

# Finance and Integrated Service Support

## Quarter One 2017/18

Midlothian 

### Progress in delivery of strategic outcomes

The strategic focus of Finance and Integrated Service Support continues to be that of delivering transformational change in service provision as a means to secure financial sustainability and the achievement of the Council's priority outcomes.

The key activities which support this are:

- The ongoing development of the Council's Financial Strategy and a comprehensive change programme
- The People Strategy, the associated Investing in our Workforce programme and the development of a Council wide workforce plan;
- Delivering Excellence

These are supported by:

- The Procurement Strategy
- The Digital Strategy
- The continuation of the Integrated Service Support review, reducing the overall cost of providing the Finance and integrated support service

The transformation and repositioning of services is critical to the Council maintaining a sustainable financial and service delivery strategy during a period of continued pressure on public sector finances.

#### 1: Financial Strategy - Achievements

- a) Completion of the 2016/17 unaudited Financial Statements;
- b) Completion of the 2016/17 Final outturn Financial Monitoring reports;
- c) Early engagement with EY the new external auditors on audit approach and plan for 2017/18 Accounts;
- d) Delivery of pension auto enrolment milestone;
- e) An updated Financial Strategy report for 2018/19 to 2021/22 presented to Council on 27th June securing agreement for the timeline and approach to setting the 2018/19 budget and development of a medium term financial strategy.
- f) Continued development of the financial relationship between the Health and Social Care Integrated Joint Board and the Council, with a focus on supporting the service transformation agenda.

#### 2: People Strategy, Investing in our Workforce and Workforce planning - Achievements

- a) Continued focus on imbedding the New People Management policies launched in March 2017.
- b) Organisational Change, including the up skilling and redeployment of employees in Change Programmes.
- c) Continuing to support leadership development collaborating with Health and Social Care and Education to foster relationship building and 'good to great' leadership in support of a 'One Council' approach.
- d) Working closely with Services to develop service workforce plans and to collate these into a Council wide workforce plan and associated workforce strategy.

#### 3: Digital Strategy - Achievements

- a) Digital Strategy Group has been refocused to reflect the revised Digital Strategy, Digital Learning Strategy and National Transformation Programme.
- b) Asset Management and Investment in Digital infrastructure/services including:
  - The Scottish wide Area Network (SWAN) Project is now in implementation phase with all sites to be migrated by summer 2017;
  - Wifi Programme - design complete. At the implementation phase, subject to procurement / funding.
  - A number of new Business Applications have been procured: Leisure Management and Online School payments and are now at the early stages of implementation subject to project governance and funding being agreed.
  - Digital Services – Self Service Portal has now been deployed across both Corporate and Education.
  - Commissioning and/or decommissioning of a number of sites to support the Property Programme (Buccleuch House, Eskdail Court and Hopefield Resource Centre) Security Awareness - successful and ongoing 'Private I' Information Security campaign – Council wide.
- c) Revised Information Management action plan to take account and manage the risk associated with new European legislation (GDPR) General Data Protection Regulation in relation to data protection.
- d) Cyber security resilience maintained.

#### 4: Procurement - Achievements

- a) Progressing the Contract Delivery plan and with colleagues in the Finance Team securing the renewal of insurance provision on more favourable terms
- b) Continued roll out of Purchase to Pay project specifically the introduction of Purchasing Cards.
- c) Responding to the requirements of IR35 for off payroll working to protect the Council from additional liabilities

## Emerging Challenges

### **1: Financial Strategy**

- a) Develop budget projections, the impact of the Council change Programme and the financial implications of investment decisions / priorities for 2018/19 to 2021/22.
- b) Complete statutory Audited Financial Statements by 30 September 2017;
- c) Prepare financial monitoring projections for 2017/18 and continue to work with service managers 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.
- d) Review of the Capital Plan and Capital Strategy reflecting the significant investment pressures as a consequence of the growing population.

### **2: People Strategy, Investing in our Workforce and workforce Plans**

- a) Support our leadership community so that they are able to perform to a high standard and deliver on the Change Programme;
- b) Implement the sustained culture change necessary as part of the low pay agenda;
- c) Delivering the benefits of Investing in our Workforce, embedding the new People Policies and securing increase in flexibility and productivity;
- d) Transformation of recruitment, work pattern seminars, special leave and absence processes;
- e) Identifying alternative service delivery approaches and further re-structuring of Employment and Reward to identify savings;
- f) The Transfer of Undertakings (Protection of Employment) (TUPE) of care providers;
- g) Conclude the review of the R&P agreement with Local Government TU's including the GMB.
- h) Completion of Council workforce plan and Workforce strategy.

### **3: Digital Strategy**

- a) The threat of cyber/security attacks, e.g. ransomware / hackers continues to be an ongoing challenge to mitigate risk and service disruption;
- b) Ensuring sustainable investment in digital assets at a time of financial constraint;
- c) Public Services Network (PSN) - maintaining the integrity and compliance of PSN ensuring that the Digital Estate and associated technologies inclusive of Business Applications are all up to date and pass rigorous penetration testing;
- 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) Implementation of an Enterprise Mobility Management (EMM) system that is a device-and platform-diagnostic solution that centralizes the management, configuration and security of all corporate-owned devices. EMM goes beyond traditional device management to include the management and configuration of enterprise apps and content.

### **4: Procurement**

- a) To deliver and demonstrate savings through procurement by continuing to review and monitor performance;
- b) Deliver the Purchase to Pay project by completing tasks in project plan on time;
- 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 2015-18 by creating a Procurement Strategy Board and deliver actions on time;
- e) Prepare and submit an annual procurement report for 2017-18 to the Scottish Minister;
- f) Compliance with IR35 off payroll working.

### **5: Service Improvements / Delivering Excellence**

- a) Securing the improvement in flexibility and productivity throughout the workforce;
- b) Continuing to reshape the service to deliver savings;
- c) Continue to support services through Delivering Excellence;
- d) Continue to drive through the current Business Transformation Programme;
- e) The delivery of the Business Services Improvement Plan;
- f) Total Document Management: the provision of access to the Document Management System (CS10) for schools;
- g) The impact of amendments to the requirements for Welfare Fund Payments on the ability to provide cash payments for Corporate Appointee clients;
- h) Review of Business Support arrangements resulting from the relocation and review within Children's Services;









i) The programming of application upgrades within resource constraints.
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Suggested changes to priorities in Service Plan
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No changes noted
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## Finance and Integrated Service Support Performance Indicator Summary









### Outcomes and Customer Feedback

Priority	Indicator	2016/17	Q1 2016/17	Q1 2017/18				Annual Target 2017/18	Feeder Data	Value
		Value	Value	Value	Status	Note	Short Trend			
01. Provide an efficient complaints service	Number of complaints received (cumulative)	17	3	8		Q1 17/18: Data Only				
	Average time in working days to respond to complaints at stage 1	1.38	7.5	5.75		Q1 17/18: Off Target		5	Number of complaints complete at Stage 1	8
									Number of working days for Stage 1 complaints to be Completed	46
	Average time in working days to respond to complaints at stage 2	1.5	3	N/A		Q1 17/18: No complaints of this type recorded in quarter.		20	Number of complaints complete at Stage 2	0
									Number of working days for Stage 2 complaints to be Completed	0
	Percentage of complaints at stage 1 complete within 5 working days	69.23 %	50%	75%		Q1 17/18: Off Target. 6 of 8 complaints responded to in timescale		100%	Number of complaints complete at Stage 1	8
	Percentage of complaints at stage 2 complete within 20 working days	50%	100%	0%		Q1 17/18: No complaints of this type recorded in quarter.		100%	Number of complaints complete at Stage 2	0
									Number of complaints at stage 2 responded to within 20 working days	0



### Making the Best Use of our Resources

Priority	Indicator	2016/17	Q1 2016/17	Q1 2017/18				Annual Target 2017/18	Feeder Data	Value
		Value	Value	Value	Status	Note	Short Trend			
02. Manage budget effectively	Performance against revenue budget	£ 12.365 m	£ 12.524 m			Q1 17/18: Performance against budget will be reported to the Council in August				
03. Manage stress and absence	Average number of working days lost due to sickness absence (cumulative)	7.02	1.13	1.38		Q1 17/18: On Target		8.26	Number of days lost (cumulative)	355.17
									Average number of FTE in service (year to date)	257.77







### Corporate Health








Priority	Indicator	2016/17	Q1 2016/17	Q1 2017/18				Annual Target 2017/18	Feeder Data	Value
		Value	Value	Value	Status	Note	Short Trend			
04. Complete all service priorities	% of service priority actions on target / completed, of the total number	86%	75%	96%		Q1 17/18: On Target		90%	Number of divisional & corporate priority actions	26
									Number of divisional & corporate priority actions on tgt/completed	25
05. Process invoices efficiently	% of invoices paid within 30 days of invoice receipt (cumulative)	93%	95%	97%		Q1 17/18: On Target		95%	Number received (cumulative)	1,252
									Number paid within 30 days (cumulative)	1,213
06. Improve PI performance	% of PIs that are on target/ have reached their target.	62.5%	50%	60%		Q1 17/18: Off Target Two of five measures off target, both corporate and minimally failing. See full report		90%	Number on tgt/ tgt achieved	3
									Number of PI's	5
07. Control risk	% of high risks that have been reviewed in the last quarter	100%	0%	100%		Q1 17/18: On target		100%	Number of high risks reviewed in the last quarter	4
									Number of high risks	4

### Improving for the Future












Priority	Indicator	2016/17	Q1 2016/17	Q1 2017/18				Annual Target 2017/18	Feeder Data	Value
		Value	Value	Value	Status	Note	Short Trend			
08. Implement improvement plans	% of internal/external audit actions progressing on target.	7.69%	19.05 %	74.42 %		Q1 17/18: Off Target 11 historic audit actions off target. Other outstanding actions are due for completion mainly in remainder of 2017/18		90%	Number of on target actions	32
									Number of outstanding actions	43

# Finance and Integrated Service Support Action report 17/18



Service Priority Actions						
Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.01.01	01. People, including those with disabilities/ long term conditions or are frail are able wherever possible to live independently and in their own homes	Embed the financial and resource arrangements required to support the Midlothian IJB. Evaluating the financial assurance issues and risks and supporting the Chief Financial Officer to develop and present financial monitoring reports to the IJB	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target 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.
FISS.S.02.01	02. New jobs and businesses are located in Midlothian	Embed community benefit clauses in all regulated procurements, targeting training opportunities, apprenticeships and work experience opportunities	31-Mar-2018		100%	<b>Q1 17/18:</b> Complete Community benefit clauses included in all appropriate regulated procurement, system developed to record all community benefits delivered and realised.
FISS.S.02.02		Continue to work with Local service providers to help them secure public sector contracts.	31-Mar-2018		80%	<b>Q1 17/18:</b> On Target Work continues with local businesses on a daily basis, construction line meet the buyer event attended in March 2016, national procurement meet the buyer event scheduled for October 2017, supplier/market engagement events being held prior to all appropriate regulated procurements; drop in surgeries available to all local suppliers.
FISS.S.02.03		Deliver in-house support to Economic Development through planning agreements and property transactions	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target The in-house team is in place and has been able to deliver completed planning agreements with developers
FISS.S.03.01	03. Midlothian residents are successful learners and young people go on to positive destinations when they leave learning	Work with Services to develop service specific workforce plans which increase apprenticeship opportunities and prioritise any external recruitment to those leaving learning.	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Work progressing alongside development of Financial Strategy with Council wide workforce plans to be completed in Autumn 2017.
FISS.S.04.04	04. Ensure equality of opportunity as an employer	Deliver and embed Second People Strategy, the objectives of Investing in our Workforce and the actions targeted for 2017/18 to ensure that our workforce is positive, motivated, high achieving, well led and well managed	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Work continues to focus on interventions and supporting services to deliver improvements in productivity and flexibility, including the option for staff to buy additional leave.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.05.01	05. Ensure sustainable strategy for the delivery of council services	Maintain momentum of the ISS Project to transform Service support, improve customer service, effectiveness and efficiency of service provision	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Actions to deliver 2017/18 Savings target presented to ISS Board and progressed alongside development of future years savings options.
FISS.S.05.04		Achieve the actions set out in the Total Document Management project plan	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target <b>P2P workstream:</b> Full end to end test from scanning to invoice approval completed. Further test scheduled . On completion of successful testing a live pilot will be agreed. <b>HR Disciplinary Casework:</b> Live pilot cases ongoing. Next steps feedback from pilot and wider rollout. <b>Committee Reports Drafting:</b> Presentation to CMT outstanding and to be arranged. Privacy Impact Assessment drafted. <b>Education (mgfl) Access:</b> Successful testing in test environment. Configuration and set up completed in Live environment. Initial testing in live identified a number of issues. Digital Services working to resolve issues. <b>Intranet Portals:</b> Test portals developed for Sport & Leisure and Business Services. <b>Workflows:</b> Workflows are being developed for Mail In – Distribution, ID Badges, Off Payroll Working and Fuel Keys and Trackers. <b>Office 365:</b> Initial discussions with Digital Services and Opentext have taken place to explore the implications of the planned Office 365 project
FISS.S.05.07		Maintain PSN compliance	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Work continues to ensure all new systems and technologies support PSN compliance.
FISS.S.05.09		Completion of the unaudited Statutory Accounts for 2016/17 to ensure that we maintain strong financial management and stewardship	31-Mar-2018		100%	<b>Q1 17/18:</b> Complete
FISS.S.05.10		Completion of the statutory financial audit and achieve an unqualified audit opinion for the Accounts for 2016/17	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Audit work has commenced with plans to complete early September with accounts considered at September 2017 Audit Committee.
FISS.S.05.11		Deliver quarterly financial reports and commentary to Council	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Financial monitoring timetable is in place with performance against budget being reported to Council in August, November, February 2018 with the final position in May or June 2018.
FISS.S.05.12		Update the financial strategy for 2017/18 to 2021/22 to support Council setting the 2017/18 Council tax and a balanced budget	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Update provided to Council on 27 June 2017 with timetable and approach agreed.

















Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.05.15	05. Ensure sustainable strategy for the delivery of council services	Achieve the actions set out in the Purchase to Pay project plan, with the majority of sites, including schools live	31-Mar-2018		67%	<b>Q1 17/18:</b> Off Target Testing for Invoice Approval ongoing, pilot now expected in Q2. E-Forms testing completed. Purchase Ordering implementation completed for Registrars, Contact Centre and Communications.
FISS.S.05.17		Supporting the applications requirements for the Inter Agency Information Exchange with Health (Phase 1 - Adults)	31-Mar-2018		50%	<b>Q1 17/18:</b> Off Target Testing uncovered missing functionality in Mosaic regarding restricted and non-disclosed records. Upgrade to Mosaic v5.13.2.3 required, installed in test on 15th June, testing cannot re-commence until 17th July due to staff absence and annual leave.
FISS.S.05.18		Develop and achieve actions set out in the Business Services Improvement plan	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Workstreams progressing in line with Improvement Plan
FISS.S.05.19		Review the Employment and Reward Management structure to improve flexibility and resilience.	31-Mar-2018		95%	<b>Q1 17/18:</b> On Target Report drafted and to be presented to next ISS Board for approval.
FISS.S.05.20		Refresh the Employment and Reward Service Transformation Plan to deliver quantifiable savings.	31-Mar-2018		90%	<b>Q1 17/18:</b> On Target PDD developed, further work required to quantify savings and prioritise actions.
FISS.S.05.21		Implementation of Digital Services Asset Management and Investment plans Corporate/Schools	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Asset Management and Investment plan – a number of significant improvements have been made to the Council asset base ensuring technologies and assets being deployed are fit for purpose.
FISS.S.05.22		Implementation of the Digital Strategy	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Digital Strategy in line with Local Government Digital office work streams. Agreed Programmes \ projects of work approved by Digital Strategy group – ongoing implementation.
FISS.S.05.23		Awareness, preparation, and implementation of the General Data Protection Regulation (GDPR)	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Initial GDPR workshop has taken place facilitated by NSS. Awareness and nominated officers appointed within the three directorates. Project is progressing but need to ensure resource and directorates take ownership.
FISS.S.05.24		Deliver all payrolls on schedule	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target All paid on time plus payroll bureau set up for TUPE staff. Additional election payroll delivered.
FISS.S.05.25		Produce more efficient Licensing system through the use of IDOX project management system	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target There has been a review of the use of the IDOX systems and work practices have been amended to ensure all applications are properly recorded and managed through the system
FISS.S.05.26		Support the Returning Officer with May elections	31-Mar-2018		100%	<b>Q1 17/18:</b> Complete Election held on 04.052017 and post election tasks completed



Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.05.27	05. Ensure sustainable strategy for the delivery of council services	Implement and support new People Policies as part of the Investing in our Workforce Project.	31-Mar-2018		25%	<b>Q1 17/18:</b> On Target Implementation complete, focus on imbedding policies and supporting managers to work within new policy framework.
FISS.S.05.28		Achieve contract delivery targets set out in the Contract Delivery Plan 2017/18	31-Mar-2018		80%	<b>Q1 17/18:</b> On Target All contracts for Q1 have been delivered and are complete. A new contract delivery plan is currently under development and will be submitted to Cabinet for approval.

# Finance and Integrated Service Support PI Report 17/18

Service Priority Performance Indicators										
PI Code	Priority	PI	2016/17	Q1 2016/17	Q1 2017/18				Annual Target 2017/18	Benchmark
			Value	Value	Value	Status	Short Trend	Note		
FISS.S.04.04a	04. Ensure equality of opportunity as an employer	% of actions in the second People Strategy plan that are completed or on target	100%	30%	80%			Q1 17/18: On Target	100%	
FISS.S.05.28a	05. Ensure sustainable strategy for the delivery of council services	Percentage of actions in the Contract Delivery Plan that are completed or on target	100%	100%	100%			Q1 17/18: On Target All contracts for Q1 have been delivered and are complete. A new contract delivery plan covering 2018-2020 is currently being developed and will be submitted to Cabinet for approval over the coming months.	100%	
CORP6	07. Local Government Benchmarking Framework	Corporate Indicator - Sickness Absence Days per Employee (All employees)	11.53	2.97	2.29			Q1 17/18: Off Target	8	
CORP6biii		Corporate Indicator - All Employees except teachers sickness absence days (non-teacher) (CUMULATIVE) (LGBF)	9.64	2.47	2.48			Q1 17/18: Data Only		15/16 Rank 10 (Second Quartile). 14/15 Rank 11 (Second Quartile).
CORP6aiii		Corporate Indicator - Teachers Sickness Absence Days (CUMULATIVE) (LGBF)	4.94	1.34	1.75			Q1 17/18: Data Only		15/16 Rank 1 (TOP Quartile). 14/15 Rank 6 (Top Quartile).

PI Code	Priority	PI	2016/17	Q1 2016/17	Q1 2017/18				Annual Target 2017/18	Benchmark
			Value	Value	Value	Status	Short Trend	Note		
CORP3b	07. Local Government Benchmarking Framework	Corporate Indicator - The Percentage of council employees in top 5% of earners that are women (LGBF)	47.0%	45.5%	47.2%			<b>Q1 17/18</b> : On target Ongoing positive trend.		15/16 Rank 29 (Bottom Quartile). 14/15 Rank 25 (Third Quartile).
CORP8		Corporate Indicator - Percentage of invoices sampled and paid within 30 days (LGBF)	87.4%	88.8%	94.8%			<b>Q1 17/18:</b> Off Target Much improved position. 0.2% off target.	95.0%	15/16 Rank 25 (Bottom Quartile). 14/15 Rank 15 (Second Quartile).

## 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	External Comparison
		Value	Value	Value	Value	Value	Value	
CORP1	Corporate Indicator - Central Support services as a % of Total Gross expenditure (LGBF)	4.24%	4.15%	3.56%	4.39%	5.26%	5.08%	15/16 Rank 18 (Third Quartile) 14/15 Rank 20 (Third Quartile)
CORP2	Corporate Indicator - Corporate and democratic core costs per 1,000 population (LGBF)	£42,210.99	£34,939.91	£48,041.31	£44,663.52	£42,036.89	£34,363.20	15/16 Rank 21 (Third Quartile). 14/15 Rank 25 (Bottom Quartile).
CORP3b	Corporate Indicator - The Percentage of council employees in top 5% of earners that are women (LGBF)	44.6%	41.6%	45.6%	48.8%	47.7%	44.6%	15/16 Rank 29 (Bottom Quartile). 14/15 Rank 25 (Third Quartile).
CORP3c	Corporate Indicator - The gender pay gap between average hourly rate of pay for male and female - all council employees						4.58%	New for 15/16 Rank 16 (Second Quartile)
CORP6aiii	Corporate Indicator - Teachers Sickness Absence Days (CUMULATIVE) (LGBF)				5.25	5.5	4.16	15/16 Rank 1 (TOP Quartile). 14/15 Rank 6 (Top Quartile).
CORP6biii	Corporate Indicator - All Employees except teachers sickness absence days (non-teacher) (CUMULATIVE) (LGBF)				10.04	10.11	9.9	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%	15/16 Rank 25 (Bottom Quartile). 14/15 Rank 15 (Second Quartile).