

Agenda Item	5.c
Report No	RES/28/22

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 1 December 2022

Report Title: Performance & Governance - Revenue and Performance Monitoring to Q2 – 01 April 2022 to 30 September 2022

Report By: Executive Chief Officer, Performance & Governance

1. Purpose/Executive Summary

- 1.1 This report and appendices comment on the Performance and Governance Quarter 2 revenue monitoring position for 2022/23; 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 intended to strengthen Member scrutiny and improve accessibility for a wider audience including the public.
- 1.3 **Appendices 1 and 2** shows the net and gross revenue budget position for the second Quarter of 2022/23, with a total Directorate net budget of £5.616m, of which the Members' budget is £1.701m. Expenditure to date is £3.010m, or 54%; with a predicted end of year underspend of (£0.145m). The Directorate savings targets are set out in **Appendix 3**.

2. Recommendations

- 2.1 Members are asked to:
- i. consider the revenue monitoring position for the period 01 April 2022 to 30 September 2022;
 - 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.

3. Implications

- 3.1 **Resource:** The net budget of £5.616m available to the Performance & Governance Directorate is around 0.8% of the general fund for the totality of the Council's Services. The Performance & Governance Directorate has a staffing

establishment of circa 132 FTEs. Corporate Governance, Legal Services, Democratic Services, Licensing, Elections, Internal Audit & Fraud, Corporate Performance & Risk Management, Information Management, Corporate Communications and Resilience, Policy, Climate Change and Energy, Gaelic Development and Trading Standards are key responsibilities of the Directorate.

- 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 the Council's Climate Change and Energy priorities.

4. Performance & Governance Directorate Revenue Budget 2022/23 – Quarter 2 Monitoring

- 4.1 **Appendix 1 and 2** to this report provide the net and gross monitoring statements showing actual expenditure and the estimated year-end outturn against the Service budget for Quarter 2 as at 30 September 2022. The Directorate is showing a predicted outturn of £5.471m against a net annual budget of £5.616m, representing an underspend of £0.145m. Of this, the Members' budget comprises £1.701m and this is showing predicted £0.021m underspend.
- 4.2 The Directorate savings targets are set out in **Appendix 3**. These are all currently all on track with £0.096m (75%) of the total £0.128m already delivered and full delivery expected by the end of the year.

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 statements at **Appendices 1 and 2** to this report.
- 5.2 The Members' budget is showing a small variance of (£0.021) which is attributable to a number of small underspends across a range of budgets and is based upon the continuation of current spending patterns relating to catering, accommodation and subsistence.
- 5.3 There is a pressure of £0.087m in the Energy and Sustainability budget which is largely due to small shortfalls in income across a number of budget headings, as well as increased electricity costs. This is more than offset by underspends elsewhere in the Service budget.
- 5.4 The underspends across the Directorate are primarily due to vacancies. Some have subsequently been recruited to whilst others will be set against the staffing savings target to ensure full delivery of the Directorate savings by the end of the year. **Appendix 3** provides a detailed breakdown of the Directorate Savings.

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 and provide an interim position as the Council's new Programme and Corporate Plan are developed resulting in a new Directorate Service Plan by the end of 2022. With the support and guidance of the Corporate Performance Team, use of the Performance and Risk Management System (PRMS) for reporting will continue to be developed support Service performance review by Committee and the Chief Executive. The Directorate's performance framework will continue to be strengthened to improve reporting to Committee. To support this, work the Directorate has in place a business partner model within the Corporate Performance Team which will provide resources to support all Services to improve performance management and reporting.

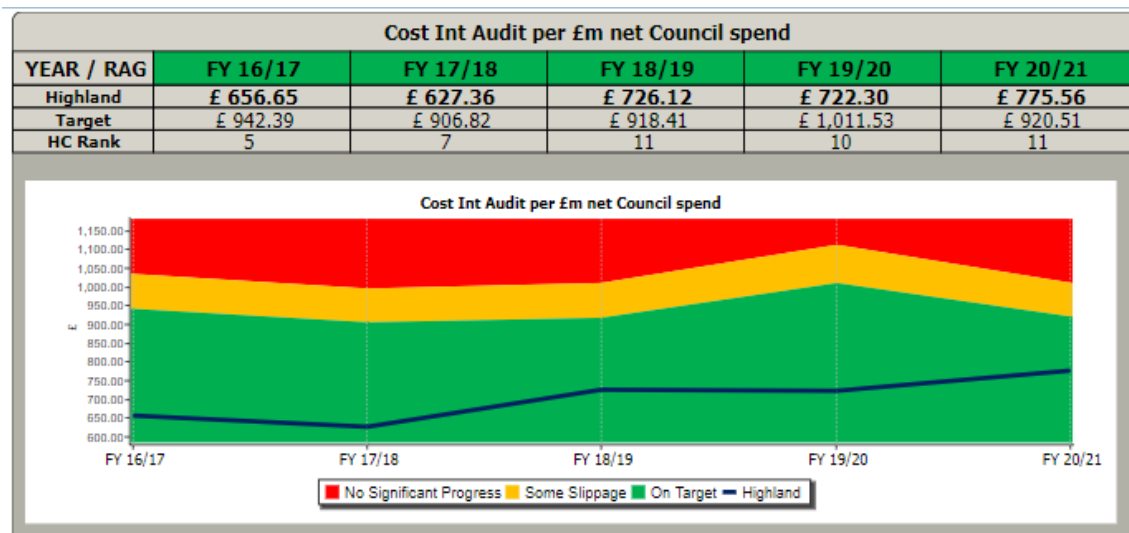
6.2 *Directorate - Payment of Invoices*

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 is consistently making a positive contribution to achieving corporate targets, noting that invoices paid within 30 days is a Council Statutory Performance Indicator (SPI). Current available data for Q2 2022/23 is outlined below:

- Q2 2022/23 for invoices paid within 10 days the Directorate paid 83.9% against a target of 77% compared to 69.7% for the Council overall.
- Q2 2022/23 for invoices paid within 30 days the Directorate paid 97.2% against a target of 95% and compared to 93.7% for the Council overall.

6.3 *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 as reported to last Committee but the CIPFA verification and benchmark has now been completed and is detailed below for 2020/21. The cost of the team is consistently below the benchmark target to perform better than the national average with Highland at £775.56 per £m spend compared to a national average of £1015.26. The rank order position for Highland remains within the range of 5th - 11th nationally. Data for 2021/22 is expected to be available nationally by December 2022.



6.4 Directorate Complaints Response Times

Led by the Communities & Place Directorate, the Model Complaint Handling Procedure was introduced in April 2021 to set out the Council's corporate ambitions to improve performance. The reported measures below represent the end-to-end process, and therefore the combined performance of the Communities & Place (allocation, quality assurance and issue) and Performance and Governance Directorates (checking records, investigation, responding to complaints and approvals). Collaboration across the Directorates continues to identify process and other quality improvements to improve performance for frontline resolution within 5-days and those complaints that are escalated with a performance target of 20 days.

The combined performance for the end-to-end process in respect of complaints during Q2 against a corporate target of 80% was as follows. In both cases, for performance relating to 5 days and complaints requiring investigation, these refer to only 3 cases.

	Performance & Governance	Highland Council
5-days frontline resolution	66.7%	89.6%
20-days investigation	33.3%	32.1%

6.5 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. Data for Q2, 2022/23 there were 39 requests with 87% addressed within the required timescale against a target to achieve a minimum of 90% against a Council average of 82%.

	Performance & Governance	Highland Council
FOI Legislative - number	39	391
FOI Legislative - %	87%	82%

Freedom of Information performance continues to be closely monitored to learn lessons with the aim of achieving continuous improvement

6.6 Directorate Sickness Absence Rate

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. Data for quarter 2 shows an absence rate of 1.15 days lost per employee compared to 1.89% for the Council overall. It should be noted that the Service consistently performs well against the corporate targets set for the Council.

Average days lost	2021-22	2022-23	
	Q4	Q1	Q2
All Highland Council	2.36	2.45	1.89
Performance & Governance	0.49	0.65	1.15

The Performance & Governance Directorate takes a proactive approach to absence management and endeavours to keep staff absence rates as low as possible. This is achieved by following the Council's HR policies and guidance, implementing measures such as "return to work" interviews and conversations with our team members. Valuing staff and supporting their health and wellbeing are core elements of the established ethos in the Directorate, and in line with the Council's connected values of supporting our skilled workforce.






Delivery of the Gaelic Language Plan






6.7






A performance report on the delivery of the Gaelic Language Plan (GLP) is provided in detail to the Gaelic Committee quarterly with the last report on 2 November 2022. At that time the results for Q2 were not available and so there will be a full performance report containing the data below at the next meeting of the Committee.






Action Status	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23
On Target	105	105	98	96
Slippage	7	5	12	13
No Significant Progress	0	0	0	0
Completed	14	16	16	17
TOTAL	126	126	126	126






2021/22 Q1 Dashboard snapshot across GLP themes






Theme 1 - Gaelic in the Home, Early Learning and Childcare Q2 22/23		
 completed to date		0
		4
		2
		0
		0

Theme 2 - Gaelic in the Community Q2 22/23		
 completed to date		1
		10
		5
		0
		0

Theme 3 - Gaelic in Education Q2 22/23		
 completed to date		10
		42
		0
		0
		0

Theme 4 - Gaelic in the Arts, Culture and Heritage Q2 22/23		
 completed to date		3
		15
		0
		0
		0

Theme 5 - Gaelic in the Workplace Q2 22/23		
 completed to date		2
		13
		5
		0
		0

Theme 6 - The Social, Economic and Cultural Value of Gaelic Q2 22/23		
 completed to date		1
		12
		1
		0
		0

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

6.8 Climate Change

As a critical priority for the Council the development of eight thematic workstreams have been identified under the Net Zero Strategy and approved by Council. The Net Zero Strategy group and newly established Climate Change Committee will ensure oversight of the thematic group action plans and provide the delivery and scrutiny mechanism for the Councils net zero action plan, ensuring a holistic approach cross cutting all Council operations and services. The delivery of an encompassing action plan will identify the key objectives and targets against which progress will be measured and reported in the Service Plan and to Committee.

A two day Member workshop is being arranged in February 2023 to agree the targets and PIs for the delivery of Net Zero and these will be included in the Directorate Service Plan and reported regularly to the Climate Change Committee and as part of this performance report to Corporate Resources Committee.

6.10 Corporate Communications

The Corporate Communication Team is 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 34,006 followers, an increase this quarter of 1624, with 824 posts and posts shared 8501 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 rank remained 7th.

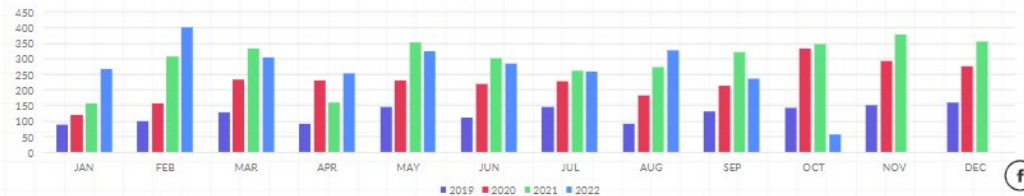
Social Dashboard – Facebook Headlines

Summary of Facebook data – July to September 2022

Reach



Facebook posts



There are 29,761 Twitter followers and a further increase of 278 in Q2. The table below provides a summary including the top 3 posts of most interest to the public. National social media ranking shows the Council rank remained 10th.

Social Dashboard – Twitter Headlines

Summary of Twitter data – July to September 2022

Reach (Impressions)



Tweets posted



The Council is also active in other social media platforms which continue to increase subscribers including Instagram (3475 followers) and YouTube (728 followers) where there were 8328 views of content in Q2 representing 376.8 hours of viewing with 54 new videos posted. A full social media performance report is available on the Council website Performance page [here](#).

The cost of living crisis has been a key focus of communication, signposting important information on welfare and energy. A [webpage](#) has been created for this purpose and this has received nearly 3000 hits to date.

Designation: Executive Chief Officer Performance & Governance

Date: 21/11/2022

Authors: Kate Lackie, ECO; Rachel Rae, Accountant

APPENDIX 1

PERFORMANCE & GOVERNANCE SERVICE Revenue Expenditure Monitoring Report

1 April 2022 to 30 September 2022

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Members	866	1,701	1,680	(21)
Performance & Governance Corporate	300	404	405	1
Performance & Governance Directorate	501	890	888	(2)
Emergency Planning	8	50	42	(8)
Corporate Communications	166	356	355	(1)
Legal Services	471	314	313	(1)
Licensing	(653)	(509)	(512)	(3)
Democratic Services	321	683	588	(95)
Elections	435	186	156	(31)
Trading Standards	365	685	662	(22)
Corporate Audit & Performance	433	926	877	(49)
Energy & Sustainability	(203)	(70)	17	87
Total	3,010	5,616	5,471	(145)
BY SUBJECTIVE				
Staff Costs	4,447	7,704	7,461	(243)
Other Costs	1,659	685	754	69
Gross Expenditure	6,106	8,389	8,215	(174)
Grants	(1,605)	(131)	(155)	(24)
Other Income	(1,491)	(2,642)	(2,589)	53
Total Income	(3,096)	(2,773)	(2,744)	29
Total	3,010	5,616	5,471	(145)

Notes

	Sep	
1. %age of Annual Expenditure	22/23	54%
	Sep	
	21/22	36%

PERFORMANCE AND GOVERNANCE SERVICES BUDGET 2022/23 - SEPTEMBER MONITORING

BY ACTIVITY	GROSS EXPENDITURE				VARIANCE ANALYSIS		GROSS INCOME				NET TOTAL			
	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Staff Costs Variance	£'000 Other Costs Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance
Members														
Members	1,701	866	1,680	(21)	(5)	(16)	(0)	0	0	0	1,701	866	1,680	(21)
Performance & Governance Corporate														
Performance & Governance Corporate	404	300	405	1	(2)	3	0	0	0	0	404	300	405	1
Performance & Governance Directorate														
Performance & Governance Directorate	900	501	888	(12)	(34)	21	(10)	0	0	10	890	501	888	(2)
Communications & Resilience														
Corporate Communications	367	214	368	1	(3)	4	(10)	(48)	(12)	(2)	356	166	356	(1)
Emergency Planning	75	47	80	5	2	2	(25)	(38)	(38)	(13)	50	8	42	(8)
Corporate Governance														
Legal	327	513	441	114	108	6	(13)	(43)	(128)	(115)	314	471	313	(1)
Licensing	772	366	823	51	47	5	(1,282)	(1,019)	(1,336)	(54)	(510)	(653)	(512)	(3)
Democratic Services	732	328	647	(85)	(72)	(12)	(50)	(7)	(60)	(10)	681	321	587	(95)
Elections	186	435	155	(31)	(41)	11	0	0	0	0	186	435	155	(31)
Trading Standards	785	391	797	12	18	(6)	(101)	(26)	(135)	(34)	684	365	662	(22)
Corporate Audit & Performance														
Corporate Audit & Performance	926	433	877	(49)	(39)	(12)	0	0	0	0	926	433	877	(49)
Energy & Sustainability														
Energy & Sustainability	1,214	1,712	1,054	(162)	(222)	63	(1,282)	(1,915)	(1,035)	247	(68)	(203)	19	87
TOTAL	8,389	6,106	8,215	(174)	(243)	69	(2,773)	(3,096)	(2,744)	29	5,616	3,010	5,471	(145)

APPENDIX 3

Service Ref	Budget Area	Savings Description	2022/23 £m	Saving RAG
CEO/6	Emergency Planning	Charges income from additional off-site COMAH plan and increase in charging after 3 year agreement	0.002	G
P&G/1	Directorate	Payment of Copyright Licensing fee no longer required due to changing operational practice	0.012	G
P&G/3,4,5,6	Performance and governance- service wide	Restructuring to remove unspent budget- reductions across a range of budgets and subjectives	0.099	G
R&F/8 - Allocation	Finance	Salary sacrifice saving from newly introduced AVC scheme	0.006	G
Corp/2 - Allocation	Managed Print Service (MPS)	Reductions in printing Printing/Photocopying and reduce Multi-Function Devices (MFDs) in offices and schools	0.004	G
Corp/20 - Allocation	Realignment of staffing	Removing unspent budget associated with historic vacancies	0.050	G
Corp/21 - Allocation	Corporate- staffing	Staff alignment, agility and redesign	0.081	G
Corp/23 - Allocation	Corporate- staffing	Recruitment timelines- removal of budget to reflect recruitment process timelines	0.005	G