

Finance and Integrated Service Support Performance Report 15/16



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 and associated Transformation Strategy
- The Council's People Strategy

These are supported by:

- The Procurement Strategy
- The Digital Strategy
- The ongoing ISS review

In terms of the ISS Review this is on target to deliver £1.265m of the £1.5m savings to be achieved by 31st March 2016 with work ongoing to identify and deliver remaining £0.235m.

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 2014/15 Unaudited Financial Statements;
- b) Completion of the 2014/15 Financial Monitoring reports for Council and Audit Committee as part of continuing robust scrutiny of Financial Performance;
- c) Detailed review for Business Transformation Board of progress against financial savings targets for 2015/16 and future years.

Challenges and Actions

- a) Develop future years budget projections, the impact of the change programmes and the financial implications of investment decisions / priorities for 2016/17 to 2020/21;
- b) Complete statutory Audited Financial Statements by 30 September;
- c) Prepare financial monitoring projections for 2015/16 and continue to work with service managers to maintain effective control over expenditure;
- d) Continued financial support for the Council Transformation and change Programmes. Help shape and lead all strands of the programme, continue to revise savings profiles and regularly update on application of the fund;
- e) Strengthen financial stewardship in a climate of reducing budgets and increasing service provision;
- f) Reach Financial close for the Newbattle Schools project.

Digital Services

Achievements

- a) Completion of a number of key projects to support wider strategic aims of the Council (Scottish Wide Area Network (SWAN) transition, SEEMIS transition, Computer Room onto Uninterruptible Power supply (UPS) covering both computer rooms – Midlothian & Fairfield House) and School Asset Refresh programme.
- b) Approval of Public Services Network(PSN) Compliance and associated project related activities – until April 2016
- c) External Audit review – now complete and no major risks have been identified in initial report.
- d) Completion of EWIM Midlothian House – 1st floor , users (approx 150 users) and supporting technologies implemented
- e) Completion of a number of Business critical applications upgrades (HR, Revenues & Benefits, Housing Repairs, Revenues & Benefits - Document management)

Challenges and Actions

- a) Business Continuity - Hopefield Primary School Fire Incident and associated responses - report and supporting actions agreed by CMT 03/06/2015. Now preparing Information Commissioner and Public Records Scotland Act update reports.
- b) Management of change and the mixed Programme \ project priorities placed on Digital Services resources across the Council.

Procurement

Achievements

- a) Procurement Strategy 2015-2018 approved at Council 23 June 2015
- b) Continued roll out of Purchase to Pay project
- c) Achieved 65% in 2014 Procurement Capability Assessment

Challenges and Actions

- a) To deliver & demonstrate savings through procurement by continuing to review & monitor performance.
- b) Deliver the Purchase to Pay Project by completing the project plan on time
- c) To deliver a robust contract and supplier management tool by rolling out guidance and training to contract owners.
- d) Deliver actions from Procurement Strategy 2015-18 by creating a Procurement Strategy Board and deliver actions on time
- e) Achieve Living Wage Accreditation by working with the living wage foundation to promote and encourage the payment of the living wage throughout the supply chain
- f) Meet the requirements of the new EU Directives and the Procurement Reform (Scotland) act 2014 by working with Scottish Government on guidance to meet the new requirements

Transformation Change

Achievements

- a) Delivering Excellence report to Council to set out way forward.
- b) Development of the strategic change Programme of work underway
- c) In line with External Audit recommendations, transition of 3 areas out of main programme (energy, externalisation/insourcing and income maximisation) into business as usual or Delivering excellence, Court appointments made and progress to bring service in house underway

Challenges and Actions

- a) Effective change management embedded across the business to deliver excellence
- b) Ensure sustainability of current service improvements including contractual changes, recruitment, licensing, social care finance and customer services.
- c) Align strategies e.g. Digital, People, Change and Financial as part of overarching Change Programme

People Strategy

Achievements

- a) Culture change project plan to reduce sickness absence in areas of greatest need.
- b) Inspire leadership programme established and ongoing to support senior leadership
- c) Employee Voice - Great Place to Grow Roadshows

Challenges and Actions

- a) Review of local government worker pay and grades
- b) Delivering Excellence framework to be rolled out to services.
- c) Workforce planning for services and Council
- d) Great Place to Grow Roadshows extra dates added
- e) Culture change project plan to reduce sickness absence in areas of greatest need.
- f) Inspire leadership programme established and ongoing to support senior leadership.

02. Emerging Challenges

The emerging challenges for the service are twofold.

Firstly to update the Financial Strategy reflecting the emerging picture for national public finances and alongside this progress across all services the Delivering Excellence programme, maintaining a sustainable financial and service delivery strategy.

Secondly to deliver on the following critical change projects for the council.

- Review of Local Government pay and gradings
- The ISS review, to delivery efficiencies, improve service performance and improve customer service

In addition there are a number of service specific challenges as follows.

- a) Financial close for Newbattle High School Replacement
- b) Maintain financial discipline across all services
- c) Updating and implementing the Digital Strategy, Digital Asset Management Plan and associated Investment Plans

Suggested changes to priorities

FISS.S.6.15 - Wording to be changed from 'Deliver robust corporate governance and scrutiny by ensuring that the internal audit plan encompasses the Councils corporate risks and complete the actions in the 2015/16 plan'.






to

'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'.



Performance Indicator to be removed as not measureable. FISS.S.5.1a - Percentages of actions in the second People Strategy plan that are completed or on target.

Finance and Integrated Service Support PI summary









Outcomes and Customer Feedback

Priority	Indicator	2014/15	Q1 2014/15	Q1 2015/16				Annual Target 2015/16	Feeder Data	Value
		Value	Value	Value	Status	Note	Short Trend			
01. Provide an efficient complaints service	Number of complaints received (cumulative)	22	4	7		Q1 15/16: Data Only	↓			
01. Provide an efficient complaints service	Average time in working days to respond to complaints at stage 1	11.5	0	1.6		Q1 15/16: On Target	↑	5	Number of complaints complete at Stage 1	5
									Number of working days for Stage 1 complaints to be Completed	8
01. Provide an efficient complaints service	Average time in working days to respond to complaints at stage 2	24	0	13.5		Q1 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%		Q1 15/16: On Target	↑	95%	Number of complaints complete at Stage 1	5
									Number of complaints at stage 1 responded to within 5 working days	5
01. Provide an efficient complaints service	Percentage of complaints at stage 2 complete within 20 working days	75%	0%	100%		Q1 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



Making the Best Use of our Resources

Priority	Indicator	2014/15	Q1 2014/15	Q1 2015/16				Annual Target 2015/16	Feeder Data	Value
		Value	Value	Value	Status	Note	Short Trend			
02. Manage budget effectively	Performance against revenue budget	N/A	£ 9.928 m	£ 12.760 m		Q1 2015/16: Financial information for 14/15 which was reported to the Council in June 2015.	▬			
04. Manage stress and absence	Average number of working days lost due to sickness absence (cumulative)	6.89	1.62	1.69		Q1 15/16: On Target	↑		Number of days lost (cumulative)	479.08
									Average number of FTE in service (year to date)	282.88

Corporate Health

Priority	Indicator	2014/15	Q1 2014/15	Q1 2015/16				Annual Target 2015/16	Feeder Data	Value
		Value	Value	Value	Status	Note	Short Trend			
05. Complete all service priorities	% of service priority actions on target / completed, of the total number	63.16 %	100%	100%		Q1 2015/16: On Target		90%	Number of divisional & corporate priority actions	21
									Number of divisional & corporate priority actions on tgt/completed	21
06. Process invoices efficiently	% of invoices paid within 30 days of invoice receipt (cumulative)	91.07 %	94.55 %	92.11 %		Q1 2015/16: On Target		90%	Number received (cumulative)	583
									Number paid within 30 days (cumulative)	537
08. Improve PI performance	% of PIs that are on target/ have reached their target.	50%	75%	0%		Q1 2015/16: Off Target - One PI due for completion in September 2015.		90%	Number on tgt/ tgt achieved	0
									Number of PI's	1
09. Control risk	% of high risks that have been reviewed in the last quarter	100%	100%	0%		Q1 15/16: No high risks		100%	Number of high risks reviewed in the last quarter	0
									Number of high risks	0





Improving for the Future







Priority	Indicator	2014/15	Q1 2014/15	Q1 2015/16				Annual Target 2015/16	Feeder Data	Value
		Value	Value	Value	Status	Note	Short Trend			
10. Implement improvement plans	% of internal/external audit/BVR actions on target/ completed, of the total.	80%	100%	30.77 %		Q1 2015/16: Off Target Appropriate action being taken to progress outstanding/overdue actions		90%	Number of on tgt/ completed actions	4
									Number of outstanding actions	13






Finance and Integrated Service Support Action report





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		25%	Q1 2015/16: On Target. Work continues to support the integration of Health and Social Care with regular reports to the Board regarding the financial governance and financial assurance process to the Integration Joint board and Council.
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%	Q1 2015/16: 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		25%	Q1 2015/16: On Target. Work continues to support local suppliers to secure public sector contracts via meet buyers events etc.
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		25%	Q1 2015/16: Recruitment fare to attract school leavers to Midlothian Council. Across the council work is progressing to target apprentice vacancies to increase positive destinations.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
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%	Q1 2015/16: Complete. Procurement Strategy 2015-18 approved at Council on 23rd June 2015
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		25%	Q1 2015/16: On Target: Actions progressing in line with agreed People Strategy.
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		25%	15/16: On Target. Service reviews being supported through MiFuture. Organisational change projects on culture and sickness absence underway. Latest SWITCH statistics are: Total number of people who have entered SWITCH - 62 Number of people currently in SWITCH as at 30 June 2015 - 17 Number of funded placements - 16 Number of unfunded placements - 1 Number of people in SWITCH who have moved from switch to jobs – 24 Number of Employees taken VSER 20 Other leavers - 1
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		40%	Q1 2015/16: On Target: The Customer First phase of the ISS Project continues to be focused on delivering the model of integrated service support by putting in place teams with the right skills and capability to effectively support front line services and support the implementation of key enablers.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.6.03	06. Ensure sustainable strategy for the delivery of Council Services	Implement Committee Management system and functionality	31-Mar-2016		10%	Q1 2015/16: On Target: Functional and technical tender specification completed. Invitation to tender closes 16 July 2015. Evaluation of tenders planned during July and August 2015
FISS.S.6.04		Strengthen our Maximising Attendance policies 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		25%	Q1 2015/16: On Target. The people strategy 2015/17 addresses culture issues and encourages an emphasis on the employee proposition. We are aiming to attract and retain fully engaged employees who are committed to delivering the very best of services
FISS.S.6.05		Achieve PSN compliance	31-Mar-2016		25%	Q1 15/16: On Target. Ongoing monitoring and review of all Council services to ensure all services are in line with PSN compliance requirements.
FISS.S.6.06		Achieve the targets set out in our procurement Contract Delivery Plan to deliver cashable savings	31-Mar-2016		75%	Q1 2015/16: On Target. Work ongoing to complete Contract Delivery Plan 2016-17 for September 2015. Delay due to unforeseen circumstances.
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%	Q1 2015/16: 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		50%	Q1 2015/16: On Target to conclude Audit as planned.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.6.09	06. Ensure sustainable strategy for the delivery of Council Services	Deliver quarterly financial reports an commentary to Council	31-Mar-2016		25%	Q1 2015/16: On Target: Final financial monitoring reports for all funds were completed in May and presented to Audit Committee and to Council in June. 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, highlight performance against budget, provide details of material variances, highlight emerging pressures and provide an update on the Council's useable reserves strategy.
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%	Q1 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		25%	Q1 2015/16: On Target: The latest position on Business Transformation Funds utilisation and savings achieved to date against targets was incorporated in the Final Outturn report for 2014/15. Subsequent to this a report has been presented to Business Transformation Board providing more narrative on progress against savings targets and prospects going forward. 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		33%	Q1 2015/16: On Target: Purchasing Cards pilot now live. Implementation commenced for Facilities Management. Further development work required for E-Forms.
FISS.S.6.13		Achieve the actions set out in the Total Document Management project plan	31-Mar-2016		25%	Q1 2015/16: On Target: Contractual Change workflows live from June 2015. Intranet portal live from June 2015. Further development by Digital Services is required to provide solution for schools access. A pilot of HR General mail scanning workflow is ongoing. Plan to introduce in July 2015. Purchase to Pay integration progressing and further testing in ongoing. Next Steps including Executive Officer Support and integration with Committee management System agreed by TDM Board.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
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		25%	Q1 2015/16: On Target: Roll out continuing. Secondary schools implementation is nearing completion. Implementation on primary schools ongoing during summer break. Project Team are working with services to agree "sign-off" for remaining satellite sites
FISS.S.6.15		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		25%	Q1 15/16: On Target: Three reviews have been completed from the 2015/16 plan. Work is underway on an additional 5 pieces of work. As with previous years the first quarter involves completion of the previous year's plan.

Finance and Integrated Service Support PI Report











Service Priorities

PI Code	Priority	PI	2014/15	Q1 2014/15	Q1 2015/16				Annual Target 2015/16	Benchmark
			Value	Value	Value	Status	Short Trend	Note		
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	75%		75%			Q1 2015/16: Off Target. Work underway to develop contract delivery plan 2016-17 due for completion September 2015, Delay due to unforeseen circumstances.	100%	

Local Government Benchmarking Framework– 2014/15 data will be available in Quarter Three

PI Code	Priority	PI	2014/15	Q1 2014/15	Q1 2015/16				Annual Target 2015/16	Benchmark
			Value	Value	Value	Status	Short Trend	Note		
CORP1		Central Support services as a % of Total Gross expenditure	Not measured for Quarters							2013/14 Rank 11 (Second Quartile)
CORP2		Corporate and democratic core costs per 1,000 population	Not measured for Quarters							2013/14 Rank 25 (Bottom Quartile)
CORP3b		The Percentage of council employees in top 5% of earners that are women	47.7%	46.5%	44.7%			Q1 2015/16: Data Only		2013/14 Rank 24 (Third Quartile)

PI Code	Priority	PI	2014/15	Q1 2014/15	Q1 2015/16				Annual Target 2015/16	Benchmark
			Value	Value	Value	Status	Short Trend	Note		
CORP6		Sickness Absence Days per Employee (All employees)	8.85	2.56	2			Q1 15/16: On target Improving trend compared to the same period previous year. Due to absence management being addressed by HR who are providing support to managers to manage absence competently.		2013/14 Rank 8 (TOP Quartile)
CORP6aiii		Average days lost per employee (Teachers) (CUMULATIVE)	5.5	1.51	1.02			Q1 2015/16: Absence reduction for teachers has been sustained year on year		
CORP6biii		Average days lost per employee (All other local government employees except Teachers) (CUMULATIVE)	10.11	2.96	2.36			Q1 2015/16: Absence reduction for teachers has been sustained year on year		
CORP8		Percentage of invoices sampled and paid within 30 days	93.0%	95.1%	95.0%			Q1 15/16: On Target. The% total value of invoices paid within 30 days is 97.87%.		2013/14 Rank 11 (Second Quartile)