax collections are also expected to exceed budget by £0.918m (in addition to the £1.303 mentioned at 2.1.1) and this too is reported at an earlier item to this agenda per “*Corporate Revenue Monitoring Report to 30 June 2016*”.
- 2.1.5 As reported at 1.6, we continue to look at unit costs in the delivery of services. The delivery of savings supports the drive and requirement for greater efficiency whilst maintaining, and indeed improving, performance at the same time. Performance levels will continue to be reported including trends as detailed within the remainder of this report.
- 2.1.6 Continually challenging the cost of delivering such services is important not only to delivery important savings but also to increase efficiencies. Costs are calculated and reported annually. The following table presents the costs and also includes performance levels for collections/processing too as well as the “ranking” in comparison to other Scottish Councils. (15/16 data is not yet available for all Scottish Councils hence the ranking change shown is an estimate). The intention of this table is to provide Members with a holistic view of performance of both costs and the results from such spend, with trend.

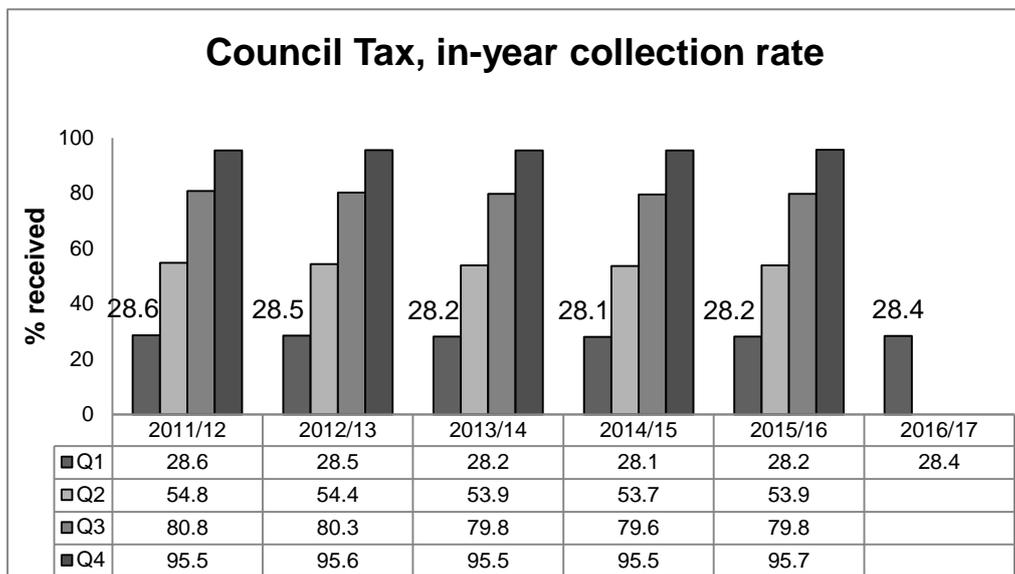
2.1.7

Service area/activity	2013/14	Ranking	2014/15	2015/16	15/16 Ranking (est.)	15/16 compared to 13/14
BENEFITS						
Cost (£)	£56.80	22	£52.03	£46.84	13	Costs: ▼18% (9 places better)
New claims (days)	23	11	21	20	4	Processing: 3 days quicker (7 places better)
CICs (days)	6	4	6	4	1(=)	Processing: 2 days quicker (3 places better)
COUNCIL TAX						
Cost (£)	£14.22	22	£11.83	£10.68	16	Costs: ▼25% (6 places better)
In-year collection (%)	95.50%	16	95.50%	95.70%	13	Collections: 0.2% better (3 places better)
NON-DOMESTIC RATES						
Cost (£)	£24.58	12	£20.68	£17.75	9	Costs: ▼28% (3 places better)
In-year collection (%)	97.60%	16	97.20%	97.30%	17	Collections: 0.3% down (1 place worse)

2.1.8 Overall, performance shows continuous improvement such as a 25% decrease in the cost of Council Tax administration & collection over 2 years whilst seeing improved collections levels, and an 18% decrease in the cost of benefits administration whilst quicker processing. The financial (budget) challenges facing the Council over the coming years will place pressure on maintaining such continuous improvement but management activities such as vacancy management will support mitigation.

2.2 Council Tax In-Year Collection Rate

2.2.1

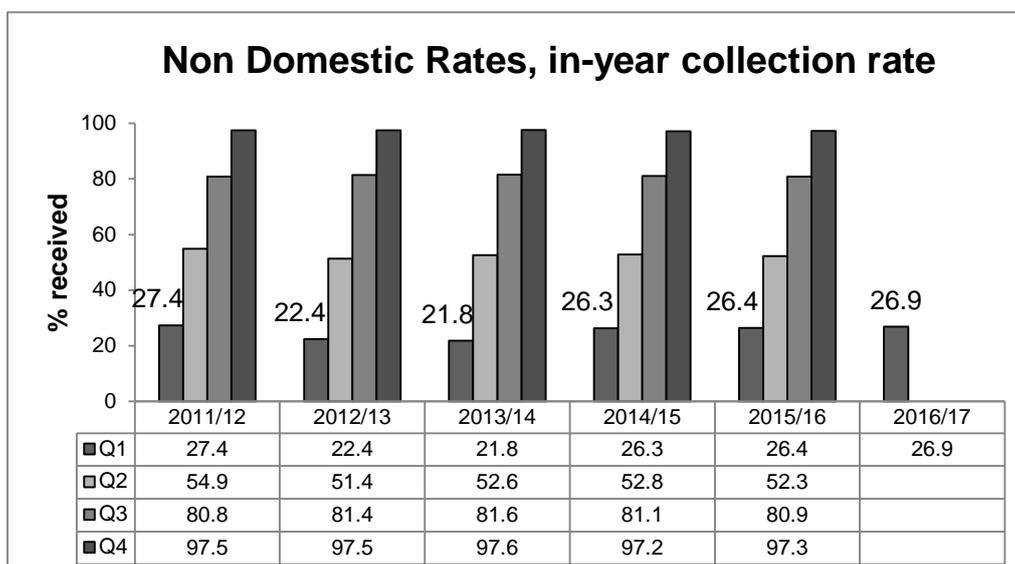


2.2.2 Council Tax in-year collection rate is 28.4%, 0.2% higher than the comparable period in prior year and the highest Q1 in-year collection rate since 2013. The improvements are mainly attributable to ongoing improvement in business processes and resource management. This has also resulted in an additional Council Tax income of £0.918m in excess of budget due to improved recovery and review of the provision for non-collections.

2.2.3 Total direct debits now make up 70.7% of bill payment representing 76.6% of receipts. These report an improvement on the prior year position of 69.3% and 76.1% respectively.

2.3 Non Domestic Rates in-Year Collection Rate

2.3.1

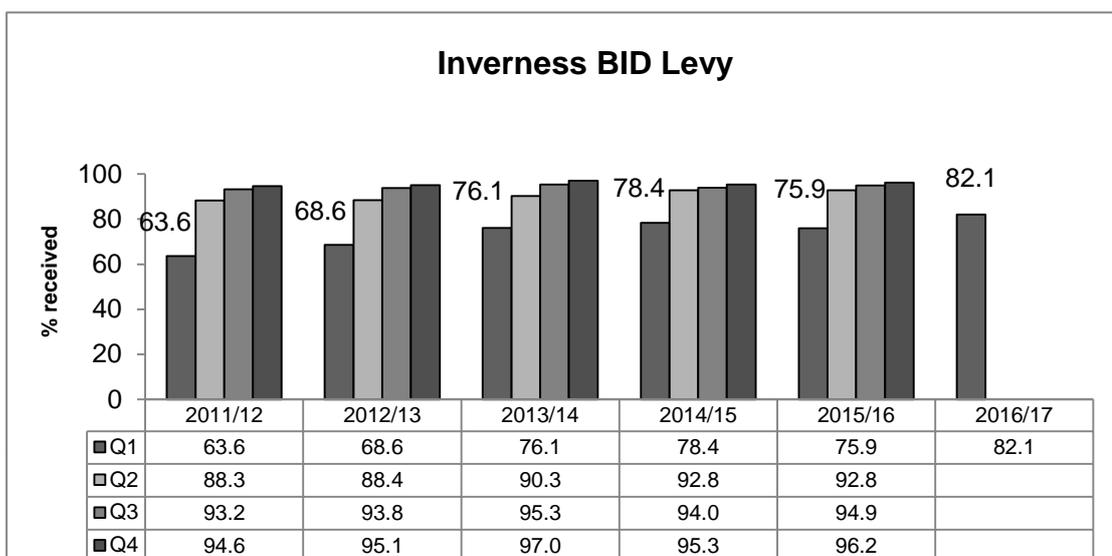


2.3.2 The Q1 NDR in-year collection rate for 16/17 is 26.9%, a 0.5% increase on prior year and the highest Q1 rate since 2011.

2.3.3 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.

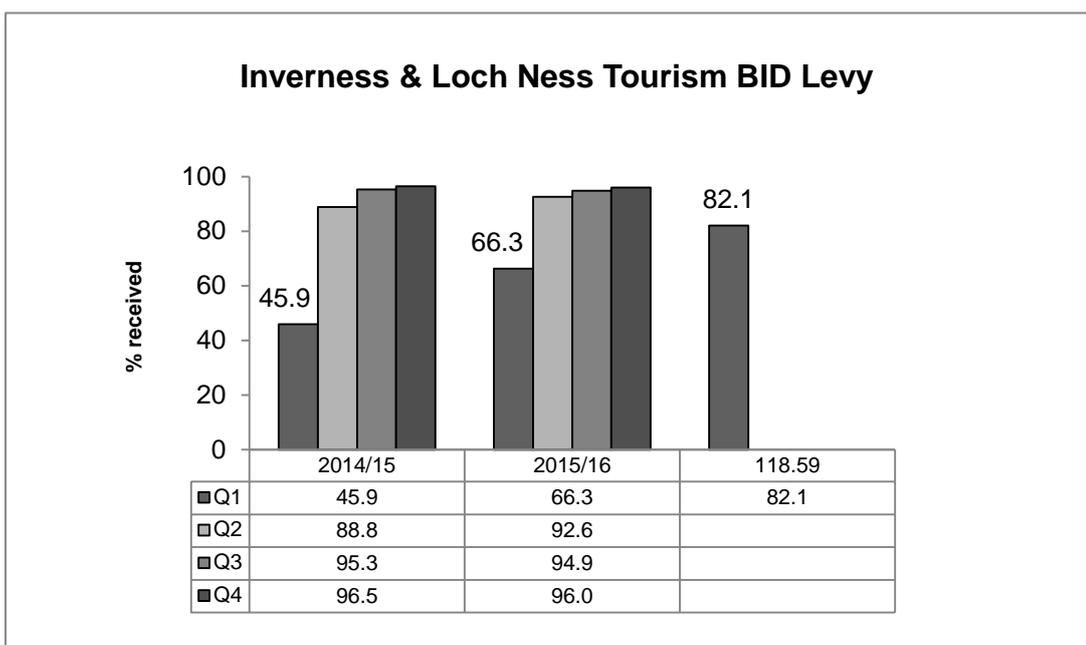
2.4 Business Improvement District (BID) Levies

2.4.1



2.4.2

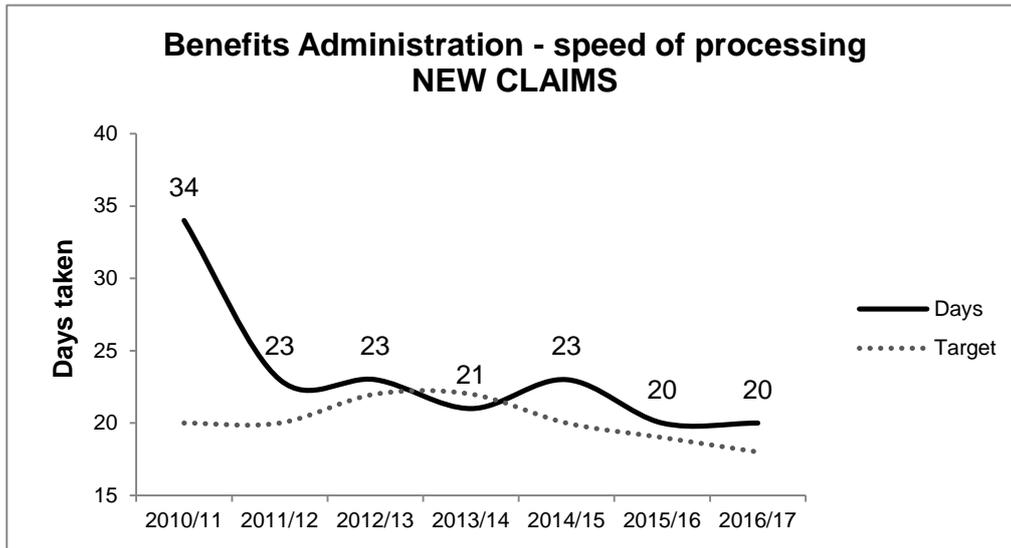
2.4.3



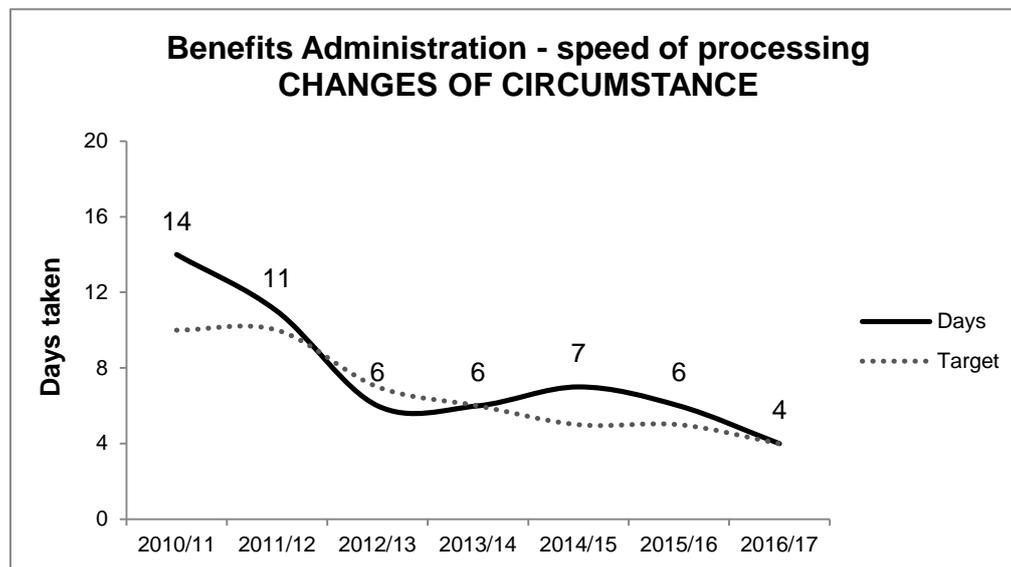
2.4.4 Collection rate for Q1 2016/17 is 82.1%. This is the highest Q1 collection rate achieved for the Inverness & Loch Ness Tourism BID and is now in-line with the collection rates for Inverness BID. Finance Service staff will continue to monitor and offer assistance where required.

2.5 Benefits Administration - Speed of processing (days)

2.5.1i



2.5.1.ii



2.5.2 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.

2.5.3 The average processing speed for New Claims in Quarter 1 is 20 days, the same as prior year. Change of circumstances applications are being processed within 4 days compares to prior year of 6 days. Efforts are

2.7.3 There were 3,730 applications received during Quarter 1; 3,532 (94.7%) were received in electronic format. 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.

2.7.4 198 applications were received in paper. 193 were loaded onto Talentlink within 2 working days; the remaining 5 were processed within 3 working days.

2.7.5 Of the 581 posts advertised in Q1, 73% were permanent positions and 50% part-time.

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 (budget holders) to approve the request prior to the commitment of budget.

2.8.2

Travel Desk	2014/15				2015/16				2016/17
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Number of requests	1,833	1,561	1,502	1,775	1,788	1,769	1,622	1,786	1,737
% requests processed in time for travel	100%	100%	100%	100%	100%	100%	100%	100%	100%
% of requests processed within 5 days of approval (by the budget holder)	-	-	-	-	-	-	-	89%	92%
% of requests approved by budget holder within 5 days of receiving travel request for approval	-	-	-	-	-	-	-	98%	98%
% of requests received <u>and</u> approved by the Travel Desk less than 5 days before travel date	-	-	-	-	-	-	-	36%	42%

2.8.3 The percentage of requests processed in time for travel remains at 100%. 3 additional indicators are now available and are intended to provide a more holistic view of performance for this service area. Prompt (in advance) requests by the traveller and prompt approval by the budget holder can then enable the Travel Desk to take full advantage of special offers for example particularly in relation to trains and accommodation. Services endeavour to submit requests as early as possible although there will be occasions where “short notice” is inevitable.

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.

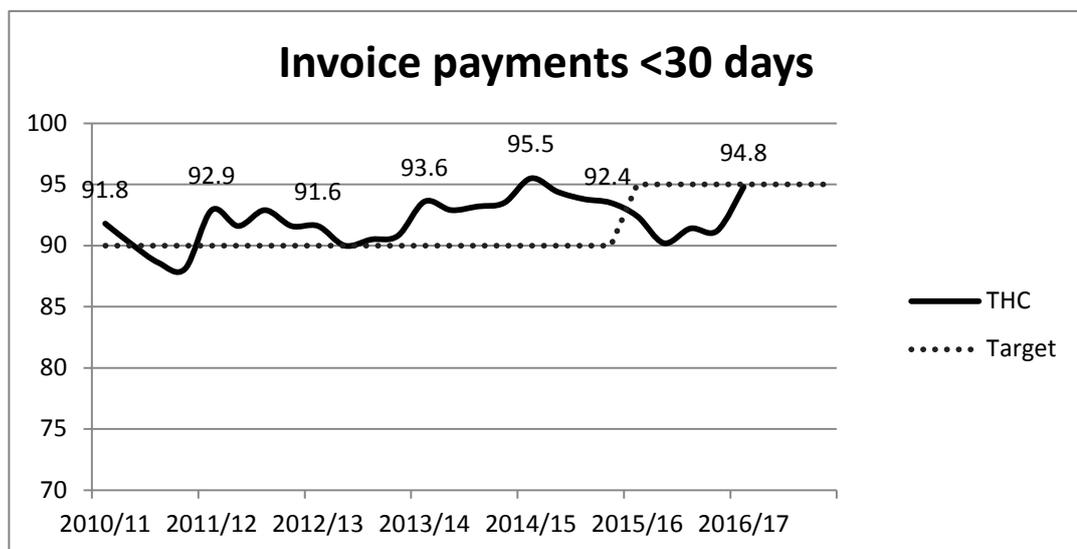
2.9.2 353 Single grant applications were received in Q1 2016/17 and performance overall remains sound.

2.9.3

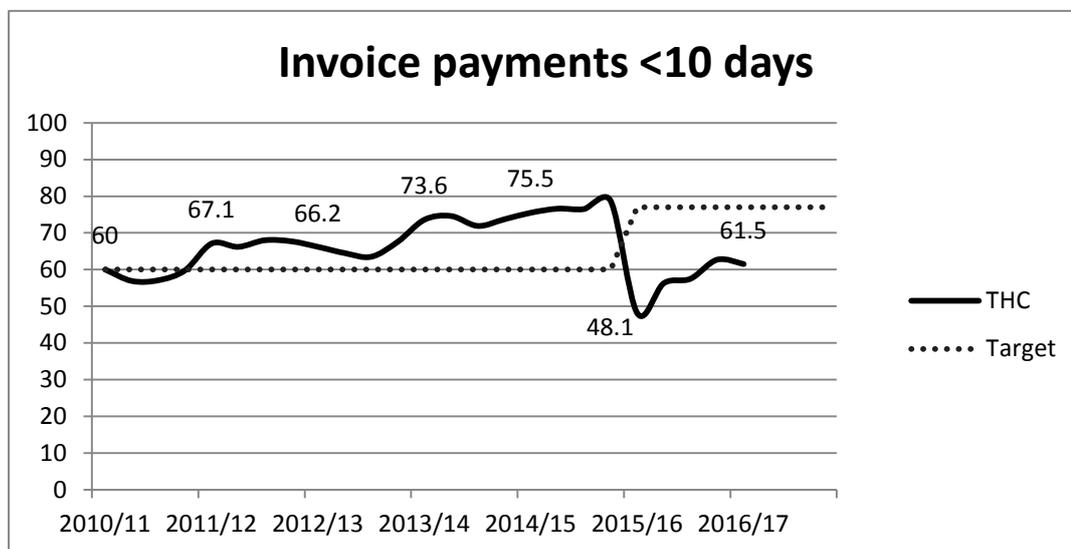
Single Grant Applications	2014/15				2015/16				2016/17
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Percentage logged, acknowledged & distributed within 5 days	97.2	96.0	98.8	99.0	96.0	96.4	96.6	98.9	97.2

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 were set in 15/16 reflecting the improvements delivered in the payment of invoices over the last 4 years in particular. They were:

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

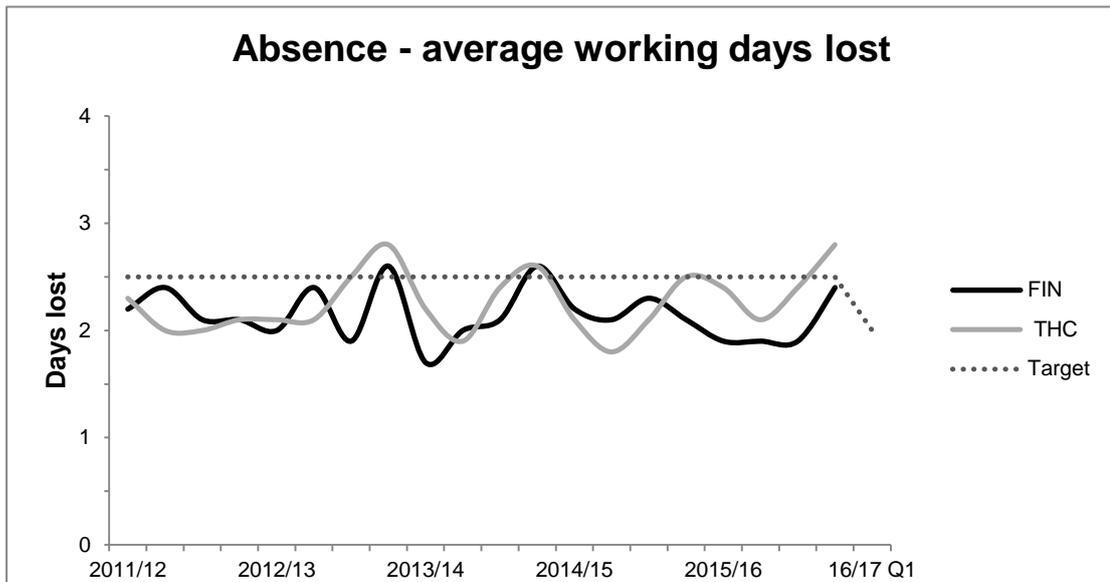
As reported to Resources Committee in May 2016, these stretching targets would be maintained for 16/17.

2.10.4 10-day performance shows an improvement at 61.5% which is more than 13% better than prior year. 30-day performance also shows an improvement at 94.8%, a 2.4% increase on the prior year and 0.2% away from delivering the 30-day target. Members should note that were the invoices currently being paid in 11-13 days this would increase performance within 10-days by 14%.

2.10.5 As reported to previous Committees, Finance Service staff continues to review all processes looking to deliver improvements wherever possible including the speed of information coming from Services to enable the invoices to be processed.

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. At the time of writing this report, Q1 16/17 data was not available and will be reported verbally to Committee.

2.11.3 As part of its ongoing commitment to manage and lower rates of staff absence the Finance Service follows the Council's personnel policies and guidance, implementing measures such as 'return to work' interviews and discussions with staff. In addition the Service has reduced its targets by 25%, meaning that for 16/17 the service will aim to keep absence below 2.0 days lost per quarter.

2.11.4 The Health Promotion sessions held in 2014/2015 continue to support the Service. 157 finance staff have now attended the sessions which were held across Highland. Feedback has been excellent and as a result further sessions are scheduled for the autumn. Health promotion provides staff with many of the tools needed to achieve a positive work/home-life balance.

The programme for the forthcoming events will include posture/relaxation; introducing staff to stress reduction techniques such as Mindfulness and Cognitive Behavioural Therapy and a feature on the prevention and early detection of Diabetes - which now affects 1 in 20 people in Scotland. There has been significant interest in this Health Awareness initiative across the Council; a number of Corporate Development staff will be attending the Autumn Program with other Services considering attendance too.

3. Implications

3.1 There are no implications arising from this report.

Recommendations

Members are asked to consider these statutory and key performance indicators.

Designation: Director of Finance

Author: Caroline Urquhart, Business Management Analyst,
Revenues and Business Support

Date: 11 August 2016

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) The percentage of a) that was received during the year	2.2	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	2.3	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)	2.5	Quarterly
Processing time benefit – change in circs (average days)	2.5	Quarterly
Increase in financial benefit to customers from the advice given	2.6	Quarterly
Business Improvement District (BID) Levy	2.4	Quarterly
Business Support - Talentlink	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				2016/17
		Q1	Q2	Q3	Q4	Q1
Care & Learning Service	77%	46.4%	43.7%	48.1%	56.3%	53.4%
Chief Executive's Office		65.6%	76.1%	81.0%	82.6%	80.0%
Community Services		47.4%	64.4%	66.2%	71.8%	65.7%
Corporate Development Service		62.3%	74.0%	76.3%	73.2%	79.2%
Development & Infrastructure Service		52.6%	54.4%	50.0%	48.8%	58.2%
Finance Service		51.7%	81.5%	84.4%	87.4%	92.8%
Highland Council		48.1%	56.3%	57.5%	62.7%	61.5%

INVOICE PAYMENT <30 DAYS						
DIRECTORATE	TARGET	2015/16				2016/17
		Q1	Q2	Q3	Q4	Q1
Care & Learning Service	95%	92.8%	85.9%	88.8%	90.7%	95.5%
Chief Executive's Office		96.9%	95.3%	96.3%	95.5%	95.3%
Community Services		91.6%	93.0%	93.8%	93.1%	93.5%
Corporate Development Service		94.1%	91.1%	94.8%	92.0%	93.8%
Development & Infrastructure Service		90.9%	91.5%	89.4%	84.5%	92.9%
Finance Service		93.8%	98.0%	99.0%	96.5%	97.8%
Highland Council		92.4%	90.2%	91.4%	91.2%	94.8%