Asset and Corporate Services Committee

22 August 2019.

Agenda Item No.

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| Finance and Corporate Services Performance Report |
| Report by: Eileen Rowand, Executive Director, Finance and Corporate Services |
| Wards Affected: All |

Purpose

To present the performance scorecard for the Finance & Corporate Services Directorate for 2018/19

Recommendations

Members are asked to note:

1. the Finance & Corporate Services performance information presented at appendix 1; and
2. Note the arrangements set out in section 1 to fulfil the Council’s obligation to comply with Audit Scotland’s 2018 SPI Direction.

Resource Implications

None

Legal & Risk Implications

None

Impact Assessment

An EqIA is not required because the report does not propose a change or revision to existing policies and practices.

Consultation

## None required1.0 Background

1.1 Audit Scotland confirmed the new Statutory Performance Direction in December 2018. The direction has similar in most respects to the previous direction, but has been enhanced to give greater clarity to the public and the Council. The direction has three main requirements:

1. Setting out, and reporting on progress against, outcomes agreed with partners and communities.
2. Reporting progress against the council’s Best Value duty (including its own assessment of this progress and those of others like the Commission and auditors) and how it intends to improve.
3. Reporting the performance of services for which the council has prime responsibility.

1.2 The first requirement of the direction has been satisfied by update reports to the Fife Partnership regarding progress against the Plan for Fife. The initial round of reporting was completed in February 2019 and will continue on a rolling annual basis, with reports also going to Policy and Co-ordination Committee.

1.3 The second requirement of the direction is satisfied through our public performance reporting, assurance statements and governance arrangements.

1.4 The third requirement, to report the performance of services for which the Council has prime responsibility, will be satisfied by the series of reports (of which this is one) that will be presented to the Council covering the whole of the Council’s performance for 2018/19. Where possible, comparative performance is given for the Scottish average, top quartile, and peer group averages.

1.5. Taken together, these reports will cover the whole of the Local Government Benchmarking Framework, plus selected service performance indicators that give a balanced picture of Council performance.

1.6 The appendix to this report is presented in the form of a balanced scorecard covering the areas of Customer, People, Responsiveness and Cost results. This is consistent with the format used for the 2017/18 Public Performance Report and mirrors the approach used for internal management reporting throughout the year.

1. **Conclusions**

2.1 This report is the first in a series covering the whole of the Council’s performance against key indicators, including the Local Government Benchmarking framework.

2.2 The overall performance of the Finance & Corporate Services Directorate is positive; areas for improvement focus are identified in appendix 1

**List of Appendices**

Appendix 1 – Finance & Corporate Services Performance Report 2018/19

#### Report Contact

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Corporate Development Team Manager

Communities Directorate

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Finance & Corporate Services

Performance Report 2018/19

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| This report provides a strategic overview of performance against key indicators. We’ve worked hard to maintain and improve performance, and this year has seen a number of important achievements for Finance & Corporate Services:   * We have continued to improve the percentage of the Council’s workforce aged under 24. * We are still the best council in Scotland for the cost of collecting council tax. * We demonstrate a very good track record of budgetary control, as measured by final outturn compared to budget. | However, we continue to face significant challenges:   * Rent arrears have risen, and the percentage of rent due in the year that we have collected has fallen * Whilst the attendance figures have started to improve, absence remains a challenge. |

Customer

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| **Performance** | **Progress** |
|  | The overall combined number of stage 1 and 2 complaints received by Finance & Corporate Services has increased slightly from 2017/18. Finance and Corporate Services still to continue to maintain a high level of compliance when dealing with complaints within timescales and were broadly on target for 2018/19.  All complaints are analysed by service management and lessons learned to improve ongoing service delivery. The full analysis and steps taken to rectify the complaint along with all corrective actions are recorded on our Customer Management System and reviewed by the service senior management team. |
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People

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| **Performance** | **Progress** |
|  | The Directorate is proactively managing absence and greater focus is being given to supporting our employees to be healthy in order to improve attendance. Work is in progress to focus on different ways to support employees to stay at work or return to work as soon as possible. These activities include: -   * Improving and refreshing manager skills on having difficult conversations to promote good relationships where employees feel supported * Rolling out mental health awareness training to ensure we can support those who are struggling and intervene before the situation reaches crisis point * Using refreshed return to work forms to ensure a focus on quality discussions and using customised forms for particular conditions * Promoting increased physical activity |
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People – cont.

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| **Performance** | **Progress** |
|  | As at 31st March 2019, 4.9% of the Council’s employees were aged 24 and under. This is an increase of 0.2 percentage points on the March 2018 figure of 4.7%.  In December 2018 the Council received the prestigious Investors in Young People Gold Accreditation. We have been working with those Directorates where meeting youth employment targets are proving to be challenging, and in areas where there is a clear workforce planning need. This has resulted in a number of new opportunities for young people in electoral services, software development, cyber security and civil engineering. |
|  | The result for 2018/19 shows there has been an increase of 2.07 percentage points in the number of female employees in the top 5% of earners over the past year. This equates to a 3.9% increase. We continue to offer a range of flexible working options and family friendly policies to support women who wish to join and stay in the Council workforce. |
|  | There have been fairly minor changes in the numbers of females and males employed in the lower level pay grades i.e. increase in the percentage of these posts filled by females which has resulted in this increase in the gender pay gap. |

Responsiveness

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| **Performance** | **Progress** |
|  | The percentage of rent collected has reduced in year by 0.17%. However, this reflects a change in the method of payment of Universal Credit by the DWP on a fortnightly basis, the year-end being a week when no Universal Credit was received. An improvement project conducted throughout the year led to improved joint working at the frontline between Housing and Revenues Services in terms of rent collection. An additional £1.5m was identified to bring forward measures to support the transition of tenants to Universal Credit and to mitigate the impact on the Housing Revenue Account. |
|  | The collection of business rates has increased this year from 97.9% to 98.4%. The team have undergone a review and now work within the full assessment team, this gives added resilience to the team. In addition, businesses can now access their account online which may have a positive impact on collection rates. |
|  | Telephone call performance has continued to meet or exceed target. Call volumes have reduced across many areas through promotion of self-help or self-service reporting through cheaper channels e.g.   * self-service logging and tracking of enquiries via First Contact; * continual development of FAQs and self-help guides * improved telephone line messages promoting links to self-help guides, * advice pages or e-form enquiry logging. |

Responsiveness – cont.

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| **Performance** | **Progress** |
|  | The average time to process new claims is reducing and this is partly due to the reduction in workload which is coming through as housing benefit claims due to the introduction of Universal Credit. The team have reviewed all processes to make efficiencies and the results are evident given the number of days to process a claim has reduced from 19.5 days in 2017/18 to 18.9 days in the same period 2018/19. |
|  | The Council Tax collected over the year has fallen slightly. This is partly due to the impact of Universal Credit, and partly due to the impact of the first Council Tax increase for a number of years. The Revenue Service recognises the challenges and has put in place measures to maintain and improve the collection rate such as:   * Direct Debit and online take up campaign, * Corporate approach to debt collection * Streamline process for applying for direct payments * Working with CARF to support those having difficulty paying their Council Tax. |
|  | Council Tax collection over a 3-year period remains stable regardless of the current difficult economic climate. The team continually promote payment by direct debit and this impacts favourably on the 3 year collection rate. |

Responsiveness – cont.

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| **Performance** | | **Progress** |
|  | Fife is performing well in comparison with other Councils. The results maintain Fife within the top quartile but we continue to strive for improvement and are introducing a new e-invoicing process to speed up the process even more. This will be fully developed after 2020 when the new Oracle Cloud Project is delivered. | |

Cost

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| **Performance** | **Progress** |
|  | The total value of rent arrears increased by around 0.84% equivalent to around £500k in year. However this is within the context of the Universal Credit roll out to new applicants and to those with a change of circumstance. An improvement project conducted throughout the year led to improve joint working at the frontline between Housing and Revenues Services and a streamlining of the debt process. An additional £1.5m in growth was identified to bring forward measures to support tenants transition to Universal Credit and to mitigate the impact on the Housing Revenue Account. |
|  | **Council-Wide Indicator**  The level of uncommitted balances has decreased as a result of overspends and additional cost pressures being funded by General Fund Balances. This means there is a reduced level of balances to manage financial risk and unplanned expenditure. A review of the level of commitments is being progressed to stabilise the level of balances held. |
|  | **Council-Wide Indicator**  There has been a real terms reduction in Central Support Service expenditure of 27.9% from 2010/11 to 2017/18. This is mainly due to savings achieved, service reviews and restructuring in this area. Clearer guidance from the Directors of Finance/Scottish Government on Support Service classifications has also contributed to the reduction in costs. This indicator includes customer service costs e.g. the costs of the Council’s contact centre. |

Cost – cont.

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| **Performance** | **Progress** |
|  | Fife Council has achieved the lowest level of council tax collection costs for a number of years. This is partly due to the way we deliver the service and the way we apportion the costs. |
|  | **Council-Wide Indicator**  The level of slippage is a measure of capital expenditure against the planned capital programme.  This has improved over the last 3 years. The Capital Programme is monitored by the Investment Strategy Group and action taken to maximise spend and improve projections. Resources have been dedicated to support Services with programme and project management in order to minimise slippage. |
|  | **Council-Wide Indicator**  For the previous 3 years, the Council has contained expenditure within the budget overall, however in 2018/19 there was a slight overspend.  The Council has strong financial controls in place to minimise the level of overspends and underspends. However, going forward the challenge to do so will increase. |