Finance and Integrated Support Service Performance Report Quarter Two 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 Emerging Workforce 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 and Contract Delivery Plan;
The Digital Strategy;
The continuation of the Integrated Service Support review, reducing the overall cost of providing the Finance and Integrated Support services.

1: Financial Strategy - Achievements
a) Completion of the 2016/17 Audited Financial Statements with an unqualified Audit Certificate;
b) Completion of Quarter 1 Financial Monitoring reports for Council as part of continuing robust scrutiny of Financial Performance;
c) Financial Strategy report for 2018/19 to 2021/22 presented to Council in September 2017 which outlines future years budget projections, the impact of the Change Programmes and the financial implications of investment decisions / priorities with a recommendation for a special meeting of Council on 10 October 2017 to consider the detailed Change Programme.

2: Workforce Strategy - Achievements
a) Continued focus on embedding the New People Management policies launched in March 2017;
b) Working closely with Heads of Service to develop service workforce plans which will form an overall view of the workforce actions for the coming one to five years. Collating these into a Council wide workforce plan and associated workforce strategy. Draft of Workforce Strategy and consideration of immediate issues at Special Council on 10 October 2017 with finalised Workforce Strategy expected to be presented to Council in December 2017;
c) Establishing a Life Long Learning committee with Trade Unions in summer 2017;
d) Embedding of the new Occupational Health PAM contract with improvements in the service and better partnership working has led to a more seamless professional service;
e) Delivered workforce input to Early Years Strategy;
f) Developed targeted VSER scheme.

3: Digital Strategy – Achievements
a) Digital Strategy Group continues to prioritise and align Council programmes / projects to the wider Digital Strategy and National Transformation Programme (Local Government Digital Office);
b) Asset Management and Investment in Digital infrastructure/services including:
- The Scottish Wide Area Network (SWAN) Project – Phase 1 is now complete and work now continues on phase 2 – additional service improvements;
- Wifi Programme - design complete and core infrastructure has been installed and configured. Project now moves into the implementation and deployment phase along with associated cabling of sites;
- Audio Visual equipment – short term fixes – now complete across all sites. Focus can now move towards longer term AV strategy;
- 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;
- Commissioning and/or decommissioning of a number of sites to support the wider Property and school programme.

c) GDPR – Directorate teams and regular meetings have been established. GDPR project definition and plan now signed off. Revised Privacy Policy has been approved by IMG and now needs to be ratified by Corporate Management Team. First round of GDPR training has taken place;
d) CyberSecurity resilience maintained and currently reviewing the latest Scottish Government CyberSecurity blue print recommendations. Employee phishing awareness exercise ongoing to maintain vigilance and staff compliance.

4: Procurement - Achievements
 a) New 2-Year Contract Delivery Plan approved by Cabinet on 10 October 2017;
b) All contracts delivered on schedule against the 2015-2017 Contract Delivery Plan;
c) Continued roll out of Purchase to Pay project specifically the introduction of Purchasing Cards;
d) Responding to the requirements of IR35 for off payroll working to protect the Council from additional liabilities.

Emerging Challenges

1: Financial Strategy
a) Continue work on developing future years budget projections and in particular the 2018/19 base budget including the impact of the Change Programmes and the financial implications of investment decisions / priorities for 2018/19 to 2021/22;
b) Prepare Quarter 2 financial monitoring projections for 2017/18 and continue to work with managers to maintain effective control over expenditure;
c) Continued financial support for the Council Transformation and 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 tracking and realisation process;
d) Strengthen financial stewardship in a climate of reducing budgets and increasing service provision.

2: Workforce Strategy
a) Report presenting complete Workforce Strategy aimed at December Council;
b) Support our leadership community so that they are able to perform to a high standard and deliver on the Change Programme;
c) Implement the sustained culture change necessary as part of the low pay agenda by embedding the objectives of Investing in our Workforce and the new People Policies to ensure that our workforce is positive, motivated, high achieving, well led/well managed and securing increase in flexibility and productivity;
d) Transformation of recruitment, deliver 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 recognition and procedure agreement with Local Government Trade Unions including the General Trade Union (GMB);
h) End of hybrid transitional pension arrangements for approx 400 employees as part auto enrolment.

3: Digital Strategy
a) 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;
b) The threat of cyber/security attacks, e.g. ransomware / hackers continues to be an ongoing challenge to mitigate risk and service disruption;
c) Ensuring sustainable investment in digital assets at a time of financial constraint;
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-agnostic, 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.
f) The Asset Management Programme:- Office 365 / Windows 10 upgrade is currently in the preparation and planning stage.

 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) Continuing to reshape the service to deliver savings;
b) Continue to support services through Delivering Excellence;
c) The programming of application upgrades within resource constraints;
d) Review of Business Support arrangements resulting from the relocation and review of ASN within Education;
e) Impact of introduction of GDPR on both Business Applications and Records Management;
f) Business Applications compliance and compatibility with Office 365.

Finance and Integrated Service Support PI summary 17/18

					Outcomes and Customer Feedback					

Priority	Indicator	2016/17	Q2 2016/17	Q1 2017/18	Q2 2017/18				Annual Target 2017/18	Feeder Data	Value
		Value	Value	Value	Value	Status	Note	Short Trend			
01. Provide an efficient complaints service	Number of complaints received (cumulative)	17	6	8	11	📈	**Q2 17/18**: Data Only	⬆			
	Average time in working days to respond to complaints at stage 1	1.38	6.4	5.75	4.45	✅	**Q2 17/18**: On Target	⬆	5	Number of complaints complete at Stage 1	11
										Number of working days for Stage 1 complaints to be Completed	49
	Average time in working days to respond to complaints at stage 2	1.5	3	N/A	0	✅	**Q2 17/18**: On Target No stage 2 complaints this 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%	40%	75%	72.73%	🛑	**Q2 17/18**: Off Target 3 complaints received in total. 1 complaint responded to within 7 days.	⬇	100%	Number of complaints complete at Stage 1	11
										Number of complaints at stage 1 responded to within 5 working days	8
	Percentage of complaints at stage 2 complete within 20 working days	50%	100%	0%	100%	✅	**Q2 17/18**: On Target	⬆	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	Q2 2016/17	Q1 2017/18	Q2 2017/18				Annual Target 2017/18	Feeder Data	Value
		Value	Value	Value	Value	Status	Note	Short Trend			
02. Manage budget effectively	Performance against revenue budget	£12.365 m	£12.642 m	£12.563 m	£11.764 m	🛑	**Q2 17/18**: Off Target Actions are in place to address overspend	⬆	Half yearly target is £11.682 m		
03. Manage stress and absence	Average number of working days lost due to sickness absence (cumulative)	7.02	3.43	1.38	2.92	✅	**Q2 17/18**: On Target	⬇	7.02	Number of days lost (cumulative)	759.6
										Average number of FTE in service (year to date)	260.41

Corporate Health

Priority	Indicator	2016/17	Q2 2016/17	Q1 2017/18	Q2 2017/18				Annual Target 2017/18	Feeder Data	Value
		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%	90%	96%	92%	✅	**Q2 17/18**: On Target	⬇	90%	Number of divisional & corporate priority actions	26
										Number of divisional & corporate priority actions on tgt/completed	24
05. Process invoices efficiently	% of invoices paid within 30 days of invoice receipt (cumulative)	93%	94%	97%	95%	✅	**Q2 17/18**: On Target	⬇	95%	Number received (cumulative)	2,348
										Number paid within 30 days (cumulative)	2,236
06. Improve PI performance	% of PIs that are on target/ have reached their target.	62.5%	100%	60%	80%	🛑	**Q2 17/18**: Off Target One of five measures off target, corporate and minimally failing. See full report	⬆	90%	Number on tgt/ tgt achieved	4
										Number of PI's	5
07. Control risk	% of high risks that have been reviewed in the last quarter	100%	100%	100%	100%	✅	**Q2 17/18**: On Target	▬	100%	Number of high risks reviewed in the last quarter	5
										Number of high risks	5

Improving for the Future

Priority	Indicator	2016/17	Q2 2016/17	Q1 2017/18	Q2 2017/18				Annual Target 2017/18	Feeder Data	Value
		Value	Value	Value	Value	Status	Note	Short Trend			
08. Implement improvement plans	% of internal/external audit actions progressing on target.	7.69%	43.33%	74.42%	70.28%	🛑	**Q2 17/18:** Off Target 10 historic audit actions off target. Other outstanding actions are due for completion mainly in remainder of 2017/18.	⬇	90%	Number of on target actions	26
										Number of outstanding actions	37

Finance and Integrated Service Support Action report 17/18

Midlothian

		Service Priority				

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	▶	50%	**Q2 17/18**: 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		Embed community benefit clauses in all regulated procurements, targeting training opportunities, apprenticeships and work experience opportunities	31-Mar-2018	✓	100%	**Q2 17/18**: Complete Community benefit clauses included in all appropriate regulated procurement, system developed to record all community benefits delivered and realised.
FISS.S.02.02	02. New jobs and businesses are located in Midlothian	Continue to work with Local service providers to help them secure public sector contracts.	31-Mar-2018	▶	90%	**Q2 17/18**: On Target Work continues with local businesses on a daily basis, exhibitor at the recent national procurement meet the buyer event on the 28th September 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	▶	50%	**Q2 17/18**: 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	▶	75%	**Q2 17/18**: 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 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	▶	75%	**Q2 17/18**: 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.
FISS.S.05.01	05. Ensure sustainable	Maintain momentum of the ISS Project to	31-Mar-	▶	50%	**Q2 17/18**: On Target

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
	strategy for the delivery of council services	transform Service support, improve customer service, effectiveness and efficiency of service provision	2018			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%	**Q2 17/18**: On Target **P2P workstream:** Housing have been identified as the live pilot. An upgrade to Integra is required to resolve issues identified during testing and live pilot will follow from the successful completion of this upgrade. **HR Disciplinary Casework:** HR are progressing with new cases. A further feedback meeting has been arranged to include Nominated and Investigating Officer feedback. **Education (mgfl) Access:** Digital Services continue to work to resolve issues in the LIve environment. **Intranet Portals:** Digital Services to develop a strategy for the Council portal/intranet and provide an update at next board ,meeting on the proposals. New requests from Legal Services and Records Management to be postponed pending outcome. **Workflows:** Work ongoing **Office 2016/365:** Testing ongoing for Office 2016. No direct CS10 issues have been highlighted. Office 365 testing will progress in line with digital services project. **Lifelong Learning & Employability (LLE):** File plan and preparation for document migration ongoing. Staff awareness sessions and training planned with go live proposed for February 2018 **Construction:** Proposed project file plan presented to service. Agreed a live pilot for one project.
FISS.S.05.07		Maintain PSN compliance	31-Mar-2018		50%	**Q2 17/18**: 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%	**Q2 17/18**: 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		100%	**Q2 17/18**: Complete Audit finalised with report for audit committee.
FISS.S.05.11		Deliver quarterly financial reports and commentary to Council	31-Mar-2018		50%	**Q2 17/18**: 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	31-Mar-2018		50%	**Q2 17/18**: On Target Update provided to Council on 26th September 2017 with change

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
		Council tax and a balanced budget				programme to be presented to special meeting of Council on 10th October 2017.
FISS.S.05.15		Achieve the actions set out in the Purchase to Pay project plan, with the majority of sites, including schools live	31-Mar-2018	❌	70%	**Q2 17/18**: Off Target Invoice Approval testing complete, pilot with Housing to commence in October. Tender process ongoing for Pre-paid cards. Purchase Ordering implementation complete for Land Services and Legal Services.
FISS.S.05.17		Supporting the applications requirements for the Inter Agency Information Exchange with Health (Phase 1 - Adults)	31-Mar-2018	❌	50%	**Q2 17/18**: Off Target Decision taken to upgrade to v5.14 Mosaic as several bug fixes in this release. Full testing to take place in Oct/Nov.
FISS.S.05.18		Develop and achieve actions set out in the Business Services Improvement plan	31-Mar-2018	▶	25%	**Q2 17/18**: 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	▶	98%	**Q2 17/18**: On Target Report presented to Board and approved, consultation process begun.
FISS.S.05.20		Refresh the Employment and Reward Service Transformation Plan to deliver quantifiable savings.	31-Mar-2018	▶	95%	**Q2 17/18**: On Target Overall plan merged with system development re self service and management information. Focus on delivery of Financial Strategy.
FISS.S.05.21		Implementation of Digital Services Asset Management and Investment plans Corporate/Schools	31-Mar-2018	▶	50%	**Q2 17/18**: 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	▶	50%	**Q2 17/18**: 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	▶	50%	**Q2 17/18**: On Target GDPR Training has taken place with external provider and 25 Officers have bene trained. Further work continues within the GDPR Directorate teams.
FISS.S.05.24		Deliver all payrolls on schedule	31-Mar-2018	▶	25%	**Q2 17/18**: On Target Auto enrolment of approx 400 in October. Introduction of eslips to mgfl email addresses.
FISS.S.05.25		Produce more efficient Licensing system through the use of IDOX project management system	31-Mar-2018	▶	50%	**Q2 17/18**: On Target There has been a review of the use of the IDOX system 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%	**Q2 17/18**: Complete Election held on 04.05.2017 and post election tasks completed.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.05.27		Implement and support new People Policies as part of the Investing in our Workforce Project.	31-Mar-2018	▶	75%	**Q2 17/18**: On Target Implementation complete, focus on imbedding policies and supporting managers to work within new policy framework. Review of policy implementation due autumn 2017.
FISS.S.05.28		Achieve contract delivery targets set out in the Contract Delivery Plan 2017/18	31-Mar-2018	✔	100%	**Q2 17/18**: Complete All contracts for Q2 have been delivered and are complete. A new contract delivery plan covering the years 2018-2020 has been approved by Cabinet on the 10th October 2017.

Finance and Integrated Service Support PI Report 17/18

Midlothian

					Service Priority					

PI Code	Priority	PI	2016/17	Q2 2016/17	Q1 2017/18	Q2 2017/18				Annual Target 2017/18	Benchmark
			Value	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%	70%	80%	100%	✅	⬆	**Q2 17/18**: Complete Second People Strategy Plan Complete. Workforce Strategy and Investing in our workforce will now supersede this.	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%	100%	✅	—	**Q2 17/18**: On Target All contracts have been delivered for Q2, a new contract delivery plan covering the years 2018/2020 was approved by Cabinet on 10th October 2017.	100%	
CORP6	07. Local Government Benchmarking Framework	Corporate Indicator - Sickness Absence Days per Employee (All employees)	11.53	5.25	2.29	3.48	✅	⬇	**Q2 17/18**: On Target	8	
CORP6biii		Corporate Indicator - All Employees except teachers sickness absence days (non-teacher) (CUMULATIVE) (LGBF)	9.64	4.55	2.48	4.13	📈	⬇	**Q2 17/18**: Data only		15/16 Rank 10 (Second Quartile). 14/15 Rank 11 (Second Quartile).
CORP3b		Corporate Indicator - The Percentage of council employees in top 5% of earners that are women (LGBF)	47.0%	46.7%	47.2%	48.1%	✅	⬆	**Q2 17/18**: On Target Ongoing positive trend.	44.5%	15/16 Rank 29 (Bottom Quartile). 14/15 Rank 25 (Third Quartile).
CORP3c		Corporate Indicator -	2.96%	5.71%	4.52%	3.81%	📈	⬆	**Q2 17/18**: Data Only		New for

PI Code	Priority	PI	2016/17	Q2 2016/17	Q1 2017/18	Q2 2017/18				Annual Target 2017/18	Benchmark
			Value	Value	Value	Value	Status	Short Trend	Note		
		The gender pay gap between average hourly rate of pay for male and female - all council employees							An improving trend.		15/16 Rank 16 (Second Quartile)
CORP8		Corporate Indicator - Percentage of invoices sampled and paid within 30 days (LGBF)	87.4%	90.8%	94.8%	93.1%	🛑	⬇	**Q2 17/18**: Off Target Building Services manager has encouraged maintenance manager to process external contractor invoices in a timely manner. Procurement manager to examine issues with late payment of central stores and fleet maintenance invoices.	95.0%	15/16 Rank 25 (BottomQuartile). 14/15 Rank 15 (Second Quartile).
CORP6aiii		Corporate Indicator - Teachers Sickness Absence Days (CUMULATIVE) (LGBF)	4.94	1.77	1.75	1.79	📈	⬇	**Q2 17/18**: Data Only		15/16 Rank 1 (TOP Quartile). 14/15 Rank 6 (Top Quartile).

Published Local Government Benchmarking Framework – Finance and Integrated Service Support

Midlothian

Corporate Services

Code	Title	2010/11 Value	2011/12 Value	2012/13 Value	2013/14 Value	2014/15 Value	2015/16 Value	External Comparison
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	4.17	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 (BottomQuartile). 14/15 Rank 15 (Second Quartile).