

**The Highland Council**  
**Resources Committee – 24 February 2016**

Agenda Item	<b>14</b>
Report No	<b>RES/ 13/16</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 2015.

**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.

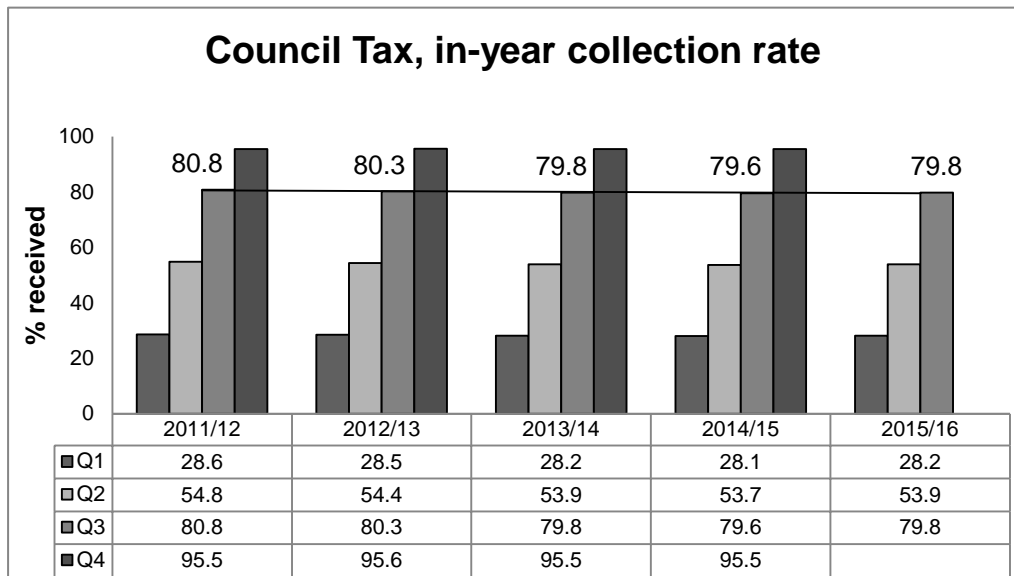
## **2. Finance Service, Quarterly performance reporting**

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

- 2.1.1 As reported at 1.6, the Service continues to look at unit costs in the delivery of services as well as looking to maintain and improve performance such as collection levels and processing times.
- 2.1.2 Improvements in resource management and continually reviewing business processes has enabled the costs of delivering services to reduce – whilst reporting a general improving trend in performance outputs. 2014/15 costs were 13% lower than 2013/14. With the delivery of all the savings in respect of 2015/16 approved at December 2014 Council on track; it is likely that a **further** reduction in the region of 10% in 2015/16 will be delivered.
- 2.1.3 In addition to cost reductions, it is also positive to report improvements across so many parts of the service area including Council Tax collections (current and prior years) and benefits processing.
- 2.1.4 Compared to other Councils in Scotland, Highland Council has generally delivered benefits processing performance standards around the top 10 with Council Tax collections around 16<sup>th</sup> of the 32 Councils. However, costs are regularly amongst the most expensive in Scotland. The reductions in service delivery costs in 14/15 - and further reductions in 15/16 – will help improve the Council's position whilst at the same time seeing collection rates and processing standards improving.
- 2.1.5 There can be challenges in councils reporting costs on a “like for like” basis. In terms of the actual calculation, any material variations can be resolved within CIPFA’s Director of Finance Working Group who consider and approve the data. In terms of the differing challenges facing each Council, such as geography for Highland, then such differences can explain to some extent the variances in data reported. However, the effective use of IT for instance as well as resource management and business processes can go some way to increasing efficiency in services whilst, at the same time, also delivering improvements in service delivery and delivering budget savings.

## 2.2 Council Tax In-Year Collection Rate

### 2.2.1

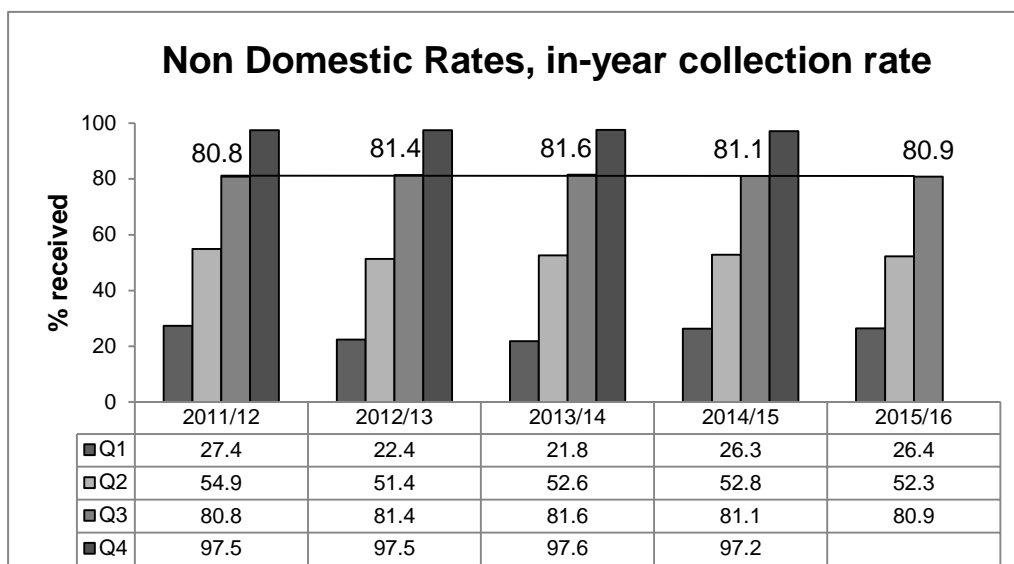


2.2.2 Council Tax in-year collection rate has increased on 2015/16 performance to 79.8%, 0.2% higher than prior year. Indeed, Q1 – Q3 of 2015/16 have seen an increase on previous year figures; the first time in five years that an upward trend has been achieved. This is at the same time the number of bill payers spreading payments over 12 months has increased by 1% from the comparable period last year. The improvements are mainly attributable to ongoing improvement in business processes and resource management. This has also resulted in the estimated collections for 15/16 and prior years being around £1m 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 69.9% of bill payment representing 80.0% of receipts.

## 2.3 Non Domestic Rates in-Year Collection Rate

### 2.3.1

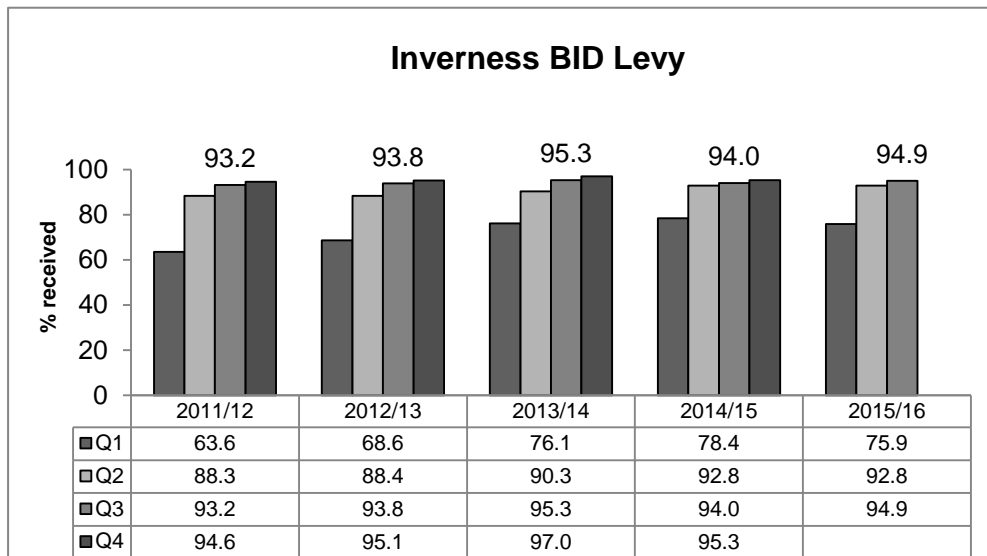


2.3.2 On a like-for-like basis, the NDR in-year collection rate for 15/16 is 80.9% compared to 81.1% prior year.

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.

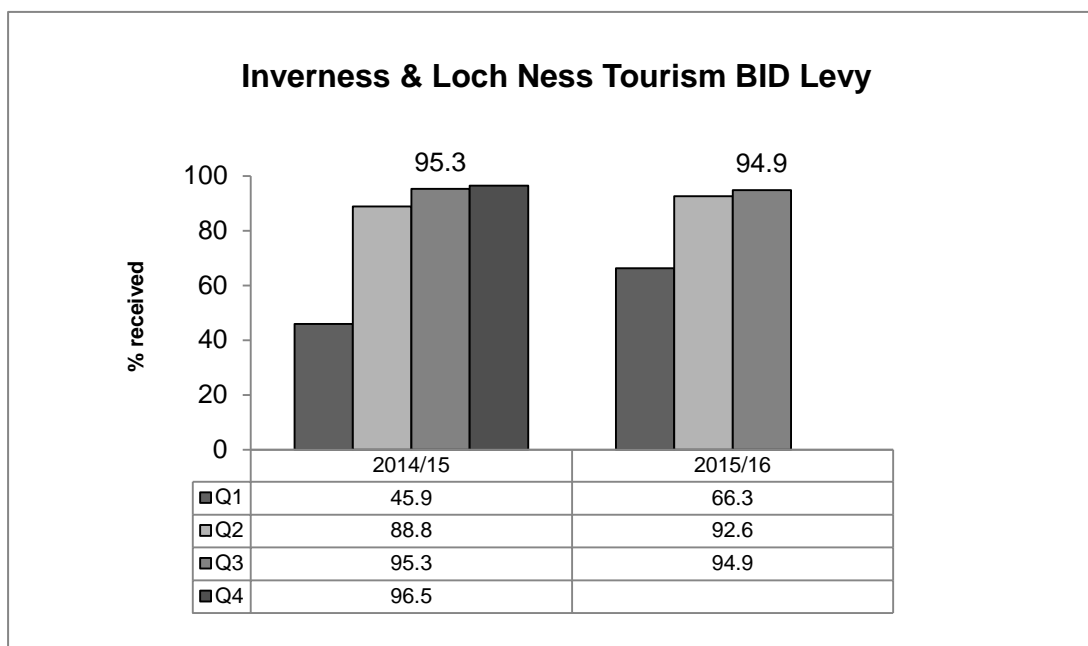
## 2.4 Business Improvement District (BID) Levies

2.4.1



2.4.2 2015/16 Quarter 3 collection rate for the BID levy in Inverness was 94.9% exceeding previous year's performance by 0.9%. Finance Service staff continue to work with the BID management team to ensure payment rates are maximised.

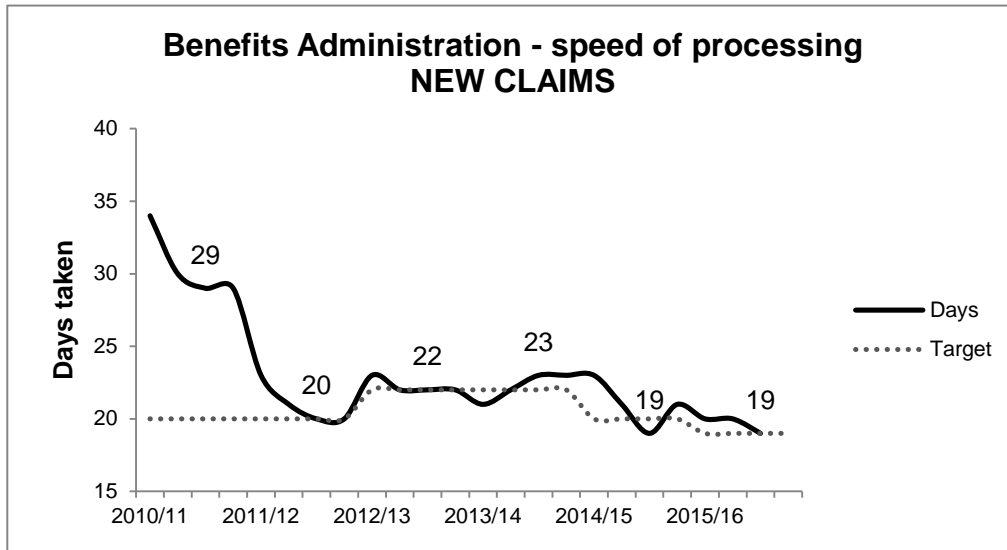
2.4.3



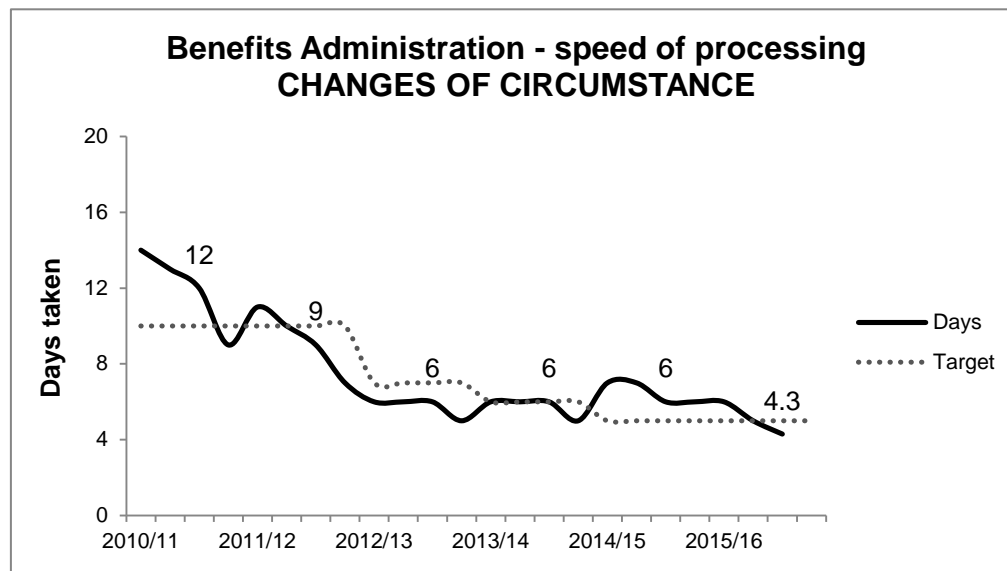
2.4.4 Collection rate for Q3 2015/16 is 94.9%. Although this is a slight reduction on the comparable period last year, the collections performance is in-line with Inverness BID. Finance Service staff will continue to monitor and offer assistance where required.

## 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 During 2014/15 more challenging targets of 20 days for new claims and 5 days for changes in circumstances were set. For 2015/16, the new claims target has been further reduced to 19 days. New claims are meeting that

target whilst change of circumstances applications are exceeding target at 4.3 days.

## 2.6 Customer Income Maximisation

### 2.6.1

Financial benefit to the customer from advice given (£000)					
	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Quarter 1</b>	294	352	353	719	644
<b>Quarter 2</b>	573	659	217	1,100	880
<b>Quarter 3</b>	480	347	392	990	976
<b>Quarter 4</b>	387	945	673	1,166	
<b>Year to date</b>	<b>1,734</b>	<b>2,304</b>	<b>1,635</b>	<b>3,975</b>	<b>2,500</b>

2.6.2 Income maximisation continues to support customers and maximising benefits awards. 240 customers received additional financial gain of £976k. Of this £235k relates to back-dated awards, the balance of £741k is the annualised weekly gain (i.e. the weekly gain multiplied by 52 weeks).

## 2.7 Money Advice

### 2.7.1

Performance	2014/15				2015/16		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Number of customer contacts	316	347	340	327	284	202	<b>228</b>
Total debt presented by clients (£000)	1,271	1,619	1,469	1,609	866	1,442	<b>758</b>
% queries completed with 10 day target (from first contact to initial interview)	95.80	96.32	97.32	98.48	98.80	97.00	<b>98.00</b>

2.7.2 These indicators measure the number of customer contacts and levels of debt dealt with by the Council's Money Advice Team. The general trend of a reduction in Money Advice contacts and an increase in the Income Maximisation contacts continues.

## 2.8 TalentLink (Recruitment)

2.8.1 Led by the Head of People & Performance, the *TalentLink* online recruitment system, which is owned by CoSLA, was implemented in January 2015. It replaced CoSLA's former online recruitment system the *National Recruitment Portal* (NRP). Both systems enable applicants to apply for positions online,

and allow Council Managers to complete the recruitment process electronically.

## 2.8.2

TalentLink	2014/15				2015/16		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Number of posts advertised	630	643	387	539	695	811	<b>571</b>
Percentage of posts advertised on time	100%	100%	100%	100%	100%	100%	<b>100%</b>
Number (& percentage) of electronic applications	6,440 (97.0%)	5,345 (95.8%)	3,389 (94.8%)	2,127 (93.6%)	4,301 (94.6%)	4,798 (96.2%)	<b>3,892 (96.9%)</b>
Number (& percentage) of paper applications	193 (3.0%)	228 (4.3%)	185 (5.2%)	145 (6.4%)	247 (5.4%)	190 (3.8%)	<b>124 (3.1%)</b>
Number of paper applications processed within 2 working days	100%	100%	100%	100%	100%	100%	<b>100%</b>

2.8.3 There were 4,016 applications received during Quarter 3; 3,892 (96.9%) were received in electronic format. With 124 paper applications received, that equates to less than 1 in 5 posts now receiving a paper application.

2.8.4 Paper applications submitted are processed in the Council's Electronic Processing Centre (EPC). EPC staff digitises and upload paper or emailed submissions to ensure Managers/Lead officers have all applications available via one portal regardless of method of submission.

2.8.5 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. In terms of paper reductions, the annual equivalent exceeds 200,000 pages per annum.

## 2.9 Travel Desk

2.9.1 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.

## 2.9.2

Travel Desk	2014/15				2015/16		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Number of requests	1,833	1,561	1,502	1,775	1,788	1,769	<b>1,622</b>
% requests processed in time for travel	100%	100%	100%	100%	100%	100%	<b>100%</b>

2.9.3 The percentage of requests processed in time for travel remains at 100%.

## 2.10 Single Grant Applications (SGAs)

2.10.1 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.

2.10.2 265 Single Grant applications were received in Q3. This compares to 251 applications processed in Q2 and 303 applications in Q1.

### 2.10.3

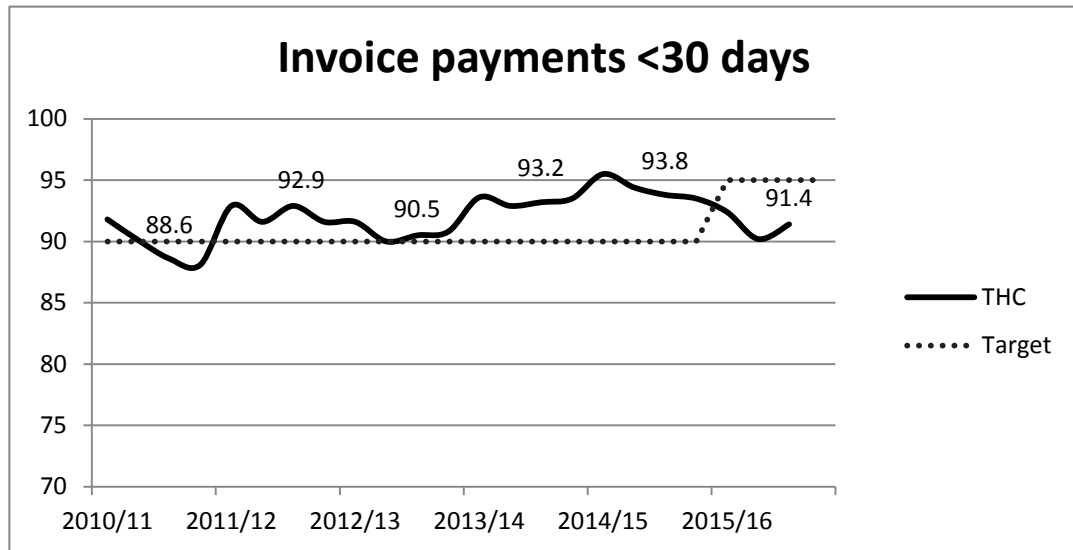
Single Grant Applications	2014/15				2015/16		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Percentage logged, acknowledged & distributed within 5 days	97.2	96.0	98.8	99.0	96.0	96.4	<b>96.6</b>

2.10.4 As part of an ongoing process of review and improvement, procedures for registering and putting forward grant applications have been reaffirmed to all involved in the process to ensure only full and complete applications (together with supporting documentation where appropriate) are taken forward to Ward meetings for consideration.

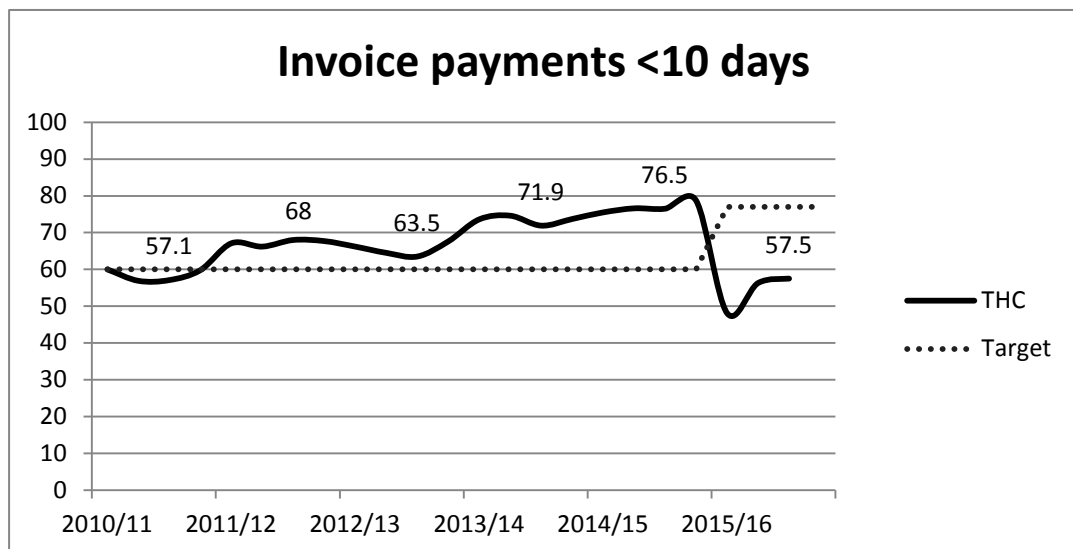


## 2.11 Payment of invoices

### 2.11.1i



### 2.11.1ii



2.11.2 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.

2.11.3 More challenging targets have been set for 15/16 reflecting the improvements delivered in the payment of invoices over the last 4 years in particular. They are:

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

2.11.4 Whilst Quarter 3 performance has not met the revised 15/16 targets, both 10-day and 30-day performance has improved by 1.2% on Quarter 2 15/16. As reported to previous Committees, Finance Service staff continue to review

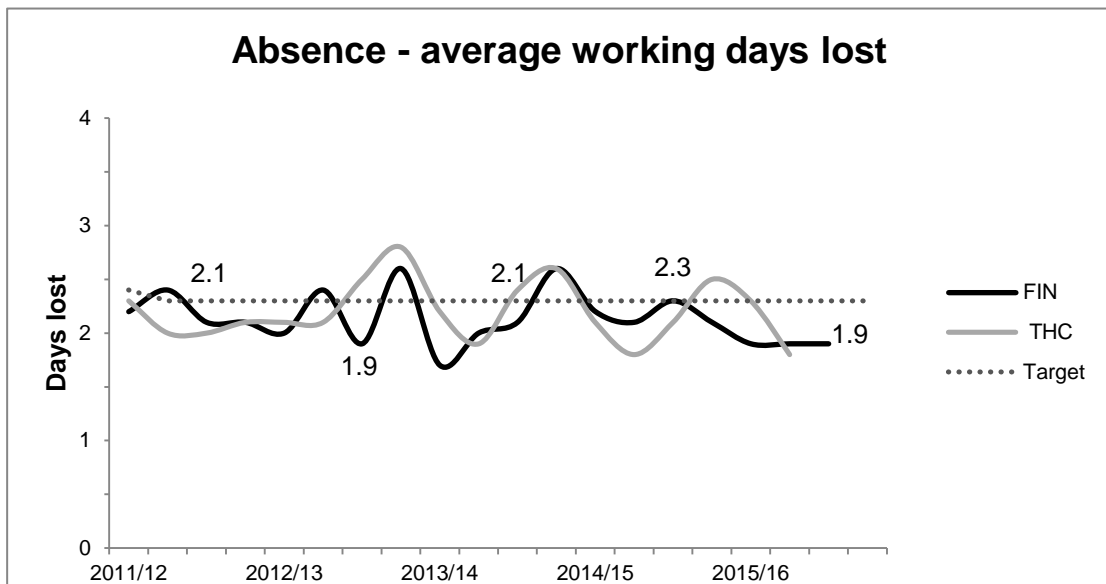
all processes looking to deliver improvements wherever possible including the speed of information coming from Services to enable the invoices to be processed.

2.11.5 Members should note that were the invoices currently taking 11-13 days to be paid be settled within 10 days, this would improve performance by 9% and in respect of those taking 31-33 days performance would improve by more than 1%. Finance staff continue to work with services to monitor and review the invoice payment process in an effort to improve performance and ensure invoices received by the Council are settled as quickly as possible.

2.11.6 At the November 2015 Resources Committee the impact early payment of invoices could be making on Council cash flow was raised; in particular the possible loss of interest on account balances. Analysis based on December 2015 figures suggests that should Highland Council review its policy regarding payment of invoices and elect to not pay any invoices within 10days of receipt then an additional £1k in interest would be accrued per month on the account balance, or £12k per annum. This analysis related only to invoices for goods and services purchased.

## 2.12 Attendance Management

2.12.1



2.12.2 This indicator shows the average number of days' sickness absence per employee for the quarter. The latest statistics for the Finance Service show an absence rate of 1.9 days, 0.4 days lower than the comparable period last year.

2.12.3 The service aims to keep staff absences 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.

### **3. Implications**

3.1 There are no implications arising from this report.

#### **Recommendations**

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

Designation:

Director of Finance

Author:

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Revenues and Business Support

Date:

11 February 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	2.12	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>	2.2	Quarterly
The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid	2.11	Quarterly
The number of invoices paid within 10 calendar days of receipt as a percentage of all invoices paid	2.11	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
Number of customer contacts	2.7	Quarterly
Total debt presented by clients (£m)	2.7	Quarterly
% Money advice queries completed in time from first contact to initial interview (10days)	2.7	Quarterly
Increase in financial benefit to customers from the advice given	2.6	Quarterly
Business Improvement District (BID) Levy	2.4	Quarterly
Business Support - National Recruitment Portal	2.8	Quarterly
Business Support – Travel Desk	2.9	Quarterly
Business Support – Single Grant Applications	2.10	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		
		Q1	Q2	Q3
Care & Learning Service	77%	46.4%	43.7%	<b>48.1%</b>
Chief Executive's Office		65.6%	76.1%	<b>81.0%</b>
Community Services		47.4%	64.4%	<b>66.2%</b>
Corporate Development Service		62.3%	74.0%	<b>76.3%</b>
Development & Infrastructure Service		52.6%	54.4%	<b>50.0%</b>
Finance Service		51.7%	81.5%	<b>84.4%</b>
<b>Highland Council</b>		48.1%	56.3%	<b>57.5%</b>

INVOICE PAYMENT <30 DAYS				
DIRECTORATE	TARGET	2015/16		
		Q1	Q2	Q3
Care & Learning Service	95%	92.8%	85.9%	<b>88.8%</b>
Chief Executive's Office		96.9%	95.3%	<b>96.3%</b>
Community Services		91.6%	93.0%	<b>93.8%</b>
Corporate Development Service		94.1%	91.1%	<b>94.8%</b>
Development & Infrastructure Service		90.9%	91.5%	<b>89.4%</b>
Finance Service		93.8%	98.0%	<b>99.0%</b>
<b>Highland Council</b>		92.4%	90.2%	<b>91.4%</b>