

Agenda Item	<b>13</b>
Report No	<b>RES/41/17</b>

## HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 30 August 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 30 June 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.

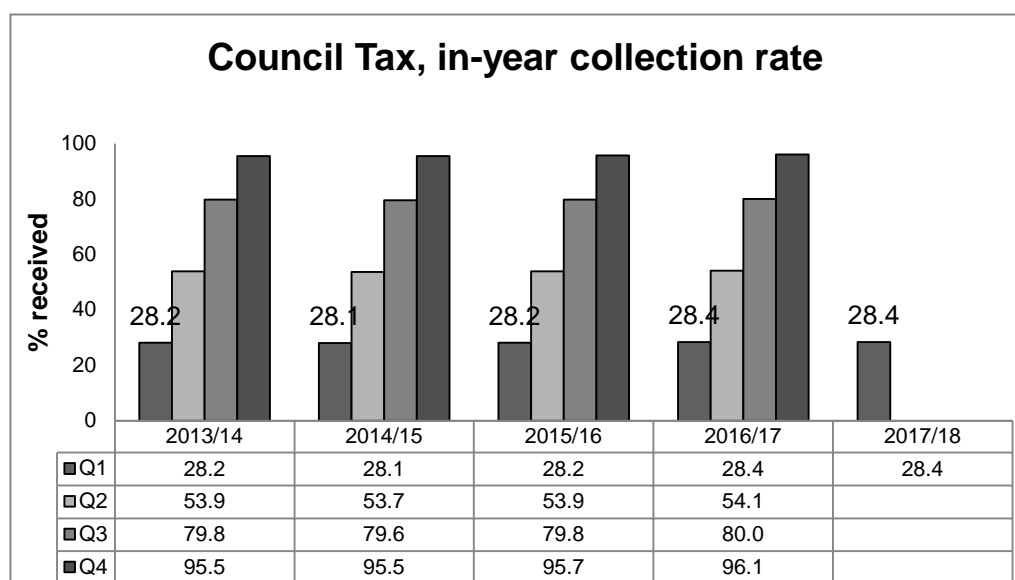
3.4 Reports will continue to be brought to Committee on these performance indicators on a quarterly basis so that trends can be monitored.

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. Cost trends since 13/14 relating to 4.1 (Council Tax), 4.2 (Non Domestic Rates) and 4.4 (Benefits Admin) can be found in **Appendix 3**.

#### 4.1 Council Tax In-Year Collection Rate

##### 4.1.1



4.1.2 Council Tax in-year collection rate is 28.44%, 0.04% higher than the comparable period in prior year. The improvements are mainly attributable to ongoing improvement in business processes and resource management.

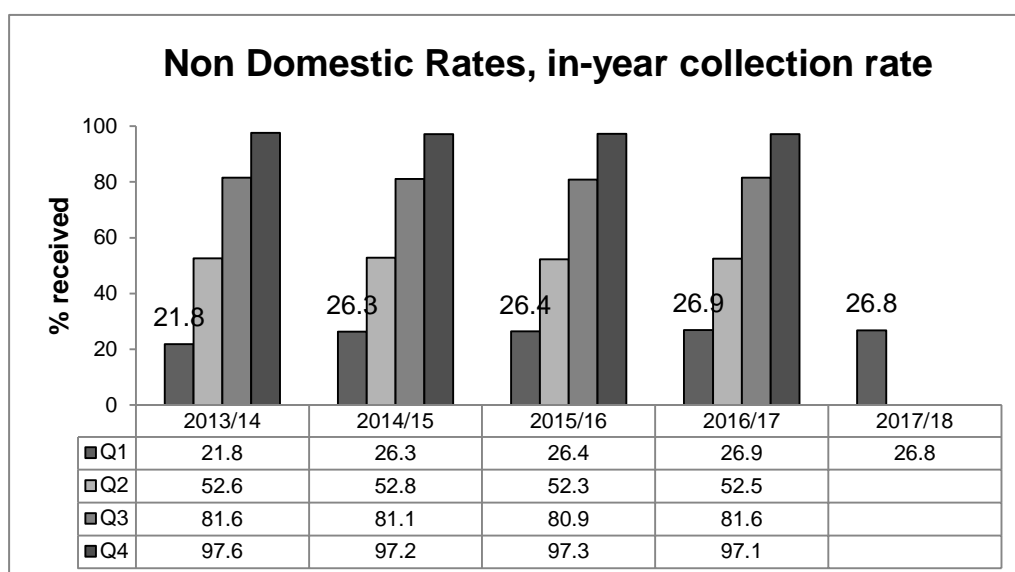
4.1.3 Whilst the increase in collection rate is relatively small it should be noted that 2017/18 is the first time since 2007 there has been an increase in the Council Tax levels to be collected. This increase is primarily due to:

- The change in the multiplier as required by Scottish Government to properties in bands E-H (£5.4m)
- The increase of 3% on all properties (bands A-H) approved by members of The Highland Council in February 2017 (£3.5m)

4.1.4 Total direct debits now make up 72.2% of bill payment representing 78.3% of receipts. These report an improvement on the prior year position of 70.7% and 76.6%, respectively.

## 4.2 Non Domestic Rates in-Year Collection Rate

4.2.1

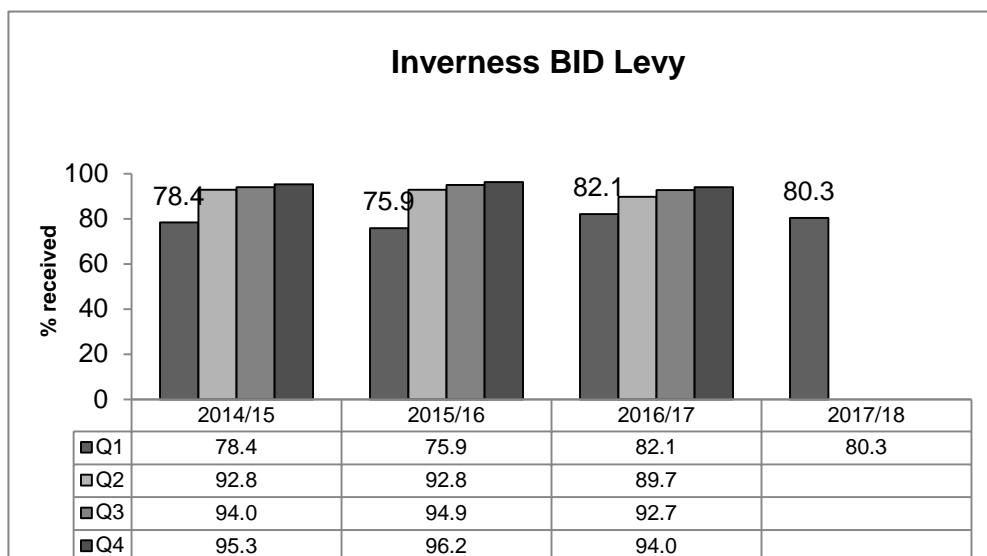


4.2.2 The NDR in-year collection rate for Q1 2017/18 is 26.8% compared to 26.9% prior year.

4.2.3 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 and Transitional Relief (for 17/18). Claims can be made on-line on the Council's web-site (or via paper if businesses so require).

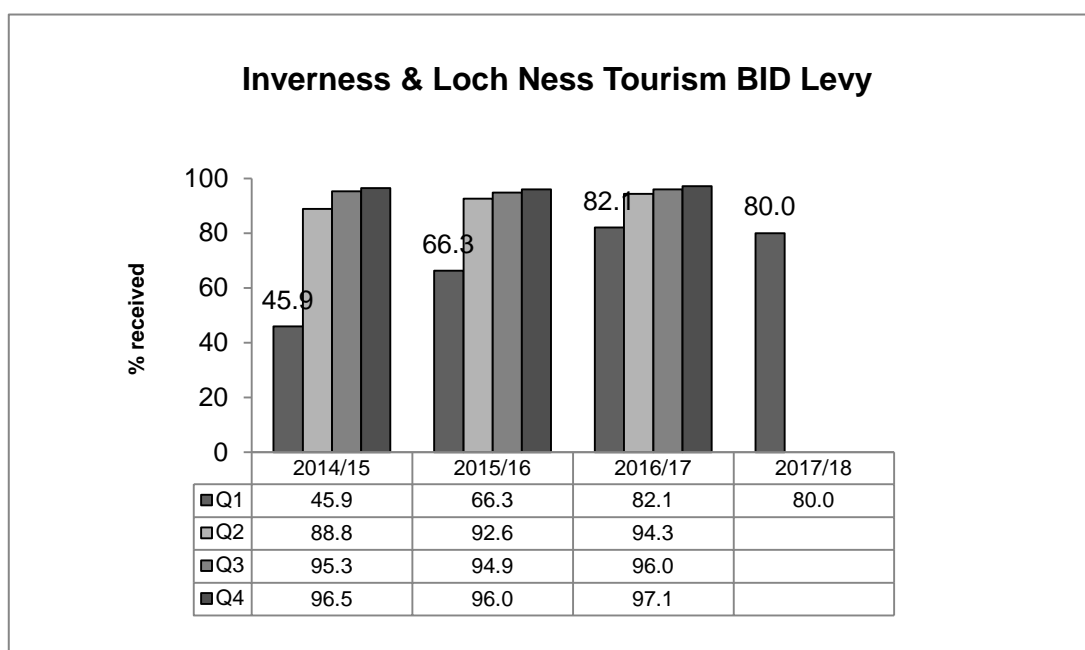
### 4.3 Business Improvement District (BID) Levies

#### 4.3.1



4.3.2 In Q1, the collection rate for the Inverness BID levy was 80.3% compared to 82.1% prior year. Finance Service staff continue to work with the BID management team to ensure payment rates are maximised.

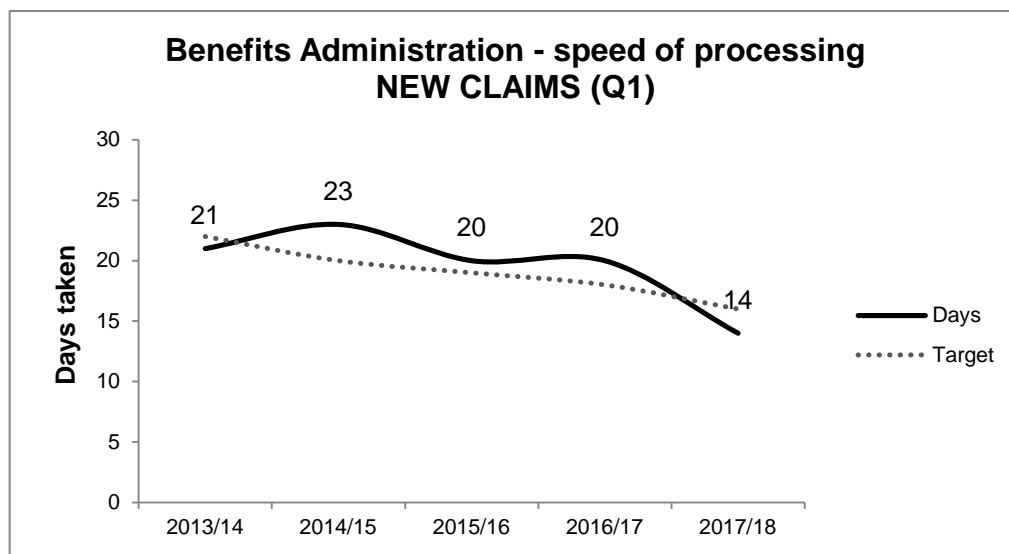
#### 4.3.3



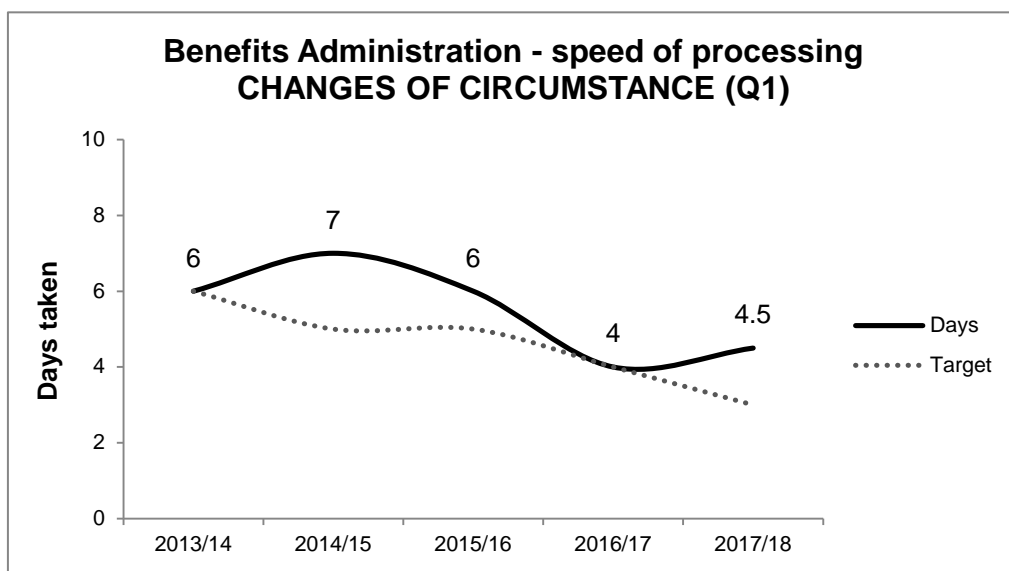
4.3.4 The collection rate for the Inverness & Loch Ness Tourism BID levy was 80.0% compared to 82.1% prior year.

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

##### 4.4.1



##### 4.4.2



4.4.3 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.

4.4.4 Prompt processing times for New Claims and Change in 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.

4.4.5 In Quarter 1, the average processing speed for new claims was 14 days and 4.5 days for changes of circumstance. IT issues (availability of the “Revenues and Benefits” system) for a short period of time did affect May 17 performance but positively, stability has been evident since.

	<b>NEW CLAIMS (Average number of days)</b>	<b>CHANGE IN CIRCUMSTANCES (Average number of days)</b>
April	13	3.7
May	16	5.6
June	13	4.0
<b>Q1</b>	<b>14</b>	<b>4.5</b>

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

<b>Service area/Year</b>	<b>14/15 performance (target)</b>	<b>15/16 performance (target)</b>	<b>16/17 performance (target)</b>
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)

4.4.7 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 and will be delivered within Revenues & Business Support. Revenues & Business Support report an estimated budget outturn of £0.244m as reported earlier within this Committee agenda.

## 4.5 Welfare Support

4.5.1

<b>Financial benefit to the customer from advice given (£000)</b>					
	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Year to date</b>	1,635	3,975	4,015	4,651	1,425

4.5.2 Welfare Support (formerly Income Maximisation) continues to support customers and maximising benefits awards. In Q1 of 2017/18 365 customers have received additional financial gain totalling £1.425m. Of this, £286k relates to back-dated awards and £1.139m to the annualised weekly gain (i.e. the weekly gain multiplied by 52 weeks).

## 4.6 TalentLink (Recruitment)

4.6.1 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.

#### 4.6.2

TalentLink	2014/15	2015/16	2016/17	2017/18 (YTD)
Number of posts advertised	2,199	2,403	1,914	613
Percentage of posts advertised on time	100%	100%	100%	100%
Number (& percentage) of electronic applications	17,301 95.8%	15,217 95.9%	14,427 95.3%	5,010 96.8%
Percentage of paper applications processed within 2 working days	100%	100%	99.3%	100%

4.6.3 There were 5,176 applications received during Quarter 1; 5,010 (96.8%) were received in electronic format.

4.6.4 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 250,000 pages with a consumables saving of approximately £5k per annum.

### 4.7 Travel Desk

4.7.1 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 to approve the request prior to the commitment of budget.

#### 4.7.2

Travel Desk	2014/15	2015/16	2016/17	2017/18 (YTD)
Number of requests	6,671	6,965	6,854	1,847
% of requests approved by manager within 5 days of receipt from traveller	-	89%	96%	96%
% requests processed by the Travel Desk within 2 days of approval by the manager	-	72%	89%	89%
% of requests processed by the Travel Desk in time for travel	-	100%	100%	100%

4.7.3 The Head of Performance & Resources (Community Services) is currently reviewing fleet management arrangements, and in particular the process for hiring plant and machinery. This review will consider a solution similar to that of the single Travel Desk service delivery model as part of fleet management administration. There may be an opportunity for combining the functions as this could offer increased economies of scale and further service delivery resilience.

### 4.8 Single Grant Applications (SGAs)

4.8.1 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.

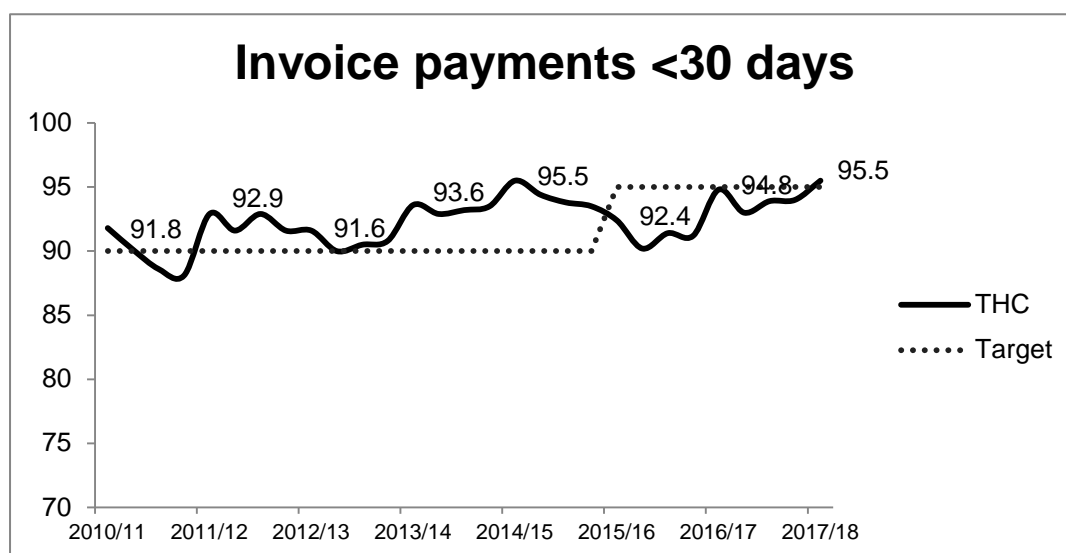
4.8.2 187 Single grant applications were received in Q1, 98.4% of these processed within 5 days. The table showing the annual position is shown below.

4.8.3

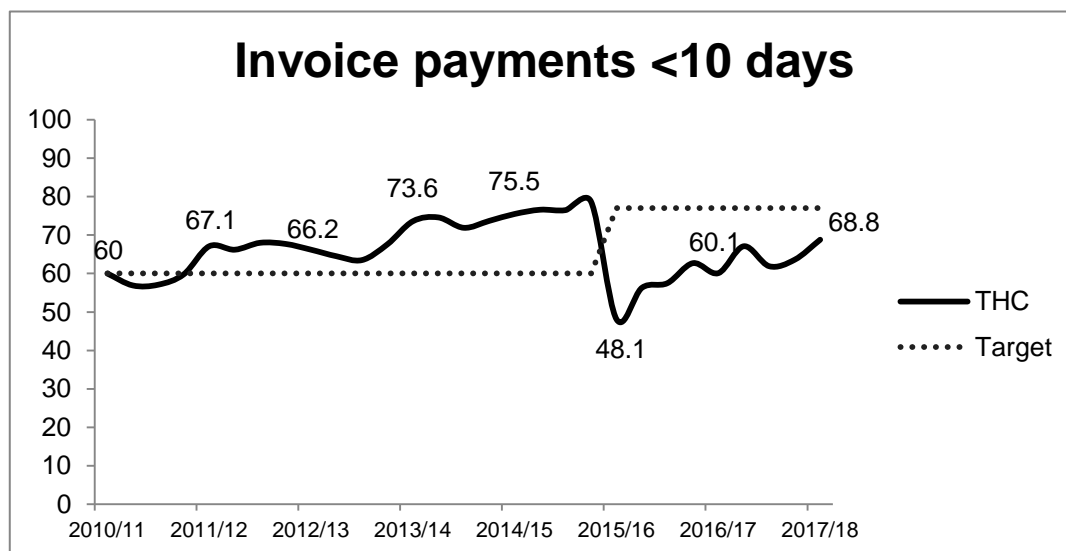
Single Grant Applications	2014/15	2015/16	2016/17	2017/18 (YTD)
Percentage logged, acknowledged & distributed within 5 days	97.7%	97.9%	98.3%	98.4%

#### 4.9 Payment of Invoices

4.9.1



4.9.2



4.9.3 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**.

4.9.4 Quarter 1 performance reports improvements in both 10 and 30 days compared to prior and 30 day performance has now exceeded target at 95.5%.

4.9.5 Whilst 10-day performance has not yet achieved target, it should be noted

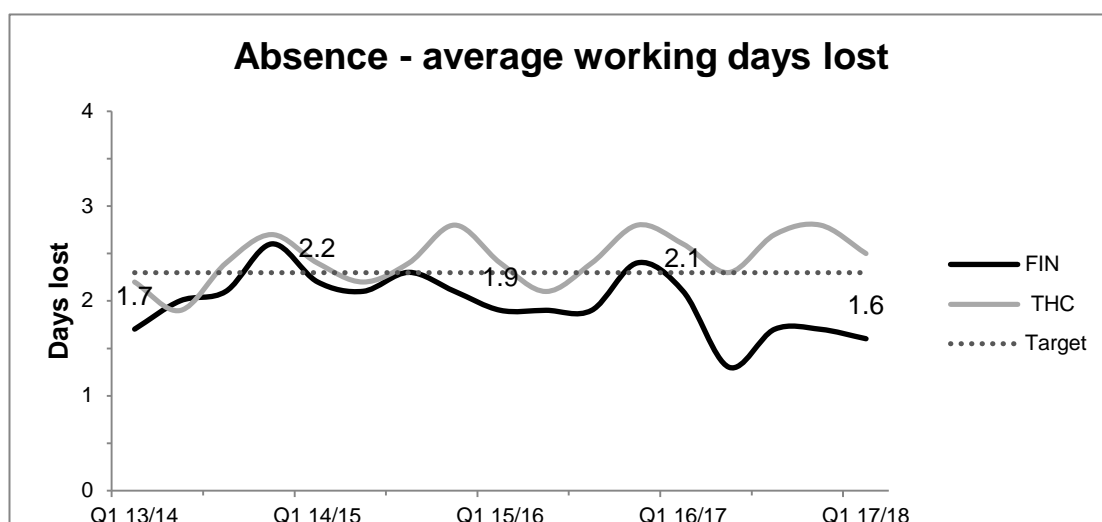


that the Q1 figure of 68.8% represents an 8.7% improvement on prior year and 5.2% increase on the previous quarter. Members should note that as advised by the Director of Finance at the June 2017 Corporate Resources Committee for example, the targets set were deliberately very stretching to help drive the significant improvements evidently being delivered.

4.9.6 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 invoices to be processed.

#### 4.10 Attendance Management

4.10.1



4.10.2

	2014/15	2015/16	2016/17	2017/18
	FY	FY	FY	Q1
Finance	8.7	8.1	6.8	1.6
Highland Council (non-teaching)	9.8	9.7	10.4	2.5

4.10.3 This indicator shows the average number of days' sickness absence per employee for the quarter. Quarter 1 figures for the Finance Service show an absence rate of 1.6days, 0.9days lower than The Highland Council (non-teaching) average of 2.5days.

4.10.4 The 0.5day reduction from Q1 2016/17(2.1days) to Q1 2017/18(1.6days) equates to an additional 1.3fte resource available for the Service in Q1 17/18 compared to this time last year. Using the average salary in the Service with on-costs equates to £37,795 (annually).

4.10.5 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, delivering "Health Promotion" sessions is proving positive.

## **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: 15 August 2017

Author: Caroline Urquhart, Business Management Analyst, Finance

Background Papers: None

## 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	4.10	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>	4.1	Quarterly
The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid	4.9	Quarterly
The number of invoices paid within 10 calendar days of receipt as a percentage of all invoices paid	4.9	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	4.2	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)	4.4	Quarterly
Processing time benefit – change in circs (average days)	4.4	Quarterly
Welfare Support	4.5	Quarterly
Business Improvement District (BID) Levy	4.3	Quarterly
Business Support - Talentlink	4.6	Quarterly
Business Support – Travel Desk	4.7	Quarterly
Business Support – Single Grant Applications	4.8	Quarterly

APPENDIX 2

INVOICE PAYMENT <10 DAYS							
DIRECTORATE	TARGET	2016/17					2017/18
		Q1	Q2	Q3	Q4	FY	Q1
Care & Learning	77%	53.4	63.4	56.2	59.4	57.6	64.4
Corporate Development		79.2	72.9	76.5	71.3	75.1	72.2
Chief Executive's		80.0	79.1	73.1	72.0	76.7	65.2
Community Services		65.7	69.9	64.9	63.1	65.8	72.1
Development & Infrastructure		58.2	52.3	51.5	61.6	55.8	65.8
Finance		92.8	92.3	87.2	94.0	91.4	84.4
<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					2017/18
		Q1	Q2	Q3	Q4	FY	Q1
Care & Learning	95%	95.5	93.3	94.6	94.1	94.5	95.5
Corporate Development		93.8	91.6	92.9	92.8	92.8	93.8
Chief Executive's		95.3	95.7	92.4	92.1	94.1	86.1
Community Services		93.5	92.5	93.1	93.3	93.1	95.1
Development & Infrastructure		92.9	90.5	90.2	93.3	91.7	95.0
Finance		97.8	97.9	98.1	98.9	98.1	98.7
<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	Total number of invoices paid in 2017/18 (YTD)
Care & Learning	62,484	15,327
Corporate Development	1,941	467
Chief Executive's	1,451	230
Community Services	51,333	11,759
Development & Infrastructure	12,643	3,115
Finance	10,107	2,450
<b>Highland Council</b>	<b>139,959</b>	<b>33,348</b>

**APPENDIX 3**

<b>Cost (£)</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Council Tax Collection Administration & collection: cost per account	£14.22	£11.83	£10.67	£8.83
Non-Domestic Rates Administration and Collection: cost per account	£24.58	£20.66	£17.73	£20.27
Benefits Administration: cost per claim	£56.80	£52.03	£46.85	£43.34