CLACKMANNANSHIRE COUNCIL

Report to Resources & Audit Committee

Date of Meeting: 4 December 2014

**Subject: Resources and Governance Finance and Performance report
1.7.14 - 30.9.14**

Report by: Senior Support Services Manager

1.0   Purpose

1.1.   This paper reports to Committee Resource and Governance Service's performance for the second quarter of 2014/15.

1.2.   The report highlights service activity, achievements and performance between July and September 2014. It also identifies future challenges, opportunities and risks.

1.3.   The report includes financial performance with the aim of providing an overview of performance against budget for the first six months of 2014/15 and a projection of expected out-turn to 31.3.14.

2.0   Recommendations

2.1.   The Committee is asked to note the report, comment on and challenge performance as appropriate.

3.0   Service Activity - key issues

3.1   Introduction

3.1.1   The Resources and Governance Service's vision is to ensure that financial and human resources, IT systems and governance processes are aligned to the strategic aims of the organisation to facilitate the delivery of the Council's corporate priorities in a legally compliant, cost effective and efficient way.

3.1.2   The Resources and Governance Service's mission as set out in the service business plan is "to provide high quality, professional, value added proactive advice and support to enable senior officers, managers, elected members and staff in the delivery of their strategic and operational objectives" This includes advice and support to manage resources whether they are human, technological or financial.

3.1.3   The previous remit and name of the service has changed from Support Services to Resources and Governance. A new Head of Service has been

recruited and commenced in October 2014. Some movement in terms of service responsibility has taken place with Revenues becoming more closely aligned with the Housing Service. Asset Management will move to the remit and responsibility of the restructured Resources and Governance Service with effect from Q3.

3.1.4 The changes referred to in 3.1.3 above are reflected in **Appendix A**, with KPIs for the Revenues Service omitted. KPIs for Internal Audit and Payroll continue to be reported as those services now form part of the Governance Service. Corporate performance in debt collection, Council Tax collection and payment to suppliers will continue to be reported through the Resources and Governance Service performance report.

3.1.5 Until budgets are re-aligned and confirmed, the financial reports at **Appendix B** and section 5 of this report show the financial performance of Resources and Governance services including Revenues.

3.2 Shared services -

3.2.1 A report to Council in June 2014 set out the aims of the two Councils to develop a Lead Authority model for the future provision of shared services. A full business case is being developed that will provide direction and identify actions required in the future. Under this arrangement, Clackmannanshire would continue to be the Lead Authority for Social Services.

3.2.2 All support services currently involved in supporting shared services will be involved in future plans with the aim of providing more meaningful support that enables social services to deliver front line services to vulnerable groups. Service Managers have already been involved in consideration of options and will continue to be involved in future analysis and planning sessions.

3.3 Equal pay issues

3.3.1 A final settlement session was held on 19 July 2014 with claims to the value of £18,500 settled and signed off. Work continues with national Trade Union representatives to ensure a consistent approach to the few remaining claims.

3.3.2 Provision of £301k has been made in the Council's accounts for future claims. This figure includes an allowance for payment to HMRC for any outstanding claims. The Council's external auditors consider this to be a prudent provision. A review of the provision will be carried out once the number and potential costs of any remaining claims is verified.

3.4 The annual internal audit plan for 2014/15 was agreed at the full Council meeting in March 2014 as recommended by the Resources and Audit Committee. One internal audit report is submitted to Committee today.

3.5 Budget Challenge 2014/15 Three cross cutting, corporate budget challenge matters are being progressed. The three themes are: Voluntary Severance, Procurement and Terms and Conditions. A small number of additional, Support Services operational savings will be delivered in 2014/15. **Appendix C** demonstrates progress against each service / policy saving and identified efficiency saving.

3.5.1 A revised version of the Voluntary Severance process has been launched through Connect and Service Managers. This introduces more flexibility in

releasing employees expressing an interest in this option. The successful VS applications are being processed through the system and with relevant Services. Savings will be set against the £100k budget savings identified for 2014/15.

3.5.2 The Procurement Manager continues to work with the "Procurement Matters" group comprising 28 identified employees across all services. The aim is to improve understanding of the procurement process and practice, reduce risk and generate additional savings. Methods of tracking and managing the savings achieved are also being actioned with a view to achieving the budget savings set out as part of the 2014/15 budget challenge process.

3.5.3 As a result of negotiations with recognised Trade Unions during 2013/14, changes were made to employees Terms & Conditions with a reduction for a FTE from 36 to 35 hours. This change, along with the associated reduction in salary, was implemented on 1 July 2014. This action will produce savings of **c£875k** during 2014/15 with a residual **c£300k** in 2015/16. Progress will be monitored with actual savings achieved reported quarterly.

3.5.4 The opportunity for employees to purchase additional days holiday up to a maximum of five days per year has resulted in savings of **c£22k** in 2014/15.

3.6 The Accountancy, Legal and HR teams are actively supporting the changes taking place in relation to the integration of Health and Social Care. Regular fortnightly meetings are taking place between the partners involved with representation from the above services.

3.7 Annual Governance Statement - The 2013/14 AGS was presented to Council in June 2014 as part of the annual accounts. As in previous years, common improvement themes emerged for each service challenge session leading to identification of the corporate position. The Corporate Management Team and Depute Chief Executive are looking to bring forward improvements to further embed arrangements within Services. Performance in these areas will be reported through relevant service committees with the corporate position being considered as part of the 2014/15 review process.

3.8 HR & Payroll system (iTrent). Managers and Employees Self Service was introduced in April 2014 with training being offered to managers and administration staff. A number of high level Management Information reports are now being produced monthly with authorised employees having the ability to drill down further on a service or team basis. Overtime is also being monitored on a monthly basis through the use of iTrent. Further efficiencies will be realised once the authorisation of overtime and expenses are automated, reducing the need for paper forms and dual entry of data.

3.8.1 The iTrent system has presented difficulties in supplying information in the format required to satisfy the LGP return for 2013/14. Despite input from the supplier, a manual process has been necessary to produce the information in the correct format. Liaison with Falkirk pensions and the supplier will continue to further mitigate the problem.

3.9 Various upgrades to key business systems including the Benefits System have been implemented and a new Case Management System for Fraud has been installed.

3.10 The Corporate Accountancy team has been working with the Council's external auditors to produce the Council's accounts for 2013/14. These annual accounts have been signed off by the external auditors. There are some areas highlighted for improvement that will need to be actioned by the team.

3.11 CJA draft accounts have been issued to the auditors by the Accountancy team. The external audit of these accounts is underway.

3.12 A review of the external audit process is taking place to ensure continuous improvement.

3.13 The Democracy team prepared for and delivered the Referendum for Clackmannanshire residents in September 2014. Additional temporary staff and volunteers assisted with the preparatory work and on the day of the Referendum. This current period is one of unprecedented activity for this small team with three key events during a 12 month period.

3.14 The ICT Service continues to develop the use of ICT in line with the ICT Strategy. Work is ongoing to manage centralised ICT Budgets and identify opportunities for more efficient use of ICT spend. The ICT service continues to upgrade and modernise the server environment and the management team is implementing business process re-engineering to remove the need for overtime working for essential maintenance tasks.

3.15 Connectivity between a number of Council buildings has been enhanced offering faster, more reliable connection speeds for all users. Improvements continue to be made to facilitate more modern ways of working. Examples include the ability to receive voicemail by email and the use of Council ID badges to retrieve printouts securely from any council printer. High speed Wi-Fi, mobile computers and interactive touch screens have been have been installed in the new Redwell School and the refurbished Speirs Centre.

3.16 A Health & Safety issue was identified relating to the floor in the new server room at Kilncraigs and is being dealt with through the involvement of Health & Safety, ICT and Facilities Management teams. There has been minimum disruption to service provision whilst ensuring a safe environment is maintained.

3.17 A small number of Health & Safety incidents were investigated, some in conjunction with the Health & Safety Executive. None of the incidents resulted in intervention fines or punitive actions.

4.0 Performance

4.1 The majority of support services work supports the corporate priority of ensuring the Council is effective, efficient and recognised for excellence. However, legal services also support the corporate priority of ensuring vulnerable people are supported.

4.2 The KPIs reported are those agreed for the Support Services business plan for 2014/15. A number of the performance indicators relate to corporate performance and some will only be reported on an annual basis. Comments are made within the Covalent report (**Appendix A**)

5.0 Financial Performance

5.1 The undernoted table outlines the financial position as at the **31 August 2014**, comparing the projected expenditure for this period with the profiled forecast outturn. An analysis of variances in respect of each service area to date is attached in **Appendix B** to this report.

5.2 The figures reported reflect adjustments made to service budgets to take into account changes in structure and teams within Resources and Governance. In summary, the following adaptations to previous budgets have been made:

Accountancy £31,560
35,220: earmarked reserves allocated for accountant post from Change Fund reserve
-3,660: balance of Project Officer post allocated to IT (only part year budget was transferred, this is the balance to take it up to a full year post)

Revenues £-85,220
145,880: earmarked reserves allocated for Social Fund, carry forward from the 2013/14 budget year
-17,870: removal of budget for VS post Payroll Officer
-3,660: balance of Project Officer post allocated to IT
-209,570: transfer of Audit and Fraud team to Governance Service

Governance £220,910
15,000: budget allocated to implement the T & C's changes
-3,660: balance of Project Officer post allocated to IT
209,570: transfer of Audit and Fraud team from Revenues Service

IT £10,980
3,660 Balance of Project Officer post from Accountancy
3,660 Balance of Project Officer post from Revenues
3,660 Balance of Project Officer post from Governance

Projected outturn is based on forecast expenditure against this revised budget.

	Annual Budget	Projected Outturn to 31.3.15	Variance
	£000	£000	£000
Director	118	117	(1)
Accountancy	1,375	1365	(10)
Revenues & Payments	1,471	1593	122
Head of Support Services	92	50	(42)
Governance	1,766	1,694	(72)

	Annual Budget	Projected Outturn to 31.3.15	Variance
IT	1,686	1612	(74)
Centralised IT	617	617	
Total	**7,126**	**7,048**	**(77)**

5.3 Forecast outturn is for a **£77k** or **1.08%** underspend. All services will also generate some savings as a result of the holiday buy back scheme introduced this year. Budgets have been adjusted to take into account the reduction in hours and salaries generated by moving to a 35 hour FTE. Voluntary severance savings will be generated throughout the financial year but will be reported against corporate savings.

6.0 Progress in Delivering Planned Budget Savings in 2014/15

6.1 Resources and Governance Services will be delivering savings of £12k during the 2014/15 budget year as well as taking the lead on implementing, monitoring and reporting on corporate savings or additional income amounting to £1,748k Progress in each of these areas is summarised in **Appendix C**:

7.0 Achievements

Set out below are the achievements reported by all support services for the period July 2014 to September 2014.

7.1 Phase two of the integrated HR and Payroll system project launched employee and manager self service in April 2014. Additional system and process enhancements provide management Information to CMT and Service Management Teams monthly

7.2 The HR and Payroll team completed the work required to change contracted hours in line with the negotiated change to Terms & Conditions. All changes were completed for the July payroll deadline.

7.3 The job families project continued as planned and a small team, including Trade Union representation, is working on issues including pay scales, job families and increments. This is a key activity in the theme "Developing Our People" contributing to Making Clackmannanshire Better Work stream (5) Making Our Organisation Stronger.

7.4 The successful delivery of the Scottish Referendum in September 2014 with Clackmannanshire declaring its results first of the Scottish Councils.

7.5 Cross-Council stress management group set up to consider stress management techniques and support for staff and managers.

7.6 The table below sets out statistical data related to employment issues dealt with by the HR team during Q1 and Q2 and provides a cumulative picture of the same data. Recruitment activity for a number of senior appointments has

continued during the second quarter of the year (Council and Assessors) with all appointments now confirmed.

Activity from April 2014 - September 2014

Count of Lead Adviser/ Asst Adviser		Priority				
Service	ER Issue	CLOSED	High	Low	Medium	Grand Total
Education	Absence/Absence Management	2	2		2	6
	Capability		3	3	2	8
	Disciplinary	1	1			2
	Grievance		2			2
Education Total		3	8	3	4	18
F&C	Absence/Absence Management	1	3	1	2	7
	Capability		2		1	3
	Contract Change Consultation	1	2		1	4
	Dignity at Work		1			1
	Disciplinary		2			2
	Grievance	1				1
	Restructuring		1			1
F&C Total		3	11	1	4	19
S2C	Absence/Absence Management	5	1			6
	Capability	4	12	1	2	19
	Disciplinary	8	8		1	17
	Redundancy		1			1
	Restructuring	1	1			2
S2C Total		18	23	1	3	45
Social Work	Absence/Absence Management		6			6
	Capability		4		2	6
	Dignity at Work			1	1	2
	Disciplinary		5		1	6
	ET				1	1
	Grievance		1			1
	Other				1	1
	Redeployment		1			1
	Restructuring		2		2	4
Social Work Total			19	1	8	28
Grand Total		24	61	6	19	110

8.0   Opportunities, Challenges and Risk

The following opportunities, challenges and risks have been identified by the Resources and Governance Service Management team between July 2014 and September 2014 as well as through the business planning process that was completed in April 2014.

8.1   It is likely that the development and validation of Business Cases and the Change Programme to implement a Lead Authority model for the shared services will generate significant workload for the legal, HR, ICT, Procurement and finance teams.

8.2   PSN - Despite achieving compliance the ongoing demands of the Cabinet Office's PSN compliance regime will continue to introduce cost, increased resource requirements and will constrain our ability to deliver mobile and flexible working. To mitigate this we continue to engage with colleagues at a national level to seek to influence the approved architectural designs. Preparations are underway for next year's compliance programme.

8.3 Work is underway to align Corporate Procurement procedures and processes to the external procurement influences taking place over the next year including:

- The forthcoming procurement reform bill

- Change to the EU procurement legislation

- Proposed changes to construction procurement

Papers and reports will be produced for the relevant Committee or full Council recommending changes to existing policy or procedures to ensure compliance.

8.4 All changes associated with the move to a FTE of 35 hours were implemented on 1 July 2014 using the iTrent HR and Payroll system. New Statement of Particulars will be issued to all affected employees over the next six months.

8.5 As a result of the change to 35 hours FTE, Pension Protection Certificates will be issued to all eligible staff. The time and cost of this process being absorbed in-house initially through an additional 1.0 FTE. On-going workload will be reviewed during Q3. The HR and Payroll team are working closely with Falkirk Pensions service to ensure accurate and timely provision of information required.

8.6 The Service Management Team identified the risk that some projects could be delayed due to the reduction in hours from 1 July. Regular reviews of progress and prioritisation of projects will assist with the management of the situation.

8.7 Work continues with the Council's recognised Trade Union representatives to consider existing Terms & Conditions and any future changes that might be implemented to assist with required budget savings.

8.8 The future impact of Pensions Reform is being documented and the financial impact and risk analysed. An implementation plan and communication plan will be produced for consideration later in the year.

8.9 **SFIS -** COSLA continues to work closely with Trade Union colleagues to engage with DWP to ensure that the detail underpinning the commitment to staff protection is in place. The key outstanding issue is in relation to pensions. There is a commitment from DWP that existing provisions within LGPS would remain until this is resolved. Concerns also remain in relation to the location where staff transferring to the DWP will be based.

Every Council has now received notification of their proposed transfer date. For Clackmannanshire, this is November 2015.

8.10 In February 2014, it was confirmed by the Scottish Government that the Council Tax Rebate (CTR) funding nationally for 2014-15 would be £343 million, comprised of £320 million for CTR with the £23 million contribution to the gap. The Council's share of this is £3.424 million. Allowing for the £170,000 allocated by the Council as part of recognised budget pressures, this has resulted in a total fund in 2014-15 of approximately £3.594 million.

Projected CTR awards at the end of September are £3.593 million and with projected funding of £3.594 million, this would indicate that at this point we are

on budget. The position has been identified as a financial risk and escalated accordingly due to the volatility of the claims for CTR. The situation will be monitored and any gap reported to Resources & Audit Committee as part of each service performance report.

8.11 The Procurement Matters group has made changes to the documentation used across the Council for tender and quotes to improve consistency and making it easier for potential suppliers to complete. 16 group members have attended training on contract management with further training planned for the future.

8.12 All services within the Resources and Governance service will need to provide professional advice and support to front line services as changes are implemented, the workforce contracts and savings are generated. At the same time, each Service Manager must consider how they might provide services more efficiently and in different ways.

9.0   Sustainability Implications

9.1   None

10.0   Resource Implications

10.1   Financial Details

10.2   The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.   N/A

10.3   Finance have been consulted and have agreed the financial implications as set out in the report.   N/A

10.4   Staffing

10.5   There are no staffing implications associated with this report

11.0   Exempt Reports

11.1   Is this report exempt?   Yes ☐ (please detail the reasons for exemption below) No ☑

12.0   Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1)   **Our Priorities** (Please double click on the check box ☑)

The area has a positive image and attracts people and businesses	☐
Our communities are more cohesive and inclusive	☐
People are better skilled, trained and ready for learning and employment	☐
Our communities are safer	☐
Vulnerable people and families are supported	☑

Substance misuse and its effects are reduced ☐

Health is improving and health inequalities are reducing ☐

The environment is protected and enhanced for all ☐

The Council is effective, efficient and recognised for excellence ☑

(2) **Council Policies**

None

13.0 Equalities Impact

13.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes ☐   No ☐   N/A

14.0 Legality

14.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers.   Yes ☐ N/A

15.0 Appendices

15.1 Please list any appendices attached to this report. If there are no appendices, please state "none".
Appendix A - Budget Challenge Savings progress to date
Appendix B - Covalent performance report
Appendix C - Financial performance to 30.9.14

16.0 Background Papers

16.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)
Yes ☐ (please list the documents below) No ☑

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Julie Burnett	Senior Support Services Manager	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Stephen Coulter	**Head of Resources & Governance**	Signed: S Coulter
Nikki Bridle	**Depute Chief Executive**	Signed: N Bridle

Resources and Governance Business Plan 2014-15   APPENDIX A

Quarter 2 Progress Report

KEY TO SYMBOLS

PIs		
Status	**Short Term Trends**	**Long Term Trends**
Compares actual performance with target	Compares actual performance with most recent previous	Compares actual performance with previous over the longer term
🔴 Alert	⬆ Performance has improved	⬆ Performance has improved
⚠ Warning	▬ Performance has remained the same	▬ Performance has remained the same
✅ OK (performance is within tolerance limits for the target)	⬇ Performance has declined	⬇ Performance has declined
❓ Unknown	❓ No comparison available - May be new indicator or data not yet available	❓ No comparison available

ACTIONS	
Expected Outcome	
✔	Exceed target
✔	Meet target/complete within target dates
⚠	Will complete, but outwith target
✖	Fail to complete or cancelled
❓	Unknown – see Management Comments

RISKS	
Current Rating = Likelihood x Impact (1 - 5)	**Status**
	🔴 Rating 16 and above
	⚠ Rating 10 to 15
	✅ Rating 9 and below
The likelihood of a risk occurring, and the impact if it does occur are each scored on a scale of 1 to 5, with 1 being the least likely or the least significant impact. Detailed guidance on scoring is provided in the Risk Management Policy and guidance.	

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1 HIGH LEVEL SUMMARY

The council is effective, efficient and recognised for excellence Vulnerable people and families are supported				
PIs	🔴	🔺	✅	❓
Actions	❌	⚠️	✔️	❓

2 DETAILED REPORT

CORPORATE PRIORITY OUTCOMES	The Council is effective, efficient and recognised for excellence
	Vulnerable people and families are supported

Resources and Governance Performance Indicators 2014-2015

Code	Description	2012/13 Value	2013/14 Value	2014/15 Target	Q2 2014/15 Value	Short Trend	Latest Note	Lead
ACC ACC 011	Percentage of service financial reports produced to monthly deadlines	N/A	100%	100%	100%	?	All reports provided as required for Council and Committee meetings. During Q2.	Liz Shaw
ACC B01 RAG	Performance against phased budgeted spend - Resources and Governance	92.8%	98.3%	100.0%	98.9%	⬆	Projections for the 2014/15 outturn suggest a performance of 98.9% of budget expenditure as at 31.8.14.	Julie Burnett; Stephen Coulter
GOV CNQ RAG	Percentage of Resources and Governance Councillor Enquiries dealt with within timescale	89.5%	87.7%	100.0%	83.4%	⬆	One of the six enquiries received was responded to outwith specified timescales. Overall Council performance was 13.6% of enquiries outwith timescales.	Julie Burnett; Stephen Coulter
GOV FOI RAG	% FOI enquiries responded to within timescale: Resources & Governance	98.10%	97.20%	100.00%	92.98%	⬆	Slightly below council's average, very small numbers involved (4 overdue)	Julie Burnett; Stephen Coulter
GOV HAS 003	Percentage of managers who have reviewed their Health and Safety Risk Assessment in the last 12 months	75.0%	N/A	100.0%	Not measured for Quarters			Julie Burnett; Stephen Coulter
GOV SAB RAG	Resources and Governance sickness absence levels	6.61%	4.67%	3.25%	3.14%	⬇	Levels of absence within Resources and Governance have increased from 2.54% to 3.14% (of total hours lost) but are still within the target. A number of longer term absences have contributed to the increase	Julie Burnett; Stephen Coulter
ITS CUS 001	Percentage of customers satisfied with ICT services	97.0%	98.2%	98.0%	93.5%	⬇	Reduction in customer satisfaction. This is predominantly due to longer call resolution time as a result of resources being prioritised for major project work. Customer feedback is being monitored by managers to identify trends.	John Munro
ITS ITS 001	Percentage of users who can access the Council network remotely	20.0%	20.3%	40.0%	20.5%	⬆	No change on last period. No outstanding requests for remote access.	John Munro
ITS ITS 002	Percentage of available hours lost on ICT systems due to unplanned incidents	0.050%	0.035%	0.050%	0.020%	⬆	Performance continues to improve as changes introduced through Kilncraigs move bed in.	John Munro

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Code	Description	2012/13	2013/14	2014/15	Q2 2014/15		Latest Note	Lead
		Value	Value	Target	Value	Short Trend		
RAG CUS 001	Percentage of customers very or fairly satisfied with the overall service they received	86.60%	64.00%	90.00%	Not measured for Quarters			Julie Burnett; Stephen Coulter
RAG CUS 002	Percentage of customers very or fairly satisfied with the way the service handled any problems	84.50%	70.00%	90.00%	Not measured for Quarters			Julie Burnett; Stephen Coulter
RAG CUS 003	Percentage of customers very or fairly satisfied with the quality of information they received	86.00%	62.00%	90.00%	Not measured for Quarters			Julie Burnett; Stephen Coulter
RAG CUS 004	Number of formal complaints received for Resources and Governance	3	0	4	0	▬	There have been no formal complaints for Resources and Governance during Q2.	Julie Burnett; Stephen Coulter
RAG PPL 003	Number of Resources and Governance staff recorded as having completed a PRD	67.0%	88.4%	100.0%	69.5%	▬	As 30.9.14, 69.5% of support services staff have completed their PRD. Some have been delayed due to absence, others re-scheduled. The numbers reported relate to those staff who are due a PRD with new employees being discounted from the KPI reporting.	Julie Burnett; Stephen Coulter
RAG RAG 002	Percentage of Resources and Governance projects completed on time	82%	89%	95%	85%	⬇	There have been some delays due to competing priorities and issues with suppliers.	Julie Burnett; Stephen Coulter
RAG RAG 003	Percentage of Resources and Governance projects proceeding within agreed timescales	92.00%	82.00%	90.00%	75%	⬇	Project management good practice and regular monitoring ensure good progress is being made. Prioritisation of projects keeps the focus on those that are key to the delivery of savings and initiatives which will result in more efficient ways of working and contribute to the delivery of workstreams within Making Clackmannanshire Better..	Julie Burnett; Stephen Coulter
RAG RAG 013	Percentage of statutory returns submitted within deadlines (RTI, HMRC, NDR, CTR, DHP, VAT, LFR, Pobe, Capital Returns)	N/A	95%	100%	90%	?	Eight of the financial statutory returns have been completed within the deadlines. An issue remains with the LGP return as a result of problems with the itrent system. A manual return is being processed.	Julie Burnett; Stephen Coulter

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Code	Description	2012/13	2013/14	2014/15	Q2 2014/15		Latest Note	Lead
		Value	Value	Target	Value	Short Trend		
RAP AUD 001	Percentage of Internal Audit plan completed	100%	100%	100%	53%	⬆	Target is for completion by April 2015. Progress to completion of plan is on track. 1 report being presented to December Committee with a further 6 drafts issued to management. A further 5 reviews are currently ongoing with 3 only to be commenced.	Iain Burns
RAP PAY 001	Accuracy of payroll information	99.60%	99.88%	99.90%	99.92%	▬	On review of payroll queries these have reduced with the introduction of the iTrent system although it is recognised that significant levels of checking of data is still currently required.	Lisa Simpson
RAP PAY 002	Percentage of payroll queries resolved within 2 days	N/A	98.0%	98.0%	98.5%	⬇	With the reduction of queries being received there is scope to address any issues received in a more timely manner. With further improvements to the the iTrent system it is hoped this value will increase.	Lisa Simpson

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Resources and Governance Corporate Performance Indicators 2014-2015

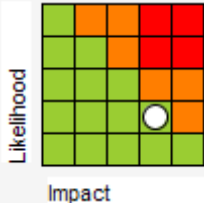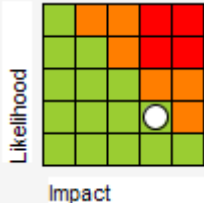| Code	Description	2012/13 Value	2013/14 Value	2014/15 Target	Q2 2014/15 Value	Short Trend	Latest Note	Lead
ACC ACC 009	Ratio of capital financing costs to the net revenue stream for General Fund	7.75%	8%	7.90%	Not measured for Quarters			Liz Shaw
ACC ACC 010	Ratio of capital financing costs to the net revenue stream for Housing Revenue Account	18.50%	18.50%	18.50%	Not measured for Quarters			Liz Shaw
ACC B01 COU	Performance against phased budgeted spend - Council	N/A	98.3%	100.0%	100.3%	[?]	Reduction in overspend previously reported.	Liz Shaw
ACC FNR COU	Target level of uncommitted financial reserves is achieved. (£3.6m)	£6,300k	£6,174K	£3,500k	Not measured for Quarters			Liz Shaw
GOV AB1 OTR	Average Days Sickness Absence (Other Local Government)	21.1 days	7.9 days	7.0 days	4.3 days	⬆	There appears to be a small reduction in the number of average days lost from 4.8 to 4.3, a reduction would likely be envisaged as this is a period when staff will be utilising periods of annual leave	Lisa Simpson
GOV FOI COU	Percentage of Council Freedom of Information requests dealt with within timescale	98.3%	96.0%	100.0%	93.0%	⬇	Performance is in line with council average in previous years.	Lisa Simpson
GOV HAS 003	Percentage of managers who have reviewed their Health and Safety Risk Assessment in the last 12 months	75.0%	N/A	100.0%	Not measured for Quarters			Julie Burnett; Stephen Coulter
GOV PRC 001	Percentage score in procurement capability assessment	31.0%	37.0%	40.0%	Not measured for Quarters			Julie Burnett; Stephen Coulter
RAP CRD 001	Payment of suppliers within agreed timescales (30 days)	82.9%	84.1%	92.0%	88.8%	⬆	Remains constant but will be reviewed to improve supplier payment days	Susan Mackay
RAP CTA 011	Sundry debt in year collection	83.62%	73.15%	90.00%	76.16%	⬆	Significant improvement in collection due to large debtor outstanding since April now settled.	Susan Mackay
RAP CTA 007	NDR in year collection rate	98.00%	97.66%	98.00%	57.75%	⬆	There has been a significant improvement in collection which is now only 1% lower than 13-14 at the same point. Recovery has now	Susan Mackay
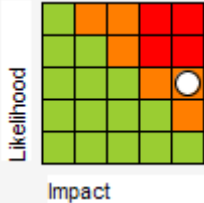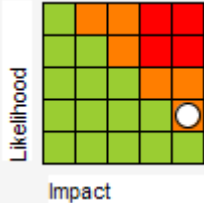
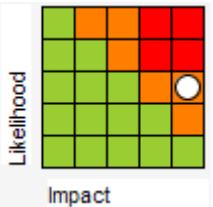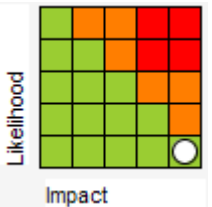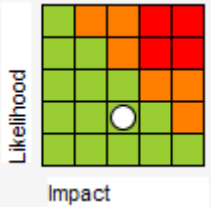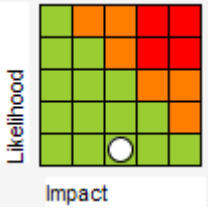| Code	Description	2012/13 Value	2013/14 Value	2014/15 Target	Q2 2014/15 Value	Short Trend	Latest Note	Lead
							commenced with final notices being issued in September.	
RAP CTA 019	Debt collection rates > 90 days	39.30%	37.01%	35.00%	58.29%	⬇	Whilst proportion has increased from 50.15% to 58.29% both the sundry debtor > 90days and the total sundry debtors has reduced. At September the sundry debt >90 days was £927k and total sundry debt was £1590k compared to £1224k and £2442k respectively	Susan Mackay
RAP CTA 01a	Council tax collected within year (excluding reliefs & rebates)	95.32%			51.15%	⬆	Collection levels are in line with prior year collection of 51.33%	Susan Mackay
GOV AB1 ED1	Average Days Sickness Absence (Teachers)	15.7 days	5.7 days	8.0 days	2.9 days	⬆	There appears to be a significant drop in the number of average days lost from 4.2 (Qtr1) to 2.9. It should however be noted that Qtr 2 covers the period July/Aug/September and schools are on leave for the majority of this period.	David Leng

7

Resources and Governance Actions 2014-2015

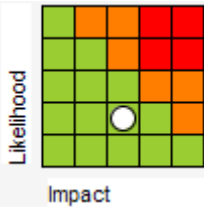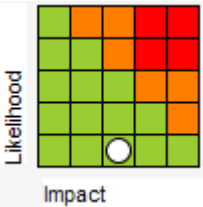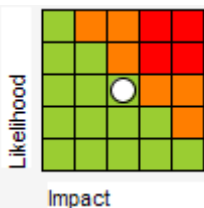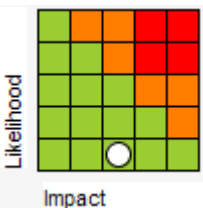| Covalent Code	ACTION	By When	Lead	Progress Bar	Expected Outcome	Latest Note
ACC ACC 001	Complete review of financial regulations and make proposals for amendments and change	31-Mar-2015	Susan Mackay; Liz Shaw	40%		A first draft of the revised regulations has been produced but presentation of the regulations will be delayed until early in 2015 due to higher priority work taking precedence. Target date has been updated to reflect this.
GOV GOV 001	Implement relevant actions derived from revised People Strategy	31-Mar-2016	Lisa Simpson	65%		Good progress is being made against the actions set out in the People Strategy. This includes the centralisation of recruitment ensuring a consistent approach; the reporting of a suite of Management Information reports; the review and updating of a number of Policies and the introduction of elements of self service for managers and employees. The progress score is set against those actions designated to HR or joint between HR and OD.
GOV GOV 002	Complete the job families project (single status) (Phase 1)	31-Dec-2014	Lisa Simpson	60%		Work is well under way with project team set up and project plan in place, regular meetings taken place. The Interim report is being produced and will be discussed at CMT to consider the implications of any recommendations.
GOV GOV 003	Deliver phase 2 of the HR / Payroll project. Identify opportunities for efficiencies and more effective working practices.	30-Jun-2014	Susan Mackay; Lisa Simpson	90%		Training and briefing sessions continue to be rolled out and Teaching Staff will be included in these sessions during Academic Session 2014/2015. The iTrent team will look at enhancements to MSS/ESS to include the ability to claim mileage and expenses, changes to posts including hours, salaries and grades to increase efficiencies through reduction/removal of Change Forms. Management Information reports continue to be improved and refined. Issues with supplier performance are impacting on completion of project.
ITS ITS 001	Support the implementation of the SWIFT case management system for social services (childcare)(Phase 1)	31-Mar-2015	Derek Barr; John Munro	40%	⚠️	Looking into assignation of contracts after service undertake a full business case. Implementation progress made with data matching and business process redesign. Officers now working on the complex data migration in preparation for the transfer to the SWIFT system.
RAG RAG 001	Support the changes to enable new ways of working	31-Mar-2015	John Munro; Liz Shaw; Lisa Simpson	60%		Modern ICT tools being deployed in line with ICT strategy. Lotus notes upgrade progressing well to deliver online meeting rooms and collaboration tools, increasing the use of ipad and iphone options for flexibility, delivery of IP telephone solution to all Council users.

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Covalent Code	ACTION	By When	Lead	Progress Bar	Expected Outcome	Latest Note
RAG RAG 002	Investigate how communication processes could be improved across Resources and Governance teams and take action to make improvements	31-Mar-2015	Julie Burnett; Stephen Coulter	55%		Each service operates regular service management team meetings plus operational team meetings. Information is shared through these formal meetings as well as emails relating to various projects being shared with R&G staff as well as customers. The effectiveness of improvements will be reviewed as part of the preparations for CSE and as part of the business plan review. Locating all teams in Kilncraigs assists with improving communication.
RAG RAG 003	Consider every opportunity to manage the contraction of numbers of employees through the provision of advice and support to other services. Ensure the same principles are applied to Resources and Governance opportunities - consider service redesign and different delivery methods.	31-Mar-2015	Chris Alliston	75%		All recruitment requests are currently channelled through CMT or DG where they might be challenged. No recruitment (of non statutory posts) takes place without Chief Officer approval. Within R&G, any vacancy that occurs is considered against service delivery requirements, alternative ways of working and future business needs. A number of posts have been filled on a temporary basis and the period between leavers and new starts is tending to be longer than in the past, leading to cash savings for the short term. Several Voluntary Severance requests have been progressed with work either reallocated or a different way of working introduced.
RAG RAG 004	Develop existing team Leaders and Service managers to realise their potential to lead teams through the challenges facing the Council in the next four years. Each service to develop a succession plan and put in place a development plan that will support it. Build capacity of existing teams and individuals through identifying gaps in knowledge and skills and identifying appropriate training or learning required.	31-Oct-2014	John Munro; Liz Shaw; Lisa Simpson	50%		Both Service Managers and Team Leaders are attending Leadership Development courses that cover required skills for the delivery of their roles. For some the training is a refresher of existing skills, for others new to post the training provides the opportunity to develop those skills. Once PRDS are complete, Learning and Development requirements for each service will be confirmed. Bids will be submitted for identified training to meet these needs. Succession plans and the supporting development plan will follow on from the completed PRD process.
RAG RAG 005	Deliver actions and projects required to support the outcomes of the Making Clackmannanshire Better Programme. Particular focus on Workstream 5, making the Organisation Stronger.	31-Mar-2015	John Munro; Liz Shaw; Lisa Simpson	60%		The HR team in particular are working closely with the Learning and Development team to carry out work that will deliver Workstream 5 objectives. This includes work to further develop the revised induction training plan for new starters. The Chief Accountant and IT Manager are working with the Head of Strategy and Customer Service to determine how Service Managers can contribute to the introduction of changes to how services are delivered.
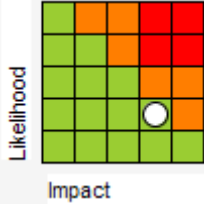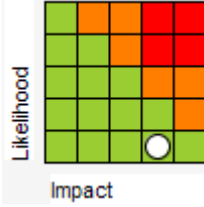
Support Services Risk Register
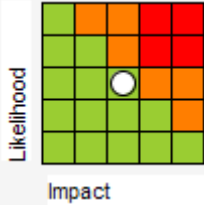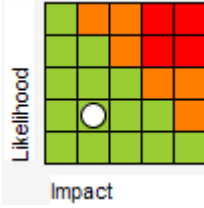
RISK	RAG RAG 001	Lack of corporate compliance with processes for legal, financial, technological and HR input into significant projects.	Status	✅	Current Rating	8	Target Rating	8
Managed By	Julie Burnett; Stephen Coulter; John Munro; Liz Shaw; Lisa Simpson							
Potential Effect	Council suffers reputational or financial loss and/or is unable to maximise best value as project outcome. Service has to change approach or objective to ensure corporate or legislative compliance. Dissatisfied customer.							

Related Actions			**Internal Controls**	Governance Panel
				Governance Improvement Plans
				Governance & Audit Processes

Latest Note	Risk has reached its target rating. However, it will remain on the service Risk Register for monitoring purposes. **No change as at 30.9.14**

RISK	RAG RAG 002	Services not aware of or not applying appropriate Council governance framework and strategy in practice.	Status	⚠️	Current Rating	15	Target Rating	10
Managed By	John Munro; Liz Shaw; Lisa Simpson							
Potential Effect	Council suffers reputational or financial loss and/or is unable to maximise best value.							

Related Actions			**Internal Controls**	Governance Panel
				Governance Improvement Plans
				Governance & Audit Processes

Latest Note	January 2013 - likelihood reduced to 3 on review as improvements have been made in engaging with service management teams and through the introduction of the Governance panel. No further reduction in rating recommended as at 31.3.14. **No change as at 30.9.14**

10

RISK	RAG RAG 003	Support service professional and technical guidance and advice is not followed.	Status		Current Rating	15	Target Rating	5
Managed By	Julie Burnett; Stephen Coulter							
Potential Effect	Risk to council and corporate management team of increased financial commitment, poor practice and reputational damage. Negative publicity or potential to overspend. Reactive actions required to fix problems - resource is diverted from planned work.							
Related Actions					**Internal Controls**			
Latest Note	No change to rating as at 31.3.14 as a result of review of 2013/14 and knowledge of instances where advice was not sought in a timely manner. **No change as at 30.9.14, risk will be reviewed in December 2014 as part of the business planning process.**							

RISK	RAG RAG 004	No single information point that provides a complete view of corporate projects and corporate asset management plans. Require complete understanding of Business Transformation Process that will provide future direction for Council	Status		Current Rating	6	Target Rating	3
Managed By	Julie Burnett; Stephen Coulter							
Potential Effect	Unable to provide effective and relevant advice when required. Unable to shape support services to ensure effective and efficient use of resources to support achievement of vision.							
Related Actions					**Internal Controls**		Making Clackmannanshire Better Programme	
Latest Note	The *Making Clackmannanshire Better* Programme (MCB) has assisted with the identification and rationalisation of projects across the Council by compiling a full list of corporate and service projects that will support the Council's transformation programme. These are being collated and prioritised to ensure they support delivery of the required changes in the future. Rating reduced to 2 after review in February 2014. **Work underway with members of the Senior Managers Forum should result in this risk meeting its target rating by December 2014. Review will take place at this time as part of the business planning process.**							

11

RISK	RAG RAG 005	Failure or unavailability of secure ICT systems.	Status	✓	Current Rating	6	Target Rating	3
Managed By	John Munro							
Potential Effect	Impact on other services / remainder of Council / public							
Related Actions				Internal Controls			Information & Communication Technology Strategy	
							Business Continuity Plans	
Latest Note	**The moves associated with Kilncraigs have been completed and remedial works completed. Migration of secure systems to new PSN compliant gcsx system has been completed successfully. Risk level is consequently reduced. One final piece of major work to migrate the Council the new Scottish Wide Area Network is scheduled hence the risk score remaining above the target.**							

RISK	RAG RAG 006	Rising stress levels across wider support services teams and other services	Status	✓	Current Rating	9	Target Rating	3
Managed By	Julie Burnett; Stephen Coulter; John Munro; Liz Shaw; Lisa Simpson							
Potential Effect	Impact on teams, Managers and individuals is increased workloads leading to incidents of stress in some employees. Impact on service delivery - reduced level of service, increase in workload for remaining employees.							
Related Actions				Internal Controls			Health & Safety Management System	
							Maximising Attendance & Employee Wellbeing Policy	
Latest Note	Risk remains with rating unchanged as evidence from the H&S team suggests that the impact of on-going change will continue to result in stressful situations and associated reactions across the organisation. **Methods of managing change as well as stress related absences are in place with objective and independent support available as required. Levels of absence due to stress being monitored with HR and H&S support for services and individuals affected. No change in rating as at 30.9.14.**							

12

RISK	RAG RAG 007	Financial loss through system or process failure	Status	✅	Current Rating	8	Target Rating	4
Managed By	Susan Mackay; Liz Shaw							
Potential Effect	Unable to mitigate the risk of unrecovered income (debt); expenditure controls are ineffective due to lack of time, resource, external factors or system failure							
Related Actions					Internal Controls		Financial Regulations	
							Governance & Audit Processes	
Latest Note	Introduced as a risk in January 2013 as part of review during business planning. Reviewed in January 2014 as part of business planning process. Rating unchanged in knowledge that the procurement of a new financial system will commence during 2014. **Progress being made in the procurement of a new financial system. In the interim, current system upgraded to provide stability for short term. Debt recovery process reviewed on a regular basis. No change to rating as at 30.9.14.**							

RISK	RAG RAG 008	Number of Resources and Governance and Corporate projects requiring input from one or more Resources and Governance teams	Status	✅	Current Rating	9	Target Rating	4
Managed By	Julie Burnett; Stephen Coulter							
Potential Effect	Resource is diverted to projects resulting in fall in quality or delays in "business as usual"							
Related Actions					Internal Controls		Business Planning Process	
Latest Note	Relates to issues raised during business planning process. Projects are only initiated once resource has been identified and allocated. **Improved project management protocols and service project register contribute to this risk rating being reduced to 9. Further review to take place in September when the impact of the reduction in hours will be taken into account. The introduction of the Capital Investment Group where all Capital projects are considered also contributes to the reduction of this risk. No change as at 30.9.14**							

13

	Budget 14-15 £'000	Outturn 14-15 £'000	Variance 14-15 £'000

Support Services are starting work on the implementation of a new financial ledger system. The system is placed to be operational from 2016-17 but the initial scoping is underway. Support Services is also affected from the change in council structure work is ongoing to realign the service budget. Governance and Accountancy are also involved with the development of the Health and Social Care Integration scheme. All computer & phone related budgets have now been centralised and IT will be monitoring and reviewing requirements across the council to identify efficiencies and possible savings.

Support Services	**7,126**	**7,048**	**(77)**

Depute Chief Executive
Underspend due to part year recruitment of to New Depute Chief Executive (underspend on salary between April to June)

			(1)
Depute Chief Executive	**118**	**117**	**(1)**

Accountancy
Recruitment to vacancies projected to take place later in the year, some posts currently being covered by agency staff (25)
Holiday Buy Back 0
Cash Saving offered from Development Funds (15)
Valuation of Assets required once every five years 55
Overspend on postages due to increase costs from Royal Mail 1
Audit fee assumed the same as 13/14 with inflation. Fee is not agreed until later in the year (14)
Income to be received for finance support to OLP from April to December 2014 (12)
Every 5 years the council must get an updated valuation of all properties. This will hapen this year resulting in an overspend of £55k as this hasn't been budgeted for. The overspend is partially offset by vacancy management.

	1,375	**1,365**	**(10)**

Revenues & Payments
Agency staff currently covering for staff vacancies which will be filled later in the year. (30)
Payroll team running with additional staff to help in the completion of the new payroll/HR system, payroll supervisor and payroll assistant, acting up. Some costs previously met by Capital but the Capital budget has all been spent on Midland Consultancy. Team awaiting restructure. 91
Holiday Buy Back (4 employees) (3)

Social Welfare Fund - underspends from 13/14 were carried forward, project expected to spend all funding provided, any running costs fall to Revenues (Software and Supplies & Services) 6

Reduction in DWP Admin funding. Budget pressure was approved for the expected 10% reduction (as per previous years) of £48K, but the actual reduction was 25% which was not expected 52

Other (supplies and services) 6

Overspend due to reduction in DWP funding, budgeted for a reduction of 10%, actual reduction 25% and Payroll Team extension to additional staff for new Payroll System

1,471	**1,593**	**122**

Head of Support Services

Support Services Manager budgeted as Head of Service, plus reduced hours, projected full time Head of Service in post from January (43)

Staff Travel Expenses 1

Underspend due to post currently vacant assume it will be filled from December 14.

92	**50**	**(42)**

IT

Staffing underspends, from a vacancy and maternity leave with no cover provided, plus vacancies filled at lower scale points (62)

Holiday Buy Back (2 Employees) (2)

Income generated from work carried out for ThinkWhere, this service ceased in August (3)

GIS contract renewed at lower amount (8)

Increase in cost of Equipment Insurance 1

Other 0

Underspend due to staffing vacancies filled at lower grades, maternity leave and a vacancy which haven't been filled.

1,686	**1,612**	**(74)**

Centralised IT

IT related budgets have been centralised. The Council overspend for IT last financial year was £124K, however we are assuming for 14/15 these costs will be brought down (from tighter control on purchases, looking at exisiting contracts etc) and spend will be on budget. Further work needs to be carried out to monitor the committed costs, while also looking at items for future savings by combining contracts and re-negotiations for Council wide contracts.

617	**617**	**0**

Governance

Vacancy within HR - awaiting decisions from managers as they look at overall team to decide if post should be advertised. Staffing transferred from Captial for new payroll/HR system funds in capital used on Midland Consultancy (25)

Vacancy Management within Audit and Fraud (timing of recruitment of Auditor) (10)

Staff changes in Legal, new team leader recruited from within the team leaving Solicitor post vacant until recruited in Sept (45)

Holiday Buy Back (3 employees) (2)

Audit & Fraud recharge for Administrative penalties due to overpayment of benefits (5)

Overspend on payments to contractors due to contract with Working on Wellbeing (SERCO). New agreement from 1st April 2013 with increased costs for occupational health 16

Employee physiotherapy referrals increases cost but better service which has resulted in employees returning to work quicker. Costs for CBT (cognitive behavioural therapy) are as required. 10

Procurement underspend from rebate system for Barclaycard expenditure (5)

Underspend on Supplies & Services (6)

| Underspends related to vacancies and timing of filling posts. | 1,766 | 1,694 | (72) |

| **Support Services Total** | **7,126** | **7,048** | **(77)** |

2014-15 Budget Savings Monitoring
Appendix C

Reference	Description of Saving	Year 1 2014-15 £	Year 2 2015-16 £	Chief Officer	Budget Holder/ Operational Lead Officer	Key Milestones /Commentary	Progress	Finance Verified
	SUPPORT SERVICES							
	Policy & Service Level Savings							
PS4	Increase in Council Tax for long-term empty properties	300,000	0	JB	Susan Mackay	Monthly monitoring of income achieved and variation in projections as a result of changes to property market.	Project plan in place which includes software updates, resolving IT issues and running testing with an implementation date of August 2014. July projections are currently showing £283K to be collected, which would mean a shortfall of £17K against the saving. Reports are being run weekly to establish the movement in empty properties and an update on the projection can be given monthly (it is a moving target).	yes
PS5	Income & Charging	175,000	0	JB	Liz Shaw	Monitor levels of income achieved through service accountants and monthly outturns	Accountancy working on at the moment	To be allocated across services
PS6	Subscriptions (various)	8,010	0	JB	Liz Shaw	Monitor spending across this category for all services	Support Services subscriptions cancelled or replaced with on line versions. Savings on target. £1,670 remaining from original saving which was not identified.specifically	Separate sheet for service impact
PS7	Advice and Review Guidance	30,000	0	AK	Julie Burnett	Any savings will be generated later in the budget year as a result of implementing changes as recommended by this review. Impact of changes to be monitored and budget reduced.	MCB Steering Group received report and high level project plan. Consideration being given to where 2014/15 savings may be sourced and project / changes may be delivered over medium term	to be agreed
	TOTAL	**513,010**	**0**					

2014-15 Budget Savings Monitoring
Appendix C

Reference	Description of Saving	Year 1 2014-15 £	Year 2 2015-16 £	Chief Officer	Budget Holder/ Operational Lead Officer	Key Milestones /Commentary	Progress	Finance Verified
	Efficiency Savings							
ES10	Think where (former FVGIS) contract savings	6,588	0	JB	John Munro	Contract price reduced from 1.4.14	Contract in place, invoices at reduced cost already being received	LP - as per contract
ES11	Overtime restriction	50,000	0	TBC	Julie Burnett	Continued monitoring of expenditure	IA Report under consideration. CMT confirming that all OT must be authorised and only used for provision of statutory cover or emergency response. Services have identified instances when OT might be required to maintain statutory services or provide a safe working environment for staff. OT principles under revision for circulation to SMF / TUs.	to be agreed with services
ES13	Staff Terms and Conditions changes (excluding teachers)	875,000	0	JB	Julie Burnett	Changes to T&Cs implemented with effect from 1.6.14. TBC	Implementation date of 1st July 2014. Changes have been processed by payroll team. Service budgets have been reduced for June outturns and projections also adjusted for reduction.Savings to 31.3.14 projected at **£875k** plus **£22k** for holiday buy back. Small reduction in savings from £900k to £896k.	yes
ES14	Voluntary Severance	100,000	0	JB	Julie Burnett	VS applications to be processed and savings confirmed. Executive Team to have overview of all applications.	17 VS applications approved. Savings in 2014/15 to be quantified once leave dates agreed and savings calculated on a pro rate basis. 50 further VS applications being considered.	to be agreed
ES15	Procurement	100,000	0	JB	Derek Barr	Savings identified, TBC with services and amounts removed from budgets from 1.4.14	Further work to be done to move saving to services and amend budgets	to be agreed
	TOTAL	**1,131,588**	**0**					
	Total Policy & Efficiency	**1,644,598**	**0**					