**REPORT TO: POLICY AND RESOURCES COMMITTEE ON 7 AUGUST 2018**

**SUBJECT: CORPORATE SERVICES PERFORMANCE REPORT – OCTOBER 2017 TO MARCH 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 October 2017 to March 2018

1.2 This report is submitted to Committee in terms of Section III A (4) and B (58) 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; and**

**(ii) notes the actions being taken to seek improvements where required.**

## 3. BACKGROUND

3.1 The revised performance management framework was approved at a meeting of The Moray Council on 22 May 2013 (para 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**

Human Resources Service - Corporate Workforce Plan 2017/18

4.1    The HR team completed 79% of the planned Corporate Workforce Plan activities during 2017/18. The outcomes and progress made against the 9 priorities in the plan are discussed below, along with the proposals for taking incomplete actions forward into 2018/19.

4.2    While the HR service has made good progress on the priorities within the corporate workforce plan note should be taken of the significant additional pressures on the HR teams that have impacted on performance.  These include the workload arising from the budget impact on the workforce, an exceptional staffing situation with a number of temporary appointments, the impact of managing long term illnesses and the challenges with the development and implementation of the new HR-Payroll system i-Trent which meant that resources were diverted to ensuring employee payments were processed.

- **Priority 1**: **Workforce Transformation and Change** is 94% complete. Transform delivered a workforce reduction in short timescale in response to the 2018/19 budget. Transform will be developed further for future workforce changes, including a review of the contract for psychometric assessments given the budget situation. Work relating to MIJB has continued to progress a range of procedural, policy and operational issues, and to clarify how risks will be controlled in a joint working environment. However, agreeing the Organisational Development (OD) Plan for the MIJB and identifying resources to progress its development was delayed and this action was only 80% complete at the end of the year. Revised dates for the OD plan have now been agreed and the plan is ready to proceed to implementation.

- **Priority 2: Employee Engagement/Morale and Motivation** had progressed to 93% at the end of the year. The 2017 Employee survey demonstrated continued improvements in the majority of employment themes and highlighted where further work was required.  The Culture Working Group was refreshed and a new action plan was prepared. Implementation of development work (induction, CPD for managers, dealing with workload, early warning system, investigation guide, and social engagement) will continue in 2018/19.

- **Priority 3: Developing Leadership Capacity** was behind schedule at **65%** complete. This priority sought to develop managers to lead a challenging agenda and equip them with the skills and behaviours they need to deliver the strategic direction and leadership the Council requires. This work has been significantly delayed due to change management and staffing issues within the team. Work progressed further in introducing a range of management and supervisory training, which is currently available through partner organisations. This will be reviewed to ensure there is a comprehensive package that meets council requirements in the future.

- **Priority 4: Workforce/Employee Development** activities in support of this action have made 85% progress. The Organisational Development (OD) service has identified future training requirements with Heads of Service, and training activity can now be co-ordinated and aligned with corporate and OD priorities. A review of the Employee Review and Development Process, and the training and development is currently being undertaken with Direct Services. Progress on developing a revised Management Appraisal Framework for senior managers has been delayed (progress was 50% at the end of the year).

- **Priority 5: Health and Wellbeing** was 81% complete at the end of the year, which was close to the anticipated year-end target. Absence statistics are being monitored quarterly by senior managers in all Services, and the 2017/18 absence rates due to illness will be reported to the Policy & Resources Committee in the performance report covering the second half of 2018/19. The arrangements for consultation and involvement on Health & Safety matters have been reviewed to modernise them and reflect the inclusive approach that the council would like to have. Trade Union representation remains limited in terms of contributing towards increased participation due to a lack of resources, despite a willingness to do this.

  The aim of managing through the effective implementation of the health and safety system is behind schedule (65% complete at the end of 2017/18) although the majority of audits were completed. Action plans to improve quality are being progressed by departments and inspections to monitor adherence to controls are taking place. In addition, a comprehensive communications plan has been approved by the Central Health & Safety Committee.

- **Priority 6: Workforce and Succession Planning** action was completed in 2017/18 as planned. An options paper on Apprenticeships went to the Policy & Resources committee for consideration at their meeting of 8 May 2018. The detail of the implementation plan will be included in the 2018/19 Workforce plan. Early Years provision is progressing well with specific HR resources in place to support development of service.

- **Priority 7: Recruitment and Retention** has made 38% progress overall, but the action is not planned to be fully complete until March 2019. During 2017/18 progress against the planned activities for the year was 60%. The main cause of delay is against the action to establish pathways for support, training and experience for professional development for professional and specialist posts. This has been delayed due to the current acting-up management arrangements with no dedicated Organisational Development manager to take the work forward.

  Good progress was made on the work by educational services and HR to develop a recruitment strategy to improve teacher recruitment, and has produced encouraging results; 23 appointments have been made from the Newly-qualified Teachers pilot scheme. In addition, non-European Economic Area sponsorship is being sought and the applicability of the scheme to other areas of the Council is also being explored.

- **Priority 8: Reward and Recognition** made 63% progress by the end of 2017/18. The aim is to ensure Moray Council has in place fair and competitive pay with conditions that are recognised as such and are free of bias. Work on the long-term impact on the pay structure arising from the living wage and other pay related issues is underway.

  An equal pay audit, scheduled in for Q3 2017/18 has been rescheduled for December 2018 to align with the three-yearly requirement for this piece of work.


Information and Communication Technology (ICT) Objectives

4.3     The vision for the ICT services is to enable the council to provide high quality, improving, efficient and responsive front-line services based on cost effective, reliable technology and infrastructure. At the end of 2017/18 progress against the plan overall was close to the planned schedule at 74% overall against the ICT Service Plan for 2017/20:

- **Priority 1: Developing Digital Services** is now 81% complete and is on track for implementation as planned by the end of September 2018.There are now 2,947 registered Citizen Accounts which allow Moray residents to access online services through the Council's web-site. Implementation of eBilling and other Council Tax related automation such as applying for Council Tax exemptions and discounts, leisure bookings, school enrolment and transport applications and online payments, has been delayed due to supplier and resourcing issues.

- **Priority 2: Technology for the Moray Classroom** is progressing on schedule with 92% of the action completed at the end of 2017/18. 603

desktops / laptops and 116 monitors have been installed in Schools, servers have been replaced in all 8 secondary schools and all servers in primary schools have now been migrated to the virtualised server environment. In addition, the network equipment has been procured and will be installed in Q1 2018/19.

- **Priority 3: Delivering systems and Infrastructure** is behind schedule, with progress at 88%, having been impacted by an unscheduled Microsoft software audit in Q1. However, since then progress has been steady and the new service desk software, which will improve the service provided to customers, is close to being ready to test the pilot system, with roll-out of the full system expected before the end of 2018. The data storage element of this project has been mitigated by extending the support via a national framework which has proved to be very cost effective. Work on identifying a long-term data storage solution will be taken forward into the 2018/19 Service Plan. The infrastructure and Device Management Plan, designed to ensure the Council's ICT infrastructure is fit for purpose, was 90% complete at the end of the year, and the remaining projects will continue to be delivered during 2018/19.

- **Priority 4:** The **Partnership Working** action is complete with all of the Moray Council offices and schools moved across to the Scottish Government's Scottish Wide Area Network (SWAN) contract, which has been established to create a platform for delivering public services digitally. The adoption of the SWAN contract has resulted in significant savings compared with the previous Wide Area Network contract.

- In addition the ICT team have continued to support the roll-out across the Council of Sharepoint electronic document management and storage software to improve collaborative working and ease of accessing information to improve efficiency.

Financial Services

4.4    The Financial Services Service Plan 2017/20 is making good progress with the actions for 2017/18 being 81% complete at the end of the financial year. Progress on the priority areas was as follows:

- **Priority 1: Support the Financial Planning Process** by assisting Members in developing a sustainable financial plan for Moray Council for the 3 years to 2019/20; all actions for 2017/18 were completed. Budget overviews are now updated monthly and reported to the Corporate Management Team. Revenue and capital budgets for 2018/19 were reported to and approved at full council on 14 February 2018.

- **Priority 2: Provide financial advice/support for the Council's large strategic projects** was also 100% complete for the 2017/18 actions. The North East Scotland Shared Energy (from Waste) project, a joint partnership

between Moray, Aberdeen City and Aberdeenshire Councils to develop a £150 million waste to energy facility, has received proposals from prospective bidders. These are being evaluated by the project advisors to enable the Project Board in Q1 2018/19 to select the final 2 companies who will progress to the next stage.

- **Priority 3: Provide financial support for the new Moray Integration Joint Board (MIJB)** was 65% complete. Quarterly financial monitoring reports are being submitted routinely to the MIJB, and in Q3 a revenue budget for 2018/19 was submitted. Support for the development of a procurement strategy for the MIJB has stalled at 30% progress awaiting guidance from Social Care / MIJB staff.

- **Priority 4: Undertake a review of all Council's insurance policies and highlight associated risks**, made no progress in the second half of the year due to the consultant being ill, and remains at 40% complete. This action will continue into 2018/19.

- **Priority 5: Providing best value for our customers** was 86% complete overall. The new Income Management system was implemented and the associated customer action plan was completed. This system allows the automation of bank reconciliations and improves Direct Debit collection whilst recording income, in a more efficient manner. The process for e-invoicing is now in place for the Financial Management System, and paperless Direct Debits went live in November 2017. Two actions carried forward from 2016/17 still remain incomplete: the upgrade and provision of improved budget manager information requires further support from ICT to resolve the issues with producing reports, and remains at 80% complete; incorporating budget manager training and FMS user training into the Council's training system (CLIVE) is on hold at 50% complete due to a lack of resources and conflicting activities. Both these actions will be carried forward into 2018/19.

- **Priority 6: Procurement and payments development**. This action had already been completed at the end of Q2, ensuring the Council met all the statutory requirements of the Procurement Reform (Scotland) Act 2014. The annual report required by the Act was submitted to the Policy and Resources Committee at their meeting of 29 August 2017 where the application of the Procurement Saving Strategy for all appropriate locally developed tenders was approved.

Legal and Democratic Services

4.5     Legal and Democratic Services updated the priorities in the 2016/19 Service
        Plan for 2017/18, and at the end of the financial year had made 92% progress
        towards completion of the 2017/18 actions.

4.5.1   Legal Services

- Legal Services achieved 89% progress against their Service Plan, including
  training for the newly elected councillors, apart from the Appeals Committee
  members as the committee had yet to sit; and supporting the Moray
  Integration Joint Board (MIJB), including approval from the Scottish Public
  Services Ombudsman for the MIJB Complaints Policy.

- Legal Services also provided input on the new schools, joint waste and Buckie
  Harbour projects and the new Moray Development Plan. Work with Highland
  Council to develop national benchmarking measures continues, but progress
  has stalled at 50% awaiting feedback following the submission of the
  benchmarking return and there have been no new requests for further returns
  or invitations to group national meetings.

- Licensing Services undertook a Taxi Fare Review during Q4 and Licensing
  Committee endorsed the draft set of proposals at their meeting of 21 March
  2018 and instructed the Head of Legal Services to undertake a formal
  consultation. The taxi-driver community were consulted on their views about
  the way Moray Council Licensing Services communicated with the industry,
  and the results of this survey will be reported to the Licensing Committee in
  due course.

4.5.2   Democratic Services

- Democratic Services made excellent progress against their 2017/18 Service
  Plan completing 3 of their 4 actions. A successful bidder has been appointed
  to provide the committee management system that will improve Committee
  Services efficiency in supporting committees, including paperless meetings,
  for example.

- Work on completing the digitisation project of burial ground records remains at
  90% (Action CPS17LD02.04) and will be carried forward into 2018/19. The
  contractor has taken longer to deliver the project than originally planned, and
  has been asked to deliver a solution for the 5 live sites. However, the system
  is working well with the data already provided, and the project is expected to
  be completed by the end of 2018. Overall progress in implementing the Plan
  was 97% at the end of the financial year.

4.5.3 Customer Services

- The customer services team implemented 5 of their 8 actions in the 2017/18 Service Plan, achieving 92% progress overall against their commitments to meet the Legal and Democratic Service Plan outcomes of customers receiving high quality services which meet their needs, while providing best value. The additional activity to maximise Council tax income has resulted in a 0.8% improvement on the amount collected within the year. During 2016/17 95.9% of Council tax due was collected within year, which has now increased to 96.7% in 2017/18 (Benchmarking information for other Scottish Councils is not yet available for 2017/18).

## 5.    SUMMARY OF PERFORMANCE

5.1    The table below summarises the performance against departmental performance indicators to the end of March 2018.

**Performance Indicators**

| Service | No. of Indicators | Green Performing Well | Amber Close Monitoring | Red Action Required | Contextual or Annual |
|---|---|---|---|---|---|
| Audit | 3 | 2 | 0 | 1 | 0 |
| Accountancy | 4 | 4 | 0 | 0 | 0 |
| Payments | 3 | 3 | 0 | 0 | 0 |
| Revenues | 9 | 5 | 0 | 1 | 3 |
| Corporate Resources | 2 | 0 | 0 | 0 | 2 |
| Legal Services | 3 | 1 | 0 | 0 | 2 |
| Democratic Services | 4 | 4 | 0 | 0 | 0 |
| Registrars | 2 | 1 | 0 | 0 | 1 |
| Customer Services | 3 | 0 | 1 | 1 | 1 |
| Human Resources | 8 | 5 | 1 | 2 | 0 |
| ICT | 4 | 2 | 0 | 0 | 2 |
| **Total** | 45 | 27 (60%) | 2 (4.4%) | 5 (11.1%) | 14 (24.4%) |

5.2    Performance against indicators is presented across 11 areas and involves 34 indicators with targets this quarter, and a further 14 contextual or annual indicators. At the end of the 2017/18 financial year 79% of the indicators with

targets are performing well (27 out of 34 indicators), 6% require close monitoring (2 indicators) and 15% (5 indicators) require action.

5.3  Corporate Services reports 2 measures to the Local Government Benchmarking Framework; support services as a percentage of total gross expenditure (Indicator CORP1) and the cost of the democratic core per 1,000 population (Indicator CORP2). The latest available data is for financial year 2016/17.

- Support service costs for Moray Council (CORP1) 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%. 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; 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)

- 2016/17 data is not available for the cost of the democratic core per 1,000 population (CORP2). However, at the end of 2015/16 Moray ranked as the 12th lowest Council (out of 32) for the cost of the democratic core per 1,000 population; unchanged from the 2013/14 ranking. Costs rose by 4.4% compared to 2014/1, compared to an average reduction across Scotland of 1.9%. Falkirk Council had the highest increase from 2014/15 (19.6%), while Fife managed to reduce their costs for this measure by 25.1%. To put Moray Council's costs in context, the lowest ranked council, North Lanarkshire, costs £12,490 per 1,000 population, (down from £14,839 the previous year) while the highest ranked Council was Orkney with costs of £152,699 per 1,000 population ( a rise of almost 7% from the 2014/15 costs of £142,844 per 1,000 population).

5.4  The 2 indicators requiring to be monitored are:

- ICT Applications – FICT173: Action Plan completion percentage.
- Customer Services - CPS058: Percentage of telephone calls answered against those received

5.5  The 5 indicators requiring action are:

- Internal Audit – FICT055: Percentage of Delivery of Audit Plan,
- Revenues – CPS011: Average time in days to process new housing benefits claims,

- Human Resources (Health & Safety) - CS024a: Number of Health and Safety Incidents reported,
- Human Resources (Health & Safety) - CS024b: Number of Violence and Aggression Incidents reported, and
- Customer Services - CPS059: Percentage of telephone calls answered within 20 seconds.

5.6 The table below summarises the performance in delivering the 2017/18 Corporate Services Service Plan. At the end of the reporting year 80% of the Service Plan had been delivered. The Plan covered 72 actions across 23 service priorities:

- 33 actions were completed,
- 17 were between 75% and 99% complete,
- 17 were between 50% and 74% complete,
- 2 were between 25% and 49% complete, and
- 3 were below 25% complete.

**Service Improvement Plan Actions**

| Service | No. of Actions | Complete | Progressing outside target timescale | In progress[1] | Cancelled |
|---------|----------------|----------|--------------------------------------|----------------|-----------|
| Finance | 11 | 7 | 3 | 1 | 0 |
| Legal Services | 6 | 3 | 2 | 1 | 0 |
| Democratic Services | 4 | 3 | 1 | 0 | 0 |
| Customer Services | 8 | 5 | 3 | 0 | 0 |
| Human Resources | 29 | 10 | 13 | 6 | 0 |
| ICT | 14 | 5 | 7 | 2 | 0 |
| **Total** | 72 | 33 (46%) | 29 (40%) | 10 (14%) | 0 |

5.7 The 29 actions that were overdue at the end of the year are detailed at the Appendix 1.

5.8 There were 21 complaints received by Corporate Services during the six month period to the end of March 2018. Twenty complaints were responded to during the same period; 12 (out of 16) frontline within the 5 working days target and 3 (out of 4) investigative complaints within the 20 working day target. There were

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[1] Planned completion date is after the end of financial year 2017/18

no escalated investigative complaints. Twelve complaints (60%) were upheld and 2 (10%) were part upheld. Six complaints were not upheld (30%).

6. **PERFORMANCE INDICATOR ANALYSIS**

Performance indicators requiring monitoring

ICT Applications

6.1 The proportion of ICT projects delivered during 2017/18 was 89%, just below the 90% target (Indicator FICT 173). Eleven of the original 29 projects have been delivered, along with 14 of the additional 16 projects added to the plan during the year, while 3 projects have been removed from the plan as they are no longer required. The incomplete projects will be carried forward into 2018/19.

Customer Services

6.2 The percentage of telephone calls answered against those received (Indicator CPS058) was marginally below the 93% target at 92.34%. Q4 is generally the lowest performance due to the volume of "Year End" mail issued by Services, but although the target was not met performance has improved during this period by 2% from Q3 2016/17.

Performance indicators requiring action

Internal Audit

6.3 Delivery of the approved audit plan (Indicator FICT055) assumed an additional member of audit staff would be in post in Quarter 2, however, this was dependent on other internal staffing changes in Financial Services and the post remained unfilled until mid-March 2018, resulting in slippage in planned activity. A higher than planned level of audit resource was also applied to development of the new audit software package acquired to increase efficiency in the delivery of the audit work programme.

Revenues

6.4 The average time of 27.37 days to process new housing benefits claims (Indicator CPS011) exceeds the target of 23 days. A housing benefit audit report has been drafted, which outlines the reasons and the improvements required, and will be presented to the next Policy & Resources committee meeting.

Human Resources

6.5 After a steady reduction in the number of Health and Safety Incidents reported (Indicator CS024a) since the peak of 2013/14 there has been an increase this year with 251 incidents compared to 212 reported in 2016/17 (an increase of 18.4%). The 95 incidents reported in Q4 were the highest quarterly figures this year, although the reason for the increase is not clear.



CS024a Number of Health and Safety Incidents reported (target based on previous 3 years average per quarter)
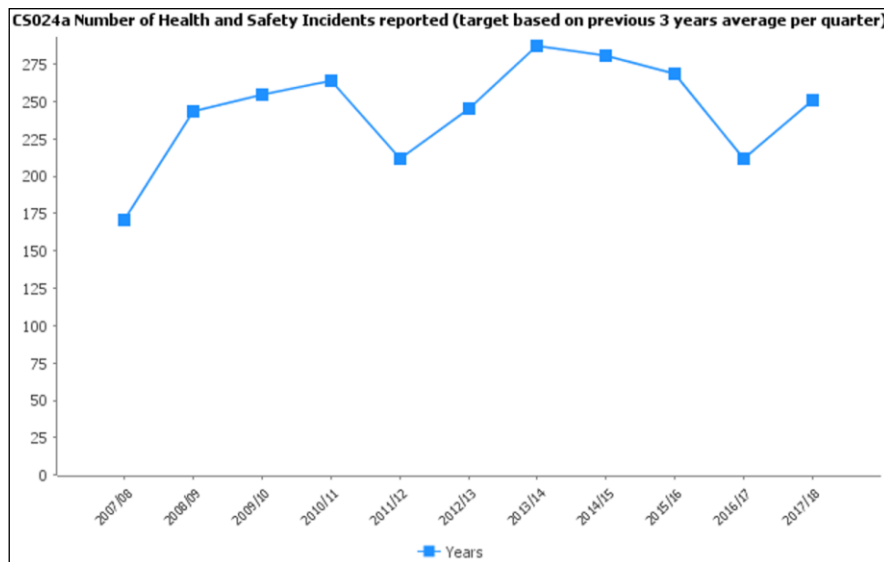
6.6 The 304 Violence and Aggression Incidents reported in Q4 (Indicator CS024b) was well above the 231 and 189 incidents reported in Q2 and Q3 respectively, but lower than the 314 reported in Q1. However, despite the relatively high numbers in Q1 and Q4 overall 2017/18 continued the downwards trend of last year. Numbers are still much higher than 2014/15 and earlier, but appear to be gradually reducing.



CS024b Number of Violence and Aggression Incidents reported (target based on previous 3 years average per quarter)
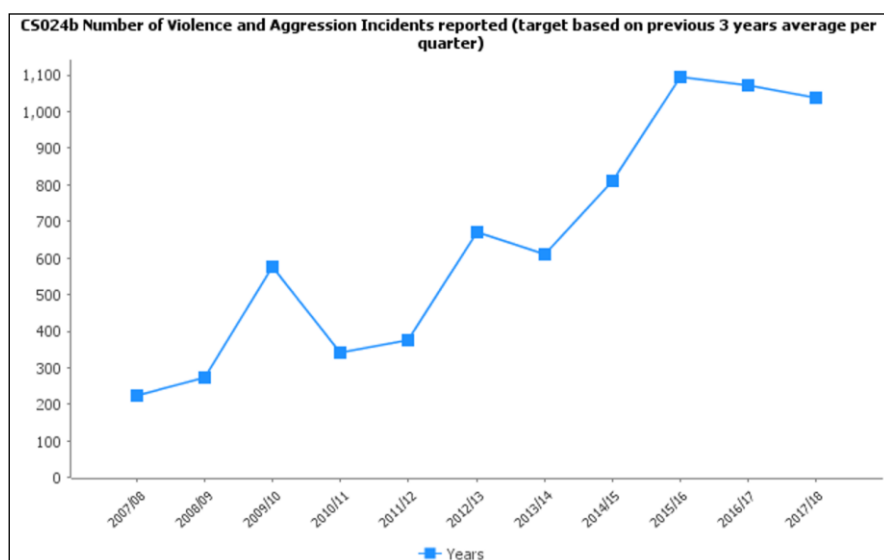
Customer Services

6.7 The percentage of telephone calls answered within 20 seconds (Indicator CPS059) was 62.78% vs 74% target. Performance continues to struggle due to a variety of issues: staff absence, continued speed issues with systems and the timescales for the introduction of new systems and procedures that are generally outwith the control of the service. It is considered to be a network issue causing the speed issues and new fibre cabling is being installed which it is hoped will improve speed.

## 7. 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 Moray 2026 A Plan for the Future, which was in force for the period covered by this report.

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

For 2018/19 progress of the Service Plan will be assessed against the Corporate Plan and the 10 Year Plan (Local Outcomes Improvement Plan (LOIP)).

### (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

**8.    CONCLUSION**

**8.1    Performance during the second half of 2017/18 continued the positive start to the year: 79% 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 proved challenging with progress for the year being 81%; 33 out of 72 actions were completed (46%); 34 actions were 50% or more complete; and 29 were overdue (40%) at the end of the year and will have to be carried forward into 2018/19.  Fifteen out of 20 complaints were responded to within target timescales (75%).**

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