

Agenda Item	<b>6.c</b>
Report No	<b>RES/05/23</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 22 February 2023

**Report Title:** Performance & Governance - Revenue and Performance Monitoring to Q3 – 01 April 2022 to 31 December 2022

**Report By:** Executive Chief Officer, Performance & Governance/Interim Chief Executive

### 1. Purpose/Executive Summary

- 1.1 This report and appendices comment on the Performance and Governance Quarter 3 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.
- 1.2 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 third Quarter of 2022/23, with a total Directorate net budget of £6.011m, of which the Members' budget is £1.701m. Expenditure to date is £4.602m, or 77%; with a predicted end of year underspend of (£0.176m). 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 31 December 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 £6.011m 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.
- 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 and performance information is contained in the following report.

### 4. Performance & Governance Directorate Revenue Budget 2022/23 – Quarter 3 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 3 as at 31 December 2022. The Directorate is showing a predicted outturn of £5.835m against a net annual budget of £6.011m, representing an underspend of £0.176m. Of this, the Members' budget comprises £1.701m and this is showing predicted £0.027m underspend.
- 4.2 The Directorate savings targets are set out in **Appendix 3**. These are all on track with 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 (£0.027) 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 £0.179m in the Energy and Sustainability budget which is largely due to 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 rest of 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 Corporate Plan is developed which will then feed into the development of a refreshed Directorate Service Plan by the end of the financial year. Use of the Performance and Risk Management System (PRMS) for reporting will continue to be developed to 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 provides resources to support all Services to improve performance management and reporting.

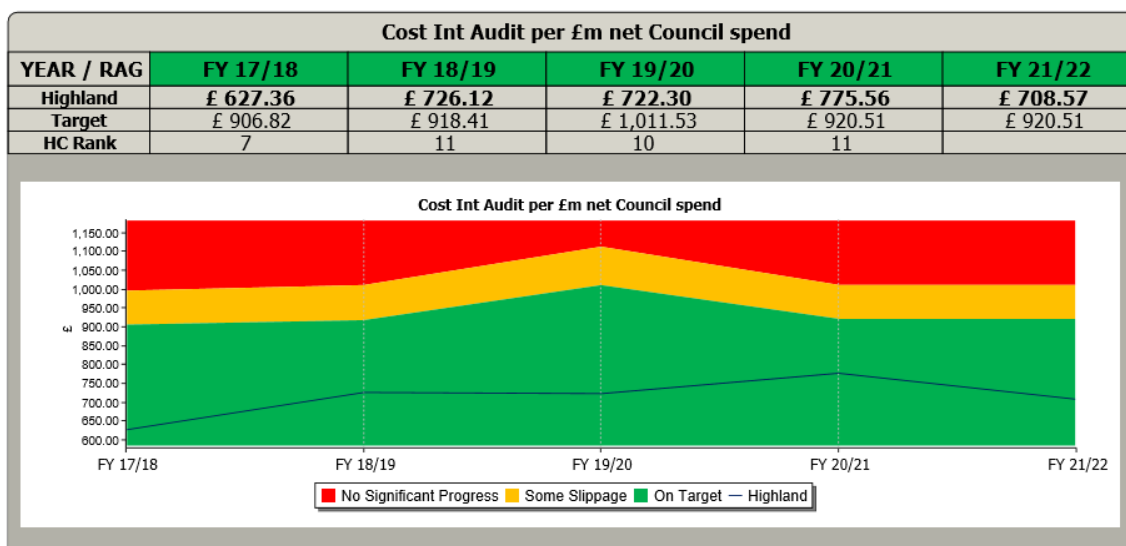
### **6.2 Directorate - Payment of Invoices**

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 Q3 2022/23 is outlined below:

- Q3 2022/23 for invoices paid within 10 days the Directorate paid 90.5% against a target of 77% compared to 68.2% for the Council overall.
- Q3 2022/23 for invoices paid within 30 days the Directorate paid 97.4% against a target of 95% and compared to 94.3% 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. Data has been submitted for 2021/22 and is currently awaiting verification and benchmarking



#### 6.4 Directorate Complaints Response Times

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 Complaints Handling Team in Communities & Place (allocation, quality assurance and issue) and the Performance and Governance Directorate (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 Q3 against a corporate target of 80% was as follows. With regard to the 5-days frontline resolution, there was 1 case. There were no cases requiring investigation.

	Performance & Governance	Highland Council
5-days frontline resolution	100%	92.8%
20-days investigation	N/A – No cases	45.8%

#### 6.5 Directorate Freedom of Information (FOI) Response Times

The Directorate has had a slight decline in meeting its target for the management of FOI requests. For Q3 2022/23 there were 32 requests with 78% addressed within the required timescale against a target to achieve a minimum of 90% and a Council average of 79%. A review is underway to understand the reason for this dip in performance with a view to achieving the target for Q4.

	Performance & Governance	Highland Council
FOI Legislative - number	32	485
FOI Legislative - %	78%	79%

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 3 shows an absence rate of 1.08 days lost per employee compared to 2.03% 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	Q3
<b>All Highland Council</b>	2.36	2.45	1.89	2.03
<b>Performance &amp; Governance</b>	0.49	0.65	1.15	1.08






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.






## 6.7 **Delivery of the Gaelic Language Plan**






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.






Action Status	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23
On Target	105	98	96	97
Slippage	5	12	13	10
No Significant Progress	0	0	0	0
Completed	16	16	17	19
<b>TOTAL</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>






*Q3 Dashboard snapshot across GLP themes*






Theme 1 - Gaelic in the Home, Early Learning and Childcare Q3 22/23		
 completed to date		0
		6
		0
		0
		0

Theme 2 - Gaelic in the Community Q3 22/23		
 completed to date		1
		11
		4
		0
		0

Theme 3 - Gaelic in Education Q3 22/23		
 completed to date		12
		40
		0
		0
		0

Theme 4 - Gaelic in the Arts, Culture and Heritage Q3 22/23		
 completed to date		3
		15
		0
		0
		0

Theme 5 - Gaelic in the Workplace Q3 22/23		
 completed to date		2
		13
		5
		0
		0

Theme 6 - The Social, Economic and Cultural Value of Gaelic Q3 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 seven thematic workstreams have been identified under the Net Zero Strategy and approved by Council. Net Zero Strategy group and 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 Member workshop are being held in February 2023 - the first held prior to this report being written and the second still to follow. On completion of the two workshops the net zero strategy group will bring together the themes into a single strategic document to be presented to a Climate Change Committee workshop in April to agree the targeted approach and PIs. 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.

As part of developing the evidence base for the process in quarter 4, in conjunction with the shared procurement service, the Council will undertake a detailed piece of work to baseline our total carbon emissions. This is the first time that there will be a full breakdown of Scope 3 emissions. This is the first step in

providing real-time fully integrated sustainability reporting for council services across four key pillars: Responsible Procurement, Environmental Management, People, Health & Diversity, and Community Engagement and Partnering.

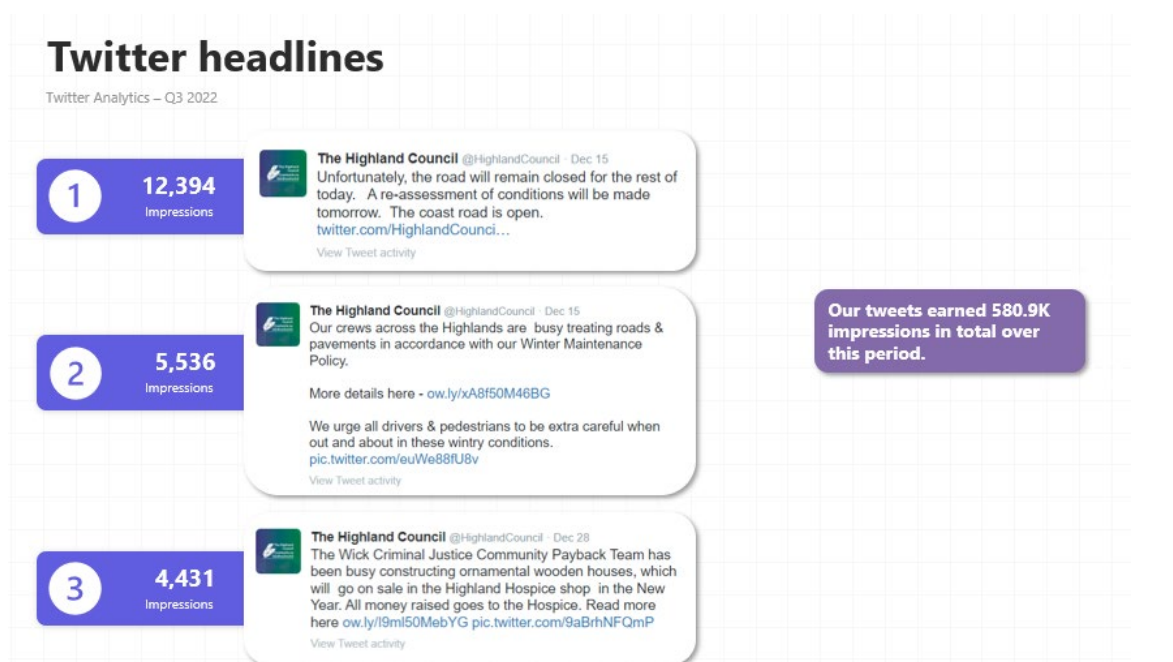
## 6.9 Corporate Communications

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.

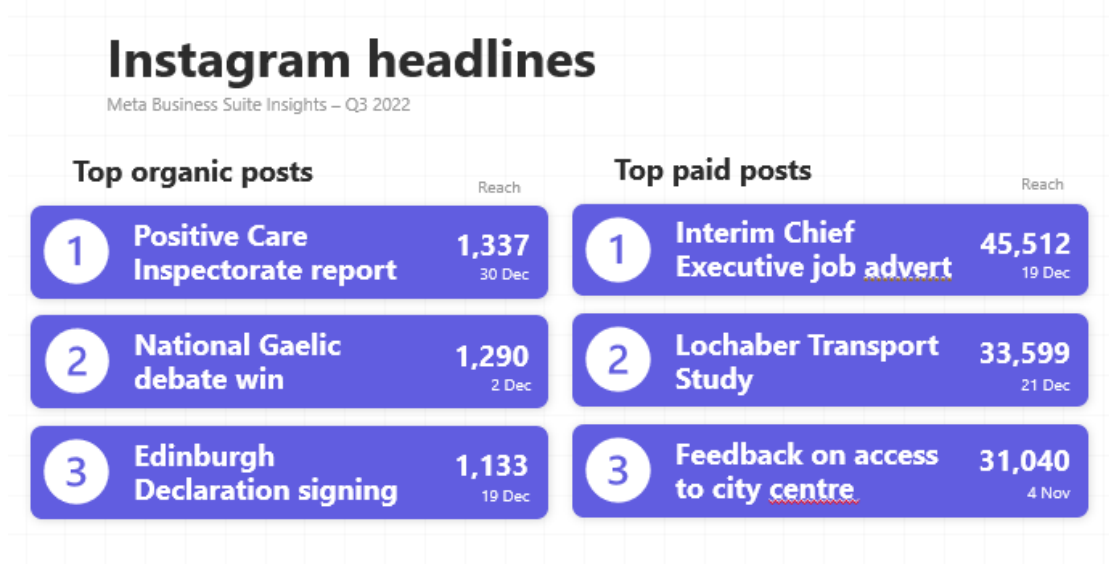
Facebook for Q3 showed there were 35,512 fans, an increase this quarter of 1,506 with 627 posts published which gained a total of 8,584 shares from other users. The slide below notes the top performing organic and paid for content during this period, with the highest post reaching 1M views. National social media ranking shows the Council rank remained 7<sup>th</sup>.



Twitter for Q3 showed there were 29,955 followers, an increase this quarter of 194 with 859 tweets published which gained a total of 574 re-tweets from other users. The slide below highlights the top 3 tweets of most interest to the public. National social media ranking shows the Council rank remained 10<sup>th</sup>.



Instagram for Q3 showed there were 3,558 followers, an increase this quarter of 83. The team published 29 posts with a goal to improve the return on engagement from Instagram users. There has been an 85% increase from last quarter and a 337% increase compared to the same period last year. The slide below notes the top performing organic and paid for content in Q3. National social media ranking shows the Council rank remained 10<sup>th</sup>.



The Council is also active in other social media platforms which continue to increase subscribers including YouTube (746 followers) where the top performing video of this period has gained a total of 2.8K views since published and is the top recommended video on google search for completing postal votes.

A full social media performance report is available on the Council website [Performance page](#).

The cost of living crisis has been a key focus of communication, signposting important information on welfare and energy. The [webpage](#) created for this purpose has received 9,284 page views to date.

The team has also been significantly involved in the promotion of the Opportunity Cromarty Firth bid which was successful. The Council will lead in the communication and engagement of the successful bid and implementation phase on behalf of the consortium.

The Corporate Communications team also launched a new intranet home page in December 2022 in order to improve internal communications. The page was developed in SharePoint and provides a platform for enhanced staff engagement and better performance data. Staff news features and new project pages have received excellent engagement with over 360,000 site visits up to the end of January 2023. Active users are spending on average 35 minutes viewing content per month.

**Designation: Executive Chief Officer Performance & Governance/ Interim Chief Executive**

**Date: 13/02/2023**



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# PERFORMANCE & GOVERNANCE SERVICE Revenue Expenditure Monitoring Report

**1 April 2022 to 31 December 2022**

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Members	1,410	1,702	1,675	(27)
Performance & Governance Corporate	379	404	416	12
Performance & Governance Directorate	765	939	925	(14)
Emergency Planning	36	55	45	(10)
Corporate Communications	277	378	373	(5)
Legal Services	744	416	365	(51)
Licensing	(863)	(466)	(430)	36
Democratic Services	491	718	594	(124)
Elections	511	194	166	(28)
Trading Standards	568	722	682	(40)
Corporate Audit & Performance	648	970	866	(104)
Energy & Sustainability	(364)	(21)	158	179
<b>Total</b>	<b>4,602</b>	<b>6,011</b>	<b>5,835</b>	<b>(176)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	7,126	8,099	8,516	417
Other Costs	2,478	685	2,904	2,219
<b>Gross Expenditure</b>	<b>9,604</b>	<b>8,784</b>	<b>11,420</b>	<b>2,636</b>
Grants	(2,770)	(131)	(2,865)	(2,734)
Other Income	(2,232)	(2,642)	(2,720)	(78)
<b>Total Income</b>	<b>(5,002)</b>	<b>(2,773)</b>	<b>(5,585)</b>	<b>(2,812)</b>
	<b>4,602</b>	<b>6,011</b>	<b>5,835</b>	<b>(176)</b>

## Notes

1. %age of Annual Expenditure	Dec 22/23	77%
	Dec 21/22	76%

**PERFORMANCE AND GOVERNANCE SERVICES BUDGET 2022/23 - DECEMBER 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
<b>Members</b>														
Members	1,702	1,409	1,675	(27)	(12)	(16)	0	0	0	0	1,702	1,409	1,675	(27)
<b>Performance &amp; Governance Corporate</b>														
Performance & Governance Corporate	404	379	416	12	(3)	15	0	0	0	0	404	379	416	12
<b>Performance &amp; Governance Directorate</b>														
Performance & Governance Directorate	949	765	925	(24)	(41)	17	(10)	0	0	10	939	765	925	(14)
<b>Communications &amp; Resilience</b>														
Corporate Communications	388	342	395	7	(3)	11	(10)	(65)	(23)	(13)	378	277	373	(5)
Emergency Planning	81	74	83	2	2	0	(26)	(38)	(38)	(12)	55	36	45	(10)
<b>Corporate Governance</b>														
Legal	429	817	502	73	63	11	(13)	(73)	(138)	(125)	416	744	365	(51)
Licensing	816	651	984	168	153	15	(1,282)	(1,514)	(1,414)	(132)	(466)	(863)	(430)	36
Democratic Services	766	512	655	(111)	(100)	(12)	(48)	(21)	(60)	(12)	718	491	594	(124)
Elections	194	511	166	(28)	(37)	9	0	0	0	0	194	511	166	(28)
Trading Standards	823	607	817	(6)	1	(6)	(100)	(39)	(135)	(35)	722	568	682	(40)
<b>Corporate Audit &amp; Performance</b>														
Corporate Audit & Performance	970	648	866	(104)	(93)	(11)	0	0	0	0	970	648	866	(104)
<b>Energy &amp; Sustainability</b>														
Energy & Sustainability	1,262	2,889	3,936	2,674	487	2,186	(1,284)	(3,252)	(3,777)	(2,493)	(21)	(363)	158	179
<b>TOTAL</b>	<b>8,784</b>	<b>9,604</b>	<b>11,420</b>	<b>2,636</b>	<b>417</b>	<b>2,219</b>	<b>(2,773)</b>	<b>(5,002)</b>	<b>(5,585)</b>	<b>(2,812)</b>	<b>6,011</b>	<b>4,602</b>	<b>5,835</b>	<b>(176)</b>

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