

Finance and Integrated Service Support Performance Report Quarter Three 2018/19

Progress in delivery of strategic outcomes

Finance and Integrated Service Support continues to have a strategic focus on securing the financial sustainability of the council, strengthening financial management together with nurturing a highly motivated and effective workforce, all of which are central to the achievement of the Council's priority outcomes and delivery of services to a growing county.

The key activities which support this are:

- a) The ongoing development and delivery of the Council's Financial Strategy, Capital Strategy and the development and implementation of a comprehensive Change Programme;
- b) The Workforce Strategy, the associated Investing in our Workforce Programme and the Corporate Workforce Plan;
- c) Delivering Excellence;
- d) The ongoing work of the Integrated Service Support review, reducing the overall cost of providing the Finance and Integrated Support Services.

These are supported by:

- The Digital Strategy and Digital Learning Strategy
- The Procurement Strategy and Contract Delivery Plan

There is also a requirement to address the recommendations set out in the External Auditor's Annual report which was presented to Council on 2 October 2018. The recommendations, in so far as they impact on Finance and Integrated Service Support, are in place and an action plan is being prepared to monitor them.

1: Financial Strategy - Achievements

- a) Successful completion of the 2017/18 audited Financial Statements with an unqualified audit opinion;
- b) Completion of Quarter 2 Financial Monitoring reports for Council as part of the robust scrutiny of financial performance and subsequent submission of a recovery plan to arrest the projected in year overspend;
- c) Presentation of an update to the Financial Strategy for 2019/20 to 2022/23 outlining future years projections, the impact of change programmes and the financial implications of investment decisions and priorities.

2: Workforce Strategy - Achievements

- a) Presentation of three new people policies to November 2018 CJWG: Sexual Harassment Policy, Immigration Procedure and revised Gifts and Hospitality Policy. Sexual Harassment Policy specifically will continue to ensure Midlothian is a fair and progressive employer with a zero tolerance to workplace harassment;
- b) Implementation of induction programme to roll out during Jan/Feb 2019 for those staff who started with Midlothian in last six months allowing clear messages to be delivered setting expected standards of behaviour, conduct and performance;
- c) Consultation commenced with teaching trade unions on a revised maximising attendance policy, policy for organisational change and resolution policy;
- d) Midlothian has been chosen to participate in the Equally Safe at Work pilot run by Close the Gap. The Council will work towards achieving accreditation demonstrating the Council's strong commitment to preventing violence against women and advancing gender equality;
- e) SLG agreed to consider a revision of Recruitment Practices, discussion paper will be presented at a series of Service DMT's;
- f) The annual employee survey was launched in November, participation rates increased by 8% this year to 2016. 1824 survey were completed representing 50% of our permanent and fixed term headcount. The 2018 survey included an additional section on employee wellbeing which will inform our wellbeing agenda.

3: Digital Strategy and Digital Learning Strategy - Achievements

- a) Digital enabled projects: - Online School Payments now implemented across all key sites. Introduction of new garden waste service, Upgrade to Civica Icon (payments) now hosted solution, procurement of new cashless catering system. Business Information and Analytics – introduction to new platform as a service in partnership with NSS, deployment of Tableau Dashboards (Investing in our Workforce, Complaints, Education and Health & Social care);

- b) Schools – Modular Units – successful commissioning of the new modular units (x5) and additional works along with Digital infrastructure and asset improvements;
- c) Innovation and Technology – deployment of a range of new technologies (Windows 10, Promethean Smartboards, Management Software, Chromebooks and latest Server technologies);
- d) Digital Strategy Group has prioritised and aligned Council programmes / projects to the wider Digital Strategy, Digital Learning Strategy and National Transformation Programme (Local Government Digital Office);
- e) Continued Asset Management and Investment in Digital Foundations infrastructure and associated services – e.g. a number of High Schools and Primary schools have now been transitioned over to new WiFi service. School Server estate and storage has been replaced and upgraded. Replacement of digital assets continues across the Corporate and School estate;
- f) CyberSecurity resilience maintained and currently reviewing the latest Scottish Government CyberSecurity action plan which was implemented in June 2018. Employee phishing awareness exercise ongoing to maintain vigilance and staff compliance; Preparation and Planning of for PSN accreditation.

4: Procurement - Achievements

- a) Achieved a 66% score in the December 2018 Procurement Capability & Improvement Programme (PCIP) assessment, this placed Midlothian in the second highest banding bracket F2 (Banding F1 –F12);
- b) All contracts delivered on schedule against the 2018-2020 Contract Delivery Plan;
- c) Continued roll out of Purchase to Pay project specifically the introduction of Purchasing Cards;

5: Service Improvements / Delivering Excellence

- a) Improvement in savings projection target for Integrated Service Support in 2017/18 with shortfall reduced;
- b) Lunar and Monthly payrolls to merge for the start of 2019 financial year;
- c) Implementation of corporate licence for Civica Automation;
- d) Housing Benefit Daily Notifications now produced via Hybrid Mail;
- e) Data Visualisation – Investing In Our Workforce dashboard published;
- f) Configuration and set up of payments to support Garden Waste Charges completed;
- g) Delivery of training and support for Councillor Case Management system;
- h) Lothian Pension Fund Upload – transfer to iConnect complete; i) Testing and upgrades completed for ITrent, Open Revenues, Kirona DRS and Civica Automation.

Challenges and Risks

1: Financial Strategy

- a) The need to strengthen financial sustainability and financial management by;
 - Continue work on developing cost projections and savings proposals to update the Financial Strategy for 2019/20 to 2022/23 and complete the draft 2019/20 Base Budget;
 - Prepare Quarter 3 financial monitoring projections for 2018/19 and continue to work with budget holders to maintain effective control over expenditure;
 - Continued financial support for the Change Programmes. Help shape and lead all strands of the programme, continue to revise savings profiles, regularly update on application of the fund and develop the benefits;
 - Finalisation of the Council's Capital Strategy and a review of the Capital Plan reflecting the significant investment pressures as a consequence of the growing population; Reviewing the capital plans to ensure the phasing of project budgets better reflects the expected project delivery schedules and so reduces slippage. This will be reflected in the Q3 update report with performance against budget monitored via the Capital Plan and Asset Management Board.
 - Strengthen financial stewardship in a climate of reducing budgets and increasing service pressure;
 - Review and update financial directives and associated documentation.

2: Workforce Strategy

- a) Identifying alternative service delivery approaches and the impact on service delivery with pressure on available resource;
- b) Securing the improvement in flexibility and productivity throughout the workforce;
- c) Continued development of the Workforce Strategy action plan;
- d) Ensuring workforce plans are updated to reflect the current and projected financial situation ensuring services transform and deliver on the Change Programme – refreshed data now received and will be disseminated imminently;
- e) Implementing engagement plans following employee survey results;
- f) Continue to support our leadership community so that they are able to perform to a high standard and deliver on the Change Programme;
- g) Encouraging less reliance on agency and fixed term workforce;
- h) Brexit – the EU Settlement Scheme may impact on existing workforce. Much of the detail is still unknown. Information still unknown for those EEA nationals leading to workforce uncertainty.

3: Digital Strategy and Digital Learning Strategy

- a) Increased threat of cyber/security attacks, e.g. denial of service, ransomware/hackers continues to be an ongoing challenge to mitigate risk and minimise service disruption; this threat has been heightened in the last few months,
- b) Maintaining the integrity and compliance of Public Services Network (PSN) ensuring that the Digital Estate and associated technologies inclusive of Business Applications are all up to date and pass rigorous penetration testing which is currently taking place;
- c) Ensuring sustainable investment in digital assets at a time of financial constraints and reduction in resources including the Asset Management Programme:- Microsoft Exchange/Office 365 / Windows 10 upgrade is currently in the preparation and planning stage. Additional Communications and plan to be shared with Directors, Head of Service and Service managers;
- d) Regulatory changes proposed will impact on Council activities if not planned for – for example New Data Protection laws (GDPR) and other compliance requirements such as Payment Card Industry Data Security Standard (PCI-DSS);
- e) Brexit – the uncertainty of Brexit within the technology sector has the potential to impact on product/hardware and software delivery. Along with increase in cost for products and services that are built, delivered in and out with Europe could impact the supply chain.

4: Procurement

- a) To deliver and demonstrate savings through procurement by continuing to review and monitor performance;
- b) Completing the Purchase to Pay project;
- 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;
- e) Full compliance with IR35 off payroll working;
- f) Prepare and submit an annual procurement report for 2018-19 to the Scottish Minister.

5: Service Improvements / Delivering Excellence

- a) Across all Services there will be a focus on ensuring that the Council is prepared for and can demonstrate its effectiveness for the Best Value Audit;
- b) Delivery of Change Programme and in particular the Integrated Service Support Savings target for 2018/19 of £1.2 million;
- c) Continuing to reshape the service to deliver savings through Delivering Excellence and to deliver the Business Services Improvement Plan;
- d) Introduction of pre-paid cards to replace cash payments, initially within Children's Services, with wider roll out to follow;
- e) The wider use of Learn Pro as the corporate solution to support workforce development;
- f) Integration of payrolls;
- g) Merging key support functions across all three Directorates to support the delivery of a 'One Council' approach, to deliver effective and efficient support services;
- h) The delivery of the Business Services Improvement Plan;
- i) Business Applications compliance and compatibility with Office 365;
- j) P2P – Invoice Approval – improving 100% first time data capture difficult due to variety and quality of invoice layouts/images;
- k) Payroll Rationalisation – move of all 4 weekly staff to monthly, prep work Q4, transfer in mid-April;
- l) Implementation of new software solution for Blue Badges by 5 February 2019;
- m) Sourcing and implementing new provider for Blue Badge Independent Mobility assessments;
- n) The programming of application upgrades within resource constraints;
- o) Impact of introduction of GDPR on both Business Applications and Records Management;
- p) Roll Out of Invoice Approval.

Emerging Challenges:

Alongside the Financial Strategy 2019/20 to 2022/3 we will implement the Workforce Strategy 2017-2022. This includes a focus on the identified themes over the next five years. The Service Workforce Plans will detail the projected workforce actions over the same period.

Given the challenging grant settlement, the Council needs to urgently put in place a medium term Financial Strategy which sets out how the identified budget shortfall will be addressed.

The Quarter 2 monitoring report detailed a projected overspend for the year of £0.514 million with Q3 indicating £0.520 million. Whilst there has been a recovery of the projected overspend against the staffing performance factor (down from £0.203 million to £0.129 million this has been offset by reduced projections for procurement savings and savings in supplies and services). A recruitment freeze remains in place with other expenditure limited to what is legally committed or is considered to be critical expenditure with the aim of securing an improvement in the position by the year end. Work is also progressing to deliver the savings attached to the ISS review, a total of £1.127 million for the current year with a further £0.740 million expected to be required in 2019/20. In total this equates to approximately 0.18% of the service budget.

Finance and Integrated Service Support PI summary 2018/19

01.1 Making the Best Use of our Resources

Priorities	Indicator	2017 /18	Q3 2017 /18	Q1 2018 /19	Q2 2018 /19	Q3 2018/19			Annual Target 2018 /19	Feeder Data	Value	
		Value	Value	Value	Value	Value	Status	Note				Short Trend
01. Manage budget effectively	Performance against revenue budget	£12.198m	£12.235m	£11.550m	£10.876m	£10.913m		Q3 18/19: Off Target The projected budget performance will be reported to the Council on 12th February 2019 and will show an overspend of £520,000		£10.362m		
02. Manage stress and absence	Average number of working days lost due to sickness absence (cumulative)	6.60	4.81	1.45	2.33	4.56		Q3 18/19: On Target Sickness absence interventions are being recommended to the Corporate Management Team to further address levels of sickness absence and it is anticipated that in conjunction with the Wellness@Midlothian project plan there will be further positive change in the levels of sickness absence in the future.		6.60	Number of days lost (cumulative)	1,148.29
											Average number of FTE in service (year to date)	251.93

01.2 Corporate Health

Priorities	Indicator	2017 /18	Q3 2017 /18	Q1 2018 /19	Q2 2018 /19	Q3 2018/19			Annual Target 2018 /19	Feeder Data	Value	
		Value	Value	Value	Value	Value	Status	Note				Short Trend
03. Complete all service priorities	% of service priority actions on target / completed, of the total number	81%	92%	92%	96%	96%		Q3 18/19: On Target		90%	Number of divisional & corporate priority actions	24
											Number of divisional & corporate priority actions on tgt/completed	23
04. Process invoices efficiently	% of invoices paid within 30 days of invoice receipt (cumulative)	93%	95%	94%	93%	93%		Q3 18/19: Off Target Implementation of Invoice Approval in P2P Project will continue during 18/19 and a review of areas below target will be undertaken.		95%	Number received (cumulative)	3,030
											Number paid within 30 days (cumulative)	2,814

05. Improve PI performance	% of PIs that are on target/ have reached their target.	80%	80%	0%	0%	0%		Q3 18/19: No service specific performance indicators.		90%	Number on tgt/complete	0
06. Control risk	% of high risks that have been reviewed in the last quarter	100%	100%	100%	100%	100%		Q3 18/19: On Target All risks reviewed and controls in place.		100%	Number of high risks reviewed in the last quarter	5

01.3 Improving for the Future

Priorities	Indicator	2017 /18	Q3 2017 /18	Q1 2018 /19	Q2 2018 /19	Q3 2018/19			Annual Target 2018 /19	Feeder Data	Value	
		Value	Value	Value	Value	Value	Status	Note				Short Trend
07. Implement improvement plans	% of internal/external audit actions progressing on target.	63.64%	67.12%	61.11%	82.69%	37.5%		Q3 18/19: Off Target 36 audit actions were progressed last quarter and completed. The remaining 10 outstanding actions are dependent on other measures being implemented/programmed or one of a lower priority. Continued review will be carried out with the aim of completing outstanding actions as far as possible.		90%	Number of internal/external audit actions on target or complete	6

Finance and Integrated Service Support Complaints Indicator Summary

01.4 Commitment to valuing complaints

Indicator	2017/18	Q3 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19			Annual Target 2018/19
	Value	Value	Value	Value	Value	Status	Note	
Number of complaints received (cumulative)	21	19	5	10	12		Q3 18/19: Data only	
Number of complaints closed in the year			5	10	12		Q3 18/19: Data only	
Number of complaints upheld (cumulative)			3	7	8		Q3 18/19: Data only	
Number of complaints partially upheld (cumulative)			0	0	1		Q3 18/19: Data only	
Number of complaints not upheld (cumulative)			3	3	3		Q3 18/19: Data only	
Average time in working days to respond to complaints at stage 1	6.29	1.74	2.6	3.11	4.45		Q3 18/19: On Target	5
Average time in working days to respond to complaints at stage 2	0	0	0	11	11		Q3 18/19: On Target	20
Average time in working days for a full response for escalated complaints			0	0	0		Q3 18/19: On Target	20
Percentage of complaints at stage 1 complete within 5 working days	42.86%	57.89%	100%	88.89%	72.73%		Q3 18/19: Off Target 3 out of 12 complaints this year (Apr to Dec) required further investigation due to their complex nature.	100%
Percentage of complaints at stage 2 complete within 20 working days	0%	0%	0%	100%	100%		Q3 18/19: On Target	100%
Percentage of complaints escalated and complete within 20 working days			0%	0%	0%		Q3 18/19: On Target	100%
Number of complaints where an extension to the 5 or 20 day target has been authorised (cumulative)			0	0	0		Q3 18/19: Data only	

Finance and Integrated Service Support Action report 2018/19



01. Support people who are at risk of being isolated to access social opportunities

Code	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.P.1.1	Embed the financial and resource arrangements required to support the Midlothian IJB in particular the financial assurance issues and risks and supporting the Chief Financial Officer to develop and present financial monitoring reports to the IJB	31-Mar-2019		100%	Q3 18/19: Complete Financial monitoring reports regularly presented to the IJB with ongoing discussion on their content and how they link across to the Council's financial position.

02. Work with key start-ups or groups of new businesses that are able to grow without causing displacement and that will increase economic activity in Midlothian

Code	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.P.2.1	Deliver in-house support to Economic Development through planning agreements and property transactions	31-Mar-2019		75%	Q3 18/19: On Target The in-house team is in place and has been able to deliver completed planning agreements with developers. This has in addition generated third party income to reflect the costs to the council.
FISS.P.2.2	Continue to work with Local service providers to help them secure public sector contracts.	31-Mar-2019		100%	Q3 18/19: Complete Work with local businesses continues on a daily basis, pre-market engagement events held for all appropriate regulated procurements. Drop in surgeries available for local suppliers. Continue to work with the Economic Development team, the supplier development programme and the Federation of Small Businesses to enhance local businesses capabilities to bid for and win public contracts.
FISS.P.2.3	Develop and implement new procurement strategy	31-Mar-2019		100%	Q3 18/19: Complete Procurement Strategy approved at August Council.

03. Improve employability skills and sustained, positive school leaver destinations for all young people

Code	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.P.3.1	Support Investing in our Workforce principle by reviewing and refreshing recruitment policy to allow service specific recruitment initiatives	31-Mar-2019		55%	Q3 18/19: On Target Discussion Document presented to SLG 15/12/18. Agreed to progress through attending service DMT's.
FISS.P.3.2	Work with Services to ensure the delivery of service specific workforce plans which increase apprenticeship opportunities and prioritise any external recruitment to those leaving learning.	31-Mar-2019		75%	Q3 18/19: On Target Work ongoing to support Heads of Service with the delivery of their specific workforce plans. Refreshed data effective from 01.01.19 to be provided to Heads of Service. Heads of Service making progress as part of service reviews and budgetary savings.

04. Increase access to Digital Services

Code	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.P.4.1	Implementation of Digital Services Asset Management and Investment plans - Corporate/Schools	31-Mar-2019		55%	Q3 18/19: On Target Asset Management programme continues across the Council ensuring technologies and assets being deployed are fit for purpose. An email has been sent (17/01/2019) to Directors and Head of Services outlining the programme, plans and timescales for PC(windows 10) and Server replacement.
FISS.P.4.2	Implementation of the Digital Strategy	31-Mar-2019		55%	Q3 18/19: On Target Work continues in delivering the Digital Strategy and agreed programmes of work approved by the Digital strategy group. A paper has been submitted to CMT recommending that the council undertakes a Digital Maturity assessment working with the Digital Office. Digital Services continues to participate in LG Digital office work streams and provides updates through the Digital strategy group (Next meeting scheduled for 23/01). Work is also progressing with Health and Social care with particular reference to Technology enabled care.

05. Ensure equality of opportunity as an employer

Code	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.P.5.1	Deliver and embed the workforce strategy action plan to ensure that our workforce is positive, motivated, high achieving, well led and well managed	31-Mar-2019		75%	Q3 18/19: On Target Seven new/revised people policies were implemented on 1 June 2018 and are being embedded by Service Managers. The Wellness@Midlothian agenda was endorsed by CMT and service-level wellness plans will now be developed. Three new people policies were presented to CJWG in November 2018. Work underway leading up to the year end to ensure managers are equipped to manage areas of under-performance within their teams.

06. Ensure sustainable strategy for the delivery of Council Services

Code	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.P.6.01	Develop and achieve actions set out in the Employment and Reward Transformation plan to deliver target savings	31-Mar-2019		60%	Q3 18/19: On Target Timesheet on-loads continue to be rolled out and perfected; Retirement Options user Manual and workflows in development; E- Forms adopted to facilitate payment for additional services; E-Slip sign up now at 78%; CMT approved merging of lunar and monthly payrolls to be completed in April 19.
FISS.P.6.02	Deliver all payrolls on schedule	31-Mar-2019		75%	Q3 18/19: On Target Early Christmas payroll delivered successfully. January is another early payroll deadline.
FISS.P.6.03	Awareness, preparation, and implementation of the General Data Protection Regulation (GDPR)	31-Mar-2019		75%	Q3 18/19: On Target The GDPR programme has been signed off by GDPR Project Board and is now business as usual. Service management \ managers now have the day to day responsibility for all GDPR related activities. The revised GDPR policies, procedures and toolkits are on the Council intranet. Now in the final stages of recruiting to the newly created Data Protection Officer position within Legal services
FISS.P.6.04	Awareness, preparation, and implementation of Scottish Government Public Sector Cyber Resilience Action Plan	31-Mar-2019		50%	Q3 18/19: On Target Current activities to improve Council cyber security position and resiliency can be summarised below :- 1. Undertaking annual PSN security testing of externally facing websites and the Councils internal network 2. Preparing for Cyber Essentials security testing of the corporate and schools network 3. Implementation of the Scottish Governments Cyber Resiliency Action Plan – ongoing 4. At the request of SOLACE engaging with the Digital Office to deliver the 6 projects below:- <ul style="list-style-type: none"> • Create a cyber-capability maturity model • Develop a common staff cyber security training resource • Conduct business continuity and cyber security incident response exercises • Deploy a supply chain cyber risk assessment tool during procurement • Produce cyber security audit tools to assist Internal Audit and Audit Scotland Commence discovery phase to integrate with public sector Security Operations Centre (SOC)
FISS.P.6.06	Achieve the actions set out in the Purchase to Pay project plan, with the majority of sites, including schools and the roll out of Invoice Approval	31-Mar-2019		80%	Q3 18/19: On Target Purchase Ordering complete for all services. Implementation of lodged/virtual cards for Catering underway. Work ongoing to improve 100% first time data capture in Invoice Approval before roll out to schools.

Code	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.P.6.07	Achieve the actions set out in the Total Document Management project plan	31-Mar-2019		50%	<p>Q3 18/19: On Target</p> <p>Education (mgfl): Roll out of software to identified mgfl users has commenced.</p> <p>Manager File Plan: Business Services live. Further roll out will be driven by the introduction of Maximising Attendance workflow</p> <p>Construction: No further progress</p> <p>Business Services File Plan: Business Applications live. Work ongoing within Operational support to migrate existing documents to CS10. The new Business Services portal is now live.</p> <p>Maximising Attendance at Work: Initial design meeting has taken place and the scope agreed. Development of workflows has commenced and test users have been identified. Next step will be a pilot within Business Services teams.</p> <p>Mail Scanning: Incoming mail scanning live for Health & Social Care.</p> <p>System Upgrade: Upgrade assessment has been completed by Opentext and discussions taking place to agree consultancy requirements. Planning and scheduling of upgrade have commenced but are dependent on the conclusion of these discussions.</p>
FISS.P.6.08	Supporting the applications requirements for the Inter Agency Information Exchange with Health (Phase 1 - Adults)	31-Mar-2019		15%	<p>Q3 18/19: Off Target</p> <p>Decision taken to assess current infrastructure requirements vs Hosted solution to support Mosaic. Business case being prepared to evaluate options for support and resilience inc. costs. NHS Lothian have been informed.</p>
FISS.P.6.09	Develop and achieve actions set out in the Business Services Improvement plan	31-Mar-2019		50%	<p>Q3 18/19: On Target</p> <p>Workstreams progressing in line with plan</p>
FISS.P.6.10	Manage claims received by Legal Services in respect the Limitation (Childhood Abuse) (Scotland) Act 2017 through the agreed process in order to minimise the Council's exposure to damages	31-Mar-2019		75%	<p>Q3 18/19: On Target</p> <p>Claims received have been processed in terms of the process and passed to claims handlers.</p>
FISS.P.6.11	Achieve contract delivery targets set out in the Contract Delivery Plan	31-Mar-2019		70%	<p>Q3 18/19: On Target</p> <p>Contracts currently being delivered against timescales</p>
FISS.P.6.12	Focus on embedding People Policies and supporting managers to work within new policy framework	31-Mar-2019		100%	<p>Q3 18/19: Complete</p> <p>Managers have been provided with tools to assist in the communication of these policies to their teams. Ongoing HR support available where needed.</p>
FISS.P.6.13	Update the financial strategy for 2018/19 to 2021/22 to support Council setting the 2019/20 Council tax and a balanced budget	31-Mar-2019		75%	<p>Q3 18/19: On Target</p> <p>Financial Strategy 2019/20 to 2022/23 report presented to November Council and final budget proposals to Council in February 2019.</p>
FISS.P.6.14	Completion of the unaudited Statutory Accounts for 2017/18 to ensure that we maintain strong financial management and stewardship	31-Mar-2019		100%	<p>Q3 18/19: Complete</p>
FISS.P.6.15	Completion of the statutory financial audit and achieve an unqualified audit opinion for the Accounts for 2017/18	31-Mar-2019		100%	<p>Q3 18/19: Complete</p>

Code	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.P.6.16	Deliver quarterly financial reports and commentary to Council	31-Mar-2019		75%	Q3 18/19: On Target Financial monitoring timetable is in place with performance against budget being reported to Council in August, November and February 2019 with the final position in June 2019.

07. Local Government Benchmarking Framework

PI Code	PI	2017/18	Q3 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19				Annual Target 2018/19	Benchmark
		Value	Value	Value	Value	Value	Status	Short Trend	Note		
CORP6	Corporate Indicator - Sickness Absence Days per Employee (All employees)	7.5	5.25	2.1	3.56	6.34			<p>Q3 18/19: Off Target Sickness absence interventions are being recommended to the Corporate Management Team to further address levels of sickness absence and it is anticipated that in conjunction with the Wellness@Midlothian project plan there will be further positive change in the levels of sickness absence in the future. Teachers stats: The Council has started negotiations with the teaching trade unions in relation to introducing a revised Maximising Attendance at Work Policy.</p>	7.2	
CORP3b	Corporate Indicator - The Percentage of council employees in top 5% of earners that are women (LGBF)	49.0%	49.7%	46.7%	48.7%	49.7%			<p>Q3 18/19: Off Target This figure does not include teaching staff. The Council's workforce is approximately 75% female and 25% male. We are committed to monitoring gender information and determining any appropriate positive action.</p>	50.0%	17/18 Rank 25 (Bottom Quartile). 16/17 Rank 26 (Bottom Quartile). 15/16 Rank 29 (Bottom Quartile). 14/15 Rank 25 (Bottom Quartile).
CORP3c	Corporate Indicator - The gender pay gap between average hourly rate of pay for	2.32%	3.7%	3.03%	3.16%	3.54%			<p>Q3 18/19: Data not available Lag indicator figure not available until end Jan.</p>		17/18 Rank 14 (Second Quartile).

PI Code	PI	2017/18	Q3 2017/18	Q1 2018/19	Q2 2018/19	Q3 2018/19				Annual Target 2018/19	Benchmark	
		Value	Value	Value	Value	Value	Status	Short Trend	Note			
	male and female - all council employees											16/17 Rank 14 (Second Quartile). 15/16 Rank 18 (Third Quartile)
CORP6a	Corporate Indicator - Teachers Sickness Absence Days (Cumulative) (LGBF)	4.59 days	3.19 days	1.23 days	1.48 days	3.46 days			Q3 18/19: Data only The Council has started negotiations with the teaching trade unions in relation to introducing a revised Maximising Attendance at Work Policy it is anticipated that in conjunction with the Wellness@Midlothian project plan there will be further positive change in the levels of sickness absence in the future.		17/18 Rank 4 (TOP Quartile). 16/17 Rank 3 (Top Quartile). 15/16 Rank 1 (TOP Quartile). 14/15 Rank 6 (Top Quartile).	
CORP6b	Corporate Indicator - Local Government Employees (except teachers) sickness absence days (CUMULATIVE) (LGBF)	8.59 days	6.03 days	2.41 days	4.35 days	7.45 days			Q3 18/19: Data only Sickness absence interventions are being recommended to the Corporate Management Team to address levels of sickness absence and it is anticipated that in conjunction with the Wellness@Midlothian project plan there will be further positive change in the levels of sickness absence in the future.		17/18 Rank 2 (TOP Quartile). 16/17 Rank 7 (Top Quartile). 15/16 Rank 10 (Second Quartile). 14/15 Rank 11 (Second Quartile).	

Finance and Integrated Service Support Service Risks

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
DS - School Security risks	<p>Main risks are (1) data integrity failure in MIS applications (2) internet filter failure (3) network security within the schools' network (4) network security from outwith the schools network (5) viruses or similar attack (6) inadequate application security and (7) lack of segregated security levels for system administrators.</p> <p>Risk Cause:</p> <p>Risk Event:</p> <p>Risk Effect:</p>	<p>Data integrity MIS applications 01 - data integrity policy 02 - data audit procedures</p> <p>Internet Filter Failure 01 - external solution on best solution 02 - daily filter testing, 24x7 monitoring 03 - default setting on failure to no traffic 04 - support contract in place</p> <p>Network Security within 01 - security audit 02 - staff training 03 - advice from consultants</p> <p>Network security outwith 01 - security audit 02 - staff training 03 - advice from consultants</p> <p>Viruses 01 - counter measures in place 02 - support contract in place with supplier 03 - system monitoring 04 - security audit</p> <p>Application Security 01 - security procedures implemented at school level 02 - investigate whether application can be monitored remotely then apply any appropriate Security procedures 03 - risk to be assessed further during SEEMIS implementation</p> <p>Segregated Security Levels 01 -</p>			

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
HR - Equal Pay	<p>There are residual issues being managed</p> <p>Risk Cause:</p> <p>Risk Event:</p> <p>Risk Effect:</p>	<p><u>The main internal controls are:-</u></p> <p>01 - Negotiations ongoing with claimants representatives to achieve settlement of claims, though different types of claims at different stages.</p> <p>02 - Capitalisation arrangement secured</p> <p>03 - MM implementation limited ongoing exposure</p> <p>04 - Legal expertise commissioned to advise</p>			
HR - Operations having a detrimental impact on services	<p>Services have made complaints about delays etc.</p> <p>Risk Cause:</p> <p>Risk Event:</p> <p>Risk Effect:</p>	<p><u>The main internal controls are:-</u></p> <p>01 - ISS Project framework. The Director, Resources is overseeing this work.</p> <p>02 - Restructuring has been agreed by ISS board, consultation complete and recruitment will take place in the New Year.</p> <p>03 - Systems Thinking Process Intervention to result in a Project Plan in the New Year.</p>			
GENERIC - Information Management and Data Protection	<p>Heads of Service invited to review their controls over IM and Data Protection.</p> <p>Risk Cause: Ineffective procedures or failure to follow procedures.</p> <p>Risk Event: Data breach.</p> <p>Risk Effect: Potential fine.</p>	<p>01 - Corporate Information Management Group and Action Plan</p> <p>02 - Divisional Information Management Group</p> <p>03 - Data Protection Policy</p> <p>04 - Information Security Strategy</p> <p>05 - Data protection awareness</p> <p>06 - Each manager instructed to review their data protection practice</p>			
DS - Staffing levels and impact on service	<p>Risk Cause: Difficulty recruiting competent staff in a timely manner, and retaining existing staff.</p> <p>Risk Event: Market conditions and other external factors can favour Contract based staff.</p> <p>Risk Effect: Challenges making permanent appointments within the service and retaining staff.</p>	<p>Recruitment</p> <p>01 - Acting up possibilities</p> <p>02 - Work programmes detailed and shared</p> <p>03 - Procedures for reallocating staff</p> <p>04 - Prioritise workload in times of staff shortages</p> <p>Retention</p> <p>01 - Exit interview data review</p> <p>Absence</p> <p>01 - Annual leave and flexileave authorised by line manager</p>			

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
		02 - Absence management policy and procedure notified to all staff 03 - Procedure for authorising overtime re back fill Training 01 - PDP/CPD 02 - Training budget 03 - Development of internal training programme			
DS - Professional practice risks	The main risks are (1) failing to carry out day to day tasks and (2) failing to meet data extraction and exchange timetables as a result of potential staffing, technical and other factors. Risk Cause: Risk Event: Risk Effect:	Day to day tasks 01 - Provide breakdown of daily duties 02 - Monitor feedback - Schools 03 - Monitoring procedures in place 04 - Staff training Data extraction and exchange 01 - Programme agreed with SEED 02 - Staffing in place to meet timetable 03 - Alternative staffing in place			
DS - Recovery of Service after Major Incident	Risk Cause: outbreak of fire in comms room, 3 party failure from supplier. power failure in major/minor sites, infrastructure failure (WAN), incompatibility between corporate and schools ICT systems Risk Event: Risk Effect: application failure affecting school and central operations The main risks are (1) data back up and recovery (2) application failure affecting school and central operations (3) outbreak of fire in comms room (4) cabling difficulties in schools (5) loss of major hub sites (6) failure to support online services (7) smartcard application failure affecting school operations (8) infrastructure failure (INTERCONNECT) (9) loss of minor hub sites (10) power failure in	Data back up/recovery 01 - procedure 02 - information shared with staff back up security 03 - Generic IT Business Continuity Plan Application failure 01 - local support in place 02 - external support contract in place 03 - liaison with other education authorities Fire in Comms Room 01 - fire safety policy//guidance from H&S 02 - fire risk assessment 03 - fire detection equipment 04 - environmental monitoring equipment in place Cabling difficulties in schools 01 - TSO route planning with contractor 02 - Asbestos register alert on all appropriate orders 03 - partner working with Commercial Loss of Major Hub Sites			

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
	<p>major/minor sites (11) infrastructure failure (WAN) (12) email failure (13) infrastructure failure (LAN) (14) major component failure (15) other major service failure (16) failed environmental controls (17) incompatibility between corporate and schools ICT systems and (18) hostile environment in comms room.</p>	<p>01 - Greenhall, Dalkeith Campus BC plans 02 - WAN disaster recovery plan 03 - Resilience reviews Online Services 01 - Quality of on-line services monitored by EO Smartcard 01 - System monitored by Education and Commercial Services 02 - Support contract in place InterConnect 01 - National SSDN contract in place 02 - 24x7 monitoring 03 - resilience Minor Hub sites 01 - WAN disaster recovery 02 - resilience Power failure - major/minor sites 01 - power supply recovery plan 02 - UPS on critical services WAN 01 - contracts with suppliers 02 - 24 x 7 monitoring 03 - resilience E-mail 01 - daily system testing, 24x7 monitoring 02 - external support contract 03 - external consultancy on best solution LAN 01 - 10x5 monitoring 02 - swap out procedure 03 - resilience Major Components 01 - support contracts 02 - staff training 03 - resilience Other Major Service Failure 01 - daily system test, 24x7 monitoring 02 - external support contract 03 - external consultancy on best solution Environmental Controls</p>			

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
		01 - Financial directive 02 - IT intranet guidance 03 - knowledge of procedures, staff and training Corporate and Education ICT 01 - regular contact 02 - standards compliance 03 - Head of It/EO monitoring Hostile environment in Comms Room 01 - environ monitoring equipment 02 - Duty Officer			
Revenues - Improving Sundry Debts collection performance	This risk is to consider the procedures in place to ensure we maximise the revenue collected through fees, charges and other sundry debts. Risk Cause: Risk Event: Risk Effect:	<u>The main internal controls are:-</u> 01 - New software procured/installed/rolled out successfully 02 - Internal Control Principles agreed by the Project Board and disseminated to Divisions to decide how they are going to comply 03 - Significantly improved management information disseminated on a regular basis to divisional managers - debt age analysis, credit notes, holds etc 03 - Regular user group meetings 04 - CMT, Corporate DMT and Revenues MT have bought in and been involved in the improvement plan. 05 - Review of debt management performance conducted 06 - Write off of old debt carried out, to cleanse the system 07 - Integra training carried out for Revenues Control Team and Users 08 - Part time Arrears officer recruited to enable split of function from systems administration carried out by Systems Control team. 09 - Procedures for regular transfer of debt to Sheriff Officer for recovery. 10 - Changes to recovery strategy in line with organisation restructure			

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
		<p>11 - Extending payment methods through sundry debt collection</p> <p>12 - Split of duties between Systems Control and Arrears changing responsibilities and targeted approach at recovery of debt.</p> <p>In addition, whilst not an Internal Control as such, the Internal Audit team reviewed divisional matters like finding new pay as you opportunities (no invoices), segregation of duties, use of AR requisition forms, credit notes, holds etc which will enhance the internal controls above.</p>			
Secretariat Risks	<p>The Secretariat function is required to adhere strictly to legislation and timetables and is also responsible for collecting fees associated with civic government licensing. There are therefore risks in ensuring this is administered accurately and timeously.</p> <p>Risk Cause:</p> <p>Risk Event:</p> <p>Risk Effect:</p>	<p><u>The main internal controls to mitigate the identified risks are:-</u></p> <p>01 - well trained and well established staff, low turnover of Clerks in recent past</p> <p>02 - clear and well established procedures for staff to follow</p> <p>03 - assistance can be provided from business admin section to provide support cover</p> <p>04 - well established Elections procedures in accordance with statute</p>			
Licensing risks (liquor and civic government)	<p>Risk Cause: Human error, staffing shortage.</p> <p>Risk Event: Not getting applications to consultees and decision making body</p> <p>Risk Effect: Failure to process licence applications and controls</p>	<p>01 - well established and well trained staff</p> <p>02 – idox management system operating features</p>			
DS - Limited staffing resources to meet the IT demands of the Council/inadequate forum for deciding which computer projects are a priority	<p>Risk Cause: demands for projects are often not properly prioritised, there is no effective forum to decide which computer projects are to be prioritised. IT may not be involved in computer projects</p>	<p><u>The main headline controls are that:-</u></p> <p>01 - Generally Projects only commence when IT resource is available which may mean important computer projects are delayed</p>			

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
	<p>Risk Event:</p> <p>Risk Effect: There are two issues (a) constrained in expanding/sustaining staffing resource and (b) demands for projects are often not properly prioritised and there is no effective forum to decide which computer projects are to be prioritised. Additionally IT may not be involved in computer projects. There are day to day demands on the IT service as demand for computing increases.</p>	<p>02- Occasionally an external project resource is commissioned eg Social Work MIS</p> <p>03 - Balancing resources against competing demands</p> <p>04 - Use of Agency staff where required, but this is currently subject to an embargo</p> <p>05 - New Projects approved \ initiated via Digital Strategy Group \ CMT</p>			
DS - Information Security and closing any immediate gaps; isolated incident that becomes high profile.	<p>This is the risk of not protecting sensitive information due to inter agency working, data sharing, remote and mobile accesses. The risk is reducing as various initiatives are underway, or have been completed, but the impact of any non compliance is likely to be high.</p> <p>Risk Cause:</p> <p>Risk Event:</p> <p>Risk Effect:</p>	<p><u>Internal controls include:-</u></p> <p>01 - Access Controls</p> <p>02 - Policies and procedures</p> <p>03 - Software management</p> <p>04 - Compliance with industry standards (ISO)</p> <p>05 - Security and risk management reporting (inc separate risk register)</p> <p>06 - Information management group & IMG Action Plan</p> <p>07 - Risk Management group</p> <p>08 - New Projects approved \ initiated via Digital Strategy Group \ CMT</p>			
DS - Compliance - Regulatory, Contractual and Legal	<p>This is the risk of censure and includes DPA, FOI, RIPSA, Computer Misuse, Health and Safety,GSX, NHS, Police q</p> <p>Risk Cause:</p> <p>Risk Event:</p> <p>Risk Effect:</p>	<p><u>The main internal controls are:-</u></p> <p>01 - Identify areas of poor practice</p> <p>02 - Educate users with their Information Security responsibilities</p> <p>03 - Undertake risk assessment of compliance responsibilities for GSX, ViSOR, PLDN and SCRO</p> <p>04 - Policies and Guidelines exist to maintain compliance</p> <p>05 - New Projects approved \ initiated via Digital Strategy Group \ CMT</p>			
DS - Computer Business Continuity Management	<p>Computers play a major role in continuity of business and any major disruption would be crucial and</p>	<p><u>The main internal controls are:-</u></p> <p>01 - List of critical business systems contained with a generic IT BC Plan</p>			

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
	jeopardise the Council's approach to the Civil Contingencies Act Risk Cause: Risk Event: Risk Effect:	02 - Routine of reporting IT BC into CMT and BCG 03 - Ongoing programme of resilience 04 - Corporate BC plan 05 - Back ups of data and systems on an incremental and full basis. 06 - Specific risk assessment adopted by the Audit Committee on 8 February 2011(attached)			
Communications and Marketing - Divisions not acting corporately in communications matters	It is important that the Council's communications are handled corporately and the communications procedures set out this approach. Risk Cause: Risk Event: Risk Effect:	<u>The main internal controls to mitigate the identified risks are:-</u> 1 - named Communications & Marketing contact(s) for each Division 2 - revised Communications Standards launched early 2011 3 - informal monitoring and highlighting issues to Divisions 4 - planned launch of Communications & Marketing Strategy			
Communications and Marketing - Maintaining good relations with media	It is important for the council to maintain its good relationship with all strands of the media to minimise possible reputation damage and possible financial consequences. Risk Cause: Risk Event: Risk Effect:	<u>The main internal controls to mitigate the identified risks are:-</u> 1 - continue to maintain good liaison with third party/media contacts, understanding each other's requirements 2 - endeavour to adhere to deadlines requested, where reasonable/possible, with co-operation from Divisions where necessary			
INFOSEC - Access Control - Accessing sensitive IT systems from mobile devices	Council Smartphones and Laptops connecting remotely to IT systems may lead to the unauthorised access or loss of sensitive data Risk Cause: Risk Event: Risk Effect:	01 - Smartphone technology secured to CESG standards 02 - Mobile access security policies and user acceptance forms signed. 03 - Laptops utilise Direct Access.			
INFOSEC - Communications and Operations Management - Malicious software, Phishing and Spam	Viruses and malicious software can infect the Councils network from a number of sources such as email, portable media, and internet, third party networks, and unauthorised hosts, potentially wreaking havoc on Council IT systems. Risk Cause: Risk Event: Risk Effect:	01 - All users using IE11 02 - ISA Server blocks certain malicious code 03 -Websense mail filter blocks certain malicious code 04 - Microsoft PC patches are applied via SCCM each month			

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
		05 - Microsoft server patches should be manually applied each month 06 - Desktop Microsoft Office 2007 is patched each month via System Centre 07 - Acrobat routinely updated and pushed to PC's via System Centre 08 - Websense, Mailmarsh and Trend Micro on exchange filters emails externally routing email 09 - Sophos anti virus is installed on all servers and PC's 10 - Users warned of the dangers of phishing emails and social engineering attacks via intranet and email warnings			
INFOSEC - Physical and Environmental Security - Unauthorised building access	Concerns with ease of unauthorised site access e.g. tailgating .Visitor management poor.	01 - Council building security policy. 02 - New door entry system 03 - New visitor management system 04 - Security posters 05 - Information Security Lead meets every 6 months with Head of property and facilities to discuss property concerns 06 - Private I Security Campaign			
INFOSEC - Compliance - Electronic Data Loss	Council expectations of accessing information anytime, anyplace, anywhere significantly increases the chances of its loss. As does the sharing of information with third parties, third party network connections and the failure to follow secure procedures or seek advice.	Third Parties 01 - NDA - Non disclosure agreement outlines 3rd party responsibilities when handling Council data. 02 - Data sharing agreements 03 - Codes of connection Email 04 - Limit outbound email size to 30MB 05 - IT acceptable use policy provides information on the inappropriate use of sensitive information and supporting guidelines 06 - Egress email encryption 07 - Guidance available to users on sending sensitive data by email Remote Access 08 - Direct Access CESG CPA approved solution 09 - Remote Access Policy			

Risk Title	Risk Identification	Risk Control Measure	Risk Evaluation	Related Action	Related action latest note
		10 - Smartphone policy 11 - Laptop Policy 12 - Memory stick policy Encryption 13- All Council laptops are encrypted 14 - All Council Memory sticks are encrypted 15 - All Smartphone devices are encrypted			
INFOSEC - Access Control - Cyber Security Attack	The Council is at significant risk of cyber attack from Ransomware, Phishing emails, APT's. DDOS attacks, Hacking and social engineering exploits.	01 - IT Acceptable Use Policy covers password use and logon responsibilities 02 - Cross referencing multi system logs - e.g. audit logs, CCTV, door access, flexi etc			
ISO27001- Security Policy - Existing security policies should be reviewed	Information Security policies must be reviewed at least every 2 years to maintain their relevancy and accuracy.	01 - Revise all security policies older than 3 years old.			
COMPLIANCE - Compliance - PSN Code of Connection	In order to maintain connectivity to the PSN network a series of security controls must be met. As CESG security standards are continually raised, It's increasingly difficult to balance this with flexible working practices (remote/mobile access), collaborative working and data sharing promoted by the Council and therefore increasingly difficult to maintain compliance.	01 - GSX 2008 code of connection approved by CESG (just!)			

Published Local Government Benchmarking Framework – Finance and Integrated Service Support



Corporate Services

Code	Title	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	External Comparison
		Value	Value	Value	Value	Value	Value	Value	Value	
CORP1	Corporate Indicator - Central Support services as a % of Total Gross expenditure (LGBF)	4.53%	4.49%	3.93%	4.8%	6.03%	6.03%	6.34%	4.47%	17/18 Rank 18 (Third Quartile). 16/17 Rank 26 (Bottom Quartile). 15/16 Rank 22 (Third Quartile). 14/15 Rank 21 (Third Quartile)
CORP3b	Corporate Indicator - The Percentage of council employees in top 5% of earners that are women (LGBF)	44.6%	41.6%	45.6%	45.3%	47.7%	44.6%	47.0%	49.0%	17/18 Rank 25 (Bottom Quartile). 16/17 Rank 26 (Bottom Quartile). 15/16 Rank 29 (Bottom Quartile). 14/15 Rank 25 (Bottom Quartile).
CORP3c	Corporate Indicator - The gender pay gap between average hourly rate of pay for male and female - all council employees	New for 2015/16					4.59%	2.97%	2.32%	17/18 Rank 14 (Second Quartile). 16/17 Rank 14 (Second Quartile). 15/16 Rank 18 (Third Quartile)
CORP6a	Corporate Indicator - Teachers Sickness Absence Days (Cumulative) (LGBF)	4.89 days	4.79 days	5.21 days	5.25 days	5.50 days	4.17 days	4.94 days	4.59 days	17/18 Rank 4 (TOP Quartile). 16/17 Rank 3 (Top Quartile). 15/16 Rank 1 (TOP Quartile). 14/15 Rank 6 (Top Quartile).
CORP6b	Corporate Indicator - Local Government Employees (except teachers) sickness absence days (CUMULATIVE) (LGBF)	9.63 days	9.97 days	10.47 days	10.04 days	10.11 days	9.90 days	9.64 days	8.59 days	17/18 Rank 2 (TOP Quartile). 16/17 Rank 7 (Top Quartile). 15/16 Rank 10 (Second Quartile). 14/15 Rank 11 (Second Quartile).
CORP8	Corporate Indicator - Percentage of invoices sampled and paid within 30 days (LGBF)	81.2%	83.1%	93.3%	93.4%	93.0%	89.7%	87.4%	93.1%	17/18 Rank 18 (Third Quartile). 16/17 Rank 25 (Bottom Quartile). 15/16 Rank 25 (Bottom Quartile). 14/15 Rank 15 (Second Quartile).

Economic Development and Planning

Code	Title	2010/1	2011/1	2012/1	2013/1	2014/1	2015/1	2016/1	2017/1	External Comparison
		1	2	3	4	5	6	7	8	
		Value								
ECON4	Percentage of procurement spent on local enterprises	18.86%	24.87%	18.39%	22.4%	19.97%	17.96%	12.85%	18.07%	17/18 Rank 26 (Bottom Quartile). 16/17 Rank 30 (Bottom Quartile). 15/16 Rank 27 (Bottom Quartile). 14/15 Rank 23 (Third Quartile)