

Agenda Item	7
Report No	RES/ 37 /21

THE HIGHLAND COUNCIL

Committee:	Corporate Resources Committee
Date:	24 November 2021
Report Title:	Performance & Governance - Revenue and Performance Monitoring Q2 – 01 April 2021 to 30 September 2021
Report By:	Executive Chief Officer, Performance & Governance

1. Purpose/Executive Summary

- 1.1 This report and appendices show the Performance and Governance revenue Quarter 2 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 the revenue budget position for the second Quarter of 2021/22, with a total Directorate net budget of £5.354m, of which the Members' budget is £1.6m. Expenditure to date is £2.359m, or 44%; with a predicted end of year underspend of (£0.350m).
- 1.43 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.
- 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 revenue monitoring position for the period 31 March 2021 to 30 September 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;
 - iv. examine and comment on the actions for the Directorate on the Recovery Action Plan.

3. Implications

- 3.1 **Resource:** The net budget of £5.354m 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 third quarter of the current financial year, Climate Change & Energy 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 2021/22 – Quarter 2 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 1 as at 30 September 2021. The Directorate is showing an outturn of £5.004m against a net annual budget of £5.354m, representing an underspend of £0.350m. Of this, the Members' budget comprises £1.619m and this is showing predicted £0.115m underspend.
- 4.2 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.

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 2 quarters of almost zero expenditure as restrictions on face to face gatherings have remained in force 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 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.

5.3 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 and recruitment phases which has resulted in a delay in anticipated expenditure. However, 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 vacancy in Ward 11.

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 ECOs improve 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.

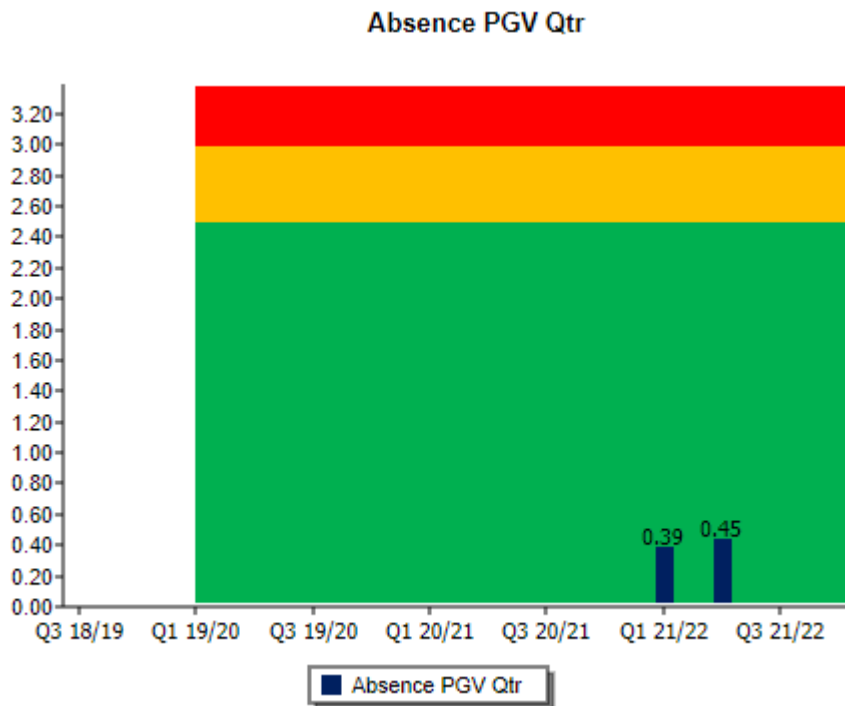
6.2 ***Directorate - Payment of Invoices***

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

- 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.



As highlighted above 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 with 2019/20 the most recent data reported to last Committee. The data return for 2021/22 has been made all the Council's CIPFA measures with verification and benchmark positions expected in late 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 as last reported.

6.5 **Trading Standards**

Trading Standards have 2 annual performance indicators with current outturns reported to last Committee.

- The cost of trading standards per 1000 population is a national benchmarked indicator and the data and rank are expected to be available for 2020/21 nationally in December 2021. 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 which we participate in are engaging in this development work.

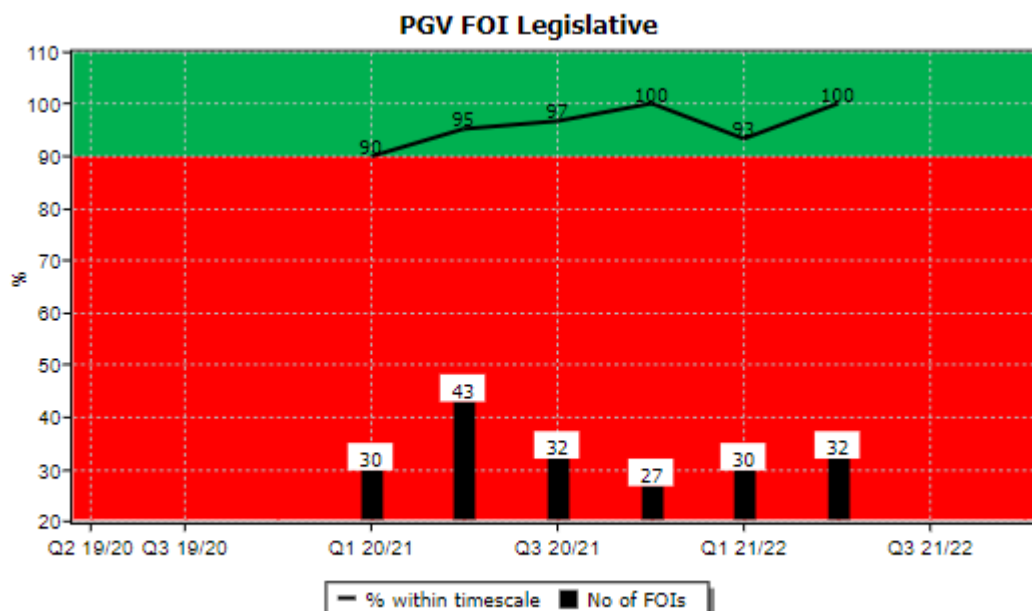
6.6 ***Directorate Complaints Response Times***

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 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 2, 2021/22 the Directorate's performance showed that no complaints had been received or closed to report on during the quarter.

	Target	P&G Directorate	Highland Council
5-days frontline resolution	70%	n/a	62.3%
20-days investigation	70%	n/a	62.5%

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. For Q2 2021/22 the most recent 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 September 2021 for Q1 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
On Target	87	112
Slippage	30	5
No Significant Progress	0	0
Completed	9	9
TOTAL	126	126






2021/22 Q1 Dashboard snapshot across GLP themes






Theme 1 - Gaelic in the Home, Early Learning and Childcare Q1 21/22	
 completed to date	0
	6
	0
	0
	0

Theme 2 - Gaelic in the Community Q1 21/22	
 completed to date	1
	14
	1
	0
	0

Theme 3 - Gaelic in Education Q1 21/22	
 completed to date	5
	47
	0
	0
	0

Theme 4 - Gaelic in the Arts, Culture and Heritage Q1 21/22	
 completed to date	2
	15
	1
	0
	0

Theme 5 - Gaelic in the Workplace Q1 21/22	
 completed to date	1
	17
	2
	0
	0

Theme 6 - The Social, Economic and Cultural Value of Gaelic Q1 21/22	
 completed to date	0
	13
	1
	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 to bring to Members for approval as soon as possible. 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**

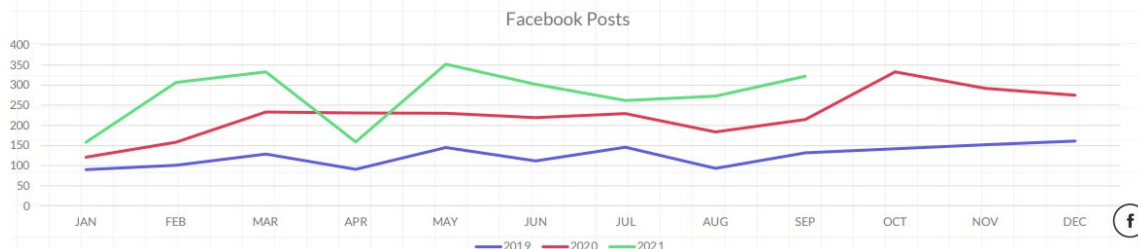
The Corporate Communication Team are responsible for ensuring that the Council effectively communicates with and informs the public. One important route to achieve this is using social media and the Team monitor the effectiveness of social media with increasing engagement demonstrated along with strong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

Facebook for Q2 showed there were 29,225 followers, a further increase this quarter of 499, with 857 posts and posts shared 5,638 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 – July to September 2021

Reach

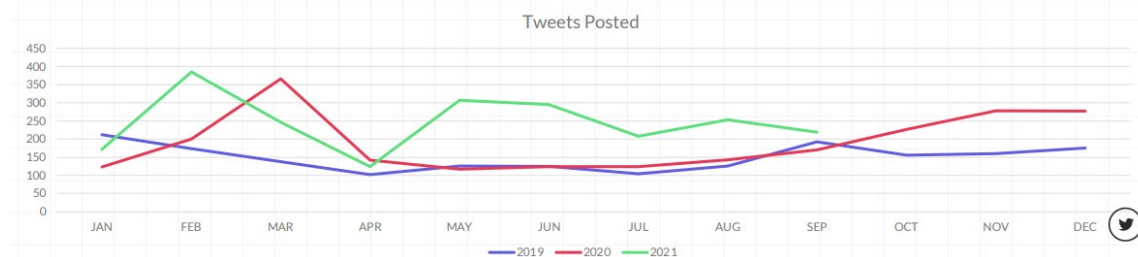


There are 28,291 Twitter followers and a further increase of 207 in quarter 2. The table below provides a summary including the top 3 posts of most interest to the public. National social media ranking shows the Council is ranked 11th for Twitter and 8th for Facebook.

Social Dashboard – Twitter Headlines

Summary of Twitter data – July to September 2021

Reach (Impressions)



The Council is also active in other social media platforms including Instagram (3188 followers) and on YouTube where there were 5,687 views of content in Q2 representing 134 hours of viewing. The new Torvean Park; Live by-elections for Wick and East Caithness and Inverness West; and the Inverness Castle Tour attracted the most interest.

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 July to September 2021 (which includes the summer recess period) are as follows: -

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

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

7. Recovery Action Plan

- 7.1 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.
- 7.2 The latest full report on the Recovery Action Plan report can be accessed at this [link](#). The projects sponsored by the Performance and Governance Service are either complete and where there are ongoing actions, these are progressing and are on track.

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 30 September 2021

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Members	788	1,619	1,504	(115)
Performance & Governance Corporate	299	502	502	(0)
Performance & Governance Directorate	236	581	591	10
Emergency Planning	13	47	41	(6)
Corporate Communications	146	208	202	(6)
Legal Services	426	353	296	(57)
Licensing	(666)	(419)	(440)	(21)
Democratic Services	331	662	642	(20)
Elections	131	241	288	48
Trading Standards	352	663	634	(29)
Corporate Audit & Performance	301	897	744	(153)
Total	2,359	5,354	5,004	(350)

BY SUBJECTIVE				
Staff Costs	3,157	6,091	5,949	(142)
Other Costs	299	598	552	(45)
Gross Expenditure	3,456	6,689	6,502	(187)
Grants	(14)	(37)	(57)	(20)
Other Income	(1,083)	(1,299)	(1,441)	(143)
Total Income	(1,097)	(1,336)	(1,498)	(163)
	2,359	5,354	5,004	(350)

Notes

1. %age of Annual Expenditure	Sep 21/22	44%
	Sep 20/21	52%

PERFORMANCE AND GOVERNANCE SERVICES BUDGET 2021/22 - SEPTEMBER MONITORING

GROSS EXPENDITURE			
£'000	£'000	£'000	£'000
Annual Budget	Actual YTD	Year End Outturn	Year End Variance

GROSS INCOME			
£'000	£'000	£'000	£'000
Annual Budget	Actual YTD	Year End Outturn	Year End Variance

NET TOTAL			
£'000	£'000	£'000	£'000
Annual Budget	Actual YTD	Year End Outturn	Year End Variance

BY ACTIVITY

Members												
Members	1,620	788	1,504	(115)	(1)	0	0	1	1,619	788	1,504	(115)
Performance & Governance Corporate												
Performance & Governance Corporate	502	299	502	(0)	0	(0)	0	0	502	299	502	(0)
Performance & Governance Directorate												
Performance & Governance Directorate	592	236	591	(0)	(11)	0	0	11	581	236	591	10
Communications & Resilience												
Corporate Communications	218	148	210	(8)	(10)	(2)	(8)	2	208	146	202	(6)
Emergency Planning	76	47	70	(6)	(29)	(34)	(29)	(0)	47	13	41	(6)
Corporate Governance												
Legal	365	466	409	44	(13)	(40)	(114)	(101)	353	426	296	(57)
Licensing	705	327	737	32	(1,124)	(993)	(1,177)	(52)	(419)	(666)	(440)	(21)
Democratic Services	711	334	671	(40)	(48)	(3)	(29)	20	662	331	642	(20)
Elections	241	131	288	48	0	0	0	0	241	131	288	48
Trading Standards	763	375	774	10	(100)	(23)	(140)	(40)	663	352	634	(29)
Corporate Audit & Performance												
Corporate Audit & Performance	897	300	746	(152)	0	(2)	(2)	(2)	897	298	744	(153)
TOTAL	6,689	3,453	6,502	(187)	(1,336)	(1,097)	(1,498)	(163)	5,354	2,356	5,004	(350)

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				
Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target	Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target	Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target
	0.39	0.45	2.50	2.50	96.3 %	96.9 %	96.6 %	95.0 %	95.0 %	100 %	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 [★]				
Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target	Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target	Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target
	66.7 %		70.0 %	70.0 %		100.0 %		70.0 %	70.0 %		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 [★]				
Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target	Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target	Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target
	On Target	On Target	On Target	On Target		On Target	Completed	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 [★]				
Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target	Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 21/22 Target	Q4 20/21	Q1 21/22	Q2 21/22	Q2 21/22 Target	Q3 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
ENV5a - Cost of Trading Standards per 1000 population					Council carbon emissions tonnes CO2e					Cost Int Audit per £m net Council spend				
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	FY 18/19	FY 19/20	FY 20/21	FY 20/21 Target	FY 21/22 Target
£ 2,573	£ 7,955		£ 6,162		45,076	40,622	32,404	50,595	49,077	£ 726.12	£ 722.30	£ 775.56		