

Finance and Integrated Service Support Annual Performance Report 2014/15



Progress in delivery of strategic outcomes

2014/15 was a period of significant change for the Service. The year began with the completion of the 2014 Management Review which reduced 3rd and 4th tier management posts from 32 to 22.

Following on from the management review services have undertaken detailed reviews of their team structure as part of the wider ISS review.

We have already seen the benefits of this work, for example in Digital Services, bringing together and refocussing support to schools and corporate users.

In terms of key areas the achievements, challenges and actions are set out below.

Financial Stewardship

Achievements

- a) Set a balanced budget for 2015/16 and approved revised general services capital plan with investment of £75,181m.
- b) Completion of the Q3 Financial Monitoring Reports to Council as part of the robust scrutiny of service financial performance; projecting a general fund underspend of £1.430.
- c) Maintained strong financial stewardship derived through the quarterly financial monitoring reports by external audit.
- d) Approved Capital Investment plans for General Fund and HRA for the next three years.

Challenges and Actions

- a) Develop budget projections, the impact of the Council Transformation Programme and the financial implications of investment decisions / priorities for 2016/17 onwards.
- b) Complete year end and final monitoring for 2014/15 and continue to work with service managers to maintain effective control over expenditure;
- c) Complete statutory 2014/15 Final Accounts by deadline of 30th June 2015.
- 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) Strengthen financial stewardship in a climate of reducing budgets and increasing service pressure.
- f) ESA10 impact on the Financial close of Newbattle High School project.

People Strategy

Achievements

- a) Completion of the final year tasks of the People Strategy with the 2nd People Strategy approved.
- b) Successful transition management for employees as part of the Mi Future programme.
- c) Culture change project plan to reduce sickness absence in areas of greatest need.
- d) Healthy working lives gold award first year accreditation.
- e) Inspire leadership programme established and ongoing to support senior leadership.
- f) Recruitment fare to attract school leavers to Midlothian Council. Across the council work is progressing to target apprentice vacancies to increase positive destinations.

Challenges and Actions

- a) Review of Local Government working terms and conditions and associated culture changes.
- b) Workforce aspects of the Health and Social Care integration at the end of the shadow board period and into a period of change and transformation.
- c) Reducing and managing sickness absence levels and upskilling managers to manage absence competently.

Procurement

Achievements

- a) Achieved 65% in 2014 Procurement Capability Assessment.
- b) Continued rollout of Purchase to Pay project.

Challenges and Actions

- a) To deliver & demonstrate savings through procurement - Continue to review & monitor performance.
- b) To complete Purchase to Pay Project - Complete tasks in project plan on time.
- c) To deliver a robust contract and supplier management tool - Roll out guidance and training to contract owners, work closely with Scottish Government in developing national online tool.
- d) Complete and gain approval for updated Procurement Strategy and contract delivery plan incorporating the changes brought about by the Procurement Reform Bill.

Transformational Change

Achievements

- a) The development and delivery of the Transformation Programme as part of achieving a balanced budget and delivery of transformation change across services.
- b) Completion of the Management Review for Finance and Integrates Service Support and the significant progress in reviewing staffing structure across the new service.
- c) Continued progress with total document management - Multi function device and EWIM.

Challenge and Actions

- a) Deliver savings and sustainable support services through the Integrated Service Support Project.
- b) Develop and deliver the Delivering Excellence model that will allow the Council to plan for medium/longer term change.
- c) Ensure our associated Digital and People Strategy align to Transformation and support the ongoing change required across the organisation.

Emerging Challenges

The emerging challenges for the service are two fold.

Firstly to continue the focus of the ISS review to deliver efficiencies, improve service performance and improve customer service.

Secondly as important to deliver on the following critical projects for the council.

- Review of Local Government terms and conditions
- Maintain financial sustainability by developing the Delivering Excellence and A Great Place to Grow project.
- To complete the ISS review and deliver the set outcomes.

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 and Procurement Strategies
- d) Maintain investing in Financial sustainability of our asset base.

Finance and Integrated Service Support PI summary









Outcomes and Customer Feedback

Priority	Indicator	2013 /14	Q1 2014 /15	Q2 2014 /15	Q3 2014 /15	Q4 2014 /15	2014/15				Annual Target 2014 /15	Feeder Data	Value
		Value	Value	Value	Value	Value	Value	Status	Note	Short Trend			
01. Provide an efficient complaints service	Number of complaints received (cumulative)	1	4	11	18	22	22		2014/15: Data Only - Cumulative since April				
01. Provide an efficient complaints service	Average time in working days to respond to complaints at stage 1	2	0	1	7.55	11.5	11.5		14/15: Off Target. Outstanding complaints are being dealt with by relevant officers.		5	Number of complaints complete at Stage 1	14
												Number of working days for Stage 1 complaints to be Completed	161
01. Provide an efficient complaints service	Average time in working days to respond to complaints at stage 2	0	0	0	25.14	24	24		14/15: Off Target. See above		20	Number of complaints complete at Stage 2	8
												Number of working days for Stage 2 complaints to be Completed	192
01. Provide an efficient complaints service	Percentage of complaints at stage 1 complete within 5 working days	100%	100%	100%	54.55%	35.71%	35.71%		14/15: Off Target. See above		95%	Number of complaints complete at Stage 1	14
												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	0%	0%	0%	28.57%	75%	75%		14/15: Off Target. 2 stage 2 complaints took longer than 20 days to resolve. They are being addressed by the relevant officer.		95%	Number of complaints complete at Stage 2	8
												Number of complaints at stage 2 responded to within 20 working days	6



Making the Best Use of our Resources

Priority	Indicator	2013 /14	Q1 2014 /15	Q2 2014 /15	Q3 2014 /15	Q4 2014 /15	2014/15				Annual Target 2014 /15	Feeder Data	Value
		Value	Value	Value	Value	Value	Value	Status	Note	Short Trend			
02. Manage budget effectively	Performance against revenue budget	N/A	£ 9.928 m	N/A	£ 12.869 m	N/A	N/A		2014/15: The budget information will be reported to the Council in June 2015.		£ 5.618 m		
04. Manage stress and absence	Average number of working days lost due to sickness absence (cumulative)	8.26	1.62	3.96	5.18	6.88	6.89		2014/15: On Target		8.26	Number of days lost (cumulative)	1,972.43
												Average number of FTE in service (year to date)	286.83

Corporate Health

Priority	Indicator	2013 /14	Q1 2014 /15	Q2 2014 /15	Q3 2014 /15	Q4 2014 /15	2014/15			Annual Target 2014 /15	Feeder Data	Value	
		Value	Value	Value	Value	Value	Value	Status	Note				Short Trend
05. Complete all service priorities	% of service priority actions on target / completed, of the total number	90%	100 %	100 %	89.4 7%	63.1 6%	63.1 6%		2014/15: Off Target Actions which are off target are being address with individual managers concerned.		90%	Number of divisional & corporate priority actions	19
												Number of divisional & corporate priority actions on tgt/completed	12
06. Process invoices efficiently	% of invoices paid within 30 days of invoice receipt (cumulative)	91.8 8%	94.5 5%	92.8 5%	93.0 1%	91.0 7%	91.0 7%		14/15: On Target		90%	Number received (cumulative)	2,420
												Number paid within 30 days (cumulative)	2,204
08. Improve PI performance	% of PIs that are on target/ have reached their target.	100 %	75%	100 %	50%	50%	50%		2014/15: One PI off target and will continue to be monitored into 2015/16.		90%	Number on tgt/ tgt achieved	1
												Number of PI's	2
09. Control risk	% of high risks that have been reviewed in the last quarter	100 %	100 %	100 %	100 %	100 %	100 %		2014/15: On Target		100 %	Number of high risks reviewed in the last quarter	1
												Number of high risks	1

Improving for the Future





Priority	Indicator	2013 /14	Q1 2014 /15	Q2 2014 /15	Q3 2014 /15	Q4 2014 /15	2014/15			Annual Target 2014 /15	Feeder Data	Value	
		Value	Value	Value	Value	Value	Value	Status	Note				Short Trend
10. Implement improvement plans	% of internal/external audit/BVR actions on target/ completed, of the total.	74.1 9%	100 %	58.3 3%	87.0 4%	80%	80%		2014/15: Off Target: Appropriate action being taken to progress outstanding/overdue actions		90%	Number of on tgt/ completed actions	20
												Number of outstanding actions	25







Finance and Integrated Service Support Action report








Service Priority Actions

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-2015		100%	14/15: Complete. Work is ongoing to support the Integration of Health and Social Care. The shadow Board is overseeing development of financial arrangements.
FISS.S.2.1	02. SMP SG - Support the local economy through the Midlothian economy recovery plan	Adopt a revised 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-2015		75%	14/15: Off Target. Draft Procurement Strategy complete, but delayed due to unforeseen circumstances, final plan to go to council in summer 2015.
FISS.S.2.2		Continue to work with Local service providers to help them secure public sector contracts.	31-Mar-2015		100%	14/15: Complete
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-2015		100%	14/15: Recruitment fare to attract school leavers to Midlothian Council. Across the council work is progressing to target apprentice vacancies to increase positive destinations. Also, work progressing to develop service by service workforce plans, with pilot underway in Adult Health and Social Care.

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-2015		75%	14/15: Off Target. Draft Procurement Strategy complete, but delayed due to unforeseen circumstances, final plan to go to council in summer 2015.
FISS.S.5.1	05. Ensure equality of opportunity as an employer	Develop and implement a second people Strategy which will deliver excellent communities through our employees	31-Mar-2015		100%	14/15: On Target. People Strategy 2 approved at Council March 2015. The strategy is for the next three years and has an emphasis on the employee proposition.
FISS.S.5.2		MiFuture to support Organisational Change	31-Mar-2015		100%	14/15: 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 - 58 Number of people currently in SWITCH as at 14 April 2015 - 16 Number of funded placements - 15 Number of unfunded placements - 1 Number of people in SWITCH who have moved from switch to jobs - 26
FISS.S.6.01	06. Ensure sustainable strategy for the delivery of Council Services	Deliver robust corporate governance and scrutiny by ensuring that the internal audit plan encompasses the Councils corporate risks and complete the actions in the 2014/15 plan	31-Mar-2015		80%	14/15: On Target: Agreed completion date with the Audit Committee of 30 June 2015. On target to complete by this date.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.6.02	06. Ensure sustainable strategy for the delivery of Council Services	Strengthen our Maximising Attendance polices and interventions with an emphasis on early intervention to reduce overall sickness absence. Adopt revised policies and deliver on the actions planned for 2014/15	31-Mar-2015		100%	14/15: 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.6.03		Achieve the targets set out in our procurement Contract Delivery Plan to deliver cashable savings	31-Mar-2015		75%	14/15: Off Target. Draft procurement Contract Delivery Plan, however it is delayed due to unforeseen circumstances, final plan to go to council in summer 2015.
FISS.S.6.04		Completion of the unaudited Statutory Accounts for 2013/14 to ensure that we maintain strong financial management and stewardship	31-Mar-2015		100%	14/15: Complete: Unaudited accounts were completed in June, approved by Council on 24th June and submitted to the Accounts Commission in advance of the statutory deadline of 30th June.
FISS.S.6.05		Completion of the statutory financial audit and achieve an unqualified audit opinion for the Accounts for 2013/14	31-Mar-2015		100%	14/15: Complete. Audited Accounts are complete with unqualified Audit Opinion.
FISS.S.6.06		Deliver quarterly financial reports an commentary to Council	31-Mar-2015		100%	14/15: On Target: Quarter 3 Monitoring Reports for both General Fund and Housing Revenue Account revenue and capital are complete. 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 issues against budget, emerging pressures and an update on the Council's useable reserves strategy.
FISS.S.6.07		Implement a financial strategy for 2015/16 to 2016/17 to support Council setting the 2015/16 Council tax and a balanced budget	31-Mar-2015		100%	14/15: On Target. An update on the financial strategy was presented to Council on 17th February 2015.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.6.08	06. Ensure sustainable strategy for the delivery of Council Services	Provide a regular and robust assessment of savings arising from BTB programme and costs of the programme activities	31-Mar-2015		100%	14/15: On Target: 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.6.09		Complete the implementation of Purchase to Pay in service areas as set out in the Project Plan for 2014/15	31-Mar-2015		75%	14/15 Off Target: Ongoing support for schools has been essential requiring suspension in implementation in other services until staff are more confident in it. P2P health check carried out for Primary Schools, results to be analysed and further support/training to be provided. Pilot of Purchasing Cards to take place in April in 6 Primary Schools. E-Forms for Petty Cash reimbursements, one off payments and new supplier forms 90% complete.
FISS.S.6.10		Complete the implementation of Total Document Management Project in service areas as set out in the Project Plan for 2014/15	31-Mar-2015		50%	14/15: Off Target: HR mail and contractual change workflows further developed to introduce enhanced functionality. Contractual change workflow has been piloted and has received positive feedback. HR Policies and Procedures review complete. Portal development ongoing , working with Digital Services to provide solution for schools access. Purchase to Pay integration progressing and further testing planned
FISS.S.6.11		Introduce the Council's Managed Print Service	31-Mar-2015		50%	14/2015: Off Target: Roll out to satellite sites continues. Future state proposals received for remaining secondary schools. Implementation for primary schools has commenced and Project Team are working Education to complete the sign off of outstanding future states. Project Team are working to resolve concerns being highlighted by "live" sites.
FISS.S.6.12		Provide Finance and Human Resource support to the Business Transformation Programme to ensure that targets are met and savings are delivered	31-Mar-2015		100%	14/15: On Target The revised Financial Strategy was presented to the council in February 2015 .Support from Finance and HR to Transformation Team and strand leads continues.











Finance and Integrated Service Support PI Report



Service Priority Indicators

PI Code	Priority	PI	2013/14	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	2014/15				Annual Target 2014/15	Benchmark
			Value	Value	Value	Value	Value	Value	Status	Short Trend	Note		
FISS.S.5.1a	05. Ensure equality of opportunity as an employer	Percentage of actions in the second People Strategy plan that are completed or on target	100%	100%	100%	100%	100%	0%			14/15: On Target. People Strategy 2 was approved at Council March 2015. The strategy is for the next three years and has an emphasis on the employee proposition.	100%	
FISS.S.6.3a	06. Ensure sustainable strategy for the delivery of Council Services	Percentage of actions in the Contract Delivery Plan that are completed or on target	New for 14/15	100%	100%	100%	75%	75%			14/15: Off Target. Updated draft Contract delivery plan complete, however, it is delayed due to unforeseen circumstances, final plan to go to council in summer 2015.	100%	

Local Government Benchmarking Framework – Data will be published by the Improvement Service in November/December 2015
See table below for service updates at this time

PI Code	Priority	PI	2013/14	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	2014/15				Annual Target 2014/15	Benchma rk		
			Value	Value	Value	Value	Value	Value	Status	Short Trend	Note				
CORP1		Central Support services as a % of Total Gross expenditure	4.39%	Local Government Benchmarking data for 2014/15 will be available Autumn 2015.											2013/14 Rank 11 (Second Quartile)
CORP2		Corporate and democratic core costs per 1,000 population	£44,663.52	Local Government Benchmarking data for 2014/15 will be available Autumn 2015.											2013/14 Rank 25 (Bottom Quartile)
CORP3b		The Percentage of council employees in top 5% of earners that are women	48.8%	46.5%	45.8%	47.1%	47.7%	47.7%			14/15: For information only. No target set for this indicator.		2013/14 Rank 24 (Third Quartile)		
CORP6		Sickness Absence Days per Employee (All employees)	8.73	2.56	4.42	6	8.85	8.85			14/15: Organisational Development and Human Resources are continuing to upskill managers to maximise attendance in their service areas.		2013/14 Rank 8 (TOP Quartile)		
CORP6aiii		Average days lost per employee (Teachers) (CUMULATIVE)	5.25	1.51	1.95	3.13	5.5	5.5							
CORP6biii		Average days lost per employee (All other local government employees except Teachers) (CUMULATIVE)	10.05	2.96	5.33	7.19	10.11	10.11							
CORP8		Percentage of invoices sampled and paid within 30 days	93.4%	95.1%	94.1%	93.7%	93.0%	93.0%			14/15: The% total value of invoices paid within 30 days is 95.78%. Slightly below target, service areas to continue to work to ensure invoices paid within 30 days	95.0%	2013/14 Rank 11 (Second Quartile)		