

Agenda Item	5.
Report No	RES/03/22

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 26 January 2022

Report Title: Performance & Governance - Revenue and Performance Monitoring Q3 – 01 April 2021 to 31 December 2021

Report By: Executive Chief Officer, Performance & Governance

1. Purpose/Executive Summary

- 1.1 This report and appendices show the Performance and Governance Quarter 3 revenue monitoring position for 2021/22; and the status of the Directorate's savings target for the same period. Information on the main revenue budget variances is included in the main body of the report along with relevant performance data and contextual information as outlined in the Directorate Service Plan. Bringing together revenue and performance into a single monitoring report supports financial governance, informs decision making, and enables improvement actions to be identified. This approach is intended to strengthen Member scrutiny and improve accessibility for a wider audience including the public.
- 1.2 **Appendix 1** shows the revenue budget position for the third Quarter of 2021/22, with a total Directorate net budget of £5.357m, of which the Members' budget is £1.6m. Expenditure to date is £4.078m, or 76%; with a predicted end of year underspend of (£0.367m).
- 1.3 The performance information contained within this report includes the Local Government Benchmarking Framework (LGBF) indicators the Council uses as Statutory Performance Indicators (SPIs) for the Directorate and local key performance indicators where data is available quarterly. Annually Quarter 1 reports to Committee will report performance outcomes for the previous financial year against target. Trend information will also be provided to evidence areas of strong performance and those requiring improvement.

2. Recommendations

- 2.1 Members are asked to:
- i. consider the revenue monitoring position for the period 31 March 2021 to 31 December 2021;
 - ii. note that the Directorate is on track to deliver all approved savings by the end of the financial year;
 - iii. scrutinise the Directorate's performance information.

3. Implications

- 3.1 **Resource:** The net budget of £5.357m available to the Performance & Governance Directorate is around 0.8% of the general fund for the totality of the Council's Services. The Performance & Governance Directorate has a staffing establishment of circa 132 FTEs. Corporate Governance, Legal Services, Democratic Services, Licensing, Elections, Internal Audit & Fraud, Corporate Performance & Risk Management, Information Management, Corporate Communications and Resilience, Policy, Climate Change and Energy, Gaelic Development and Trading Standards are key responsibilities of the Directorate.
- 3.2 **Legal:** Implications relate to meeting statutory requirements for public performance reporting (PPR) and the statutory duty of Best Value. These require the Council to provide balanced and transparent information which informs the public on Council performance and how public money is used.
- 3.3 **Risk:** Risks are still largely Covid related and impact on income targets and some aspects of Performance and Governance Directorate's service delivery priorities.
- 3.4 **Community (Equality, Poverty and Rural), Climate Change/Carbon Clever and Gaelic:** There are no implications arising as a direct result of this report. However, it should be noted that the Directorate has a strategic role in the delivery of the Council's Gaelic Language Plan and the Council's Climate Change and Energy priorities.

4. Performance & Governance Directorate Revenue Budget 2021/22 – Quarter 3 Monitoring

- 4.1 **Appendix 1** to this report provides the monitoring statement showing actual expenditure and the estimated year-end outturn against the Service budget for Quarter 3 as at 31 December 2021. The Directorate is showing an outturn of £4.990m against a net annual budget of £5.357m, representing an underspend of £0.367m. Of this, the Members' budget comprises £1.600m and this is showing predicted £0.116m underspend.
- 4.2 The Directorate has continued to focus on savings targets as the impact of the COVID emergency response begins to ease. These are all currently all on track with £0.096m (75%) of the total £0.128m already delivered and full delivery expected by the end of the year.

5. Quarter 2 Monitoring variances

- 5.1 This section of the report provides more detail on the main variances contributing to the overall Directorate underspend detailed in the monitoring report at **Appendix 1** to this report, most of which have been previously reported.

- 5.2 COVID 19 Impacts: There continue to be reductions in expenditure in a variety of budgets across the whole Directorate as a result of Covid restrictions and new ways of working. In all cases there is a reduction in travel, accommodation and subsistence budgets with the biggest single impact felt in the Members' budget. This calculation is based upon 3 quarters of very low expenditure as limitations on face to face gatherings have remained in place from the beginning of the financial year. It is also anticipated that even once opportunities to meet in person increase, some Members will choose not to travel long distances to attend meetings and will instead elect to use virtual means.

COVID-19 also continues to impact on the Directorate's income targets relating to licensing as restrictions impact on licensed premises and civic events and provision for this was made in the budget for the current financial year. The extent to which this will continue is very difficult to predict. The licensing teams remain extremely busy as they deal with high demand for advice and guidance in relation to Government guidelines, which is provided free of charge.

- 5.3 Non-COVID-19 related variances: The forecast position includes underspends across the Directorate largely in relation to staffing/vacancies which have taken some time to complete the recruitment process. These posts have now largely been filled. Also included in the predicted Directorate underspend are part year vacancies for 3 Members (Wards 13, 3 and 21). This underspend will increase from Quarter 3 onwards to reflect the unfilled vacancy in Ward 11.
- 5.4 An end of year over-spend is predicted in the Elections budget. This is as a consequence of the three by-elections that have taken place this financial year, partly offset by an underspend in the staffing budget. The Elections budget is not funded for the cost of by-elections as these are unpredictable from one year to the next. The pressure is more than offset by underspends elsewhere in the Service. The cost of the Scottish Parliamentary Elections, delivered by the Elections Team in May 2021, is provided for by the Scottish Government and so is not reflected in the Service budget.

6. Performance Information

- 6.1 As described in section 1 of this report, a single report containing both revenue and performance information has several benefits. The following paragraphs provide performance information for the Directorate as outlined in the Directorate Service Plan approved by Committee on 26 May 2021. With the support and guidance of the Corporate Performance Team, use of the Performance and Risk Management System (PRMS) for future reporting will be further developed. In addition, an improvement action in the Service Plan is to review and develop the Directorate's performance framework with a view to strengthening reporting to Committee. To support this, work the Directorate has now put in place a business partner model within the Corporate Performance Team which will provide resources to support all Services to strengthen performance management and reporting. At Appendix 2 of this report a snapshot of the Service's performance dashboard is provided giving an overview of key performance indicators and actions. It should be noted that in some cases Quarter 3 data is not yet available and so Quarter 2 data is being reported.

6.2 **Directorate - Payment of Invoices**

These indicators measure the Council's efficiency of paying invoices and analyses the number of invoices paid within 10 days and 30 days of receipt as a percentage of all invoices paid. The Directorate is consistently making a positive contribution to achieving corporate targets, noting that invoices paid within 30 days is a Council Statutory Performance Indicator (SPI). Current available data for Q2 is outlined below:

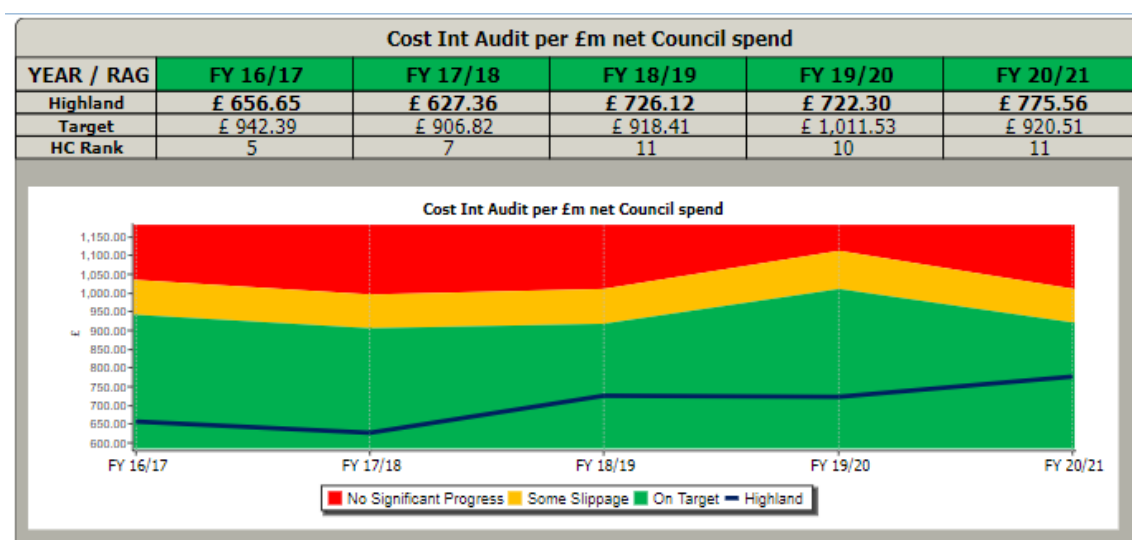
- Q2 2021/22 for invoices paid within 10 days the Directorate paid 91.9% against a target of 77% compared to 80.2% for the Council overall.
- Q2 2021/22 for invoices paid within 30 days the Directorate paid 96.6% against a target of 95% and compared to 95.8% for the Council overall.

6.3 **Directorate Sickness Absence**

The indicator for staff sickness absence is a nationally benchmarked indicator and it is important that all managers focus on effective absence management in order to support staff, maintain productivity and contribute to the Council's overall benchmarked performance. Data for quarter 3 is not yet available and will be reported to the next Committee. It should be noted that the Service consistently performs well against the corporate targets set for the Council. For Q2 2021/22 the Service shows an average of 0.45 days lost per employee compared to a rate of 1.75 for the Council as a whole.

6.4 **Internal Audit – Cost of Internal Audit per £m net Council spend**

The performance of the Internal Audit Team is monitored and benchmarked through a Chartered Institute of Public Finance and Accountancy (CIPFA) indicator on the cost of the team. Data verification has been slower than normal as reported to last Committee but the CIPFA verification and benchmark has now been completed and is detailed below for 2020/21. The cost of the team is consistently below the benchmark target to perform better than the national average with Highland at £775.56 per £m spend compared to a national average of £1015.26. The rank order position for Highland remains within the range of 5th -11th nationally.



6.5 **Trading Standards**

Trading Standards have 2 annual performance indicators with current outturns last report to Committee in August 2021.

- The cost of trading standards per 1000 population is an annual national benchmarked indicator. This KPI offers a simple calculation based on the

service's total costs against the Council's population. The Council consistently compares positively nationally reflecting the relative size of the service against the Highland population.

- There is an annual local performance indicator (LPI) which measures the time taken to conclude business advice requests, in particular those completed within 14 days. It does not measure the quality of advice given. There has been a slight drop in performance in recent years, which is explained by an increase in the complexity of cases handled, with more taking a little longer to deal with properly. As advised to last Committee, this LPI is under review to ensure that it is robust and up to date.

It has been recognised nationally that a more relevant set of measures are required for Trading Standards work and COSLA and the Trading Standards Chief Officers group, on which the Council is represented, are engaging in this development work.

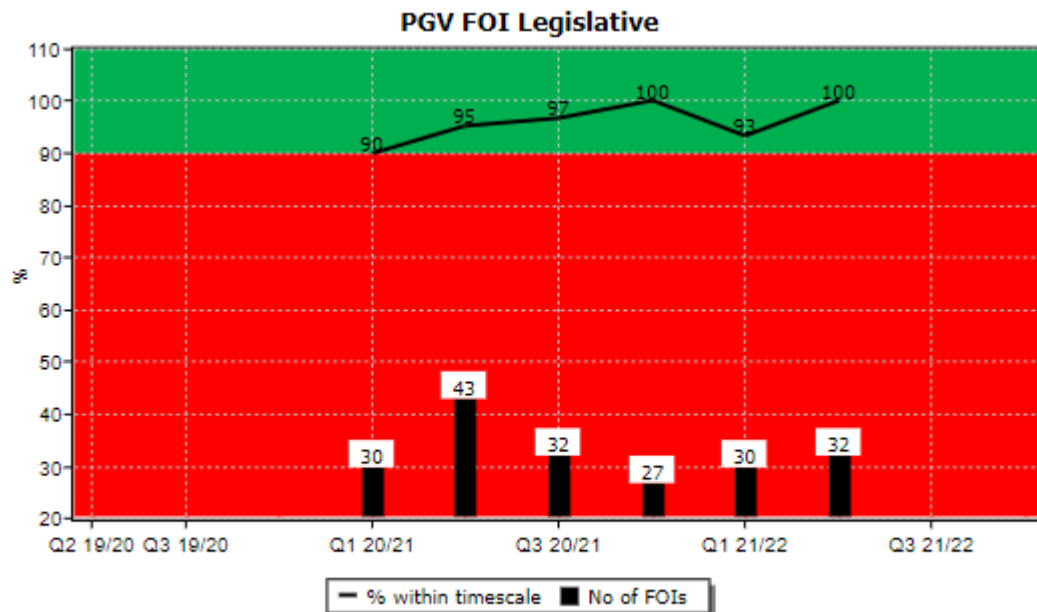
6.6 ***Directorate Complaints Response Times***

The Council has just migrated to a new complaint management system and it is anticipated that more detailed business intelligence on complaints performance and analysis of complaint type will be developed over the course of this year for reporting to Committee. Focusing on the core indicators of response times within 5 days or 20 days, the new complaints management system provides performance data reporting for the new Directorates from Quarter 1, 2021/22 onwards. For complaints responded to in Quarter 3, 2021/22 the Performance and Governance Service performance for 5-day front line resolution and 20-day investigation indicators are noted below and remain consistently above the overall Council performance. The target has now been stretched to 80% for Services in line with the existing target for the Council overall and work is ongoing to improve performance towards meeting the new target.

	Target	P&G Directorate	Highland Council
5-days frontline resolution	80%	75%	61.2%
20-days investigation	80%	66.7%	54.4%

6.7 ***Directorate Freedom of Information (FOI) Response Times***

The Directorate continues to perform well in meeting its targets for the management of FOI requests with this indicator a focus for the Council for corporate improvement. Data for Q3 is not yet verified, for Q2 2021/22 the most recent verified data verified there were 32 requests with 100% addressed within the required timescale against a target to achieve a minimum of 90%.


















6.8
















Delivery of the Gaelic Language Plan

A performance report on the delivery of the Gaelic Language Plan (GLP) is provided to the Gaelic Committee quarterly with the last report on 16th December 2021 for Q2 2021/22. This reported overall good progress across the 6 themes of the plan as outlined below with electronic briefing book and dashboard also available.

Action Status	Q4 20/21	Q1 21/22	Q2 21/22
On Target	87	112	107
Slippage	30	5	5
No Significant Progress	0	0	0
Completed	9	9	14
TOTAL	126	126	126

2021/22 Q2 Dashboard snapshot across GLP themes

Theme 1 - Gaelic in the Home, Early Learning and Childcare Q2 21/22		Theme 2 - Gaelic in the Community Q2 21/22		Theme 3 - Gaelic in Education Q2 21/22	
 completed to date	0	 completed to date	1	 completed to date	10
	6		14		42
	0		1		0
	0		0		0
	0		0		0

Theme 4 - Gaelic in the Arts, Culture and Heritage Q2 21/22		Theme 5 - Gaelic in the Workplace Q2 21/22		Theme 6 - The Social, Economic and Cultural Value of Gaelic Q2 21/22	
 completed to date	2	 completed to date	1	 completed to date	0
	15		17		13
	1		2		1
	0		0		0
	0		0		0

Purple – completed, Green – On target, Amber – Some slippage, Red – No significant progress, Blue – No update available.

The full performance update report is available [here](#).

6.9 **Climate Change**

From August 2021 The Directorate has taken on the corporate lead for Climate Change with the overall strategy and measures towards a net zero target currently being developed. This is a critical priority for the Council and is a main area of focus for the Directorate and an approach to this was agreed by the Council in December 2021. Once a net zero plan is finalised appropriate quarterly indicators will be identified and reported to Committee. Within the Council's Corporate Plan there is one key performance indicator (KPI) for CO2 Emissions, against current targets this indicator is performing well. However, the Council's work in response to the Climate Emergency will require more a more stretching target to be set as part of the net zero action plan. Annual data on the year-on-year trend reducing Council carbon emissions was reported last quarter.

6.10 **Corporate Communications**

The Corporate Communication Team are responsible for ensuring that the Council effectively communicates with and informs the public. One important route to achieve this is using social media and the Team monitor the effectiveness of social media with increasing engagement demonstrated along with strong national benchmarking positions.

Facebook for Q3 showed there were 30,333 followers, an increase this quarter of a further 609, with 1,082 posts and posts shared 4,967 times. The table below provides a summary including the top 3 posts of most interest to the public. National social media ranking shows the Council is ranked 7th.

Social Dashboard – Facebook Headlines

Summary of Facebook data – October to December 2021

Reach

In Q3 we passed 30k people following the THC Facebook page



1

Priority Gritting information

55,675

Posted 29 December 2021

Q3 sentiment remains neutral > positive



2

Bridge St, Castle St, Castle Rd restrictions eased - Inverness

46,698

Posted 9 November 2021

Q3 saw us post the most content ever on Facebook

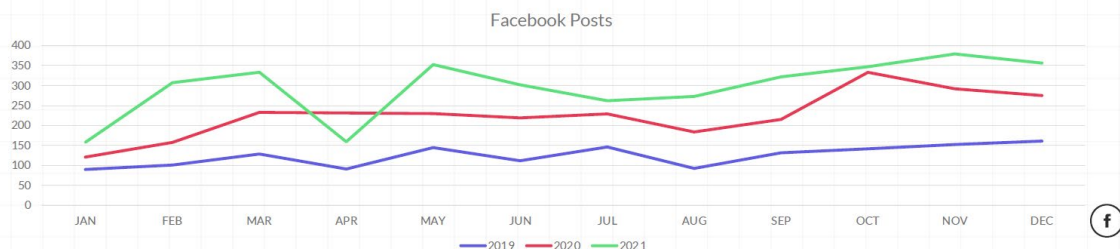


3

Scottish Government funding for school teachers

34,838

Posted 21 December 2021



There are 28,653 Twitter followers and a further increase of 362 in quarter 3. The table below provides a summary including the top 3 posts of most interest to the public. National social media ranking shows the Council is ranked 11th for Twitter.

Social Dashboard – Twitter Headlines

Summary of Twitter data – October to December 2021

Reach (Impressions)

Our second broadcast to Twitter for the December 2021 by-election



1

Sarah Fanet elected to represent Ward 21

70,213

Posted 3 December 2021

Q3 was our busiest ever for posting content to the THC Twitter account



2

Ward 21 by-election results

37,006

Posted 3 December 2021

Sentiment through Q3 remains neutral > positive

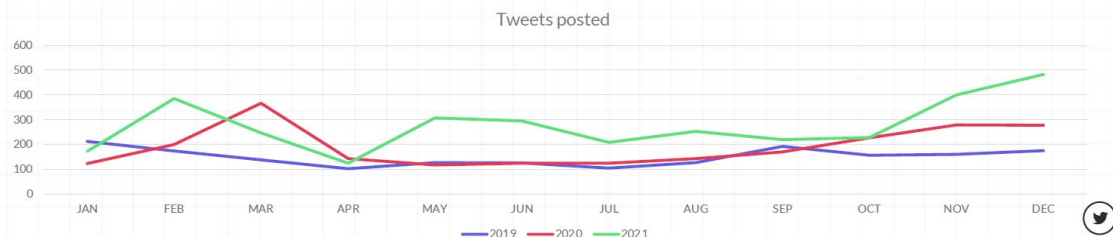


3

Appointment of headteacher to Nesside Primary

34,259

Posted 20 December 2021



The Council is also active in other social media platforms which continue to increase subscribers including Instagram (3,276 followers) and YouTube where there were 10,106 views of content in Q3 (5,687 in Q2), representing 480.6 hours of viewing (134 hours in Q2). A recent success has been the use of social media to promote vacancies for HGV drivers which has been very effective in terms of the interest generated and has led to the successful recruitment of a number of new drivers, including in rural areas, which has been a particular challenge previously.

A full social media performance report is available [here](#)

6.11 ***Democratic Services***

The Democratic Services Team play an important role in the smooth administration of Council meetings. The number of meetings supported, including the printing and posting of agendas/reports, have been monitored and the latest figures from October to December 2021 (Q3) (which includes the summer recess period) are as follows: -

- Total Number of Full Council, Strategic Committee, Local Committee and other Committee meetings – 26 meetings (not including Companies, Boards, Sub Committees or Working Groups)
- Total Number of Report pages printed – 3,769 (down from 22,080 in Q2)

Actions to reduce paper consumption and postage costs are being implemented and will be reflected in the future collation of data by Committee cycle.

Designation: Executive Chief Officer Performance & Governance

Date: 12/11/2021

Authors: Kate Lackie, ECO; Evelyn Johnston, Corporate Audit & Performance Manager; Rachel Rae, Trainee Accountant

PERFORMANCE & GOVERNANCE SERVICE Revenue Expenditure Monitoring Report

1 April 2021 to 31 December 2021

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Members	1,262	1,600	1,484	(116)
Performance & Governance Corporate	388	502	515	13
Performance & Governance Directorate	420	600	609	9
Emergency Planning	48	47	39	(8)
Corporate Communications	198	211	204	(7)
Legal Services	651	353	276	(77)
Licensing	(676)	(419)	(430)	(11)
Democratic Services	525	662	650	(12)
Elections	248	241	305	64
Trading Standards	501	663	633	(30)
Corporate Audit & Performance	513	897	705	(192)
Total	4,078	5,357	4,990	(367)
BY SUBJECTIVE				
Staff Costs	5,053	6,095	5,950	(145)
Other Costs	426	598	559	(39)
Gross Expenditure	5,479	6,693	6,509	(184)
Grants	(28)	(37)	(61)	(24)
Other Income	(1,373)	(1,299)	(1,458)	(159)
Total Income	(1,401)	(1,336)	(1,519)	(183)
	4,078	5,357	4,990	(367)

Notes

1. %age of Annual Expenditure	Dec 21/22	76%
	Dec 20/21	84%

PERFORMANCE AND GOVERNANCE SERVICES BUDGET 2021/22 - DECEMBER MONITORING

	GROSS EXPENDITURE				GROSS INCOME				NET TOTAL			
	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance
BY ACTIVITY												
Members												
Members	1,601	1,262	1,484	(117)	(1)	0	0	1	1,600	1,262	1,484	(116)
Performance & Governance Corporate												
Performance & Governance Corporate	502	388	515	13	0	0	0	0	502	388	515	13
Performance & Governance Directorate												
Performance & Governance Directorate	611	420	609	(2)	(11)	0	0	11	600	420	609	9
Communications & Resilience												
Corporate Communications	222	212	220	(2)	(10)	(14)	(15)	(5)	211	198	205	(7)
Emergency Planning	76	83	69	(7)	(29)	(35)	(29)	(1)	47	48	40	(8)
Corporate Governance												
Legal	365	725	390	24	(13)	(74)	(114)	(101)	353	651	276	(77)
Licensing	705	521	755	50	(1,124)	(1,197)	(1,185)	(61)	(419)	(676)	(430)	(11)
Democratic Services	711	530	683	(28)	(48)	(6)	(33)	16	662	525	650	(12)
Elections	241	248	304	64	0	0	0	0	241	248	304	64
Trading Standards	763	574	774	10	(100)	(74)	(140)	(40)	663	501	633	(30)
Corporate Audit & Performance												
Corporate Audit & Performance	897	512	708	(190)	0	(2)	(2)	(2)	897	510	706	(192)
TOTAL	6,693	5,476	6,509	(184)	(1,336)	(1,401)	(1,518)	(183)	5,357	4,074	4,991	(367)

Performance & Governance PRMS Performance Dashboard

Members should note this is taken from the Council's performance and risk management system (PRMS).

PERFORMANCE AND GOVERNANCE KEY PERFORMANCE INDICATORS														
Absence PGV Qtr					Invoices Payment within 30 days Qtr PGV					PGV FOI Legislative				
Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target	Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target	Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target
0.39	0.45		2.50	2.50	96.9 %	96.6 %	96.7 %	95.0 %	95.0 %	93 %	100 %		90 %	90 %
P5 Complaints Frontline - within 5 days PGV Qtr					P5 Complaints Investigation - within 20 days PGV Qtr					Meeting Statutory Duties on Public Performance Reporting and Risk				
Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target	Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target	Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target
66.7 %		75.0 %	80.0 %	80.0 %	100.0 %		66.7 %	80.0 %	80.0 %	On Target	On Target	On Target	On Target	On Target
New service-wide performance framework developed 21/22					Annual report to Council on progress delivering the Council's BVAR Improvement Plan					Annual Code of Corporate Governance approved and monitored				
Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target	Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target	Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target
On Target	On Target	Completed	On Target	Completed	On Target	Completed				Completed				
Agree and report annually priorities to represent and promote the Highlands					Delivery of Gaelic Language Plan 3 Themes					HC Net Zero Plan approved by June22				
Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target	Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target	Q1 21/22	Q2 21/22	Q3 21/22	Q3 21/22 Target	Q4 21/22 Target
Some Slippage	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target	On Target
ENV5a - Cost of Trading Standards per 1000 population					Council carbon emissions tonnes CO2e									
FY 18/19	FY 19/20	FY 20/21	FY 20/21 Target	FY 21/22 Target	FY 18/19	FY 19/20	FY 20/21	FY 20/21 Target	FY 21/22 Target					
£ 2,573	£ 3,074		£ 5,857	£ 5,857	45,076	40,622	32,404	50,595	49,077					