



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 12 FEBRUARY 2019

SUBJECT: CORPORATE SERVICES PERFORMANCE REPORT – APRIL TO SEPTEMBER 2018

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 The purpose of this report is to outline the performance of the service for the period from April to September 2018.
- 1.2 This report is submitted to Committee in terms of Section III A (64) and A (65) of the Council's Administrative Scheme relating to the development and monitoring of the Council's Performance Management Framework and to contribute to public performance reporting.

2. RECOMMENDATION

2.1 It is recommended that the Policy and Resources Committee:-

- (i) **scrutinises performance outlined in this report;**
- (ii) **notes the actions being taken to seek improvements where required;**
- (iii) **approves the following change to the Financial Services Service Plan; and**

Priority 3: Progress Phase 1 of the new HR/Payroll system

Aim: *to deliver an efficient, integrated HR / Payroll system, meeting all statutory requirements.*

- (iv) **approves the following change to the Democratic Services Service Plan aim to include reference to the support given to the Returning Officer:**

Aim: *to provide efficient, cost-effective support for committees and provide Registrar services for Moray residents as efficiently as possible, and provide support to Returning Officer in the organisation and administration of all elections.*

3. **BACKGROUND**

- 3.1 The revised performance management framework was approved at a meeting of The Moray Council on 22 May 2013 (item 8 of the minute refers). As a result, performance will be reported on a 6 monthly basis.
- 3.2 The Policy and Resources Committee at its meeting on 9 April 2013 (para 7 of the minute refers) approved the development of a quarterly monitoring document which will provide supporting information for the Performance Management Framework and 6-monthly performance reports will refer to the document.
- 3.3 This report sets out progress against service plans for Legal and Democratic Services, Financial Services and HR&ICT, which together form the Corporate Services Departmental Service Plan.

4. **PERFORMANCE AGAINST SERVICE PLAN OBJECTIVES**

Service Plan	Progress	Number of Actions Overdue	Number of Actions Completed
Corporate Services' Service Plan 2018-19	40%	8	7
▶ CPS18FS Financial Services Plan 2018-20	42%	0	0
▶ CPS18HR Corporate Workforce Plan 2018-19	34%	7	5
▶ CPS18ICT ICT Service Plan	25%	0	0
▶ CPS18LD Legal and Democratic Services - Service Plan Actions	60%	1	2

- 4.1 Progress of the Corporate Services' Service Plan (40%) is broadly on schedule at the end of the first 2 quarters of 2018/19. The ICT Service Plan was planned to be 25% at the mid-point of the financial year, so is on track to be completed as scheduled. The Corporate Workforce Plan is progressing behind schedule for the reasons provided in the HR Pressures Report, which was submitted to the Policy & Resources Committee on 27 November 2018.

Human Resources Service - Corporate Workforce Plan

- 4.2 The Corporate Workforce Plan is progressing behind schedule (34% at the end of quarter 2) due to a combination of factors, including managing the workforce implications of the budget proposals with services, sickness absence of key staff and the impact arising from the current acting up arrangements for the Head of Service. The Human Resources Service Pressures Report, which was submitted to the Policy & Resources Committee at their meeting held on 27 November 2018, provided members with full details.
- 4.3 The impact on achieving the aims of the plan is considered below for each of the priorities in the Workforce Plan.

- **Priority 1: Workforce Transformation and Change**

***Aim:** to manage the contraction and re-shaping of the Council workforce to achieve a sustainable skilled and motivated workforce for the future aligned to the Council's priorities.*

- Progress on the actions that contribute to this priority is on schedule (48%). There are no actions that are behind schedule or overdue.
- Following the review of "Transform" in August the programme continues to be used to support the workforce whose posts are at risk as a result of the budget proposals (Action CPS18HR01.01).

- **Priority 2: Employee Culture Engagement/Morale and Motivation**

***Aim:** to continue to develop effective communication and engagement across the workforce to sustain and improve engagement in a challenging environment and continue to develop a positive workforce culture.*

- Progress against the aim is currently assessed as 56%, which is slightly ahead of schedule for this stage of the year.
- A number of milestones have been completed, or are underway:
 - Employee conference (Action CPS18HR02.01b),
 - Bright Ideas (Action CPS18HR02.01c), and
 - Star Awards (Actions CPS18HR02.01d)
- A number of actions are behind schedule or overdue:
 - The Leaders Symposium is on hold (Action CPS18HR02.01e). See the HR Pressures Report for details.
 - The Moray Management Methods training package is now being delivered on a regular basis. in Q3s (Action CPS18HR02.03).

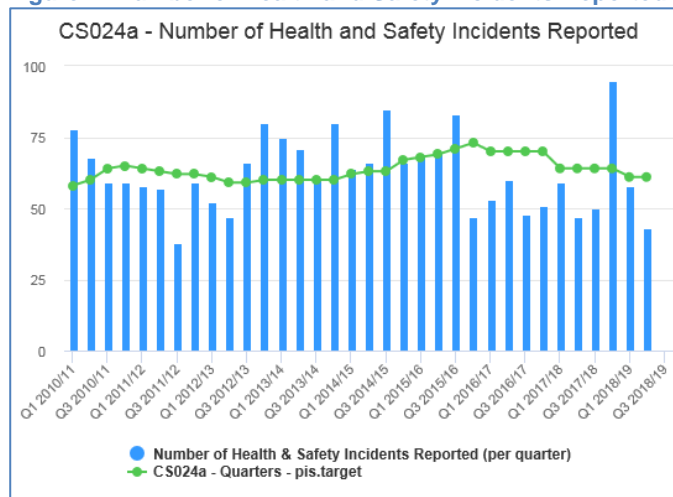
- **Priority 3: Developing Leadership Capacity.**

***Aim:** to prepare and develop current and future leaders to meet the demands of local government of the future to ensure the continuous improvement of services.*

- A programme of blended training has been agreed using a range of external providers (Action CPS18HR03.01). Impact will be monitored as the programme is implemented.
- However, there are some actions that are behind schedule or overdue:
 - The provision of management and supervisory training to address management standards and a more positive workforce culture has impacted by the budget savings activity within departments. Remedial action is being planned in conjunction with service managers. (Action CPS18HR03.02).

- For elected member development to supplement the training offered self-directed development was agreed as part of the HR Service Pressures Report highlighted previously. (CPS18HR03.03).
- **Priority 4: Workforce/Employee Development**
Aim: *to ensure that employees have the skills, competencies and experience required and are prepared to meet current and future requirements.*
 - Progress has been impacted by the HR pressures reported and the freeze on freeze on training spend which restricts spend to essential training. (Actions CPS18HR04.01, CPS18HR04.02 & CPS18HR04.04).
- **Priority 5: Health and Wellbeing**
Aim: *to pro-actively support the health and well-being of employees.*
 - Support has been given to managers, particularly in high absence areas (such as Care at Home). Further support is planned to take place during the second half of the year working with managers in targeted areas (Action CPS18HR05.01).
 - Over the past 2 years the number of health and safety incidents reported across the Council has shown a generally downwards trend (with the exception of quarter 4 2017/18 – see Figure 1). This may be indicative of an improving safety culture, with staff implementing the health and safety system effectively.

Figure 1: Number of Health and Safety Incidents Reported (Moray Council)



- Two of the actions in support of this priority are behind schedule: sharing Health and Safety lessons (Action CPS18HR05.04) and Contractor Control (Action CPS18HR05.06).
 - Health and Safety lessons so far have been shared through articles in **Connect** magazine and manager's briefings. Implementation of contractor control measures is awaiting confirmation from managers

involved in higher risk area procurement activities that good practice is being used.

- **Priority 6: Workforce and Succession Planning**

Aim: to address workforce issues in relation to demographic changes and skill shortages and develop strategies to address the consequences.

- Action against this priority is still at an early stage. The action to develop and implement a corporate approach to apprenticeships is behind schedule, due to issues raised in the Human Resources Service Pressures Report. (Action CPS18HR06.01).

- **Priority 7: Recruitment and Retention**

Aim: to ensure that Council Services are as well-resourced as possible by making the Moray employment package as attractive as possible and deploying appropriate recruitment strategies.

- Little progress has been made on the Recruitment and Retention priority (6%) with 2 of the 3 actions on hold (Actions CPS18HR07.01 & CPS18HR07.02).

- **Priority 8: Reward and Recognition**

Aim: to have in place fair and competitive pay and conditions that are recognised as such and are free of bias.

- Very little progress has been made on this priority (8%) in the first half of 2018/19. The Human Resources Service Pressures Report, Appendix 1, identified what work is now on hold and what has been prioritised for progression.

Information and Communication Technology (ICT) Objectives

- 4.4 The ICT Service Plan is due to be completed in September 2019, and the 25% progress reported at the end of quarter 2 is close to the planned schedule.

- **Priority 1: Transformation**

Aim: to create a digital first approach to improve efficiency by delivering more services online; supporting flexible and mobile working; and improving capabilities for shared working within the Moray IJB.

- Work to extend the availability of online services available to the public is making good progress and is enabling the public to undertake more transactions using the customer portal (Action CPS18ICT01.02). In addition, work is nearly complete to enable Council employees to access

Interchange away from the office (Action CPS18ICT01.04). Progress on installing improved digital infrastructure continues on schedule and is expected to meet the objectives of the ICT Strategy for Schools and Curriculum Development as planned (Action CPS18ICT01.06).

- **Priority 2: Decision Support**

***Aim:** to optimise the use of data by services, elected members and the public; data will be requested once, will be available to all who need it, and accurate and timely information will be readily accessible.*

- This priority is planned to be delivered by the end of September 2019, and work is on schedule.
- The actions to enable data to be shared with council services and partner organisations is making good progress (Action CPS18ICT02.02), as is the project to enable digital dashboards for staff, elected members and the public to view data and to better understand the underlying trends within their service (Action CPS18ICT02.03).

- **Priority 3: Compliance**

***Aim:** to ensure the Council's ICT infrastructure and systems are secure, meet the required accreditation standards, are robust, and consistently supported; to implement a secure email solution to ensure continued communication with other government bodies.*

- Again, this priority is planned to be delivered by the end of September 2019, and work is on schedule
- Work is progressing well on migrating the Council to the next generation secure email for the Public Service Network (Action CPS18ICT03.04). The project to migrate from Windows 7 to Windows 10 (and Office 2010 to Office 2016) is about to be initiated (Action CPS18ICT03.02), and preliminary discussions with suppliers on finding a suitable replacement for the corporate firewall have begun (Action CPS18ICT03.03).

- **Priority 4: Forward Planning**

***Aim:** to assess the impact of new or alternative technologies, including cloud-based computing and the Internet of Things on delivering efficiency savings to the Council*

- This priority too extends until the end of September 2019 and is concerned with deriving efficiencies from maturing technologies, and progress is as planned.
- The action that has made the most progress is replacing the existing UNIX server (Action CPS18ICT04.03 – 55%). The review is complete, but rather

than proceeding with the procurement and implementation as originally intended, consideration is being given to deferring any expenditure and going ahead with the final procurement in Financial Year 2019/20. Work has started on reviewing the Council's telephony estate and drafting a video conferencing options paper (Action CPS18ICT04.06).

Financial Services

4.5 The Financial Services' Service Plan is largely on track, with the main notable exception being progress on implementing the new HR/Payroll system. An amendment to that priority to reflect the difficulties encountered is proposed in the recommendations to this report.

- **Priority 1: Support the Financial Planning Process**

***Aim:** to support elected members and budget managers with all aspects of the Financial Planning Process including the Procurement Strategy.*

- Progress against the aim is on track for all but one action. Elected members requests for budget information and support have been dealt with in a timely manner (Action CPS18FS01.01). The improved format for Budget Monitoring (Action CPS18FS01.02a) was accepted by elected members and the Corporate Management Team (CMT). The Appendix to these reports now includes graphs to enable the budget variances to be easily visible. CMT have been given monthly budget overviews (Action CPS18FS01.02b).
- The one action that is running behind schedule (30% complete) is the development of revised budget monitoring reports for budget managers (Action CPS18FS01.02c). Technical issues impacting on the delivery of the reports are being investigated.
- The work to implement the Procurement Strategy Action plan (Action CPS18FS01.03) is progressing to schedule.

- **Priority 2: Provide financial advice/support for the Council's large strategic projects**

***Aim:** to provide support to the council's Transformation Boards and other Project Boards in the delivery of strategic projects.*

- Progress against the aim is on schedule, with work focussed on 2 major projects: Community Asset Transfers (CAT) and the NESS energy from waste project (Action CPS18FS02).
 - Financial evaluation of CAT requests relating to town halls and community centres has been completed. Assessment of the financial performance of the groups over their first six months falls due shortly.

2 further CATs have been evaluated and reported to Committee (Action Marine Park & Portknockie Tennis & Bowling Club) and a number of other Expressions of Interest have been provisionally reviewed from a finance perspective

- Evaluation & technical discussion with the final 2 suppliers for the NESS energy to waste project is continuing. Issues have arisen which have further delayed the project. A report was submitted to the Special Moray Council Committee on 18 December 2018 to update members on delay.

- **Priority 3: Progress Phase 2 of the new HR/Payroll system**

***Aim:** to deliver an efficient, integrated HR / Payroll system, meeting all statutory requirements.*

- Phase 2 of the implementation of the Council's new HR/payroll system is behind schedule with only 15% progress made so far (Action CPS18FS03). An implementation plan is in place and work is underway. However, progress has been delayed by resource issues.

Based on a new approach to progress outstanding developments a new plan was prepared and was submitted to the Transforming the Council Board. Progress is slow and is still concentrating on the Phase 1b operational tasks that were not completed previously. In light of this the Project Board have approved that Phase 2 is delayed until Phase 1 is signed off. Consequently, it is recommended that the Service Plan Priority 3 Action is amended to:

Priority 3: Progress Phase 1 of the new HR/Payroll system

***Aim:** to deliver an efficient, integrated HR / Payroll system, meeting all statutory requirements.*

- **Priority 4: VAT leisure review**

***Aim:** to investigate potential savings identified through recent VAT tribunal cases regarding the provision of leisure services and to identify associated changes to ways of working.*

- This action (CPS18FS04) is progressing well (60%) with work ongoing to assess the impact of the potential VAT changes. Analysis of leisure income since 2010 is underway; this is a pre-requisite to the more detailed consideration of our next action and whether applying for a change in VAT liability at this stage will in fact deliver the required savings without impacting on our ability to recover exempt input tax.

Legal and Democratic Services

- 4.6 The Legal and Democratic Services' Service Plan is making good progress and is on track to be completed by the end of the financial year.

4.6.1 Legal Services

Aim: to provide legal support to corporate and strategic projects and changes in legislation that effect the delivery of Council services, provide training updates for Councillors, while achieving required budget savings.

- A change management plan has been develop to achieve the required budget savings (Action CPS18LD01.01), and is on track to meet the required outcomes.
- The legal team has been busy providing support to the numerous Community Asset Transfer requests that have been received during the first half of the year since the decision was approved by the Moray Council in February 2018 to secure community asset transfers (CAT) of town halls and community centres as part of its budget process (Actions CPS18LD01.02 & CPS18LD01.03).
- One of the actions carried over from last year was the implementation of the **Idox**¹ licensing module to transform the Licensing Service's processes to deliver efficiency savings and reduce the time it takes to process and resolve licensing applications (Action CPS17LD01.06). The action is 90% complete, with the module rolled out to staff, training has been undertaken and the only remaining matter for completion is the building of management indicators and PI reports into this module. It is too early to assess the impact this change will make to the effectiveness and efficiency of the Licensing team.
- Note that no progress has been made so far this year on developing national Legal Services benchmarking measures, as there has been no activity nationally on this topic for over a year (Action CPS17LD01.02). Further, the Legal team are still waiting for the Appeals Committee to sit to enable the final element of training to be given to the relevant elected members (Action CPS18LD01.04).

4.6.2 Democratic Services

Aim: to provide efficient, cost-effective support for committees and provide Registrar services for Moray residents as efficiently as possible, and provide support to Returning Officer in the organisation and administration of all elections.

- Two of the actions have been completed. First, implementing the committee management system (Action CPS18LD02.02), which has bedded in well and has achieved the savings in terms of the admin support provided. Second, the agreement that the existing elections management system can be updated through in-house ICT support, as the more cost-effective solution (Action CPS18LD02.03). Again, the impact of this action

¹ Idox is a leading supplier of specialist software, services and content to the public sector.

cannot be evaluated at the moment, but will be once the system has been updated and is in regular use.

- The action to complete the digitisation of the burial ground records (Action CPS17LD02.05) is still being held up waiting for the contractor to complete their actions. In the meantime the team are able to work with the data that has been provided already.

4.6.3 **Customer Services**

Aim: to support the ICT team in delivering the Digital Project, and reviewing the level of service provided to meet required budget savings.

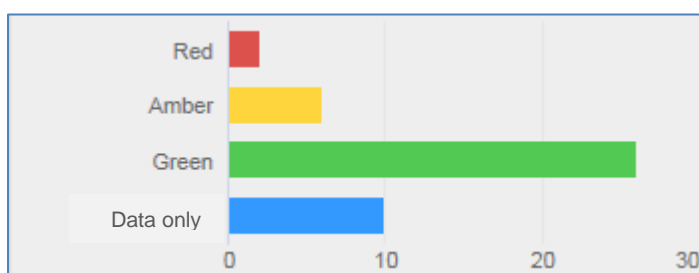
- Work in support of the Council Tax element of the Digital Project is currently on track with the development and testing of systems to enable change of address to be advised on line and e-billing well advanced. The impact of this work and how it is received by the public won't be known until the project has been completed and in operation (Action CPS18LD03.01).
- The work that has been in place to meet housing benefit claims timescales (Action CPS18LD03.04) is showing promise with the average time for processing new claims has been maintained at 24 days in the second quarter of 2018/19 (Indicator CPS011), whilst change of circumstances are taking around 9 days on average (Indicator CPS012).
- The proposals to meet the required budget savings are in place, awaiting approval.

5. **SUMMARY OF PERFORMANCE**

Performance Indicators

Corporate Services monitor performance through 44 performance indicators, 34 of which have targets set and 10 are contextual. A summary of performance for the 12 areas that comprise Corporate Services is below.

- Red PIs are significantly above/below the set targets
- Amber PIs are just above/below the set targets
- Green PIs meet or exceed the set targets
- Blue PIs are contextual with no targets set



Service – Department	Red	Amber	Green	Data Only
	2	6	26	10
▲ Corporate Services - Audit		1	2	
✎ Corporate Services - Corporate Resources				1
● Financial Services - Accountancy	1		3	
✓ Financial Services - Payments			3	
▲ Human Resources and ICT - Human Resources		2	5	
✓ Human Resources and ICT - ICT Applications			1	
✓ Human Resources and ICT - ICT Infrastructure			2	2
● Legal and Democratic Services - Customer Services	1	1		1
✓ Legal and Democratic Services - Democratic Services			4	
✓ Legal and Democratic Services - Legal Services			1	2
✓ Legal and Democratic Services - Registrars			1	1
▲ Legal and Democratic Services - Revenues		2	4	3

Performance indicators requiring monitoring (Amber)

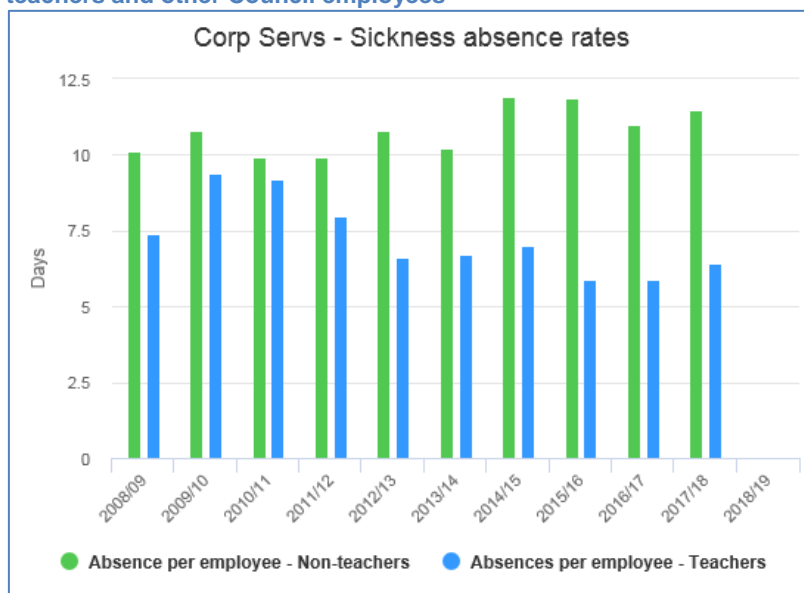
Internal Audit

- 5.1 Delivery of the Audit Plan, as approved by Audit and Scrutiny Committee, covers a nine month period from June 2018 to March 2019 (Indicator FICT055). After three months, allowing for holiday profiling etc., the programme of work is just below target as at the end of the period.

Human Resources

- 5.2 The absence rate due to sickness for teachers rose from an average of 5.9 days per teacher in 2016/17 to 6.4 in 2017/18. This was the first recorded rise since 2014/15.
- 5.3 The absence rate due to sickness for the remainder of the Council staff has also risen, from 11 days per employee on average in 2016/17 to 11.5 days in 2017/18. Figure 2 shows the average number of days lost per employee from 2008/09 to 2017/18.

Figure 2: Comparison of average number of days absence per employee due to sickness between teachers and other Council employees



Legal and Democratic Services – Customer Services

- 5.4 The percentage of telephone calls answered against those received (Indicator CPS058) was 91.53% compared to the target of 93%. This target has proved to be challenging, having only been exceeded once, in Qtr 1 2017/18. However, the service routinely exceeds answering 90% of all calls received.

Legal and Democratic Services – Revenues

- 5.5 The average time to process new housing benefits claims (Indicator CPS011) was 24.6 days, 1½ days longer than the target of 23 days, and fractionally higher than Q1(24.5 days). Note, however, that the processing time for this particular PI has reduced from 29 days in Qtr3 2017/18.
- 5.6 The time to process notifications of changes of circumstances in housing benefits claims (Indicator CPS012) was 9.6 days, higher than the target of 9 days, and an increase from Q1 (9.1 days). Note that the target has been gradually reducing over time, and this quarter's performance would have met last year's target of 11 days.

Performance indicators requiring action (Red)

Financial Services – Accountancy

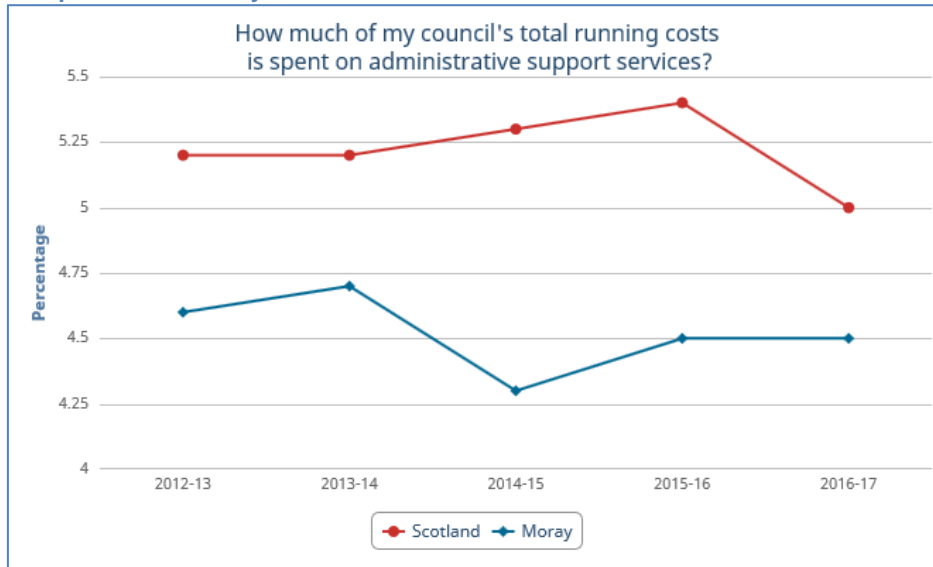
- 5.7 IT issues prevented budget monitoring reports being issued to budget managers on time in September, which caused this PI (Indicator FS008) to achieve 66.7%, missing the target of 100% for the first time since January 2014. This is likely to be a one-off occurrence.

Legal and Democratic Services – Customer Services

- 5.8 The percentage of telephone calls answered within 20 seconds (Indicator CPS059) was 63.74% this quarter, compared to the 74% target. Long-term absence due to sickness continues to adversely impact the team's performance.

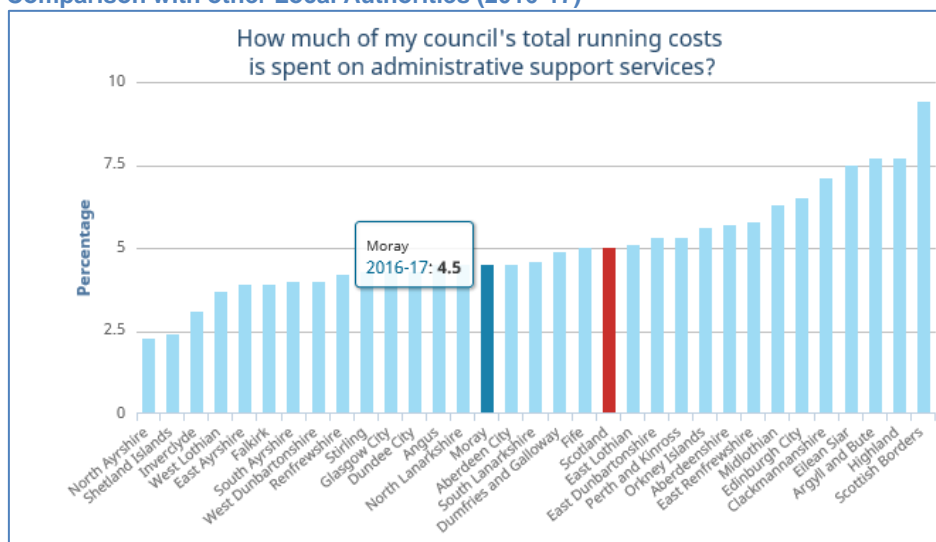
Corporate Resources

Figure 3: Improvement Service Local Government Benchmarking Framework (Indicator CORP1) – Comparison nationally over time



- 5.9 Support service costs for Moray Council rose again in 2016/17 to £10.42 from £10M in 2015/16. Gross expenditure rose by approximately £2M from £223M to £225M, leading to a slight increase in the percentage cost of support services for the Moray Council from 4.49% to 4.54% (Figure 3). This increase has led to Moray Council being ranked 15th out of the 32 Scottish Councils for value, compared to a ranking of 9th in 2015/16 (Figure 14); the lowest ranking for the last 7 financial years. North Ayrshire yet again leads the rankings with a figure of 2.28%, while Scottish Borders has replaced Eilean Siar in 32nd place with support service costs of 9.36% (up from 8.01% in 2015/16). Moray's support costs continue to remain below the Scottish average (which was 5% in 2016/17).

Figure 4: Improvement Service Local Government Benchmarking Framework (Indicator CORP1) – Comparison with other Local Authorities (2016-17)



Complaints

5.10 There were 24 complaints received by Corporate Services during the six month period to the end of September 2018. 24 complaints were responded to during the same period; 15 (out of 21) frontline within the 5 working days target and all 3 investigative complaints within the 20 working day target. There were no escalated investigative complaints. 12 complaints (50%) were upheld and 2 (8.3%) were part upheld. 10 complaints were not upheld (41.7%) (Figure 5).

Figure 5: Total number of complaints received quarterly by Corporate Services (Q4 2013-14 to Q2 2018-19)



6. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Performance measurement is used to ensure the efficient and sustainable delivery of services to meet the Council's priorities in the Corporate Plan and the 10 Year Plan (Local Outcomes Improvement Plan).

This report identifies the areas of the Service Plan that have fallen behind schedule and where more work is required.

(b) Policy and Legal

None

(c) Financial implications

None

(d) Risk Implications

None

(e) Staffing Implications

None

(f) Property

None

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed because the report is to inform the Committee on performance.

(h) Consultations

Corporate Services Service Managers and Heads of Departments were consulted

7. CONCLUSION

- 7.1 Performance during the first of 2018/19 is broadly as expected. 76% of the performance indicators with targets met or exceeded those targets. The work to implement all the actions contained in the Corporate Services Service Plan achieved 40% progress for the half-year; 7 out of 109 actions were completed (6.4%); 55 actions were 50% or more complete; and 8 were overdue (7.3%). Mitigating actions have been identified for overdue service plan actions. In particular, the Human Resources team have reviewed the demands on the service in light of the preparations for the 2019/20 and 2020/21 budget savings and revised the workforce plan accordingly. Eighteen out of 24 complaints were responded to within target timescales (75%).**

Author of Report: Denise Whitworth

Background Papers: Held by Carl Bennett, Research and Information Officer