

Agenda Item	<b>15.</b>
Report No	<b>RES/26/17</b>

## **HIGHLAND COUNCIL**

**Committee:** Corporate Resources Committee

**Date:** 14 June 2017

**Report Title:** **Finance Service – Quarterly Performance Report**

**Report By:** Director of Finance

### **1. Purpose/Executive Summary**

1.1 This report provides performance information against the Accounts Commission's Statutory Performance Indicators (SPIs) together with key performance measures for the Finance Service, as at 31 March 2017.

### **2. Recommendations**

2.1 Members are asked to:

- i. consider these statutory and key performance indicators.

### **3. Background**

- 3.1 This report includes performance against the Accounts Commission's Statutory Performance Indicators (SPIs) together with key performance measures for the Finance Service.
- 3.2 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.
- 3.3 Where definitions have changed, direct comparisons can only be made within the time period to which that definition has applied.
- 3.4 Reports will continue to be brought to Committee on these performance indicators on a quarterly basis so that trends can be monitored.
- 3.5 A list of the current SPIs for the Finance Service is attached as **Appendix 1**.
- 3.6 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.

### **4. Finance Service, Quarterly Performance Reporting**

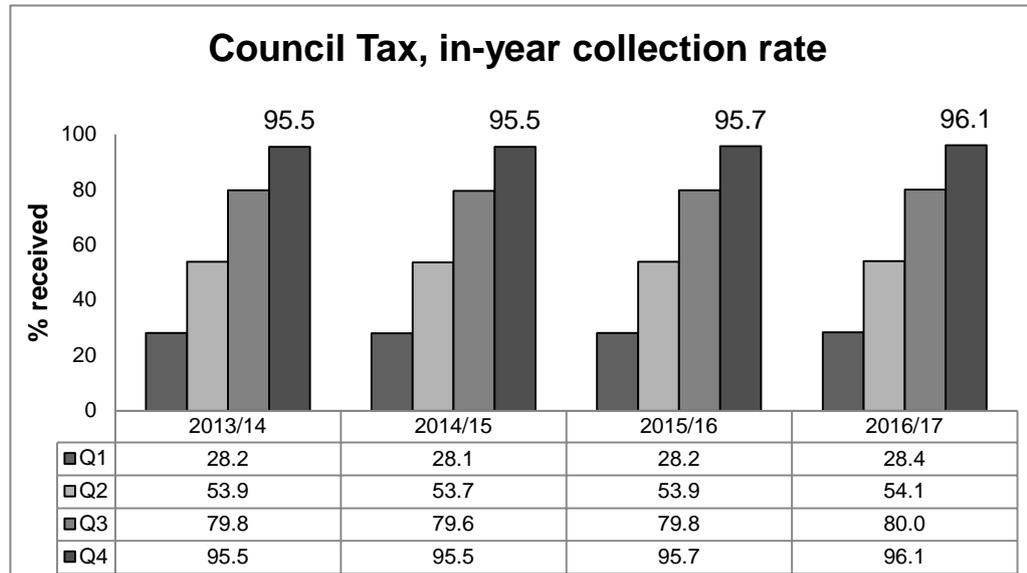
#### **4.1 Cost of collecting Council Tax and processing Benefits (Housing Benefit and Council Tax Reduction)**

- 4.1.1 As part of the 2016/17 budget setting process, Members approved savings amounting to £2.443m for Revenues & Business Support. The £2.443m comprised: £1.140m in cost reductions and £1.303m from increased Council Tax collections.
- 4.1.2 The savings target of £2.443m has been delivered. Furthermore, as reported within the *Corporate Revenue Near Final Monitoring Report 16/17* earlier in this agenda, Council Tax collections (current & prior years) exceed budget by £0.607m. The Revenues & Business Support section also reports a £0.622m budget underspend as reported within the *Finance Service Revenue Near Final Monitoring report 16/17*.
- 4.1.3 In addition to reducing cost and increasing income, positive performance is also being delivered such as benefits processing times and this is discussed in more detail later in this report.
- 4.1.4 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. It is positive to report the delivery of savings and increased efficiency of service delivery, combined with improvements across so many parts of the service. The overall level of accuracy for benefit payments

remains at 99.8%.

## 4.2 Council Tax In-Year Collection Rate

### 4.2.1

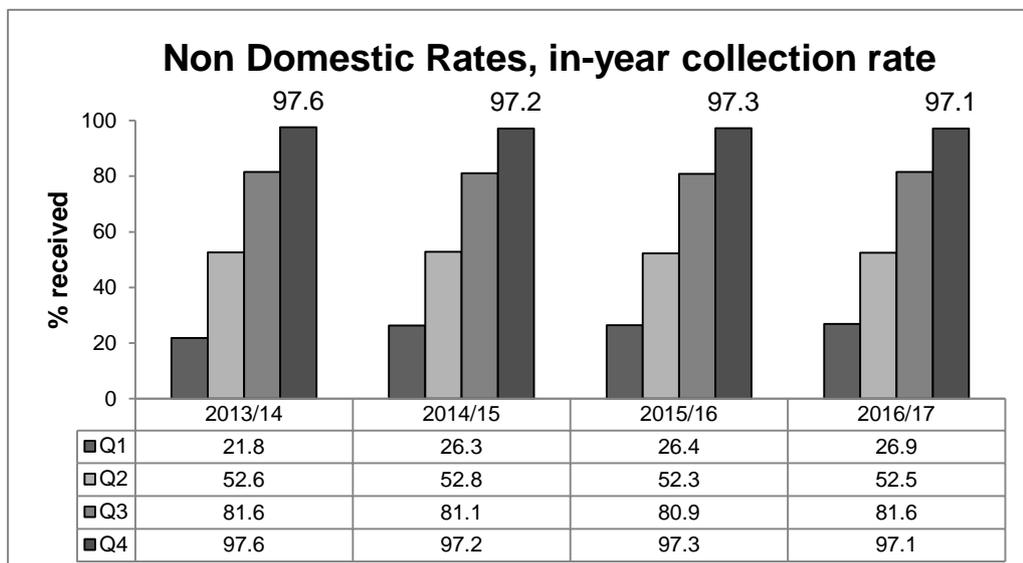


4.2.2 Council Tax in-year collection rate has increased to 96.1%, 0.4% higher than prior year and is the highest in-year collection rate the Council has achieved. The improvements are mainly attributable to ongoing improvement in business processes and resource management. This has also resulted in an additional Council Tax income of £0.607m in excess of budget due to improved recovery and review of the provision for non-collections.

4.2.3 Total direct debits now make up 69.4% of bill payment representing 81.4% of receipts. These report an improvement on the prior year position of 67.9% and 80.5%, respectively.

## 4.3 Non Domestic Rates in-Year Collection Rate

### 4.3.1

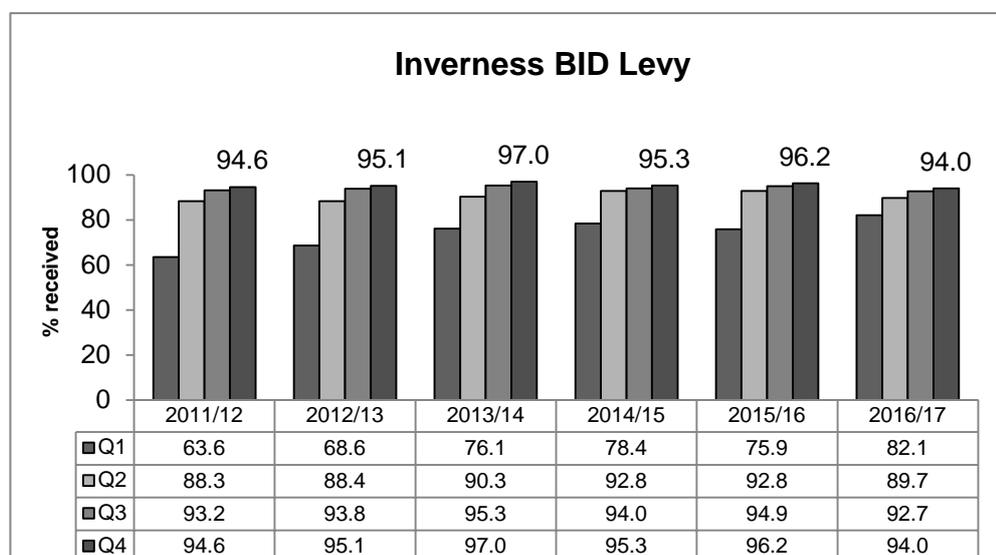


4.3.2 The NDR in-year collection rate for 16/17 is 97.1% compared to 97.3% prior year. The 16/17 collection rate as at May 2017 is at 97.3%; 15/16 at May 2016 was 97.4%.

4.3.3 The Council continues to use all relevant measures available under the Rating regime to assist local businesses including encouraging payment by monthly instalments and directing businesses to available rate relief schemes such as the Small Business Bonus Scheme. Claims can be made on-line on the Council's web-site (or via paper if businesses so require).

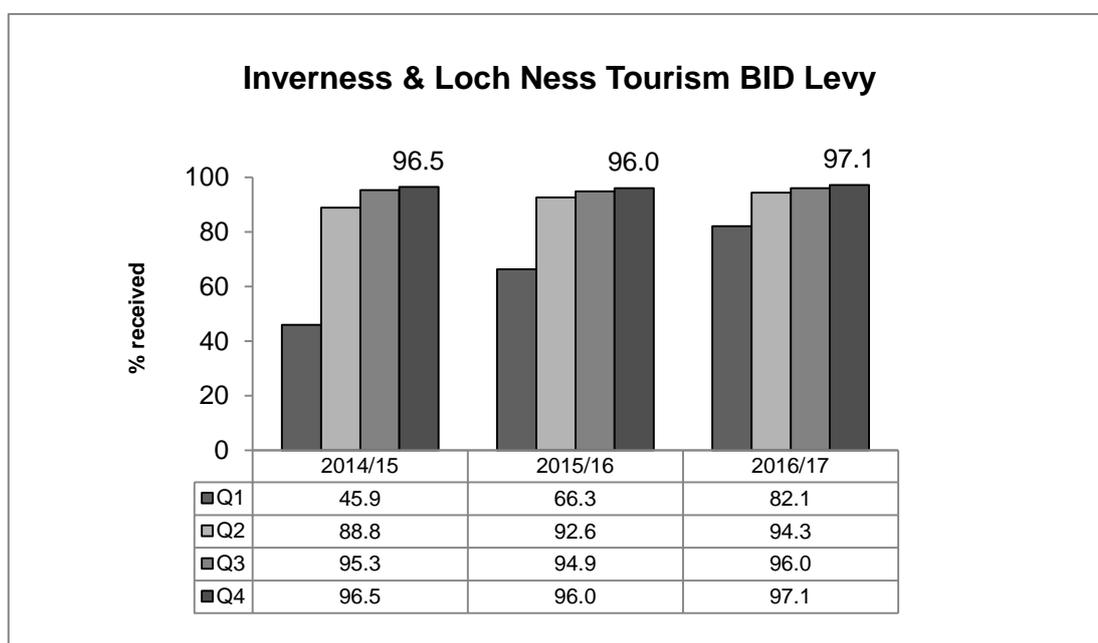
#### 4.4 Business Improvement District (BID) Levies

##### 4.4.1



4.4.2 The collection rate for the Inverness BID levy was 94.0% compared to 96.2% prior year. Finance Service staff continue to work with the BID management team to ensure payment rates are maximised.

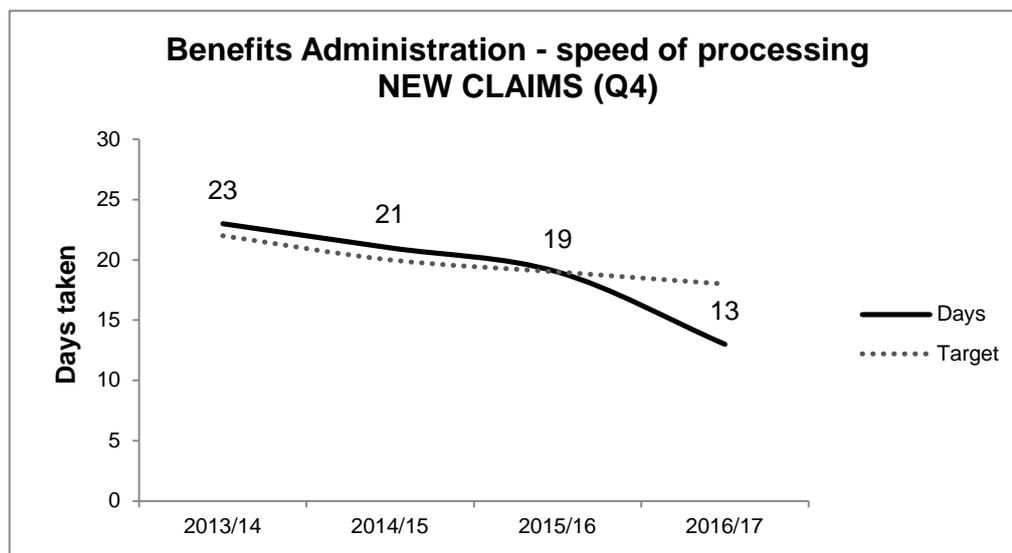
##### 4.4.3



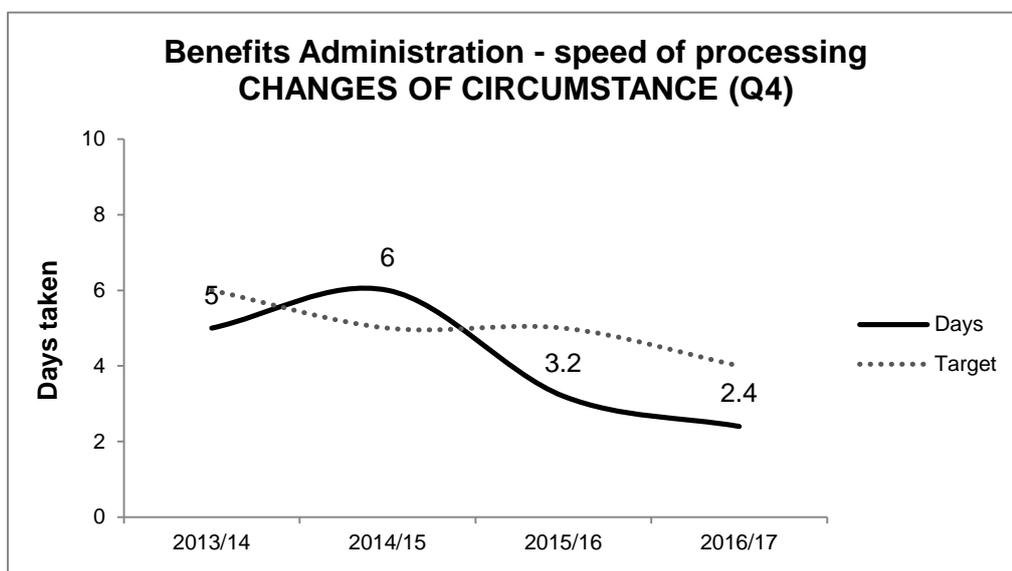
4.4.4 The collection rate for the Inverness & Loch Ness Tourism BID levy was 97.1% compared to 96.0% prior year. Although higher than prior year, Finance Service staff continue to monitor and offer assistance where required.

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

4.5.1



4.5.2



4.5.3 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.

4.5.4 Improvements in processing times for New Claims and Change of Circumstances not only helps collection levels but also assists customers in being advised of the outcome of a new claim/ change in their circumstances as quickly as possible.

4.5.5 In Quarter 4, the average processing speed for new claims was 13 days and 2.4 days for changes of circumstance. Not only does this performance come in within target, it also represents the best quarterly performance recorded to date (and, as reported at 2.1, whilst also delivering savings/cost reductions).

4.5.6 The tables summarises **annual** performance against targets since 2014/15.

Service area/Year	14/15 performance (target)	15/16 performance (target)	16/17 performance (target)
New claims	21 days (20 days)	20 days (19 days)	17.0 days (18 days)
Change in Circs	6.0 days (5 days)	4.3 days (5 days)	3.2 days (4 days)

4.5.7 For 2017/18, we are aiming to process new claims within 16 days and change in circumstances within 3 days. This takes into account the savings delivered to date and those requiring to be delivered as part of the budget setting process for 2017/18. The savings approved for the Finance Service for 2017/18 include £0.556m relating to the deletion of vacant posts and vacancy management, the majority of which will be delivered within Revenues & Business Support.

## 4.6 Welfare Support

4.6.1

Financial benefit to the customer from advice given (£000)				
	2013/14	2014/15	2015/16	2016/17
Year to date	1,635	3,975	4,015	4,651

4.6.2 Welfare Support (formerly Income Maximisation) continues to support customers and maximising benefits awards. In 2016/17 1,560 customers have received additional financial gain totalling £4.651m. Of this, £1.135m relates to back-dated awards and £3.516m to the annualised weekly gain (i.e. the weekly gain multiplied by 52 weeks).

## 4.7 TalentLink (Recruitment)

4.7.1 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.

4.7.2

TalentLink	2014/15	2015/16	2016/17
Number of posts advertised	2,199	2,403	1,914
Percentage of posts advertised on time	100%	100%	100%
Number (& percentage) of electronic applications	17,301 95.8%	15,217 95.9%	14,427 95.3%
Number of paper applications processed within 2 working days	100%	100%	99.3%

4.7.3 There were 3,505 applications received during Quarter 4; 3,363 (95.9%) 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.

4.7.4 In 2016/17 a total of 704 paper applications were received. 699 were loaded onto Talentlink within 2 working days; with the remaining 5 processed in 3 working days.

#### 4.8 Travel Desk

4.8.1 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.

4.8.2

Travel Desk	2014/15	2015/16	2016/17
Number of requests	6,671	6,965	6,854
% of requests approved by manager within 5 days of receipt from traveller	-	89%	96%
% requests processed by the Travel Desk within 2 days of approval by the manager	-	72%	89%
% of requests processed by the Travel Desk in time for travel	-	100%	100%

#### 4.9 Single Grant Applications (SGAs)

4.9.1 Business Support provides support to a number of Council staff such as 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.

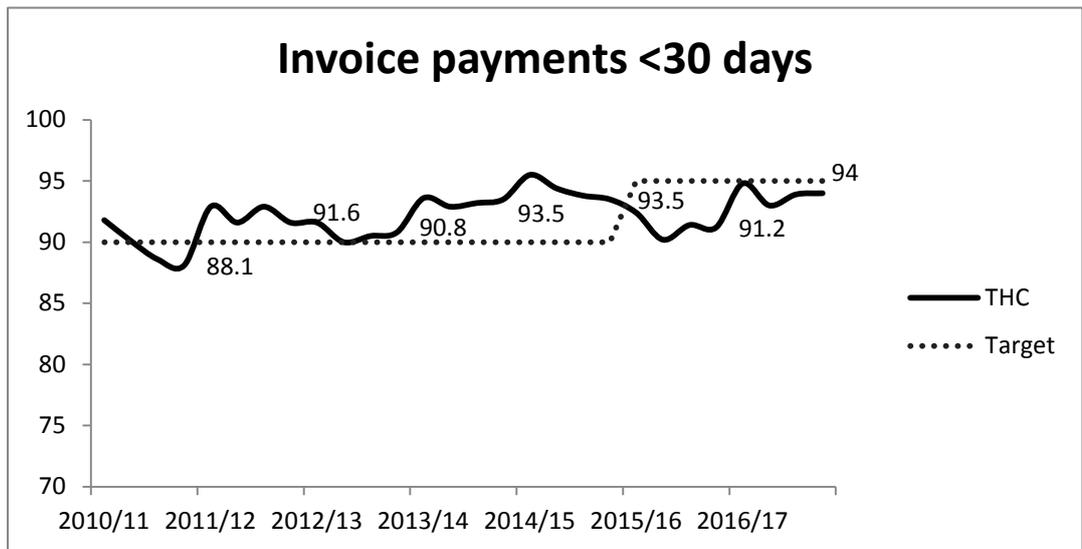
4.9.2 340 Single grant applications were received in Q4, 99.1% of these processed within 5 days. The table showing the annual position is shown below.

4.9.3

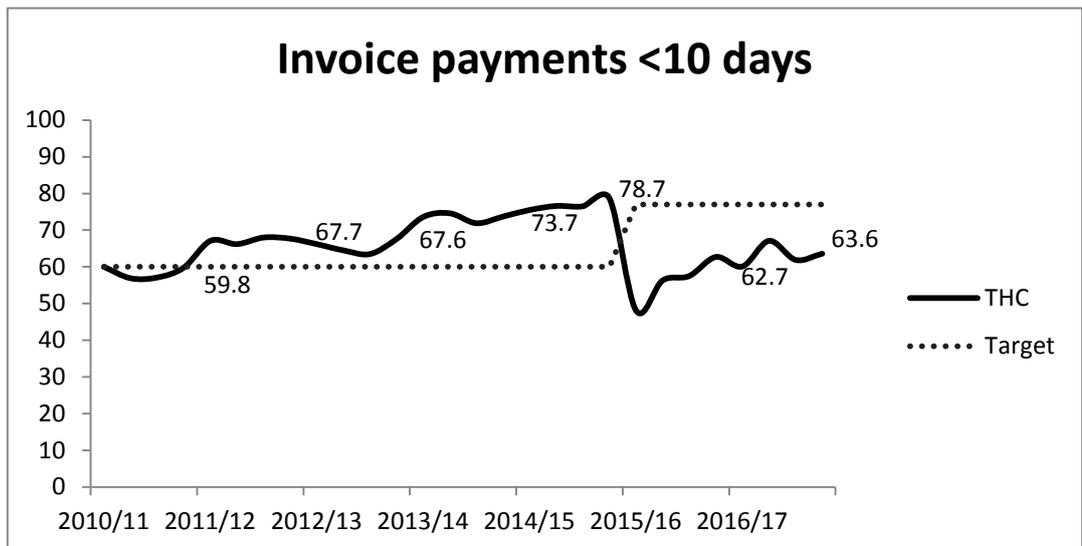
Single Grant Applications	2014/15	2015/16	2016/17
Percentage logged, acknowledged & distributed within 5 days	97.7%	97.9%	98.3%

## 4.10 Payment of Invoices

### 4.10.1



### 4.10.2



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

4.10.4 Quarter 4 performance reports improvements in both 10 and 30 days compared to prior year but is not yet achieving the challenging targets set of 77% and 95%, respectively. In Quarter 4 for example, were those invoices currently taking 11-13 days paid within 10 days, this would improve performance by a further 10%.

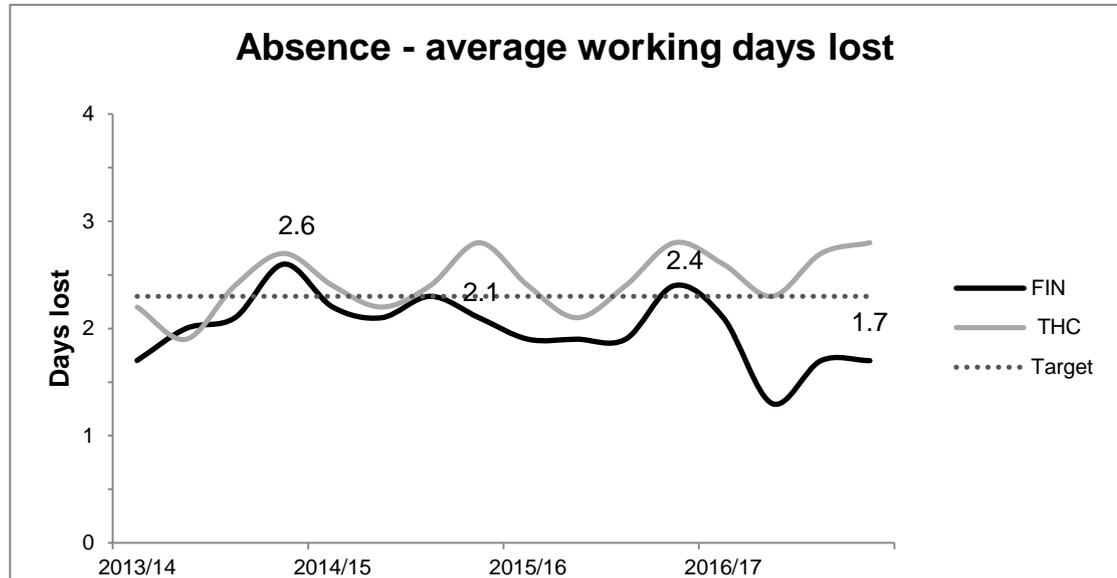
4.10.5 In 2015/16, the average number of days to pay invoices was 15.1 days. That has reduced to 12.7 days in 16/17.

4.10.6 As reported to previous Committees, Finance Service staff will continue 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. Targets for 2017/18 are intended to remain as 2016/17.

## 4.11 Attendance Management

### 4.11.1



4.11.2 This indicator shows the average number of days' sickness absence per employee for the quarter. Quarter 4 figures for the Finance Service show an absence rate of 1.7days, 1.1days lower than The Highland Council (non-teaching) average of 2.8.

4.11.3 In 2016/17 the Finance Service set a target of reducing the annual absence rate to 8 days or less, lost per year. 14/15 was 8.7 days lost; 2015/16 was 8.1 days. The Service saw 6.8 days lost in 2016/17 through sickness absence. The Highland Council figure for 2016/17 was 10.4 days.

4.11.4 This reduction from 8.1 days to 6.8 days (1.3 days) is equivalent to 2.9fte not being lost through sickness absence for the Service.

4.11.5 The Service continues to keep staff absence 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. In addition, led by the Revenues & Business Support Manager (West) and supported by staff in Learning & Development, "Health Promotion" sessions have been designed and delivered since 2015, with positive feedback.

4.11.6 Health promotion provides staff with many of the tools needed to achieve a positive work/home-life balance. The 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. The sessions benefit from significant input and delivery from Occupational Health specialists.

## **5. Implications**

5.1 Resource – the resource implications are detailed within the report.

Legal – there are no legal implications arising from this report.

Community (Equality, Poverty and Rural) – the prompt processing of benefit claims and the proactive support to customers from Welfare Support will help to mitigate some of the poverty challenges.

Climate Change/Carbon Clever – there are no climate change / carbon clever implications arising from this report.

Risk – there are no risk implications arising from this report.

Gaelic – there are no Gaelic implications arising from this report.

Designation: Director of Finance

Date: 2 June 2017

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Background Papers: -

## 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	4.11	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>	4.2	Quarterly
The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid	4.10	Quarterly
The number of invoices paid within 10 calendar days of receipt as a percentage of all invoices paid	4.10	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	4.3	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)	4.5	Quarterly
Processing time benefit – change in circs (average days)	4.5	Quarterly
Welfare Support	4.6	Quarterly
Business Improvement District (BID) Levy	4.4	Quarterly
Business Support - Talentlink	4.7	Quarterly
Business Support – Travel Desk	4.8	Quarterly
Business Support – Single Grant Applications	4.9	Quarterly

APPENDIX 2

INVOICE PAYMENT <10 DAYS						
DIRECTORATE	TARGET	2016/17				
		Q1	Q2	Q3	Q4	FY
Care & Learning	77%	53.4	63.4	56.2	59.4	57.6
Corporate Development		79.2	72.9	76.5	71.3	75.1
Chief Executive's		80.0	79.1	73.1	72.0	76.7
Community Services		65.7	69.9	64.9	63.1	65.8
Development & Infrastructure		58.2	52.3	51.5	61.6	55.8
Finance		92.8	92.3	87.2	94.0	91.4
<b>Highland Council</b>		<b>61.5</b>	<b>67.1</b>	<b>61.9</b>	<b>63.6</b>	<b>63.3</b>

INVOICE PAYMENT <30 DAYS						
DIRECTORATE	TARGET	2016/17				
		Q1	Q2	Q3	Q4	FY
Care & Learning	95%	95.5	93.3	94.6	94.1	94.5
Corporate Development		93.8	91.6	92.9	92.8	92.8
Chief Executive's		95.3	95.7	92.4	92.1	94.1
Community Services		93.5	92.5	93.1	93.3	93.1
Development & Infrastructure		92.9	90.5	90.2	93.3	91.7
Finance		97.8	97.9	98.1	98.9	98.1
<b>Highland Council</b>		<b>94.8</b>	<b>93.0</b>	<b>93.9</b>	<b>94.0</b>	<b>94.0</b>

DIRECTORATE	Total number of Invoices paid in 2016/17
Care & Learning	62,484
Corporate Development	1,941
Chief Executive's	1,451
Community Services	51,333
Development & Infrastructure	12,643
Finance	10,107
<b>Highland Council</b>	<b>139,959</b>