

Finance and Integrated Service Support Performance Report for Quarter 3 - 15/16



01 Progress in delivery of strategic outcomes

The strategic focus of Finance and Integrated Service Support is on delivering transformational change in service provision as a means to secure financial sustainability and achievement of priority outcomes.

The key programmes which support this are:

- . The Review of Local Government Workers Pay and Grading
- . Delivering Excellence
- . The Council's Financial Strategy

These are supported by:

- . The Procurement Strategy
- . The Digital Strategy
- . The ongoing ISS review
- . The Council's People Strategy
- . The Council's Transformational Programme

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.

Financial Stewardship and Sustainability - Achievements

- Completion of Q2 Financial Monitoring reports to Council as part of the robust scrutiny of service financial performance;
- Financial Strategy update report for 2016/17 to 2020/21 presented to Council in December 2015 which outlines future years budget projections, the impact of the change programmes and the financial implications of investment decisions / priorities;
- Review for Business Transformation Board of progress against financial savings targets for 2015/16 and future years.

Challenges and Actions

- Continue work on developing future years budget projections and in particular the 2016/17 budget including the impact of the 16.12.2015 grant settlement, change programmes and the financial implications of investment decisions / priorities for 2016/17 to 2020/21;
- Prepare Quarter 3 financial monitoring projections for 2015/16 and continue to work with managers to maintain effective control over expenditure;
- 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;
- Strengthen financial stewardship in a climate of reducing budgets and increasing service provision;
- Reach financial close for the Newbattle Schools project in Q4 2016/17;
- Financial close for Newbattle High School replacement;
- Continued financial support for the Council Transformation programme. Help shape and lead all strands of the programme, continue to revise savings profiles and regularly update on application of the fund.

Transformation Change - Achievements

- External Engagement prepared for roll out across Midlothian communities;
- Delivering Excellence across a number of key areas including Housing, Adult Social Care;
- Implementation of the Business Services structure including the transfer of Records Management from Digital Services;
- In conjunction with Services, the migration of records storage and retrieval service to Iron Mountain;
- Installation, configuration and set up of the Committee Management System and CMT approval of the Democratic Services Strategy;
- Purchase to Pay: Pilot of eForms for one-off payments to suppliers;

- g) Business Applications: Upgrade of Frameworkki to MOSAIC;
- h) The development of the Business Services Improvement Plan;
- i) Total Document Management: The provision of access to the document management system (CS10) for schools;
- j) The introduction of an integrated flexible working hours system (Etarmis) that will provide the platform to improve the business process, user interface and integrate the administrative support requirements;
- k) The upgrade to the finance system (Integra). This major upgrade to Integra applies to all modules. There have been significant resource requirements during the test phase of this upgrade that has resulted in actions and roll out of functionality from the Purchase to Pay project being rescheduled;
- l) The review and introduction of business processes and the provision of systems training to all relevant staff to meet the requirements of GIRFEC and Named Person legislation;
- m) The configuration and development of processes and workflows within MOSAIC to meet the requirements for the Interagency Information Exchange.

Challenges and Actions

- a) Progress Services through Delivering Excellence;
- b) Continue to drive through the current Business Transformation programme.

Digital Services - Achievements

- a) Council Computer Rooms \ Data Centre: successfully upgraded the Uninterrupted Power Supply (UPS) for both computer rooms in Midlothian and Fairfield House;
- b) EWIM: The EWIM Project and the movement of staff into the newly created accommodation (High street > Croft Street);
- c) EWIM: The EWIM Project and the movement of staff (approx 150 staff) now moved into their newly created accommodation (Dundas to Midlothian House) along with the supporting technologies and infrastructure changes;
- d) Information Management and implementation of IMG Action Plan 2016/17: Creation and implementation of updated information management strategy, action plan and the revised membership of group;
- e) Records Management - Public Records Scotland Act (PRSA): Midlothian Council's Records Centre at Bonnyrigg holding all the council paper records (boxes and files) has now been moved into a secure offsite storage facility in Livingston. This is in line with the agreed Record Management Plan (RMP) and PRSA best practice guidelines;
- f) Asset Management – Server Replacement: successfully replaced significant number of old servers across the school estate in line with asset management and technical service delivery plan.

Challenges and Actions

- a) PSN - Cabinet Office: Compliance – Plans in place to maintain PSN Compliance for 2016/17. Penetration Testing scheduled to commence January 2016. A number of business critical systems and infrastructure upgrades have taken place. PSN continues to be reviewed and monitored;
- b) Digital Strategy: Under review and first draft created in line with National Strategy dependency now on Learning Teaching consultation / strategy. Membership and remit of DSG under review and revised governance model to be proposed;
- c) Network Improvements: Scottish Wider Area Network (SWAN) or alternative solution. Review and perform options appraisal on preferred network solution as part of the technical service delivery improvement plan.

People Strategy - Achievements

- a) Workforce planning: positive destinations, employment;
- b) Policy reviews as part of the low pay agenda;
- c) Delivering Excellence engagement and communication;
- d) Additional positive destination appointments, development and resourcing of team dealing with leavers, job evaluation and payroll projects.

Challenges and Actions

- a) Review of Local Government Worker Pay and Grading structure;
- b) Supporting cultural shift as part of the rollout of Delivering Excellence to services.

Procurement - Achievements

- a) Continued roll out of Purchase to Pay project and purchasing cards;
- b) Purchase to Pay: Pilot of eForms for one-off payments to suppliers.

Challenges and Actions

- a) To deliver and demonstrate savings through procurement by continuing to review and monitor performance;
- b) Achieve Living Wage Accreditation by working with the Living Wage Foundation to promote and encourage the payment of living wage throughout the supply chain; Meet the requirement so the new EU Directives and the Procurement Reform (Scotland) act 2014 by working with Scottish Government on guidance to meet the new requirements.

02. Emerging Challenges

The emerging challenges for the service are twofold.

Firstly the emerging picture for national public finances following May 2016 elections and alongside this progress across all services the Delivering Excellence programme, maintaining a sustainable financial and service delivery strategy.

Secondly to deliver on the following critical change projects for the council.

- Review of Local Government pay and grading
- The ISS review, to delivery efficiencies, improve service performance and improve customer service

In addition there are a number of service specific challenges as follows:

- a) Financial close for Newbattle High School replacement
- b) Maintain financial discipline across all services
- c) Updating and implementing the Digital Strategy, Digital Asset Management Plan and associated Investment Plan.

Finance and Integrated Service Support PI summary

01.1 Outcomes and Customer Feedback

Priority	Indicator	2014/15	Q3 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16				Annual Target 2015/16	Feeder Data	Value
		Value	Value	Value	Value	Value	Status	Note	Short Trend			
01. Provide an efficient complaints service	Number of complaints received (cumulative)	22	18	7	9	14		Q3 15/16: Data Only				
01. Provide an efficient complaints service	Average time in working days to respond to complaints at stage 1	11.5	7.55	1.6	2.17	3		Q3 15/16: On Target		5	Number of complaints complete at Stage 1	8
											Number of working days for Stage 1 complaints to be Completed	24
01. Provide an efficient complaints service	Average time in working days to respond to complaints at stage 2	24	25.14	13.5	13.5	13.5		Q3 15/16: On Target 2 x Stage 2 complaints responded to within the target time of 20 days.		20	Number of complaints complete at Stage 2	2
											Number of working days for Stage 2 complaints to be Completed	27
01. Provide an efficient complaints service	Percentage of complaints at stage 1 complete within 5 working days	35.71 %	54.55 %	100%	100%	87.5 %		Q3 15/16: Off Target Two complaints received in quarter. One off target.		95%	Number of complaints complete at Stage 1	8
											Number of complaints at stage 1 responded to within 5 working days	7
01. Provide an efficient complaints service	Percentage of complaints at stage 2 complete within 20 working days	75%	28.57 %	100%	100%	100%		Q3 15/16: On Target		95%	Number of complaints complete at Stage 2	2
											Number of complaints at stage 2 responded to within 20 working days	2

01.2 Making the Best Use of our Resources

Priority	Indicator	2014/15	Q3 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16				Annual Target 2015/16	Feeder Data	Value
		Value	Value	Value	Value	Value	Status	Note	Short Trend			
02. Manage budget effectively	Performance against revenue budget	N/A	£ 12.869 m	£ 12.760 m	£ 9.929 m	£ 11.986 m		Q3 15/16: Off Target. This information is the latest financial position which was reported to Council in February 2015		£ 9.693 m		
03. Manage stress and absence	Average number of working days lost due to sickness absence (cumulative)	6.89	5.18	1.69	2.13	3.39		Q3 15/16: On Target		8.26	Number of days lost (cumulative)	863.79
											Average number of FTE in service (year to date)	254.66

01.3 Corporate Health

Priority	Indicator	2014/15	Q3 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16			Annual Target 2015/16	Feeder Data	Value	
		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	63.16 %	89.47 %	100%	100%	90.48 %		Q3 15/16: On Target		90%	Number of divisional & corporate priority actions	21
												Number of divisional & corporate priority actions on tgt/completed
05. Process invoices efficiently	% of invoices paid within 30 days of invoice receipt (cumulative)	91%	93%	92%	91%	91%		Q3 2015/16: On Target.		90%	Number received (cumulative)	1,665
												Number paid within 30 days (cumulative)
06. Improve PI performance	% of PIs that are on target/ have reached their target.	50%	50%	0%	0%	100%		Q3 15/16: On Target		90%	Number on tgt/ tgt achieved	1
												Number of PI's
07. Control risk	% of high risks that have been reviewed in the last quarter	100%	100%	100%	100%	100%		Q3 15/16: On Target		100%	Number of high risks reviewed in the last quarter	5
												Number of high risks

01.4 Improving for the Future

Priority	Indicator	2014/15	Q3 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16			Annual Target 2015/16	Feeder Data	Value	
		Value	Value	Value	Value	Value	Status	Note				Short Trend
08. Implement improvement plans	% of internal/external audit actions in progress	80%	87.04 %	30.77 %	89.29 %	26.32 %		Q3 15/16: Off Target Actions being progressed by relevant managers.		90%	Number of on target actions	5
												Number of outstanding actions

Finance and Integrated Service Support Action report

03. Service Priorities

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.1	01. SMP AHC - Staying at home - increased flexibility of local services/support	Develop the financial and resource arrangements required to support the Integration of Health and Social care, developing an action plan and implementing actions in the shadow year	31-Mar-2016		75%	Q3 15/16: On Target Work continues to support the integration of Health and Social Care with regular reports to the Board regarding the financial governance and financial assurance process to the Integration Joint board and Council.
FISS.S.2.1	02. SMP SG - Support the local economy through the Ambitious Midlothian Plan	Implement a Procurement Strategy which places greater emphasis on social responsibility requirements such as training opportunities, living wage etc , imbeds the Public Sector Procurement portal	31-Mar-2016		100%	Q3 2015/16: Complete Procurement Strategy 2015-18 complete and approved at Council on 23 June 2015
FISS.S.2.2	02. SMP SG - Support the local economy through the Ambitious Midlothian Plan	Continue to work with Local service providers to help them secure public sector contracts.	31-Mar-2016		75%	Q3 15/16: On Target Work continuing to support local suppliers, local meet they buyer event provisionally booked for March 2016.
FISS.S.3.1	03. SMP IOM - Increased positive destinations for adults and young people	Work with Services to develop service specific workforce plans which increase apprenticeship opportunities and prioritise any eternal recruitment to those leaving learning.	31-Mar-2016		75%	Q3 15/16: On Target A report was given at CMT and given approval at Cabinet to look at increasing employment opportunities for positive destinations.
FISS.S.4.1	04. SMP IOM - Engagement with local employers	Adopt a revised Procurement Strategy which places greater emphasis on social responsibility requirements such as apprenticeships, and other opportunities for young people leaving learning	31-Mar-2016		100%	Q3 2015/16: Complete Procurement Strategy 2015-18 approved at Council on 23rd June 2015

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.5.1	05. Ensure equality of opportunity as an employer	Deliver and embed second People Strategy and the actions targeted for 2015/16 to ensure that our workforce is positive, motivated, high achieving, well led and well managed and there is an understanding about the employee proposition	31-Mar-2016		75%	Q3 15/16: On Target Actions progressing in line with agreed People Strategy. Changes to the employees Code of Conduct and Low Pay agenda are currently in progress.
FISS.S.5.2		Manage MiFuture to ensure that Switch (Staff working in transition) and Internal Jobs Market support flexibility as our workforce reduces and our service requirements change to ensure that our workforce matches the needs of services and service users.	31-Mar-2016		75%	Q3 15/16: On Target Service reviews being supported through HR/OD support. Latest SWITCH statistics are: Total number of people who have entered SWITCH - 84. Number of people currently in SWITCH as at 10 January 2016 - 34 Total non Switch Employees support by the Mifuture Coach is 243
FISS.S.6.01	06. 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-2016		75%	Q3 15/16: On Target Business Services structure has been approved and will be implemented in Q4.
FISS.S.6.03		Implement Committee Management system and functionality	31-Mar-2016		70%	Q3 2015/16: On Target Software configuration and set up completed. Project Team have agreed roll out will be progressed in two phases. Phase 1: Democratic Services Team. Phase 2: Report Authors. Phase 1: In Test. Planned Go Live 01/02/2016. Phase 2 : Commence March 2016.
FISS.S.6.04		Strengthen our Maximising Attendance policies as part of the overall policy review July 2015 with an emphasis on early intervention to reduce overall sickness absence. Adopt revised policies and deliver on the actions planned for 2015/16	31-Mar-2016		75%	Q3 15/16: On Target Changes to the Maximising Attendance Policy are being progressed as part of the review of low pay. The employees Code of Conduct is in the process of being changed.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.6.05	06. Ensure sustainable strategy for the delivery of Council Services	Achieve PSN compliance	31-Mar-2016		60%	Q3 15/16: On Target PSN Plan in place for this years compliance testing. Penetration testing scheduled to commence Jan 2016. On going monitoring and review of all Council services to ensure all services are in line with PSN compliance requirements
FISS.S.6.06		Achieve the targets set out in our procurement Contract Delivery Plan to deliver cashable savings	31-Mar-2016		100%	Q3 15/15: Complete Contract Delivery Plan complete and endorsed at Council. All actions/contracts being delivered to timescale. No saving target has been set against the contract delivery plan, all savings identified and delivered through the tendering process will be reported and harvested.
FISS.S.6.07		Completion of the unaudited Statutory Accounts for 2013/14 to ensure that we maintain strong financial management and stewardship	31-Mar-2016		100%	Q3 2015/16: Complete Unaudited accounts were completed in June and approved by Audit Committee and Council. They were submitted to the Councils auditors in advance of the statutory deadline of 30th June.
FISS.S.6.08		Completion of the statutory financial audit and achieve an unqualified audit opinion for the Accounts for 2014/15	31-Mar-2016		100%	Q3 15/16: Complete Audited Accounts completed with an unqualified opinion.
FISS.S.6.09		Deliver quarterly financial reports an commentary to Council	31-Mar-2016		75%	Q3 2015/16: On Target Quarter 2 Monitoring Reports for both General Fund and Housing Revenue Account revenue and capital were presented to Council in December . This contributes to the Council priority of maintaining robust financial stewardship. The reports give CMT and members a full assessment of the financial health of the Council, highlight performance issues against budget, emerging pressures and an update on the Council's useable reserves strategy.
FISS.S.6.10		Deliver and monitor financial strategy for 2015/16 to 2017/18 to support Council setting the 2015/16 Council tax and a balanced budget	31-Mar-2016		100%	Q3 15/16: Complete The financial strategy was presented to the Council on 17th February 2015.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.6.11	06. Ensure sustainable strategy for the delivery of Council Services	Provide a regular and robust assessment of savings arising from BTB programme and costs of the programme activities	31-Mar-2016		75%	Q3 2015/16: On Target The latest position on Business Transformation Funds utilisation and savings achieved to date against targets was incorporated in the Quarter 2 Financial Monitoring Report. This gives visibility on the value of funds invested in the Transformation programme and the resultant budgetary savings. Investing in Business Transformation approved workstreams contributes to the longer term financial sustainability of the Council.
FISS.S.6.12		Achieve the actions set out in the Purchase to Pay project plan, with the majority of sites, including schools live	31-Mar-2016		40%	Q3 15/16 Off Target E-Forms pilot for one off payments successful. Project Plan updated to complete Purchase Ordering implementation in remaining services by Summer 2016. Purchasing Cards implementation ongoing. Progress has been affected by Integra 2 upgrade issues since Oct 2015.
FISS.S.6.13		Achieve the actions set out in the Total Document Management project plan	31-Mar-2016		75%	Q3 15/16: On Target: Employment & Reward Workstream Implementation of schools access to system ongoing. A review of Contractual Change workflows has been completed. Work has commenced on Leavers and Paternity Leave workflows. Purchase to Pay workstream: Further testing on P2P integration has been completed and enhancements to Invoice Recognition configuration & set up have been completed. Progress with the P2P pilot has been postponed as a result of the resource requirements to progress the Integra Upgrade. Pilot will now be undertaken following the upgrade. Business Services workstream: Specification, design and development of workflow to support the introduction of integrated support for the administration of Mobile Phones has been completed. User testing and pilot planned to be completed by end of February 2016.
FISS.S.6.14		Complete introduction of the Council's Managed Print Service	31-Mar-2016		100%	Q3 15/15: Complete Introduction of MPS completed. Handover from implementation to business as usual completed. Contract management arrangements in place with Xerox to monitor performance and print volumes.

Code	Priority	Action	Due Date	Icon	Progress	Comment & Planned Improvement Action
FISS.S.6.15	06. Ensure sustainable strategy for the delivery of Council Services	To deliver the 2015/16 internal audit plan providing independent assurance on the management of risk (including corporate risks) and on the strength of internal controls within the Council to manage these risks.	31-Mar-2016		65%	<p>Q3 15/16: Off Target Nine reviews have been completed from the 2015/16 plan. Five pieces of work are at the reporting stage and fieldwork is underway for another five. All fieldwork is complete for the previous year's plan.</p> <p>The Audit Committee have been advised of the potential impact on audit resource with the introduction of the Integrated Joint Board for Health and Social Care as Midlothian Council has taken the lead role.</p>

Finance and Integrated Service Support PI Report

03. Service Priorities – Performance Indicators

PI Code	Priority	PI	2014/15	Q3 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16			Annual Target 2015/16	Benchmark	
			Value	Value	Value	Value	Value	Status	Short Trend			Note
FISS.S.6.06a	06. Ensure sustainable strategy for the delivery of Council Services	Percentage of actions in the Contract Delivery Plan that are completed or on target	75%	100%	75%	75%	100%			Q3 15/16: A new contract delivery plan was signed off at December Council, the previous delivery plan which ran until 31/12/15 was 100% complete	100%	
CORP6	LGBF Indicators updated quarterly	Sickness Absence Days per Employee (All employees)	8.85	6	2	3.36	5.76			Q3 15/16: On Target	8	14/15 13/14 Rank 8 (TOP Quartile)
CORP6aiii		Sickness Absence Days per Teacher (CUMULATIVE)	5.5	3.13	1.02	1.08	2.42			Q3 15/16: Data Only Absence reduction has been sustained year on year		14/15 Rank 6 (Top Quartile) 13/14 Rank 5 (Top Quartile)
CORP6biii		Sickness Absence Days per Employee (non-teacher) (CUMULATIVE)	10.11	7.19	2.36	4.3	7.13			Q3 15/16: Data Only Absence reduction has been sustained year on year		14/15 Rank 11 (Second Quartile) 13/14 Rank 14 (Second Quartile)

PI Code	Priority	PI	2014/15	Q3 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16				Annual Target 2015/16	Benchma rk
			Value	Value	Value	Value	Value	Status	Short Trend	Note		
CORP8	LGBF Indicators updated quarterly	Percentage of invoices sampled and paid within 30 days	93.0%	93.7%	95.0%	93.0%	91.0%			Q3 2015/16 : Off Target Council indicator. The% total value of invoices paid within 30 days is 91.12%. Slightly below target, service areas to continue to work to ensure invoices paid within 30 days	95.0%	14/15 Rank 15 (Second Quartile) 13/14 Rank 11 (Second Quartile)

Local Government Benchmarking Framework - Finance and Integrated Service Support



Corporate Services

Code	Title	2010/11	2011/12	2012/13	2013/14	2014/15	External Comparison
		Value	Value	Value	Value	Value	
CORP1	Central Support services as a % of Total Gross expenditure	4.24%	4.15%	3.56%	4.39%	5.26%	14/15 Rank 20 (Third Quartile) 13/14 Rank 11 (Second Quartile)
CORP2	Corporate and democratic core costs per 1,000 population	£42,210.99	£34,939.91	£48,041.31	£44,663.52	£42,036.89	14/15 Rank 25 (Bottom Quartile). 13/14 Rank 25 (Bottom Quartile)
CORP3b	The Percentage of council employees in top 5% of earners that are women	44.6%	41.6%	45.6%	48.8%	47.7%	14/15 Rank 25 (Third Quartile). 13/14 Rank 24 (Third Quartile)
CORP6aiii	Sickness Absence Days per Teacher (CUMULATIVE)	New for 13/14			5.25	5.5	14/15 Rank 6 (Top Quartile) 13/14 Rank 5 (Top Quartile)
CORP6biii	Sickness Absence Days per Employee (non-teacher) (CUMULATIVE)	New for 13/14			10.05	10.11	14/15 Rank 11 (Second Quartile) 13/14 Rank 14 (Second Quartile)
CORP8	Percentage of invoices sampled and paid within 30 days	81.2%	83.1%	93.3%	93.4%	93.0%	14/15 Rank 15 (Second Quartile) 13/14 Rank 11 (Second Quartile)