

**The Highland Council**  
**Resources Committee – 25 May 2016**

Agenda Item	14
Report No	RES 32/16

**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 31 March 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. 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)

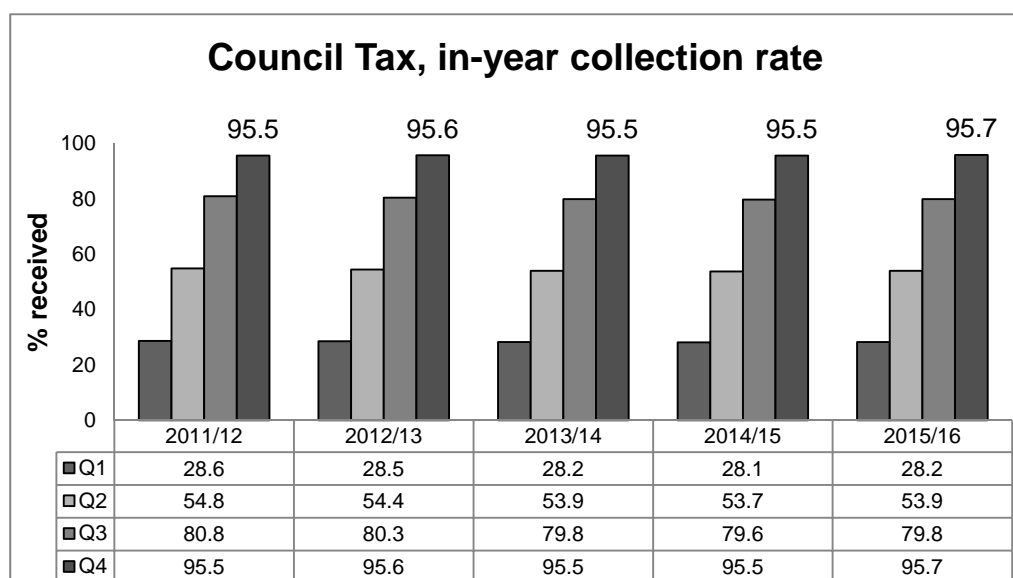
2.1.1 As part of the 2015/16 budget setting process, Members approved savings amounting to £1.220m for Revenues & Business Support. The £1.220m comprised: £0.746m in cost reductions and £0.474 from increased Council Tax due to a major review of all Council Tax Single Occupancy Discounts and a positive outcome to negotiations with the Department for Work and Pensions for some grant funding pertaining to Universal Credit roll-out.

2.1.2 The savings target of £1.220m has been successfully delivered. Furthermore, as reported within the *Corporate Revenue Near Final Monitoring Report 15/16* earlier in this agenda, Council Tax collections (current & prior years) exceed budget by £1.837m and benefits processing times have improved on prior year too. Performance on such matters are discussed in more detail later in this report.

2.1.3 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 level of accuracy for benefit payments has also increased to 99.8% from 99.7%, prior year.

### 2.2 Council Tax In-Year Collection Rate

#### 2.2.1



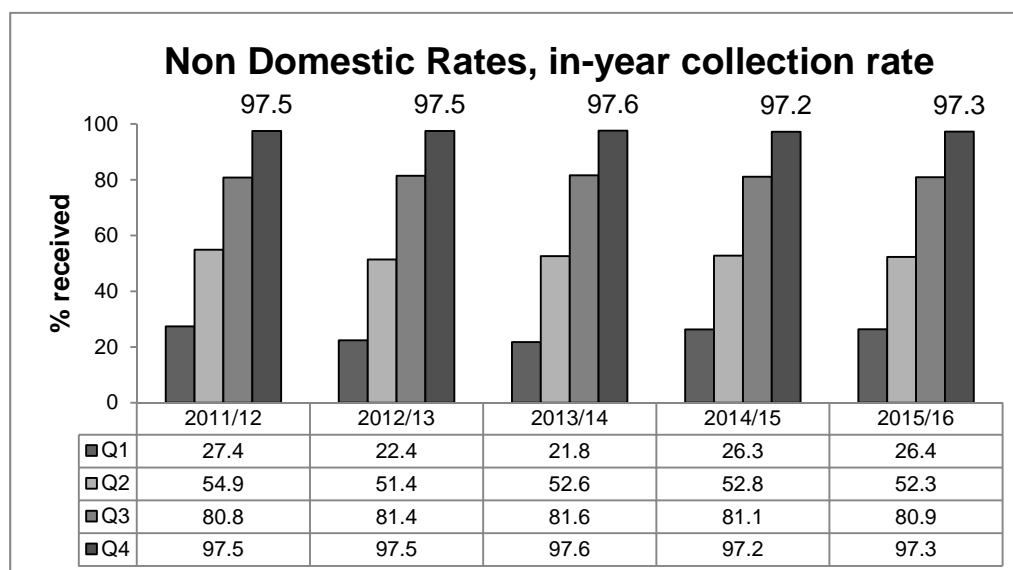
2.2.2 Council Tax in-year collection rate has increased to 95.7%, 0.2% higher than prior year and is the highest in-year collection rate the Council has achieved. The improvements are mainly attributable to ongoing improvement in

business processes and resource management. This has also resulted in an additional Council Tax income of £1.837m 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 67.9% of bill payment representing 80.5% of receipts. These report an improvement on the prior year position of 66.7% and 79.8%, respectively.

## 2.3 Non Domestic Rates in-Year Collection Rate

2.3.1

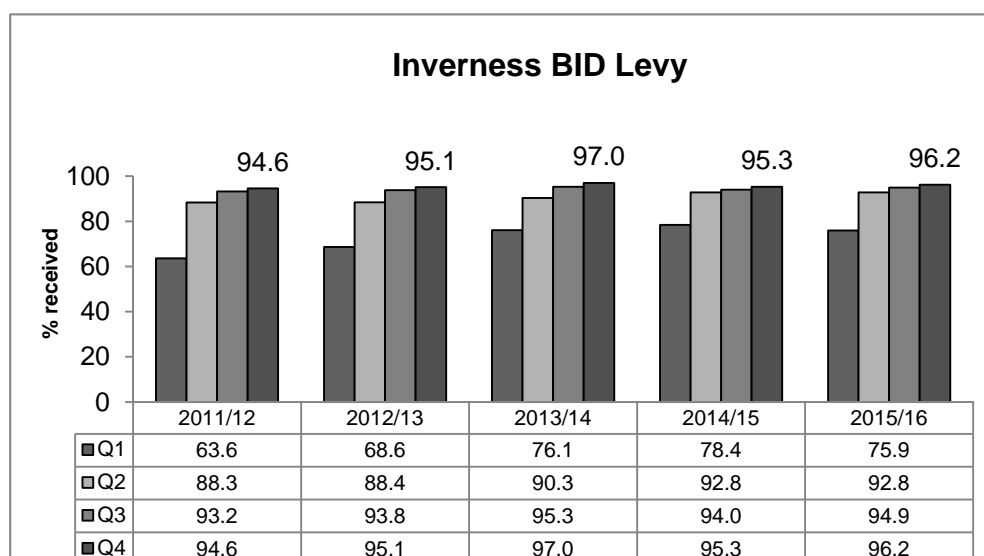


2.3.2 The NDR in-year collection rate for 15/16 is 97.3%, a 0.1% increase on prior year.

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.

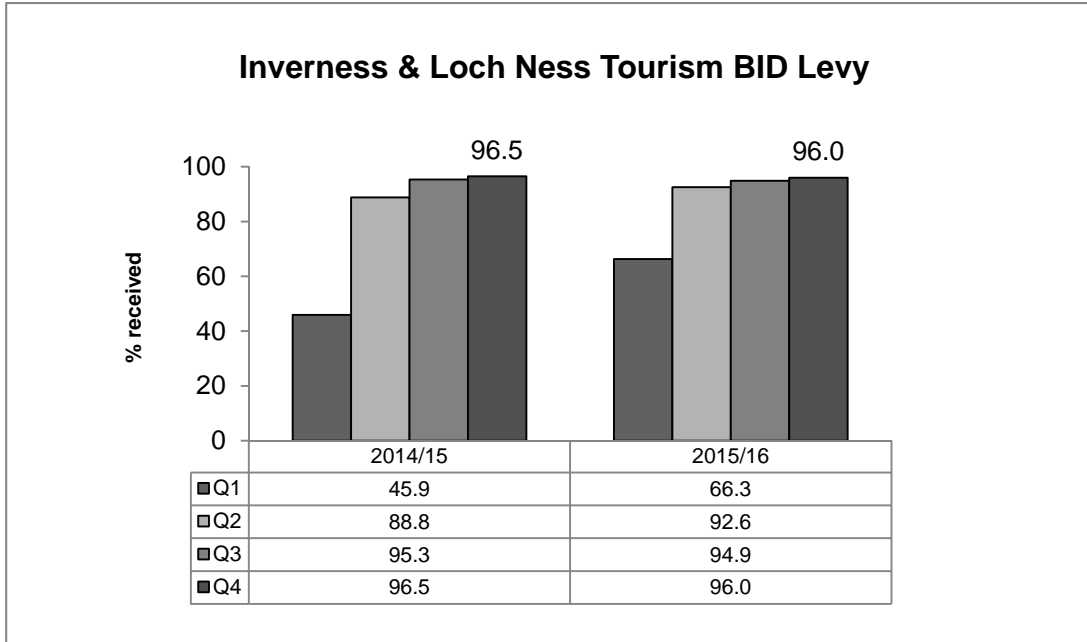
## 2.4 Business Improvement District (BID) Levies

2.4.1



2.4.2 2015/16 Quarter 4 collection rate for the BID levy in Inverness was 96.2% 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.

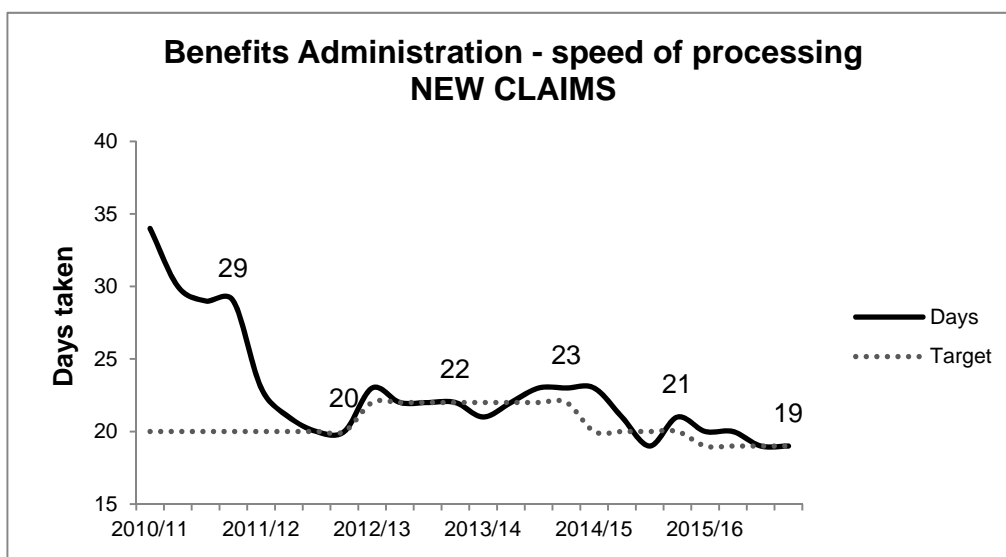
2.4.3



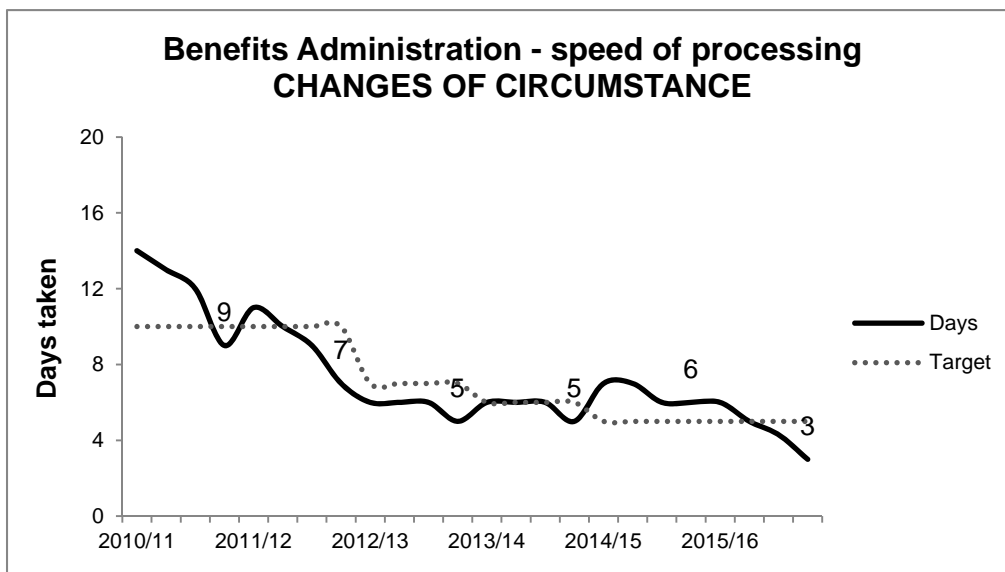
2.4.4 Collection rate for Q4 2015/16 is 96%. Although this is a reduction on the comparable period last year, the collections performance remains in-line with Inverness BID. Finance Service staff will continue to monitor and offer assistance where required.

## 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 was further reduced to 19 days. The average processing speed for New Claims in Quarter 4 has met that target. It is the best quarterly performance recorded. Change of circumstances applications are exceeding target at 3 days, and again, is the best quarterly performance recorded.

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

Service area/Year	14/15 Performance / (target)	15/16 Performance / (target)
New claims	21 days / (20 days)	20 days / (19 days)
Change in Circumstances	6 days / (5 days)	4 days / (5 days)

2.5.5 For 2016/17, we are aiming to process new claims within 18 days and change in circumstances within 4 days. This takes into account the savings delivered to date and those requiring to be delivered as part of the budget setting process for 2016/17 and beyond.

## 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	1,515
<b>Year to date</b>	<b>1,734</b>	<b>2,304</b>	<b>1,635</b>	<b>3,975</b>	<b>4,015</b>

2.6.2 Income maximisation continues to support customers and maximising benefits awards. 240 customers received additional financial gain of £1,515k. Of this £370k relates to back-dated awards, the balance of £1,145k is the annualised weekly gain (i.e. the weekly gain multiplied by 52 weeks). Over the 2 years to March 16, the equivalent gains equate to some £8m.

## 2.7 Money Advice

### 2.7.1

Performance	2014/15				2015/16			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of customer contacts	316	347	340	327	284	202	<b>228</b>	<b>239</b>
Total debt presented by clients (£000)	1,271	1,619	1,469	1,609	866	1,442	<b>758</b>	<b>1,660</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>	<b>97.00</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 compared to prior year in Money Advice contacts and an increase in the Income Maximisation contacts continues. Members will be aware that the Money Advice service is now solely delivered by the CAB from April 2016. Annual performance of the CAB is reported to Resources Committee and includes information on Money Advice services.

## 2.8 TalentLink (Recruitment)

2.8.1 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.



2.9.3 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.

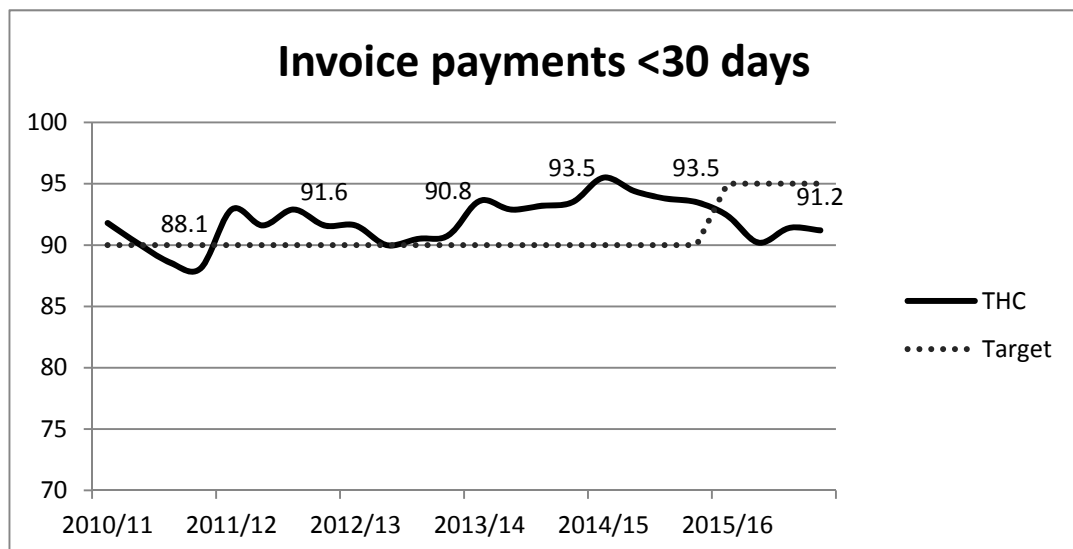
2.10.2 369 Single grant applications were received in Q4, 98.9% of these processed within 5 days.

2.10.3

Single Grant Applications	2014/15				2015/16			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Percentage logged, acknowledged & distributed within 5 days	97.2	96.0	98.8	99.0	96.0	96.4	96.6	<b>98.9</b>

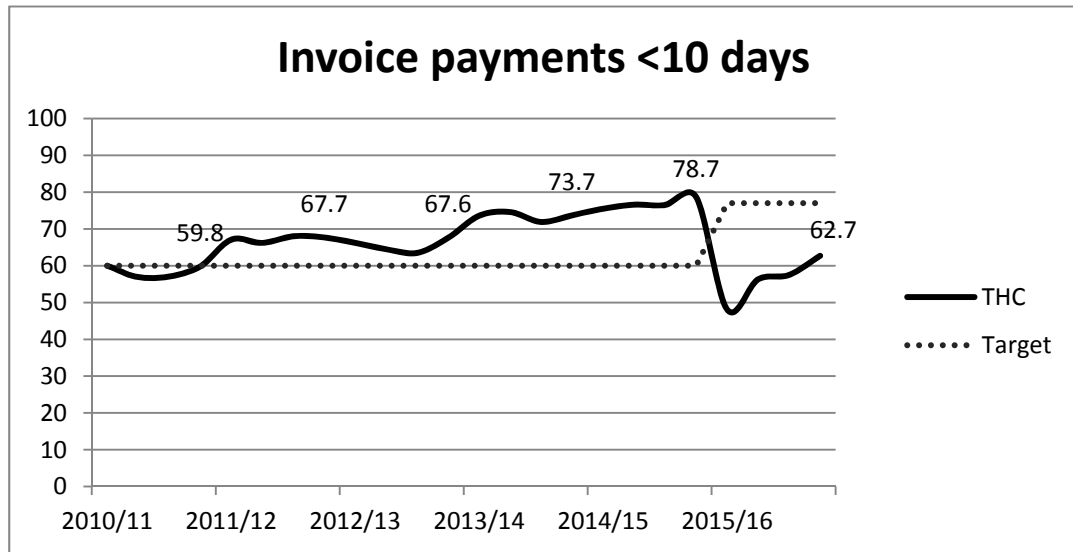
## 2.11 Payment of invoices

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 were 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%

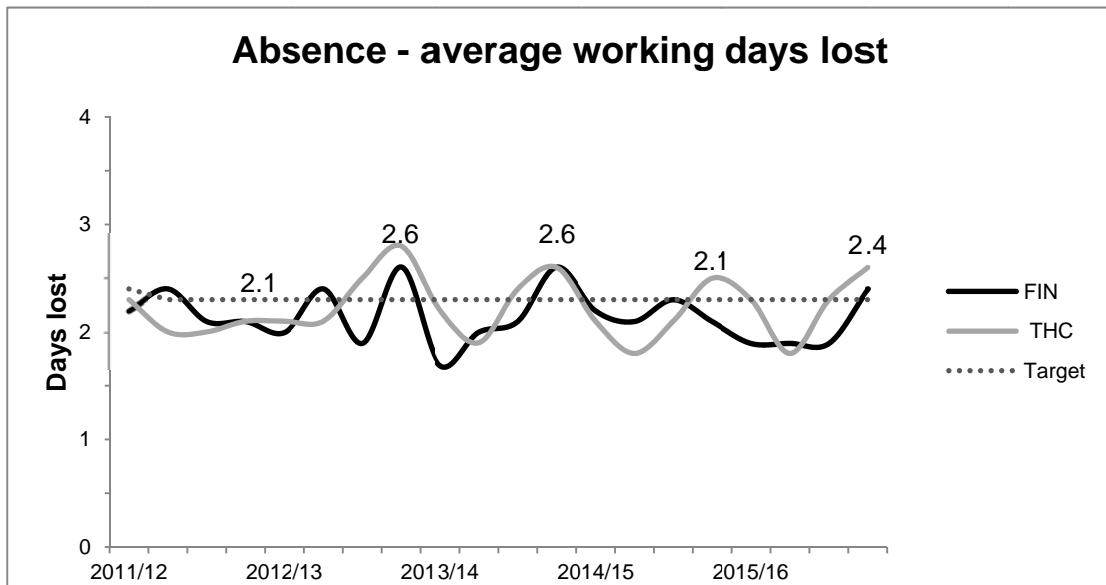
2.11.4 Whilst Quarter 4 performance has not met the revised 15/16 targets; 10-day performance is steadily improving and shows a 5.2% increase on Q3. Overall Q4 30-day performance remains in line with Q3 however positively February and March have shown significant improvement and at 93.6% and 93.7%, respectively, are amongst the highest performance rates achieved in the last 6 years. 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.

2.11.5 Members should note that were those invoices (in Q4) currently taking 11-13 days be paid within 10 days, this would further improve performance by approximately 11%.

2.11.6 Targets for 16/17 will remain as 15/16.

## 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 2.4 days, 0.2 days lower than The Highland Council absence rate.

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. Absence rates will continue to be reported to Members.

### 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: 12 May 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	Q4
Care & Learning Service	77%	46.4%	43.7%	48.1%	<b>56.3%</b>
Chief Executive's Office		65.6%	76.1%	81.0%	<b>82.6%</b>
Community Services		47.4%	64.4%	66.2%	<b>71.8%</b>
Corporate Development Service		62.3%	74.0%	76.3%	<b>73.2%</b>
Development & Infrastructure Service		52.6%	54.4%	50.0%	<b>48.8%</b>
Finance Service		51.7%	81.5%	84.4%	<b>87.4%</b>
<b>Highland Council</b>		48.1%	56.3%	57.5%	<b>62.7%</b>

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