Finance and Integrated Service Support
Performance Report 15/16

Midlothian

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01 Progress in delivery of strategic outcomes

The strategic focus of Finance and Integrated Service Support is on delivering transformational change in service provision as a means to secure financial sustainability and achievement of priority outcomes.

The key programmes which support this are:
. The Review of Local Government Workers Pay and Grading
. Delivering Excellence
. The Council's Financial Strategy

These are supported by:
. The Procurement Strategy
. The Digital Strategy
. The ongoing ISS review
. The Council's People Strategy
. The Council's Transformational Programme

The transformation and repositioning of services is critical to the Council maintaining a sustainable financial and service delivery strategy during a period of continued pressure on public sector finances.

Financial Stewardship and Sustainability Achievements
a) Completion of the 2015/16 Budget, addressing a shortfall of £7.6 million;
b) Completion of the Q3 Financial Monitoring Reports to Council as part of the robust scrutiny of service financial performance demonstrating effective budgetary control across services.

Challenges and Actions
a) Develop budget projections, the impact of the Council Transformation Programme and the financial implications of investment decisions / priorities for 2017/18 to 2021/22;
b) Complete financial monitoring for Q4 2015/16 and into 16/17 and continuing to work with service managers to maintain effective control over expenditure;
c) Complete statutory 2015/16 Final Accounts by deadline of 30th June 2016;
d) Continued Financial Services support for the Council Transformation Programme. Help shape and lead all strands of the programme, continue to revise savings profiles and regularly update on application of the fund;
e) Continue to strengthen financial stewardship in a climate of reducing budgets and increasing service pressure. Continuing to elevate new policy or 8investment decisions to ensure that they are affordable and demonstrate best value.

Transformational Change Achievements
a) External Engagement for Delivering Excellence developed and first phase rolled out across Midlothian communities;
b) number of key areas including Housing, Adult Social Care progressing well with Delivering Excellence
c) Transformational Officer support in:
. Delivering the customer service strategy 2015-18 incorporating a comprehensive service review of the customer service function, channel shift, and business process redesign to improve and enhance service delivery and deliver transformation savings.
. The content migration of the new Council website.
. Delivering an in-house Court provision
. Developing a joint Curators Schemes with Edinburgh City Council and East Lothian.
. the delivery of end to end review of children's services (bringing two localities together and taking an end to end approach from referral to provision of services);
. Implementation of online contractual changes process within Employment and Reward
. Recruitment and Leavers review within Employment and Reward
. Review of Social work financial assessments process

. End to end review of Registrars service underway
. Violence against Women review with the Public Protection Unit
. Review of the work being undertaken in 3 Priority Areas including review of structures to deliver, development of measurable outcomes that will demonstrate our progress on our 3 priorities
d)Equalities
. Equality Outcomes & Equality Mainstreaming Reports 2016 – 2018 for East Lothian & Midlothian Health & Social Care Partnerships;
. the new joint East & Midlothian Integrated Impact Assessment process and training programmes (about to be launched in May);
. The Midlothian Council Equality Employee Monitoring Report 2015 – 2016 (May).
. Development of Mainstream Report for Midlothian and East Lothian Councils
. Review of Impact Assessment

Challenges and Actions
a) Progress to support Services through Delivering Excellence;
b) Continue to drive through the current Business Transformation programme;
c) Drive forward the Equality Agenda with Services becoming confident in undertaking EQUIAs;

Digital Strategy Achievements
a) PSN - Cabinet Office Compliance maintained
b) Digital Strategy - a revised Digital Strategy which is in line with National Strategy has been approved by the Digital Strategy Group
c) Asset Management & Investment Plan –successfully replaced significant number of old servers across the school estate in line with asset management and technical service delivery plan. Replacement of ageing assets (devices) within the School estate and Network Improvements through the Scottish Wide Area Network (SWAN) programme.

Challenges and Actions
a) PSN – Ongoing compliance with PSN – Plans in place to maintain PSN Compliance for 2016/17.
b) Utilising digital solutions and opportunities to deliver transformation al change to service provision across all service areas and with partners

People Strategy Achievements
a) Workforce planning , a key strategic objective is progressing
b) HR Policy reviews, a refreshed code of conduct and enhancement of Line long learning are progressing through the review of pay and grading
c) Additional positive destination appointments, development and resourcing of team dealing with leavers, job evaluation and payroll projects.

Challenges and Actions
a) Review of Local Government Worker Pay and Grading to conclude negotiations and secure Council agreement to progress as a collective agreement, and importantly the 'give and get' of the employee relationship.
b) Supporting cultural shift as part of the rollout of Delivering Excellence to services. Drive forward the importance of making budgetary and performance improvements as part of this agenda.

Procurement Achievements
a) Council achieved accreditation as a Living Wage Employer early in April 2016;
b) Continued roll out of Purchase to Pay project and purchasing cards.

Challenges and Actions
a) To deliver and demonstrate savings through procurement by continuing to review and monitor performance;
b) Meet the requirements of the new EU Directives and the Procurement Reform (Scotland) Act 2014.

02. Emerging Challenges

- Balancing future years budget against a backdrop of reducing government funding, increase service demands and demographic cost pressures
- Concluding and implementing the review of pay and grading
- Continuing to secure a shift in culture and behaviours across the Council, adapting and innovating in response to the many challenges services face
- Securing impalements in the services provided by F&ISS and reducing the costs of these services
- Maintaining security over the Councils digital infrastructure and investing to maximise the impact technology has in both the corporate and learning environments

Finance and Integrated Service Support PI summary

01.1 Outcomes and Customer Feedback

Priority	Indicator	2014/15 Value	Q1 2015/16 Value	Q2 2015/16 Value	Q3 2015/16 Value	2015/16 Value	2015/16 Status	2015/16 Note	2015/16 Short Trend	Annual Target 2015/16	Feeder Data	Value
01. Provide an efficient complaints service	Number of complaints received (cumulative)	22	7	9	14	17	📈	**15/16:** Data Only	⬇			
01. Provide an efficient complaints service	Average time in working days to respond to complaints at stage 1	11.5	1.6	2.17	3	13.55	🛑	**15/16:** Off Target	⬇	5	Number of complaints complete at Stage 1	11
											Number of working days for Stage 1 complaints to be Completed	149
01. Provide an efficient complaints service	Average time in working days to respond to complaints at stage 2	24	13.5	13.5	13.5	13.5	✅	**15/16:** On Target	⬆	20	Number of complaints complete at Stage 2	2
											Number of working days for Stage 2 complaints to be Completed	27
01. Provide an efficient complaints service	Percentage of complaints at stage 1 complete within 5 working days	35.71%	100%	100%	87.5%	72.73%	🛑	**15/16:** Off Target	⬆	95%	Number of complaints complete at Stage 1	11
											Number of complaints at stage 1 responded to within 5 working days	8
01. Provide an efficient complaints service	Percentage of complaints at stage 2 complete within 20 working days	75%	100%	100%	100%	100%	✅	**15/16:** On Target	⬆	95%	Number of complaints complete at Stage 2	2
											Number of complaints at stage 2 responded to within 20 working days	2

01.2 Making the Best Use of our Resources

Priority	Indicator	2014/15 Value	Q1 2015/16 Value	Q2 2015/16 Value	Q3 2015/16 Value	2015/16 Value	2015/16 Status	2015/16 Note	2015/16 Short Trend	Annual Target 2015/16	Feeder Data	Value
02. Manage budget effectively	Performance against revenue budget	N/A	£12.760 m	£9.929 m	£11.986 m	N/A	▬	**15/16:** Performance against budget will be reported to the Council in June.	▬	£9.693 m		
03. Manage stress and absence	Average number of working days lost due to sickness absence (cumulative)	6.89	1.69	2.13	3.39	4.53	✅	**15/16:** On Target	⬆	8.26	Number of days lost (cumulative)	1,231.98
											Average number of FTE in service (year to date)	272.03

01.3 Corporate Health

Priority	Indicator	2014/15 Value	Q1 2015/16 Value	Q2 2015/16 Value	Q3 2015/16 Value	2015/16 Value	Status	Note	Short Trend	Annual Target 2015/16	Feeder Data	Value
04. Complete all service priorities	% of service priority actions on target / completed, of the total number	63.16%	100%	100%	90.48%	80.95%	🔴	**15/16:** Off Target Actions which are off target are being address with individual managers concerned.	⬆	90%	Number of divisional & corporate priority actions	21
											Number of divisional & corporate priority actions on tgt/completed	17
05. Process invoices efficiently	% of invoices paid within 30 days of invoice receipt (cumulative)	91%	92%	91%	91%	90%	🔴	**15/16:** On Target	⬇	90%	Number received (cumulative)	2,309
											Number paid within 30 days (cumulative)	2,067
06. Improve PI performance	% of PIs that are on target/ have reached their target.	50%	0%	0%	100%	100%	✅	**15/16:** On Target	⬆	90%	Number on tgt/ tgt achieved	1
											Number of PI's	1
07. Control risk	% of high risks that have been reviewed in the last quarter	100%	100%	100%	100%	100%	✅	**15/16:** On Target 1 High Risk reviewed and reclassified as medium risk by Manager.	▬	100%	Number of high risks reviewed in the last quarter	4
											Number of high risks	4

01.4 Improving for the Future

Priority	Indicator	2014/15 Value	Q1 2015/16 Value	Q2 2015/16 Value	Q3 2015/16 Value	2015/16 Value	Status	Note	Short Trend	Annual Target 2015/16	Feeder Data	Value
08. Implement improvement plans	% of internal/external audit actions in progress	80%	30.77%	89.29%	26.32%	75.86%	🔴	**15/16**: Off Target Appropriate action being taken to progress outstanding/overdue actions	⬇	90%	Number of on target actions	22
											Number of outstanding actions	29

Finance and Integrated Service Support Action report

Midlothian

03. Service Priorities						
Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.1	01. SMP AHC - Staying at home - increased flexibility of local services/support	Develop the financial and resource arrangements required to support the Integration of Health and Social care, developing an action plan and implementing actions in the shadow year	31-Mar-2016	✅	100%	**15/16:** Complete A report on the final financial assurance arrangements for the IJB was presented to Council in March and outlines the framework for 2016/17.
FISS.S.2.1	02. SMP SG - Support the local economy through the Ambitious Midlothian Plan	Implement a Procurement Strategy which places greater emphasis on social responsibility requirements such as training opportunities, living wage etc , imbeds the Public Sector Procurement portal	31-Mar-2016	✅	100%	**15/16:** Complete Procurement Strategy 2015-18 complete and approved at Council on 23 June 2015
FISS.S.2.2		Continue to work with Local service providers to help them secure public sector contracts.	31-Mar-2016	❌	75%	**15/16:** Off Target Work continuing to support local suppliers, meet they buyer event has been rescheduled for 2nd June 2016 due to elections.
FISS.S.3.1	03. SMP IOM - Increased positive destinations for adults and young people	Work with Services to develop service specific workforce plans which increase apprenticeship opportunities and prioritise any eternal recruitment to those leaving learning.	31-Mar-2016	✅	100%	**15/16**: Complete CMT were given update on progress in April 2016
FISS.S.4.1	04. SMP IOM - Engagement with local employers	Adopt a revised Procurement Strategy which places greater emphasis on social responsibility requirements such as apprenticeships, and other opportunities for young people leaving learning	31-Mar-2016	✅	100%	**15/16:** Complete Procurement Strategy 2015-18 approved at Council on 23rd June 2015

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.5.1	05. Ensure equality of opportunity as an employer	Deliver and embed second People Strategy and the actions targeted for 2015/16 to ensure that our workforce is positive, motivated, high achieving, well led and well managed and there is an understanding about the employee proposition	31-Mar-2016	❌	75%	**15/16**: Off Target: Actions progressing in line with agreed People Strategy. Code of Conduct, Policy development, and lifelong learning all part of low pay negotiations
FISS.S.5.2		Manage MiFuture to ensure that Switch (Staff working in transition) and Internal Jobs Market support flexibility as our workforce reduces and our service requirements change to ensure that our workforce matches the needs of services and service users.	31-Mar-2016	✅	100%	**15/16:** Complete Service reviews being supported through HR/OD support. Latest SWITCH statistics are: Total number of people who have entered SWITCH - 86. Number of people currently in SWITCH as at 31 March 2016 – 23. Unfunded placement 2 and funded placement 21. VSER taken 32 Redeployed staff 30 into posts.
FISS.S.6.01	06. Ensure sustainable strategy for the delivery of Council Services	Maintain momentum of the ISS Project to transform Service support, improve customer service, effectiveness and efficiency of service provision	31-Mar-2016	✅	100%	**15/16**: Complete Business Services structure was approved and implemented in Q4.
FISS.S.6.03		Implement Committee Management system and functionality	31-Mar-2016	✅	100%	**15/16:** Complete **Phase 1: Democratic Services Team** The system is Live within the Democratic Services Team and has been launched on the Midlothian website for public access. Security permissions have been configured and rollout to Executive Officers and Executive Officer Support has been completed. **Phase 2: Report Authors** Work has commenced on the set up of the business manager module. The CMS team and the Total Document Management team will work in conjunction to establish the process for the submission of reports to committees. Initial discussions have taken place and a workshop is planned in April.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.6.04	06. Ensure sustainable strategy for the delivery of Council Services	Strengthen our Maximising Attendance polices as part of the overall policy review July 2015 with an emphasis on early intervention to reduce overall sickness absence. Adopt revised policies and deliver on the actions planned for 2015/16	31-Mar-2016	❌	75%	**15/16**: Off Target Changes to the HR/OD Policies are being progressed as part of the review of low pay. The employees Code of Conduct is in the process of being improves and updated **-** request made to extend due date to October 2016.
FISS.S.6.05		Achieve PSN compliance	31-Mar-2016	✅	100%	**15/16:** Complete PSN Accreditation now confirmed (on 27th April 2016 for another year) Digital Services will continue to monitoring and review all Council services to ensure PSN compliance is maintained.
FISS.S.6.06		Achieve the targets set out in our procurement Contract Delivery Plan to deliver cashable savings	31-Mar-2016	✅	100%	**15/16:** Complete Contract Delivery Plan complete and endorsed at Council. All actions/contracts being delivered to timescale. No saving target has been set against the contract delivery plan, all savings identified and delivered through the tendering process will be reported and harvested.
FISS.S.6.07		Completion of the unaudited Statutory Accounts for 2013/14 to ensure that we maintain strong financial management and stewardship	31-Mar-2016	✅	100%	**15/16:** Complete Unaudited accounts were completed in June and approved by Audit Committee and Council. They were submitted to the Councils auditors in advance of the statutory deadline of 30th June.
FISS.S.6.08		Completion of the statutory financial audit and achieve an unqualified audit opinion for the Accounts for 2014/15	31-Mar-2016	✅	100%	**15/16**:Complete Audited Accounts completed with an unqualified opinion.
FISS.S.6.09		Deliver quarterly financial reports an commentary to Council	31-Mar-2016	✅	100%	**15/16:** Complete Quarter 3 Monitoring Reports for both General Fund and Housing Revenue Account revenue and capital were presented to Council in February. This contributes to the Council priority of maintaining robust financial stewardship. The reports give CMT and members a full assessment of the financial health of the Council, highlights performance issues against budget, emerging pressures and provides an update on the Council's useable reserves strategy.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.6.10		Deliver and monitor financial strategy for 2015/16 to 2017/18 to support Council setting the 2015/16 Council tax and a balanced budget	31-Mar-2016	✅	100%	**15/16:** Complete The financial strategy was presented to the Council on 17th February 2015.
FISS.S.6.11		Provide a regular and robust assessment of savings arising from BTB programme and costs of the programme activities	31-Mar-2016	✅	100%	**15/16:** Complete The latest position on Business Transformation Funds utilisation and savings achieved to date against targets was incorporated in the Quarter 3 Financial Monitoring Report. This gives visibility on the value of funds invested in the Transformation programme and the resultant budgetary savings. Investing in Business Transformation approved workstreams contributes to the longer term financial sustainability of the Council.
FISS.S.6.12		Achieve the actions set out in the Purchase to Pay project plan, with the majority of sites, including schools live	31-Mar-2016	❌	40%	**15/16:** Off Target Following abandonment of upgrade to Integra 2 in February, implementation of purchasing cards has recommenced with focus on Schools.
FISS.S.6.13	06. Ensure sustainable strategy for the delivery of Council Services	Achieve the actions set out in the Total Document Management project plan	31-Mar-2016	✅	100%	**15/16:** Complete **General - Education Access to CS10** The test environment has been configured and successfully accessed from an Education user account. This functionality will provide the same access to CS10 across both Corporate and Education networks. The next step is to configure live and enable the Employment and Reward contractual changes workflows fo Education users. **Employment & Reward Workstream** Implementation of workstream has been completed. **Purchase To Pay Workstream** Full end to end testing has been completed successfully by the P2P team with support from TDM team. Further progression to a live pilot is dependent on the the Integra upgrade which is planned for September 2016. **Business Services Workstream** User testing and pilot on the workflow to support the administration of mobile phones has been completed. Training for mobile phone administrators is planned for April. The introduction of the new process is planned for early May. **Policies and Procedures Workstream** HR and Employment & Reward policies and procedures is

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
						Live via the intranet portal. The TDM team and Digital Services are working with Health & Safety and Contingency planning to migrate their policies and procedures to the portal. Digital Services are developing a generic portal module that will support future roll out of the portal to other service areas. **Executive Officer Support** The TDM Board have agreed that this implementation should progress in 4 phases - Executive Officer Support (Admin), Casework, Meetings/Committee reports and Executive Officers. Work is progressing with the Executive Officer Support (Admin). The scope for Casework and Meetings/Committee Reports has been agreed.
FISS.S.6.14	06. Ensure sustainable strategy for the delivery of Council Services	Complete introduction of the Council's Managed Print Service	31-Mar-2016	✅	100%	**15/16:** Complete Introduction of MPS completed. Handover from implementation to business as usual completed. Contract management arrangements in place with Xerox to monitor performance and print volumes.
FISS.S.6.15	06. Ensure sustainable strategy for the delivery of Council Services	To deliver the 2015/16 internal audit plan providing independent assurance on the management of risk (including corporate risks) and on the strength of internal controls within the Council to manage these risks.	31-Mar-2016	❌	80%	**15/16:** Off Target Overall 28 separate pieces of audit work have been completed for 2015/16. 3 pieces of work are at the reporting stage and fieldwork is underway for another 5. 2 audits have been carried forward to the next year's plan on the basis that unplanned audits were carried out on the Integrated Joint Board following the Council being appointed as the lead audit team for the IJB. The audit plan for 2015/16 is anticipated to be complete by the end of June, the target date.

Finance and Integrated Service Support PI Report

Midlothian

03. Service Priority

PI Code	Priority	PI	2014/15 Value	Q1 2015/16 Value	Q2 2015/16 Value	Q3 2015/16 Value	2015/16 Value	2015/16 Status	2015/16 Short Trend	2015/16 Note	Annual Target 2015/16	Benchmark
FISS.S.6.06a	06. Ensure sustainable strategy for the delivery of Council Services	Percentage of actions in the Contract Delivery Plan that are completed or on target	100%	75%	75%	100%	100%	✔	▬	**15/16:** On Target All contracts are on target.	100%	

03. Service Priorities relating to the Local Government Benchmarking Framework

PI Code	Priority	PI	2014/15 Value	Q1 2015/16 Value	Q2 2015/16 Value	Q3 2015/16 Value	2015/16 Value	2015/16 Status	2015/16 Short Trend	2015/16 Note	Annual Target 2015/16	Benchmark
CORP6	Benchmarks	Sickness Absence Days per Employee (All employees)	8.85	2	3.36	5.76	8.29	⬢	⬆	**15/16:** Off Target Organisational Development and Human Resources are continuing to upskill managers to maximise attendance in their service areas.	8	14/15 13/14 Rank 8 (TOP Quartile)
CORP6aiii	Benchmarks	Sickness Absence Days per Teacher (CUMULATIVE) (LGBF)	5.5	1.02	1.08	2.42	4.17	📈	⬆	**15/16:** Data Only There is a decrease in the number of sickness/absence days per teacher from 5.5days in 14/15 to 4.17 days in 15/16. HR are continuing to support		14/15 Rank 6 (Top Quartile) 13/14

PI Code	Priority	PI	2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	2015/16				Annual Target 2015/16	Benchmark
			Value	Value	Value	Value	Value	Status	Short Trend	Note		
										services in reducing sickness absence by providing advice on individual cases and attending sickness absence meetings as well as identifying trends within their services.		Rank 5 (Top Quartile)
CORP6biii	Benchmarks	Sickness Absence Days per Employee (non-teacher) (CUMULATIVE) (LGBF)	10.11	2.36	4.3	7.13	9.9			**15/16:** Data Only There is a decrease in the number of sickness/absence days per teacher from 10.1 days in 14/15 to 9.9 days in 15/16. HR are continuing to support services in reducing sickness absence by providing advice on individual cases and attending sickness absence meetings as well as identifying trends within their services.		14/15 Rank 11 (Second Quartile) 13/14 Rank 14 (Second Quartile)
CORP8	Benchmarks	Percentage of invoices sampled and paid within 30 days (LGBF)	93.0%	95.0%	93.0%	91.0%	90.0%			**15/16 :** Off Target The percentage of invoices paid within 30 days has fallen from 93% in 2014/15 to 90% in 2015/16. The percentage total value of invoices paid within 30 days is 96.8%. Managers will be reminded of their obligation to pay suppliers within the 30 day payments terms. The Purchase to Pay project has a number of workstreams that will change the way we process payments to suppliers	95.0%	14/15 Rank 15 (Second Quartile) 13/14 Rank 11 (Second Quartile)

Local Government Benchmarking Framework - Finance and Integrated Service Support

Midlothian

Corporate Services

Code	Title	2010/11 Value	2011/12 Value	2012/13 Value	2013/14 Value	2014/15 Value	2015/16 Value	External Comparison
CORP1	Central Support services as a % of Total Gross expenditure (LGBF)	4.24%	4.15%	3.56%	4.39%	5.26%	Data will be available in January 2017	14/15 Rank 20 (Third Quartile) 13/14 Rank 11 (Second Quartile)
CORP2	Corporate and democratic core costs per 1,000 population (LGBF	£42,210.99	£34,939.91	£48,041.31	£44,663.52	£42,036.89	Data will be available in January 2017	14/15 Rank 25 (Bottom Quartile). 13/14 Rank 25 (Bottom Quartile)
CORP3b	The Percentage of council employees in top 5% of earners that are women (LGBF)	44.6%	41.6%	45.6%	48.8%	47.7%	44.6%	14/15 Rank 25 (THird Quartile). 13/14 Rank 24 (Third Quartile)
CORP3c	The gender pay gap between average hourly rate of pay for male and female council employees	New for 15/16					£0.68	
CORP6aiii	Sickness Absence Days per Teacher (CUMULATIVE) (LGBF)	New for 13/14			5.25	5.5	4.17	14/15 Rank 6 (Top Quartile) 13/14 Rank 5 (Top Quartile)
CORP6biii	Sickness Absence Days per Employee (non-teacher) (CUMULATIVE) (LGBF)	New for 13/14			10.05	10.11	9.9	14/15 Rank 11 (Second Quartile) 13/14 Rank 14 (Second Quartile)
CORP8	Percentage of invoices sampled and paid within 30 days (LGBF)	81.2%	83.1%	93.3%	93.4%	93.0%	90.0%	14/15 Rank 15 (Second Quartile) 13/14 Rank 11 (Second Quartile)