

The Highland Council
Resources Committee – 23 November 2016

| | |
|-------------|-----------------------|
| Agenda Item | 20 |
| Report No | RES/ 90/16 |

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 September 2016.

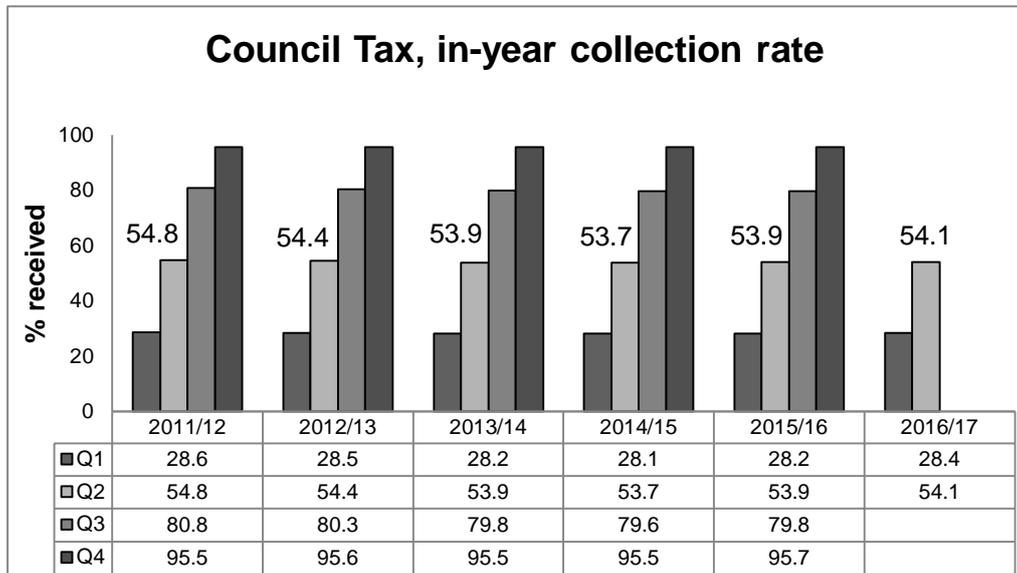
1. Background

- 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 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

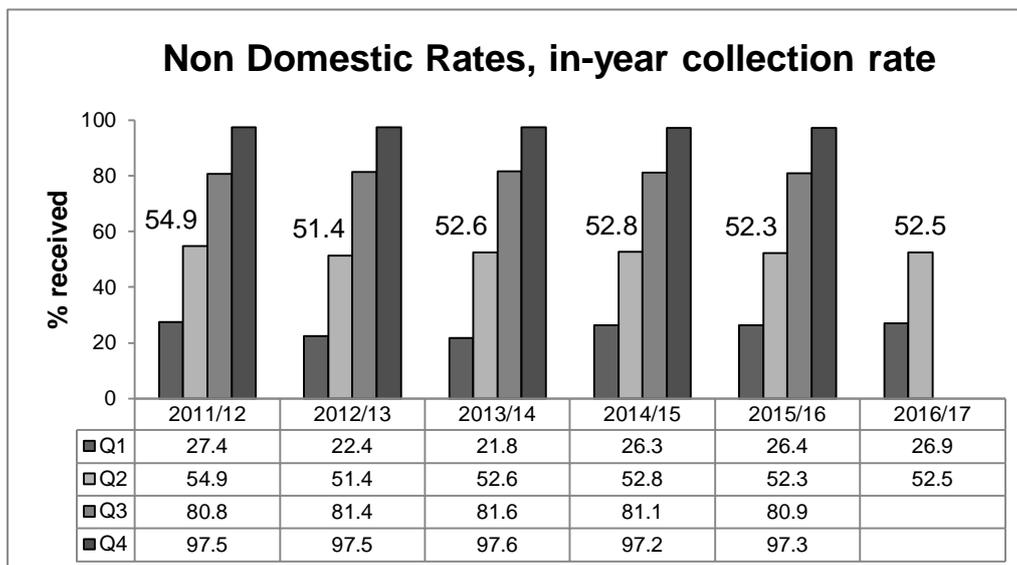


2.1.2 Council Tax in-year collection rate is 54.1%, 0.2% higher than the comparable period in prior year. The improvements are mainly attributable to ongoing improvement in business processes and resource management. This has also resulted in an additional Council Tax income of £0.918m in excess of budget due to improved recovery and review of the provision for non-collections.

2.1.3 Total direct debits now make up 70.8% of bill payment representing 79.6% of receipts. These report an improvement on the prior year position of 69.2% and 79.0% respectively.

2.2 Non Domestic Rates in-Year Collection Rate

2.2.1

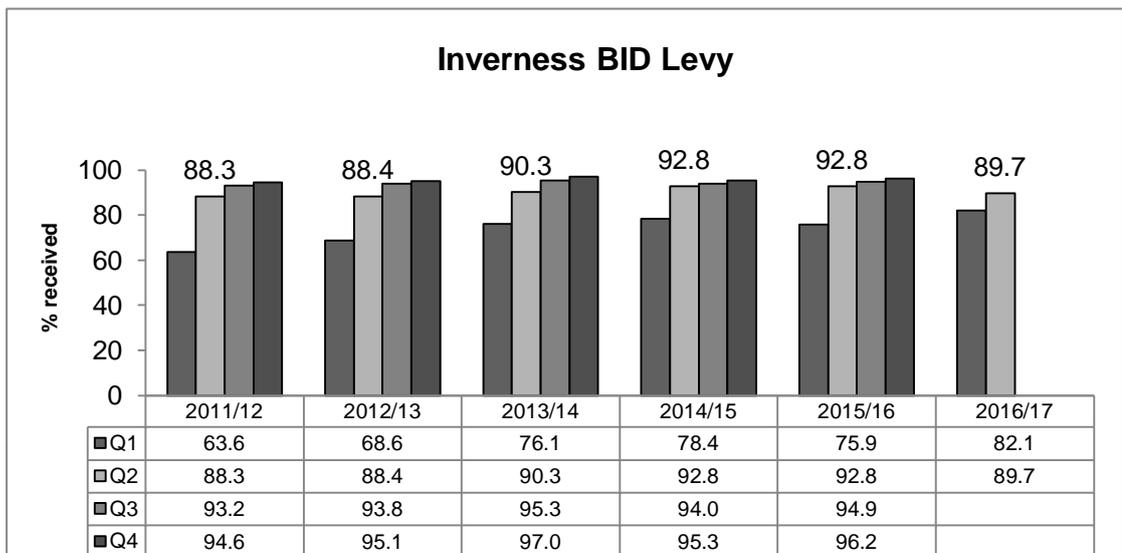


2.2.2 The Q2 NDR in-year collection rate for 16/17 is 52.5%, a 0.2% increase on prior year.

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.

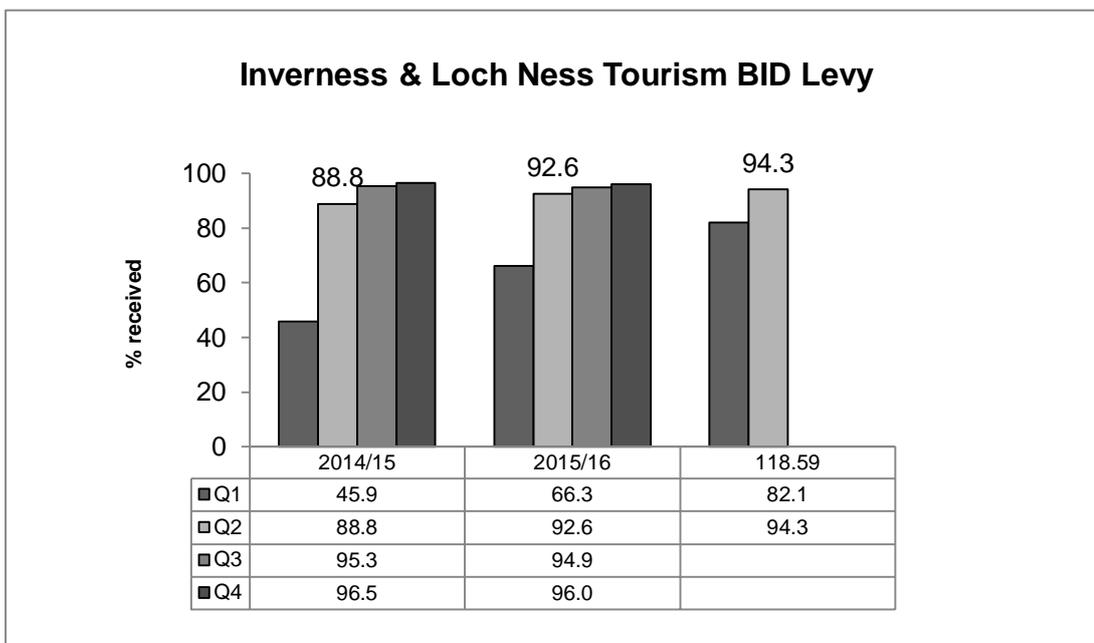
2.3 Business Improvement District (BID) Levies

2.3.1



2.3.2

2.3.3

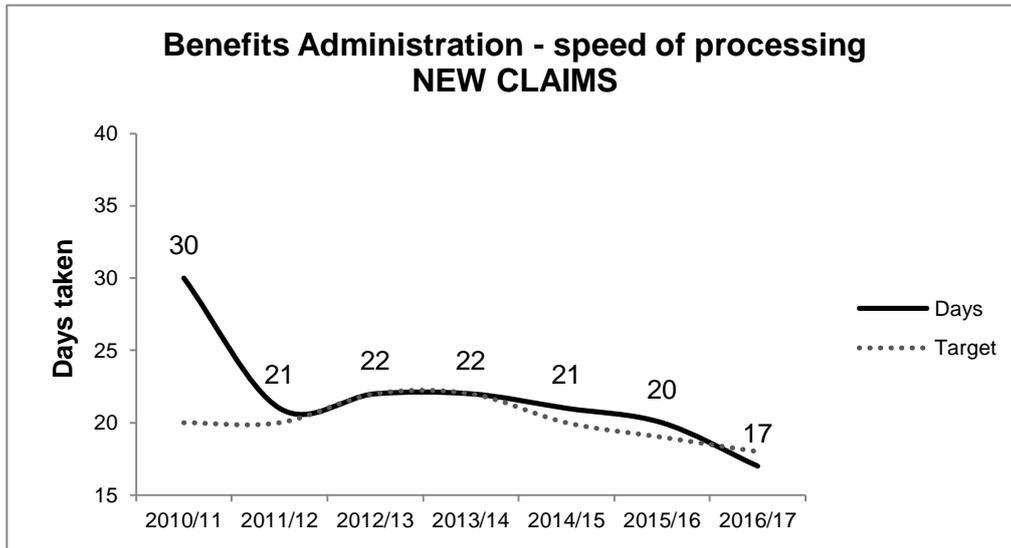


2.3.4 Q2 collection rates for Inverness BID and Inverness & Loch Ness Tourism BID are 89.7% and 94.3% respectively. Whilst there is a slight reduction

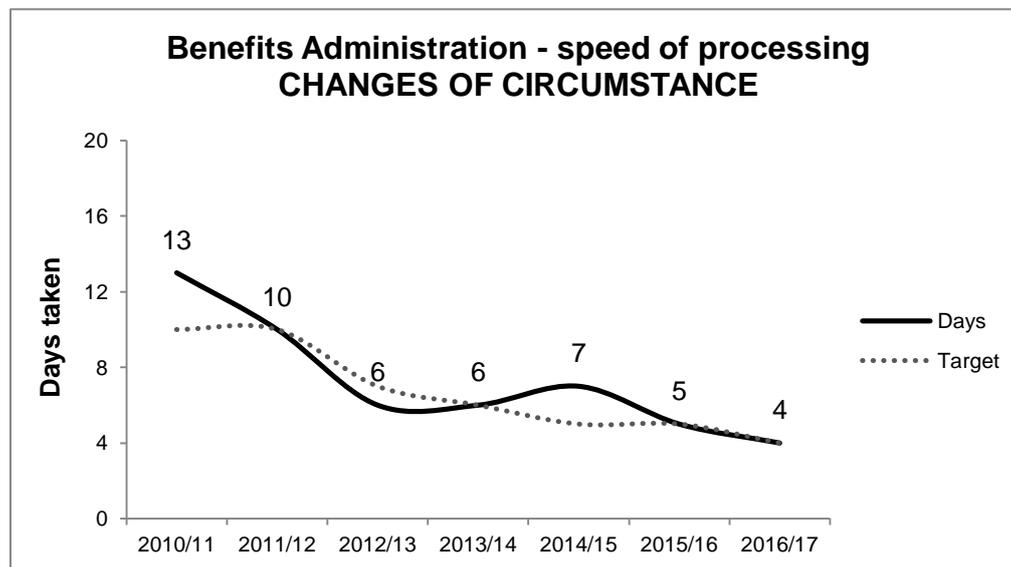
against Inverness BID compared to prior years it is anticipated that performance will return to previous levels before end of Financial Year. Q2 collection rates for Inverness & Loch Ness Tourism BID have once again increased and are now 1.7% higher than the previous year.

2.4 Benefits Administration - Speed of processing (days)

2.4.1i



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 The average processing speed for New Claims in Quarter 2 is 17 days, 3 days less than prior year. Change of circumstances applications are being processed within 4 days compares to prior year of 5 days. Efforts are

continuing to maintain and improve performance levels where possible. This includes continually reviewing processes and taking advantage of digital services where some customers prefer to engage on-line such as new customers claiming on-line and existing customers advising the Council of a change in their circumstances.

2.5 Welfare Support

2.5.1

| Financial benefit to the customer from advice given (£000) | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Quarter 1 | 294 | 352 | 353 | 719 | 644 | 723 |
| Quarter 2 | 573 | 659 | 217 | 1,100 | 880 | 756 |
| Quarter 3 | 480 | 347 | 392 | 990 | 976 | |
| Quarter 4 | 387 | 945 | 673 | 1,166 | 1,515 | |
| YTD | 1,734 | 2,304 | 1,635 | 3,975 | 4,015 | 1,479 |

2.5.2 Welfare Support (formerly Income Maximisation) continues to support customers and maximising benefits awards. In Q2 249 customers received additional financial gain totalling £756k. Of this £170k related to back-dated awards, the balance of £586k was the annualised weekly gain (i.e. the weekly gain multiplied by 52 weeks).

2.6 TalentLink (Recruitment)

2.6.1 The Council uses CoSLA's on-line recruitment system called *TalentLink*. The system enables applicants to apply for positions online, and allow Council Managers to complete the recruitment process electronically.

2.6.2

| TalentLink | 2015/16 | | | | 16/17 | |
|--|----------------|----------------|----------------|----------------|----------------|------------------------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Number of posts advertised | 695 | 811 | 571 | 326 | 581 | 489 |
| Percentage of posts advertised on time | 100% | 100% | 100% | 100% | 100% | 100% |
| Number (& percentage) of electronic applications | 4,301 94.6% | 4,798 96.2% | 3,892 96.9% | 2,226 95.9% | 3,532 94.7% | 4,372 96.2% |
| Number of paper applications processed within 2 working days | 100% | 100% | 100% | 100% | 97.5% | 100% |

2.6.3 There were 4,546 applications received during Quarter 2; 4,372 (96.2%) 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 Travel Desk

2.7.1 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.

2.7.2

| Travel Desk | 2015/16 | | | | 2016/17 | |
|---|---------|-------|-------|-------|---------|---------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Number of requests | 1,788 | 1,769 | 1,622 | 1,786 | 1,737 | 1,598 |
| % requests processed in time for travel | 100% | 100% | 100% | 100% | 100% | 99.99% |
| % of requests processed within 5 days of approval (by the budget holder) | - | - | - | 89% | 92% | 97% |
| % of requests approved by budget holder within 5 days of receiving travel request for approval | - | - | - | 98% | 98% | 96% |
| % of requests received <u>and</u> approved by the Travel Desk less than 5 days before travel date | - | - | - | 36% | 42% | 44% |

2.7.3 Performance from the Travel Desk continues to be positive. 1 request of the 1,598 received was not processed on time due to a communication error. Alternative arrangements were made and Travel Desk procedures have now been refined to ensure the issue does not reoccur.

2.8 Single Grant Applications (SGAs)

2.8.1 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.

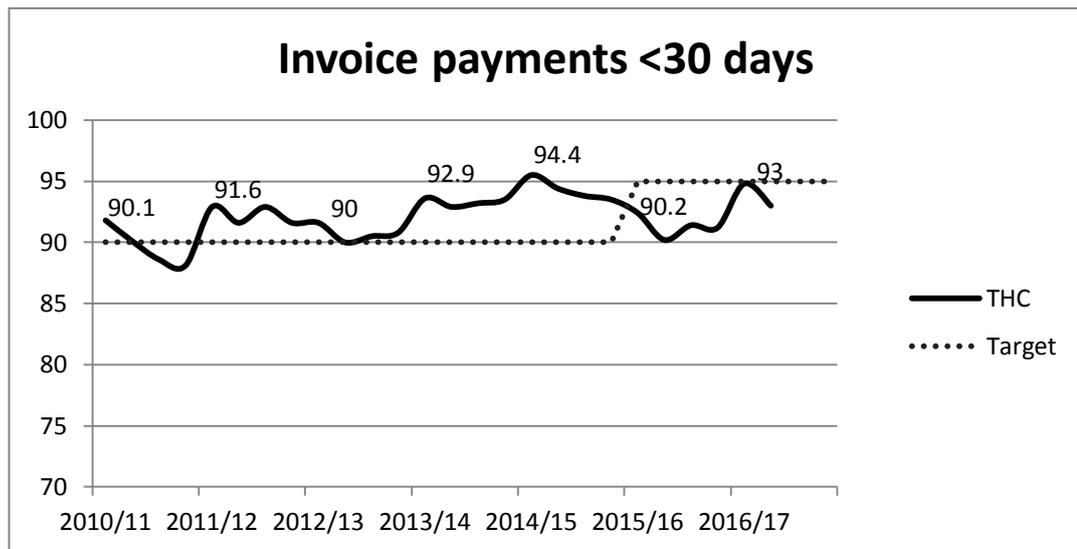
2.8.2 226 Single grant applications were received in Q2, 2016/17.

2.8.3

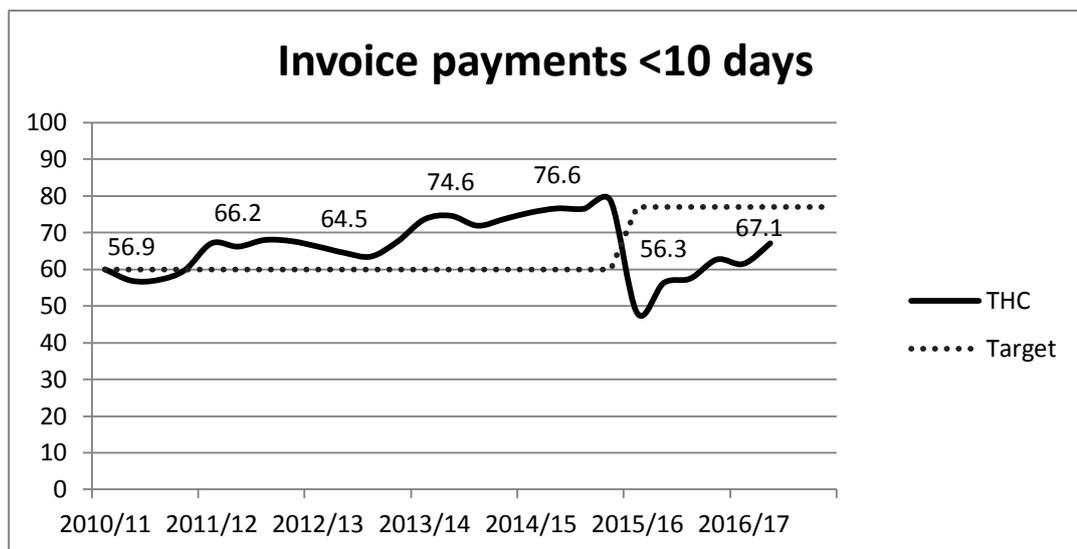
| Single Grant Applications | 2014/15 | | | | 2015/16 | | | | 2016/17 | |
|---|---------|------|------|------|---------|------|------|------|---------|-------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Percentage logged, acknowledged & distributed within 5 days | 97.2 | 96.0 | 98.8 | 99.0 | 96.0 | 96.4 | 96.6 | 98.9 | 97.2 | 99.6 |

2.9 Payment of invoices

2.9.1i



2.9.1ii



2.9.2 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.

2.9.3 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%

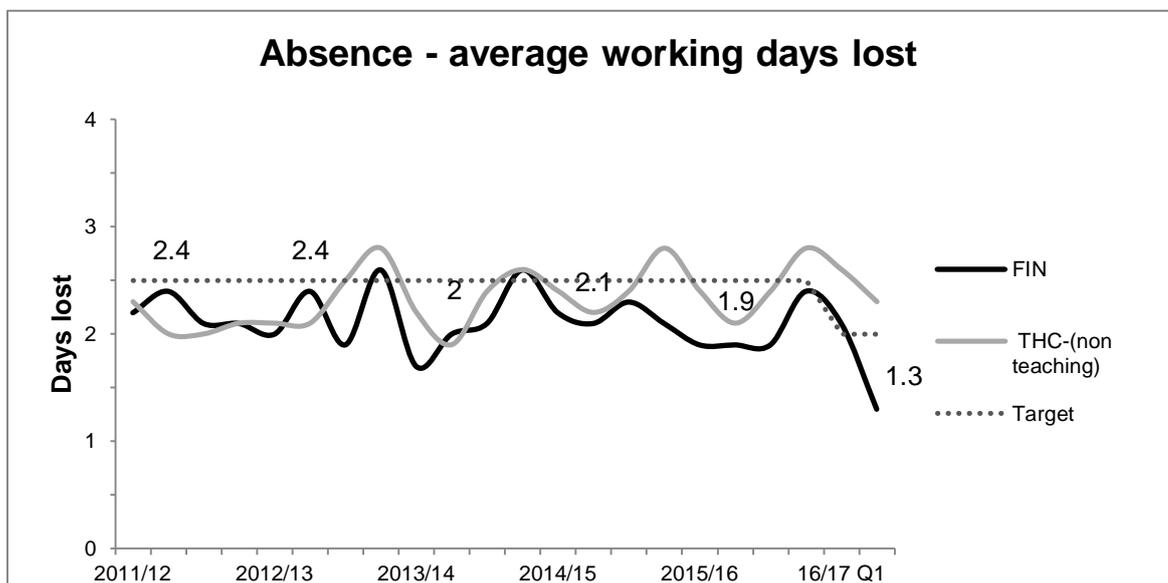
As reported to Resources Committee in May 2016, these stretching targets would be maintained for 16/17.

2.9.4 10-day performance shows significant improvement at 67.1% which a 10.8% improvement on prior year. 30-day performance also shows an improvement on the prior year comparable period at 93%, compared to 90.2%. Members should note that were the invoices currently being paid in 11-13 days be paid within 10days this would increase performance by 11%.

2.9.5 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.

2.10 Attendance Management

2.10.1



2.10.2 This indicator shows the average number of days' sickness absence per employee for the quarter. Q2 shows a significant improvement on both previous quarter and comparable prior year period, with average days lost in the service being 1.3 per employee, with Highland Council (non-teaching) average being 2.3 for the same period.

2.10.3 As part of its ongoing commitment to managing and lowering 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.

2.10.4 As reported to this Committee in August 2016, the Service is building on the successful Health Promotion sessions held in 15/16 to support staff. Health promotion provides staff with many of the tools needed to achieve a positive work/home-life balance.

The 16/17 programme includes 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. Sessions continue to be very well received with significant interest in this Health Awareness initiative across the Council; a number of Corporate Development staff are attending the autumn programme with other Services considering attendance too.

3. Implications

3.1 There are no implications arising from this report.

Recommendations

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

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Revenues and Business Support

Date: 8 November 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 | 2.10 | 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 | 2.1 | Quarterly |
| The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid | 2.9 | Quarterly |
| The number of invoices paid within 10 calendar days of receipt as a percentage of all invoices paid | 2.9 | 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 |
| Increase in financial benefit to customers from the advice given | 2.5 | Quarterly |
| Business Improvement District (BID) Levy | 2.3 | Quarterly |
| Business Support - Talentlink | 2.6 | Quarterly |
| Business Support – Travel Desk | 2.7 | Quarterly |
| Business Support – Single Grant Applications | 2.8 | 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 | Q2 |
| Care & Learning Service | 77% | 46.4% | 43.7% | 48.1% | 56.3% | 53.4% | 63.4% |
| Chief Executive's Office | | 65.6% | 76.1% | 81.0% | 82.6% | 80.0% | 79.1% |
| Community Services | | 47.4% | 64.4% | 66.2% | 71.8% | 65.7% | 69.9% |
| Corporate Development Service | | 62.3% | 74.0% | 76.3% | 73.2% | 79.2% | 72.9% |
| Development & Infrastructure Service | | 52.6% | 54.4% | 50.0% | 48.8% | 58.2% | 52.3% |
| Finance Service | | 51.7% | 81.5% | 84.4% | 87.4% | 92.8% | 92.3% |
| Highland Council | | 48.1% | 56.3% | 57.5% | 62.7% | 61.5% | 67.1% |

| INVOICE PAYMENT <30 DAYS | | | | | | | |
|--------------------------------------|--------|---------|-------|-------|-------|---------|--------------|
| DIRECTORATE | TARGET | 2015/16 | | | | 2016/17 | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Care & Learning Service | 95% | 92.8% | 85.9% | 88.8% | 90.7% | 95.5% | 93.3% |
| Chief Executive's Office | | 96.9% | 95.3% | 96.3% | 95.5% | 95.3% | 95.7% |
| Community Services | | 91.6% | 93.0% | 93.8% | 93.1% | 93.5% | 92.5% |
| Corporate Development Service | | 94.1% | 91.1% | 94.8% | 92.0% | 93.8% | 91.6% |
| Development & Infrastructure Service | | 90.9% | 91.5% | 89.4% | 84.5% | 92.9% | 90.5% |
| Finance Service | | 93.8% | 98.0% | 99.0% | 96.5% | 97.8% | 97.9% |
| Highland Council | | 92.4% | 90.2% | 91.4% | 91.2% | 94.8% | 93.0% |