

**The Highland Council**  
**Resources Committee – 8 February 2017**

Agenda Item	<b>12</b>
Report No	<b>RES/ 11/17</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 31 December 2016.

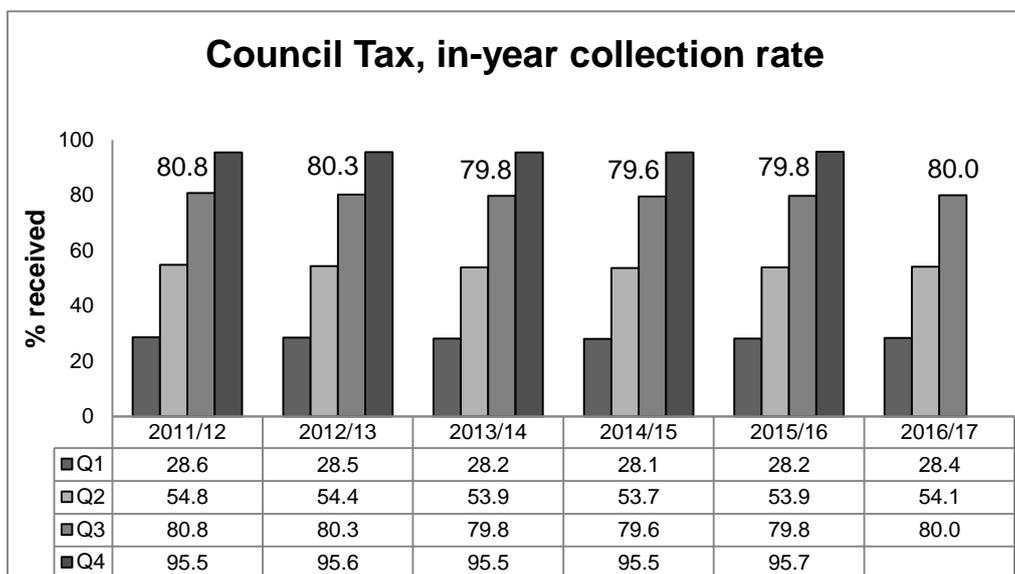
**1. Background**

- 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

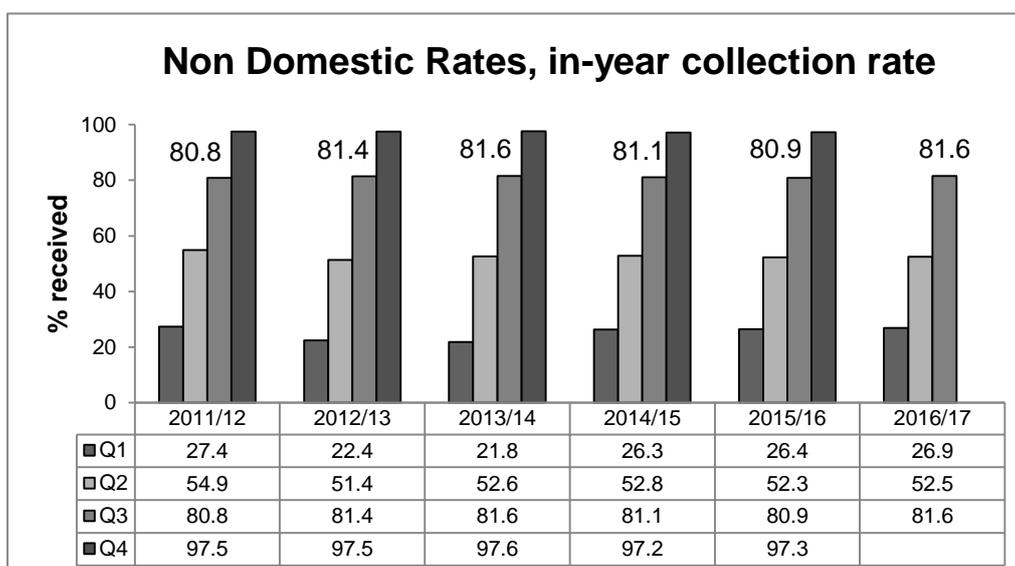


2.1.2 Council Tax in-year collection rate is 80.0%, 0.2% higher than the comparable period in prior year. The improvements are mainly attributable to ongoing improvement in business processes and resource management. This has also resulted in an additional Council Tax income of £0.885m in excess of budget due to improved recovery and review of the provision for non-collections.

2.1.3 Total direct debits now make up 70.5% of bill payment representing 80.9% of receipts. These report an improvement both on previous quarter and on the prior year position (Q3 2015/16: 68.9% and 80.0% respectively)

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

#### 2.2.1

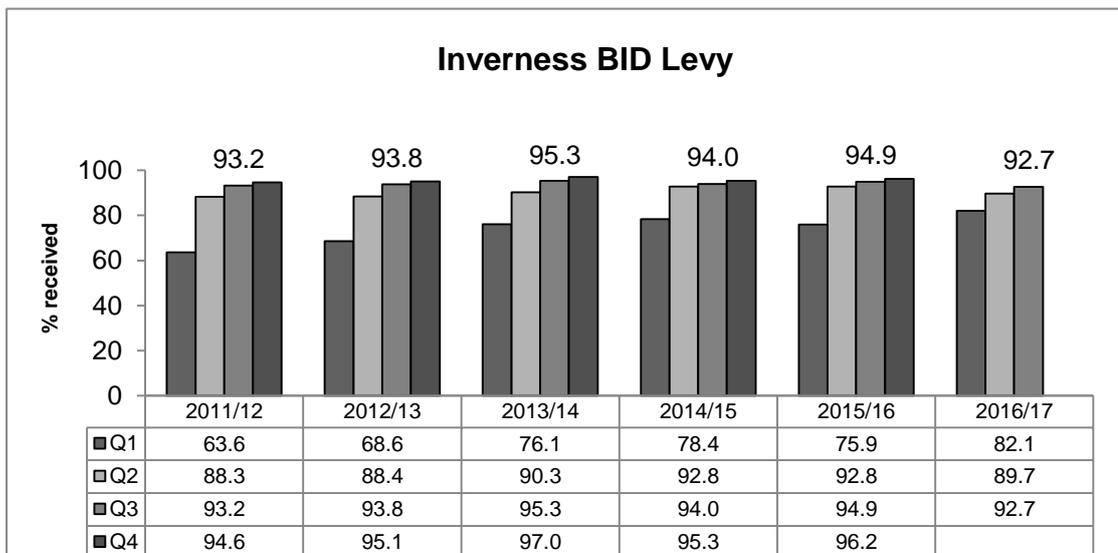


2.2.2 The Q2 NDR in-year collection rate for 16/17 is 81.6%, a 0.7% increase on prior year.

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.

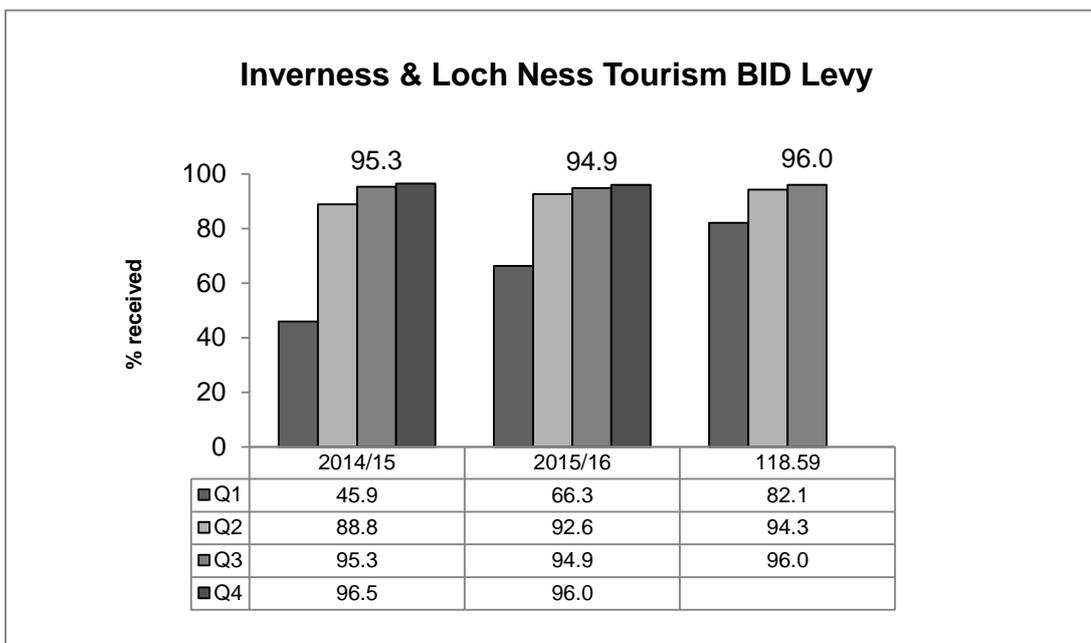
## 2.3 Business Improvement District (BID) Levies

2.3.1



2.3.2

2.3.3

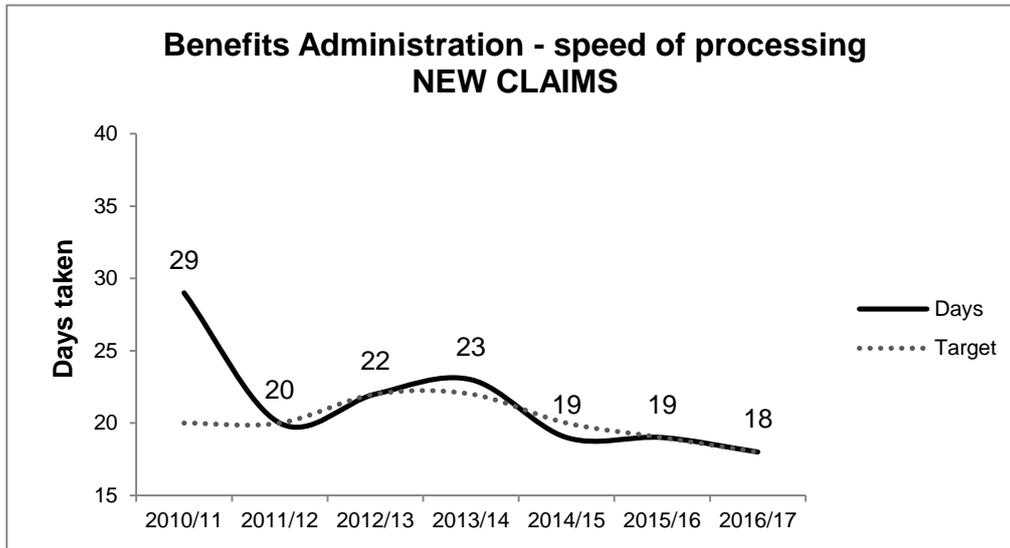


2.3.4 Q3 collection rates for Inverness BID and Inverness & Loch Ness Tourism BID are 92.7% and 96% respectively. Whilst there is a slight reduction

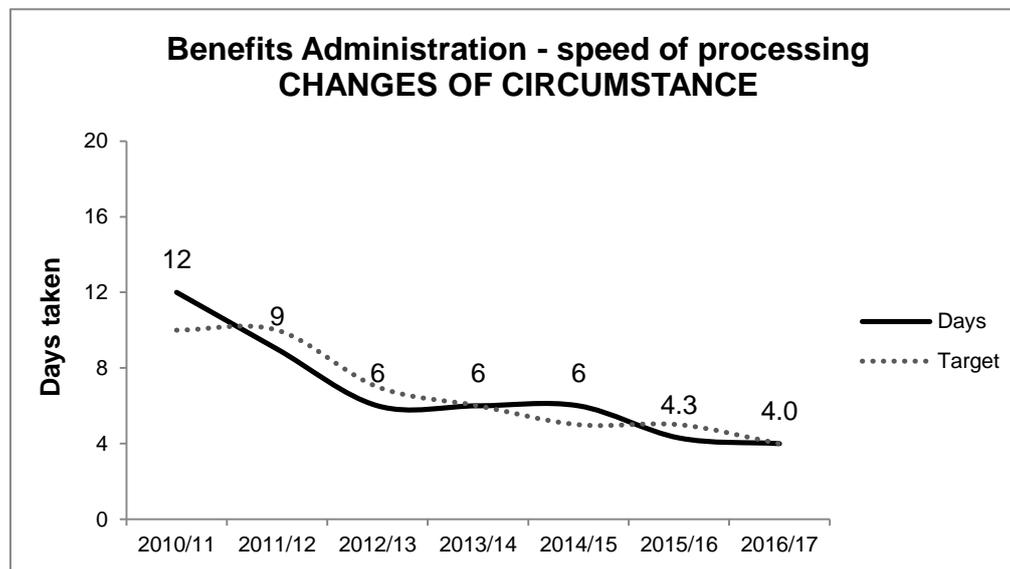
against Inverness BID compared to prior year, taking into account payment timings a like-for-like comparison sees the Q3 figure at 93.6%. Q3 collection rates for Inverness & Loch Ness Tourism BID have once again increased and are now 1.1% higher than the previous year.

## 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 3 is 18 days, 1 day less than prior year. Change of circumstances applications are being processed within 4.0 days compares to prior year of 4.3 days. Continuous

efforts are made to further improve performance levels; including the regular review of current processes and taking advantage of new engagement methods such as now offering customers the facility to submit new claims and advise of changes in circumstances online.

- 2.4.4 As reported to previous Committees, improved performance is being delivered at a reduced cost: directly contributing to the delivery of significant savings. For example, benefits administration costs have reduced by 18% in the last two years with costs set to reduce further in 2016/17.

## 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
<b>Q1-Q3</b>	1,347	1,358	962	2,809	2,500	<b>3,203</b>

- 2.5.2 Welfare Support (formerly Income Maximisation) continues to support customers and maximising benefits awards. So far in 2016/17 customers have received additional financial gain totalling £3.203m. Of this, £727k relates to back-dated awards and £2.476m to 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	Q3
Number of posts advertised	695	811	571	326	581	489	<b>376</b>
Percentage of posts advertised on time	100%	100%	100%	100%	100%	100%	<b>100%</b>
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%	<b>3,160</b> <b>94.3%</b>
Number of paper applications processed within 2 working days	100%	100%	100%	100%	97.5%	100%	<b>100%</b>

- 2.6.3 There were 3,160 applications received during Quarter 3; 2,979 (94.3%) received online. 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	Q3
Number of requests	1,788	1,769	1,622	1,786	1,737	1,598	<b>1,668</b>
% requests processed in time for travel	100	100	100	100	100	99.99	<b>100</b>
% of requests processed by the Travel Desk within 5 days of approval (by the budget holder)	-	-	-	89	92	97	<b>96</b>
% of requests approved by budget holder within 5 days of receiving travel request for approval	-	-	-	98	98	96	<b>97</b>
% of requests received <u>and</u> approved by the Travel Desk less than 5 days before travel date	-	-	-	36	42	44	<b>48</b>

2.7.3 The performance of the Travel Desk remains positive with 100% of requests processed in time for travel and 96% processed within 5 days of being approved by the line manager.

## 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.

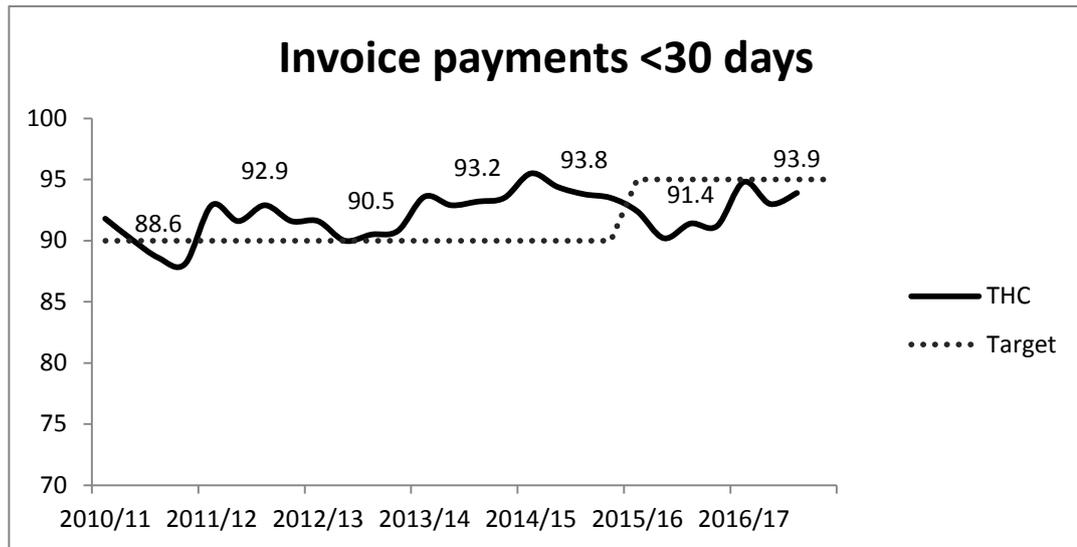
2.8.2 213 Single grant applications were received in Q3, 2016/17.

2.8.

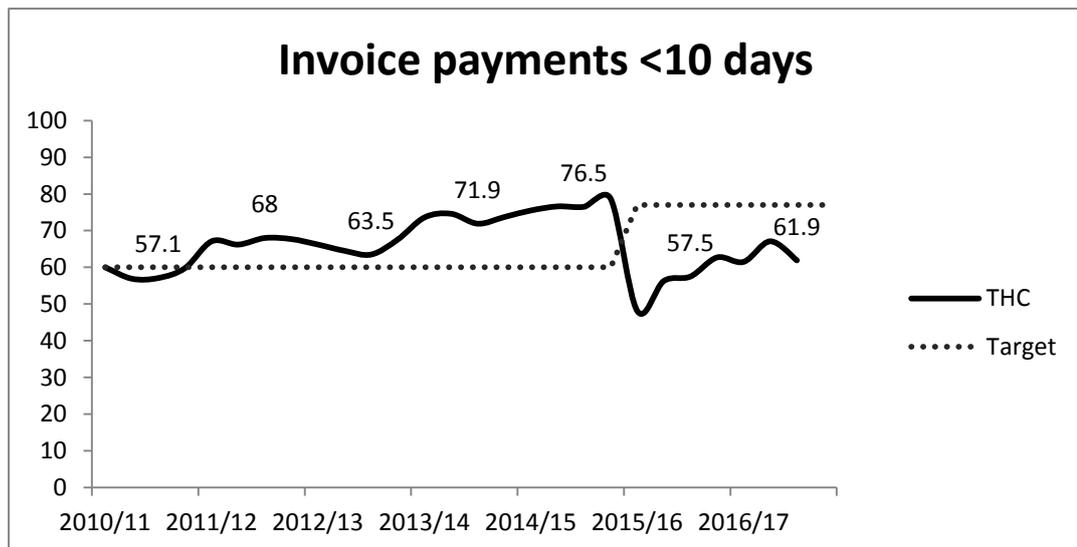
Single Grant Applications	2015/16				2016/17		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Percentage logged, acknowledged & distributed within 5 days	96.0	96.4	96.6	98.9	97.2	99.6	<b>97.6</b>

## 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%

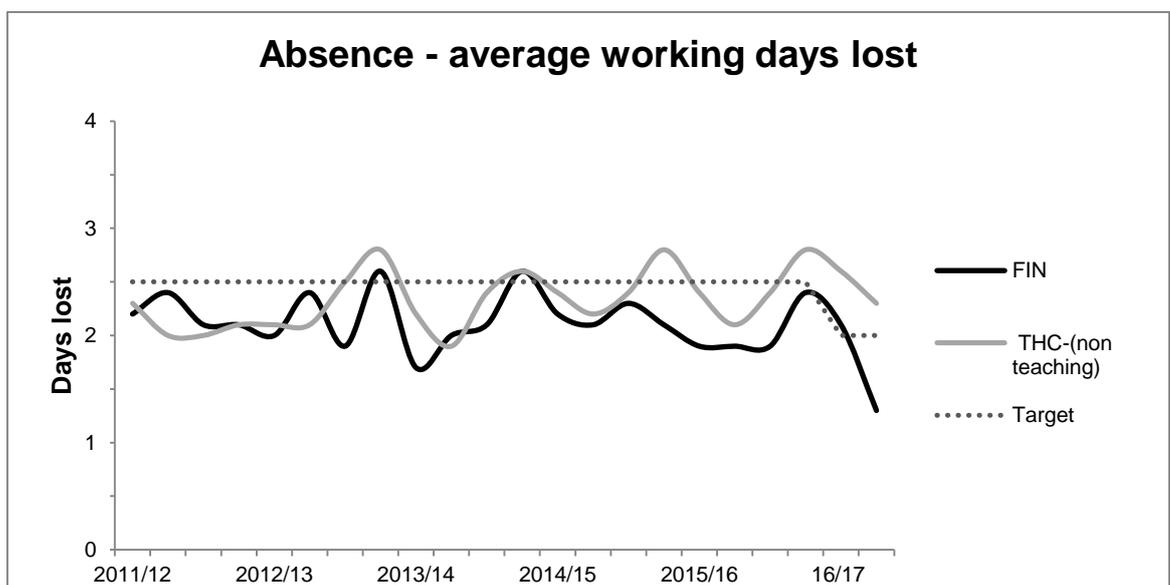
As reported to Resources Committee in May 2016, these stretching targets would be maintained for 16/17.

2.9.4 Compared to prior year, 10-day performance shows an improvement at 61.9% as does 30-day performance at 93.9%. 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. At the time of publication of this report, data for Q3 16/17 was not available. A verbal update on both Service and Council Q3 performance will be provided to Resources Committee on 8 February 2017.

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.

### **3. Implications**

3.1 There are no implications arising from this report.

#### **Recommendations**

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

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Director of Finance

Author:

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Revenues and Business Support

Date:

26 January 2017

## 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>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	2.9	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	Q3
Care & Learning Service	77%	46.4%	43.7%	48.1%	56.3%	53.4%	63.4%	<b>56.2%</b>
Chief Executive's Office		65.6%	76.1%	81.0%	82.6%	80.0%	79.1%	<b>73.1%</b>
Community Services		47.4%	64.4%	66.2%	71.8%	65.7%	69.9%	<b>64.9%</b>
Corporate Development Service		62.3%	74.0%	76.3%	73.2%	79.2%	72.9%	<b>76.5%</b>
Development & Infrastructure Service		52.6%	54.4%	50.0%	48.8%	58.2%	52.3%	<b>51.5%</b>
Finance Service		51.7%	81.5%	84.4%	87.4%	92.8%	92.3%	<b>87.2%</b>
<b>Highland Council</b>		48.1%	56.3%	57.5%	62.7%	61.5%	67.1%	<b>61.9%</b>

INVOICE PAYMENT <30 DAYS								
DIRECTORATE	TARGET	2015/16				2016/17		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3
Care & Learning Service	95%	92.8%	85.9%	88.8%	90.7%	95.5%	93.3%	<b>94.6%</b>
Chief Executive's Office		96.9%	95.3%	96.3%	95.5%	95.3%	95.7%	<b>92.4%</b>
Community Services		91.6%	93.0%	93.8%	93.1%	93.5%	92.5%	<b>93.1%</b>
Corporate Development Service		94.1%	91.1%	94.8%	92.0%	93.8%	91.6%	<b>92.9%</b>
Development & Infrastructure Service		90.9%	91.5%	89.4%	84.5%	92.9%	90.5%	<b>90.2%</b>
Finance Service		93.8%	98.0%	99.0%	96.5%	97.8%	97.9%	<b>98.1%</b>
<b>Highland Council</b>		92.4%	90.2%	91.4%	91.2%	94.8%	93.0%	<b>93.9%</b>