

Agenda Item	6
Report No	RES/24/21

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 25 August 2021

Report Title: Performance & Governance - Revenue and Performance Monitoring Q1 – 01 April 2021 to 30 June 2021 and Near Final Revenue Out-turn for 2020 - 2021

Report By: Executive Chief Officer, Performance & Governance

1. Purpose/Executive Summary

- 1.1 This report and appendices show the Performance and Governance revenue budget near final out-turn position for 2020/21; the Quarter 1 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 also intended to improve Member scrutiny and improve accessibility for a wider audience including the public.
- 1.2 **Appendix 1** shows that the total 2020/21 Service budget, including Members, was £4.458m and at the year-end the budget was underspent by (£0.106m). All of the Directorate savings were achieved. An explanation of the budget variations has been provided to Members in previous Committee reports and were as anticipated.
- 1.3 **Appendix 2** shows the revenue budget position for the first Quarter of 2021/22, with a total Directorate net budget of £5.239m, of which the Members' budget is £1.6m. Expenditure to date is £1.280m, or 24%; with a predicted end of year underspend of (£0.295m).
- 1.4 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. Trend information is also provided to evidence areas of strong performance and those requiring improvement. Presenting information in this way also provides opportunities for learning and sharing across the Directorate and the wider Council.

- 1.5 As agreed at the Recovery Board meeting held 25 January 2021, this report also contains those actions that are the responsibility of the Performance & Governance Directorate together with remarks for contextual purposes.

2. Recommendations

- 2.1 Members are asked to:
- i. consider the financial out-turn position of the Performance and Governance revenue budget for the period 1 April 2020 to 31 March 2021;
 - ii. consider the revenue monitoring position for the period 31 March 2021 to 30 June 2021;
 - iii. note that the Directorate is on track to deliver all approved savings by the end of the financial year;
 - iv. scrutinise the Directorate's performance information;
 - v. examine and comment on the actions for the Directorate on the Recovery Action Plan.

3. Implications

- 3.1 **Resource:** The net budget of £5.239m available to the Performance & Governance Directorate is around 0.8% of the total general fund for the totality of the Council's Services. The Performance & Governance Directorate has a budgeted staffing establishment of circa 102 FTEs. Corporate Governance, Legal Services, Democratic Services, Licensing, Elections, Internal Audit & Fraud, Corporate Performance & Risk Management, Information Management, Corporate Communications and Resilience, Policy and Trading Standards are key responsibilities of the Directorate. From the second quarter of the current financial year, Climate Change & Energy will be coming across to the Directorate and will be included in the financial and performance reporting.
- 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, from the next reporting period, the Service will also have the strategic lead for the Council's Climate Change and Energy priorities.

4. Performance & Governance Directorate Revenue Budget 2020/21 Final Outturns

- 4.1 **Appendix 1** shows the final out-turn position for the Performance & Governance Directorate revenue budget for the period 1 April 2020 to 31 March 2021. The total budget was £4.458m with £4.352m spent by the end of the financial year, resulting in an underspend of (£0.106m).

- 4.2 A number of underspends and income streams across a range of budget headings resulted in a total underspend of £0.106m at the end of the financial year. The underspend varied by only £17k from the last report to the Corporate Resources Committee in February 2021 which reported the position up to the end of December 2018 with an anticipated end of year out turn of £0.089m underspent.
- 4.3 The total underspend is attributable to:
- reductions in travel, accommodation and subsistence, particularly in the Members' budget, as a consequence of COVID-19;
 - vacancies across the Directorate and also in the Members' budget, for Ward 12;
 - a freeze in non-committed expenditure across a range of budget headings to assist with anticipated corporate and directorate budget pressures and income shortfalls arising from COVID-19.
- 4.4 The accuracy of the predicted full year position demonstrates that budget managers within the Service have a strong grasp of the factors influencing income and expenditure against their individual budgets which have been highlighted to Members at previous Committees.

5. Performance & Governance Directorate Revenue Budget 2021/22 – Quarter 1 Monitoring

- 5.1 **Appendix 2** to this report provides the monitoring statement showing actual expenditure and the estimated year-end outturn against the Service budget for Quarter 1 as at 30 June 2021. The Directorate is showing an outturn of £4.944m against a net annual budget of £5.237m, representing an underspend of £0.295m. Of this, the Members' budget comprises £1.6m and this is showing predicted £0.132m underspend.
- 5.2 The Directorate continues to focus on savings targets as the impact of the COVID emergency response begins to ease. These are all currently all on track with £0.083m (65%) of the total £0.128m already delivered.

6. Quarter 1 Monitoring variances

- 6.1 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 2** to this report.
- 6.2 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 impact felt in the members' budget. This calculation is based upon 2 quarters of almost zero expenditure as restrictions on face to face gatherings have remained in force from the beginning of the financial year and formal meetings remain virtual until the Autumn. 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 may also continue to impact on the Directorate's income targets relating to licensing as restrictions continue to impact on licensed premises and also events. However, the extent of this 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.

6.3 Non-COVID-19 related variances: The forecast position includes underspends across the Directorate in relation to staffing, particularly in the Corporate Audit & Performance team, as new posts agreed in March 2021 have needed to progress through governance channels and enter recruitment phases before the posts can be filled which has resulted in a delay in anticipated expenditure. Also included in the predicted Directorate underspend are part year vacancies for 2 Members (Wards 13 and 3).

7. Performance Information

7.1 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 is putting in place a business partner model within the Corporate Performance Team which will provide resources to support all ECOs improve performance management and reporting.

7.2 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's positive contribution to achieving corporate targets is outlined below, noting the invoices paid within 30 days is a Council Statutory Performance Indicator (SPI).

- Q1 2021/22 for invoices paid within 10 days the Directorate paid 91.8% against a target of 77% compared to 79.5% for the Council overall.
- Q1 2021/22 for invoices paid within 30 days the Directorate paid 96.9% against a target of 95% and compared to 96.8% for the Council overall.

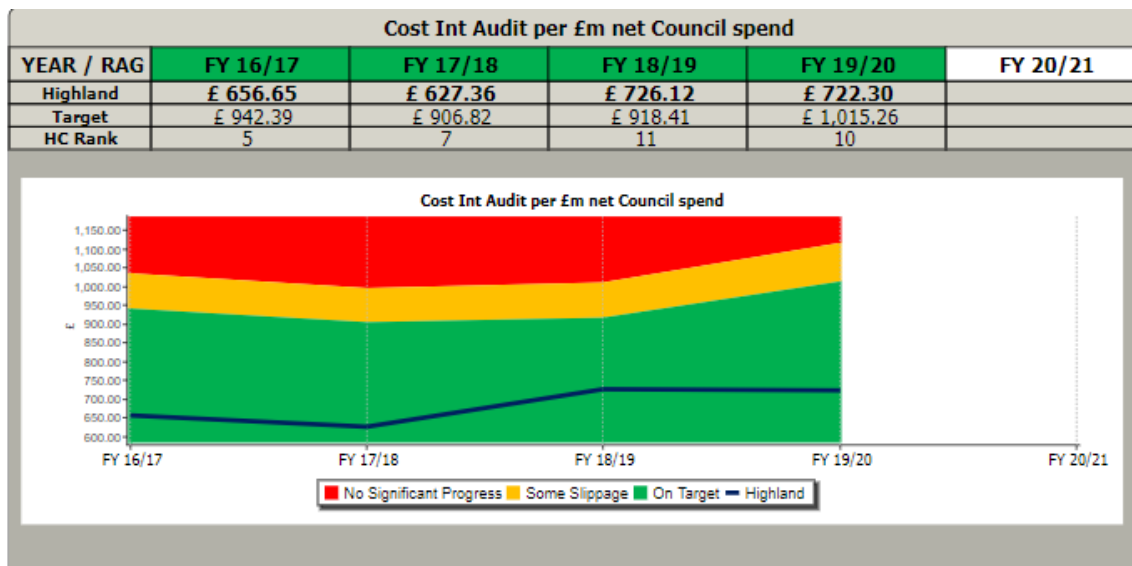
7.3 Directorate Sickness Absence

The indicators 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 is not yet available for the new Directorate structure and reports will be provided on Directorate performance as soon as data is available.

7.4 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 with 2019/20 the most recent data as outlined below. The data return for 2021/22 is underway for all the Council's CIPFA measures with verification and benchmark positions expected in late autumn 2021. The cost of the team is consistently below the benchmark target to perform better than the national average with Highland at £722.30 per £m spend compared to a national average of £1015.26. The rank order position for Highland ranges from 5th -11th nationally.

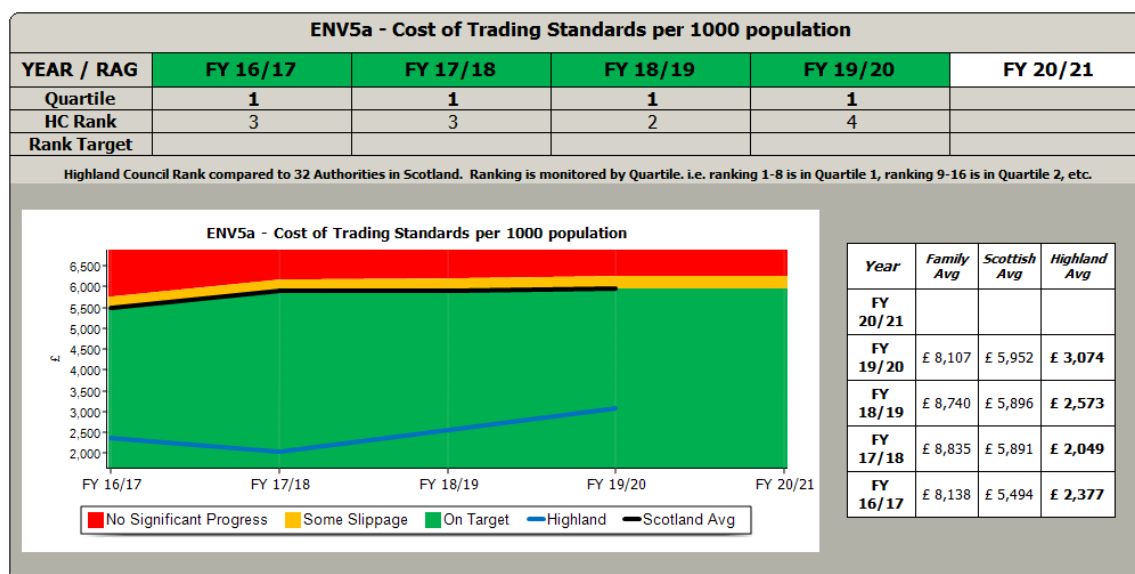


7.5

Trading Standards

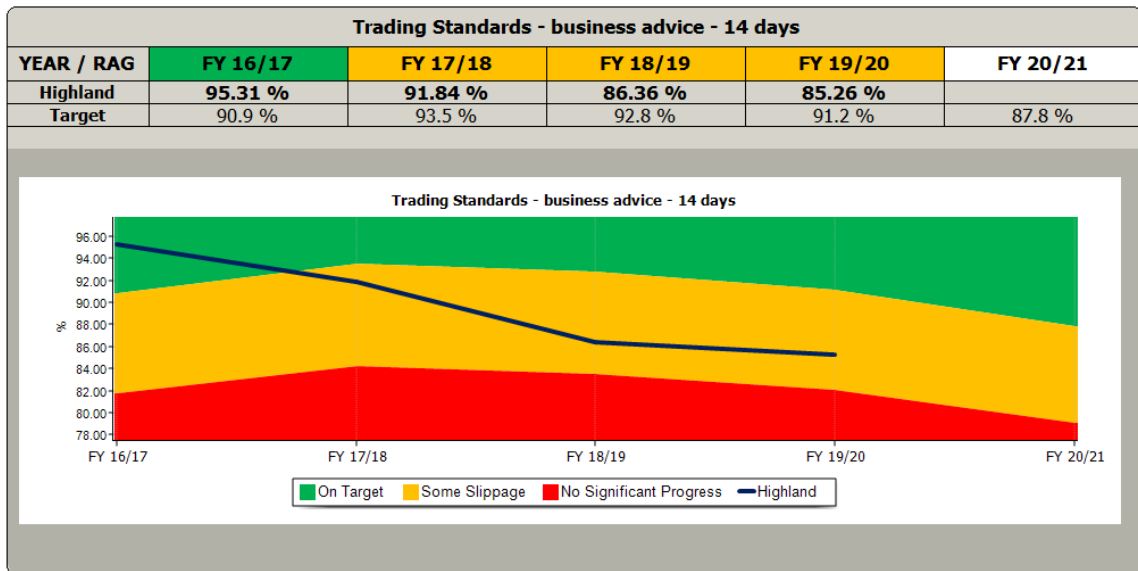
a) Cost of Trading Standards per 1000 population

The performance of Trading Standards is monitored through one nationally benchmarked Key Performance Indicator (KPI) the Cost of Trading Standards per 1000 population (ENV5A). The 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.



b) LPI/SPI – Business Advice within 14 days

Trading Standards has one local performance indicator 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. This LPI is under review to ensure that it is robust and up to date.



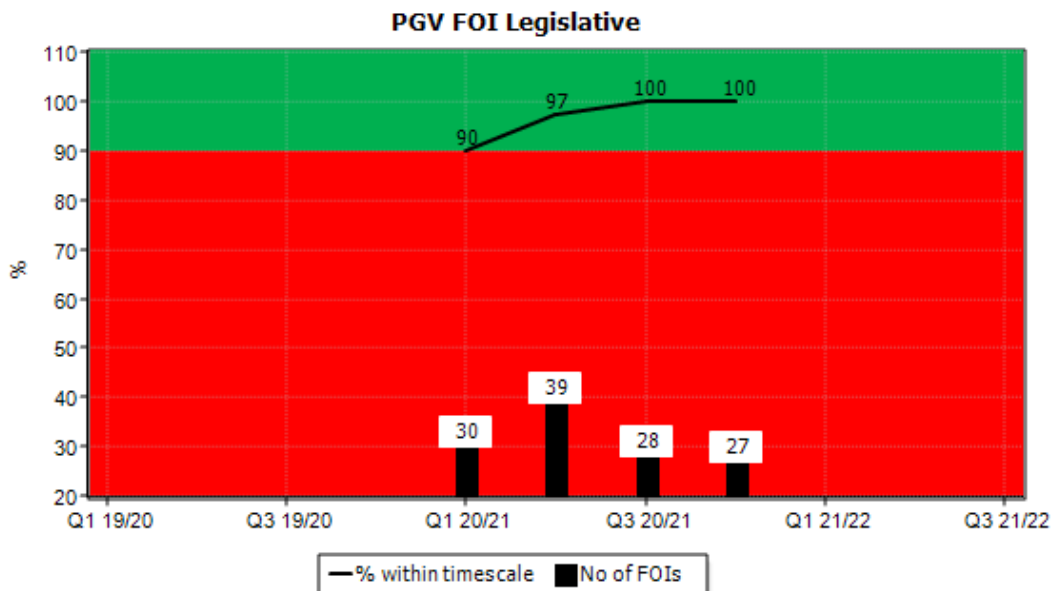
7.6 Directorate Complaints Response Times

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 on 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 1, 2021/22 the Directorate's performance is as follows:

	Target	P&G Directorate	Highland Council
5-days frontline resolution	70%	66.7%	54%
20-days investigation	70%	100%	65.9%

7.7 Directorate Freedom of Information (FOI) Response Times

The Directorate continues to perform well in meetings its targets for the management of FOI requests with this indicator a focus for the Council for corporate improvement. For Q4 2020/21 the most recent data verified there were 27 requests with 100% addressed within the required timescale against a target to achieve a minimum of 90%.



7.8 **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 18 May 2021 for Q4 2020/21. The reported overall good progress across the 6 themes of the plan as outlined below with electronic briefing book and dashboard also available.

GLP – PRMS status Quarter 3	GLP – PRMS status Quarter 4
77 indicators on target/track	87 indicators on target/track
39 experiencing some slippage	30 experiencing some slippage
4 have not progressed	0 have not progressed
5 were completed	9 were completed

2020/21 Q4 Dashboard snapshot across GLP themes

Theme 1 - Gaelic in the Home, Early Learning and Childcare Q4 20/21	Theme 2 - Gaelic in the Community Q4 20/21	Theme 3 - Gaelic in Education Q4 20/21
completed to date 0	completed to date 1	completed to date 5
5	8	36
1	7	11
0	0	0
0	0	0

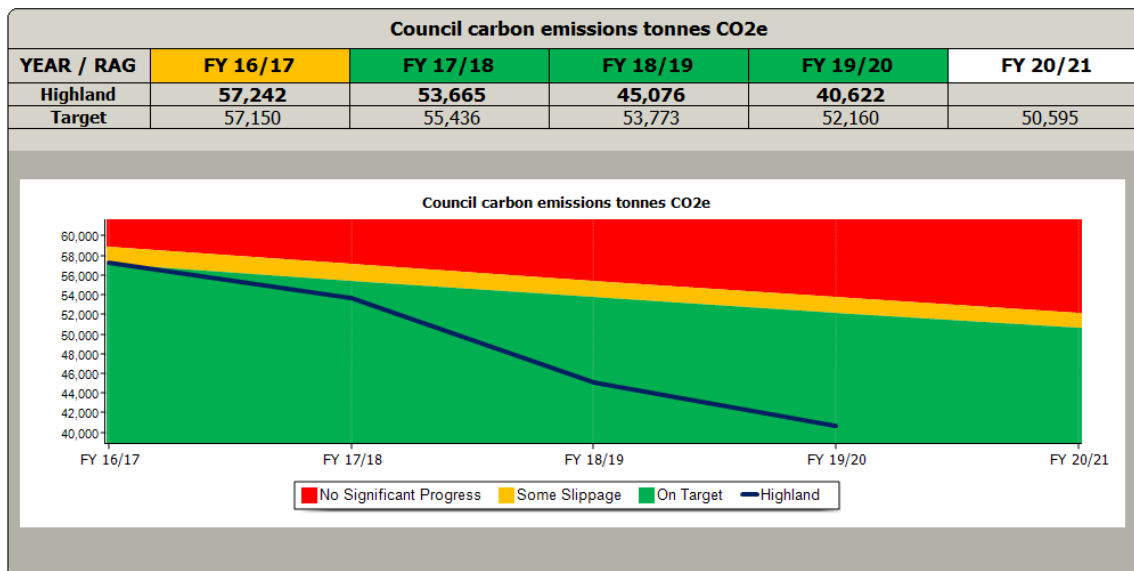
Theme 4 - Gaelic in the Arts, Culture and Heritage Q4 20/21	Theme 5 - Gaelic in the Workplace Q4 20/21	Theme 6 - The Social, Economic and Cultural Value of Gaelic Q4 20/21
completed to date 2	completed to date 1	completed to date 0
12	13	13
4	6	1
0	0	0
0	0	0

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

The full performance update report is available at: https://www.highland.gov.uk/download/meetings/id/78168/item_4_progress_against_gaelic_language_plan_3

7.9 **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 still in development. 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 but the Council’s work in response to the Climate Emergency will require more a more stretching target to be set.



7.10 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 Q1 showed there were 29,225 followers an increase of 1,695 with 813 posts and posts shared 6,839 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

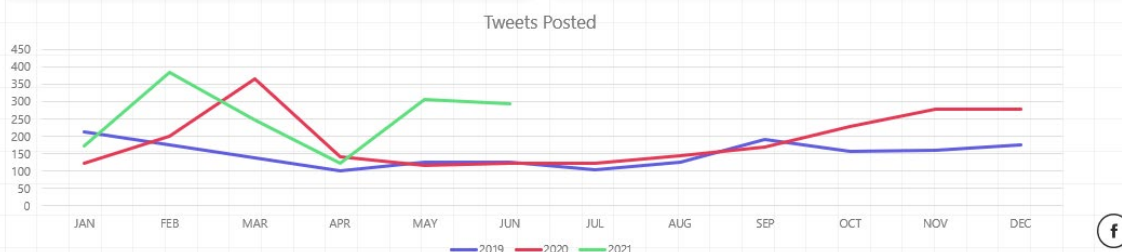


There are 28,084 Twitter followers and this is an increase of 418 since the beginning of the year. The table below provides a summary including the top 3 posts of most interest to the public. National social media ranking shows the Council is ranked 11th.

Social Dashboard – Twitter Headlines

Summary of Twitter data – April to June 2021

Reach (Impressions)



The Council is also active in other social media platforms including Instagram (3143 followers) and on YouTube where there were 12,971 views of content in Q1 representing 640 hours of viewing. The opening of Torvean Swing Bridge, Scottish Parliamentary Elections live coverage and Inverness Townscape Heritage Project attracting the most interest.

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

7.11 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 November 2020 to May 2021 are as follows: -

- Total Number of Full Council, Strategic Committee, Local Committee and other Committee meetings – 75 meetings (not including Companies, Boards, Sub Committees or Working Groups)
- Total Number of Report pages printed – 263,558
- Total Number of Report pages posted (after being printed on a double-sided basis) – 131,779.

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

8. Recovery Action Plan

8.1 At its meeting on 23 August 2021, the Recovery Board considered progress of the Recovery Action Plan for phase 4, which began in January 2021. The Council has continued to deliver against the extensive Recovery Action Plan while supporting resilience requirements and dealing in parallel with the effects of pandemic as the Scottish Government moves up or down the Tiers or into Lockdown measures. The often rapidly changing situation regarding the national pandemic also underscores the need for the Recovery Programme to be agile in its approach, not just with regard to timescales and resourcing but also in terms of content.

8.2 Outlined in **Appendix 3** is an update on the progress relating to Recovery Plan Actions led by the Performance & Governance Directorate or the where the

Directorate supports the Chief Executive as reported to Board. The latest full report on the Recovery Action Plan report can be accessed at this [link](#).

Designation: Executive Chief Officer Performance & Governance

Date: 08/08/2021

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

**PERFORMANCE & GOVERNANCE SERVICE Revenue
Expenditure Monitoring Report**

1 April 2020 to 31 March 2021

	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Actuals	£000 Year End Variance
BY ACTIVITY				
Members	1,465	1,695	1,465	(230)
Chief Executive	785	677	785	108
Emergency Planning	33	50	33	(17)
Corporate Communications	200	197	200	3
Corporate Communications - COVID	2	0	2	2
Legal Services	150	342	150	(192)
Licensing	(358)	(483)	(358)	125
Democratic Services	610	640	610	(29)
Elections	191	115	191	76
Trading Standards	638	546	638	92
Corporate Audit & Performance	636	680	636	(43)
Total	4,352	4,458	4,352	(106)
BY SUBJECTIVE				
Staff Costs	5,291	5,324	5,291	(32)
Other Costs	456	663	456	(207)
Gross Expenditure	5,747	5,987	5,747	(240)
Grants	(67)	(25)	(67)	(43)
Other Income	(1,328)	(1,504)	(1,328)	176
Total Income	(1,396)	(1,529)	(1,396)	133
	4,352	4,458	4,352	(106)

Notes

1. %age of Annual Expenditure	Mar 20/21	98%
	Mar 19/20	93%

Appendix 2

PERFORMANCE & GOVERNANCE SERVICE Revenue Expenditure Monitoring Report

1 April 2021 to 30 June 2021

	£000	£000	£000	£000
	Actual	Annual	Year	Year
	Year To	Budget	End	End
	Date		Estimat	Varianc
			e	e
BY ACTIVITY				
Members	347	1,600	1,468	(132)
Performance & Governance Corporate	227	541	526	(15)
Performance & Governance Directorate	137	457	483	26
Emergency Planning	(11)	47	42	(6)
Corporate Communications	83	197	192	(5)
Legal Services	237	353	327	(26)
Licensing	(251)	(419)	(411)	8
Democratic Services	163	662	647	(15)
Elections	20	241	237	(3)
Trading Standards	175	663	657	(6)
Corporate Audit & Performance	153	897	777	(121)
Total	1,280	5,239	4,944	(295)
BY SUBJECTIVE				
Staff Costs	1,531	5,986	5,904	(82)
Other Costs	207	708	498	(210)
Gross Expenditure	1,737	6,694	6,402	(292)
Grants	0	(37)	(57)	(20)
		(1,418)		
Other Income	(458))	(1,401)	17
		(1,455)		
Total Income	(458))	(1,458)	(3)
	1,280	5,239	4,944	(295)

Notes

1. %age of Annual Expenditure	Jun 21/22	24%
	Jun 20/21	26%

PERFORMANCE AND GOVERNANCE SERVICES BUDGET 2021/22 - JUNE MONITORING

	GROSS EXPENDITURE				GROSS INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual	Actual	Year	Year	Annual	Actual	Year	Year	Annual	Actual	Year	Year
	Budget	YTD	End	End	Budget	YTD	End	End	Budget	YTD	End	End
			Outturn	Variance			Outturn	Variance			Outturn	Variance
BY ACTIVITY												
Members												
Members	1,601	347	1,468	(132)	(1)	0	0	1	1,600	347	1,468	(132)
Performance & Governance Corporate												
Performance & Governance Corporate	541	227	526	(15)	0	0	0	0	541	227	526	(15)
Performance & Governance Directorate												
Performance & Governance Directorate	477	137	483	6	(20)	0	0	20	457	137	483	26
Communications & Resilience												
Corporate Communications	207	84	200	(7)	(10)	(1)	(8)	2	197	83	192	(5)
Emergency Planning	76	23	70	(6)	(29)	(34)	(29)	(0)	47	(11)	42	(6)
Corporate Governance												
Legal	365	249	455	90	(13)	(13)	(128)	(115)	353	237	327	(26)
Licensing	815	146	726	(89)	(1,234)	(397)	(1,137)	97	(419)	(251)	(411)	8
Democratic Services	711	163	676	(35)	(48)	0	(29)	19	662	163	647	(15)
Elections	241	20	237	(3)	0	0	0	0	241	20	237	(3)
Trading Standards	763	186	782	19	(100)	(11)	(125)	(24)	663	175	657	(6)
Corporate Audit & Performance												
Corporate Audit & Performance	897	155	779	(119)	0	(2)	(2)	(2)	897	153	777	(121)
TOTAL	6,694	1,737	6,402	(292)	(1,455)	(458)	(1,458)	(3)	5,239	1,280	4,944	(295)

**The Highland Council Recovery Action Plan – Phase 4 Priorities
Update – Performance & Governance**

1. Restoring Political Governance	Status Key:		
Sponsor: Kate Lackie	Completed ●	On Track/On-going ●	Some Slippage ● No Significant Progress ●
RAP01: Restoring Political Governance	Action	Q4 Status	Q4 Remarks
Committees	Maintain emphasis on virtual meetings as Business as Usual	●	Complete All actions complete – nothing further to report. Physical access to buildings (Members) to be reported under New Ways of Working – Redesign Board.
10. Leadership, Culture and Performance	Status Key:		
Sponsor: Donna Manson (CEO)/ Kate Lackie	Completed ●	On Track/On-going ●	Some Slippage ● No Significant Progress ●
RAP10: Leadership, Culture and Performance	Action	Q4 Status	Q4 Remarks
Quality Improvement and Performance	Embed a performance culture across the Council	●	Council approval for additional resource in P&G will provide support to Services in understanding and improving their performance, focusing on improvement. Business Partners positions approved and recruitment underway

Quality Improvement and Performance	Implementation of the revised Corporate and Directorate Service Plans	●	All Plans considered by Strategic Committees in Spring cycle May/June 2021
Leadership Development, Support and Performance	Leadership Development - Implement rolling programme of surveys, engagement and development	●	Surveys and engagement planned and new resource in place to work with Executive Leadership Team and partners. Now business as usual and led by HR.
Leadership Development, Support and Performance	Leadership Development - Implementing, reviewing, adapting action plan	●	reviewing stage not reached yet but will follow from the work now underway
Care for Staff	Care for Staff -survey staff on adjusting to return to work, what's worked, improvements needed, barriers to improving performance.	●	Staff surveys now key elements of staff engagement strategy led by HR and Corporate Communications. Surveys regarding return to work and new ways of working subsumed as part of Asset Rationalisation phase 1 – New Ways of Working Project under the Transformation Programme. The latest survey was completed 20 April and results are currently being reviewed which will inform the Redesign Boards key leadership role in the delivery of the Asset Rationalisation projects.