



REPORT TO: CORPORATE COMMITTEE ON 11 JUNE 2024

SUBJECT: PERFORMANCE REPORT (FINANCIAL SERVICES) – PERIOD TO MARCH 2024

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To inform Committee of the performance of the service for the period to 31 March 2024.
- 1.2 This report is submitted to Committee in terms of Section III (A) (4) of the Council's Scheme of Administration to monitor performance in accordance with the Council's Performance Management Framework.

2. RECOMMENDATION

2.1 It is recommended that Committee:

- (i) scrutinises performance in the areas of Service Planning, Service Performance and other related data to the end of March 2024; and**
- (ii) notes the actions being taken to improve performance where required.**

3. BACKGROUND

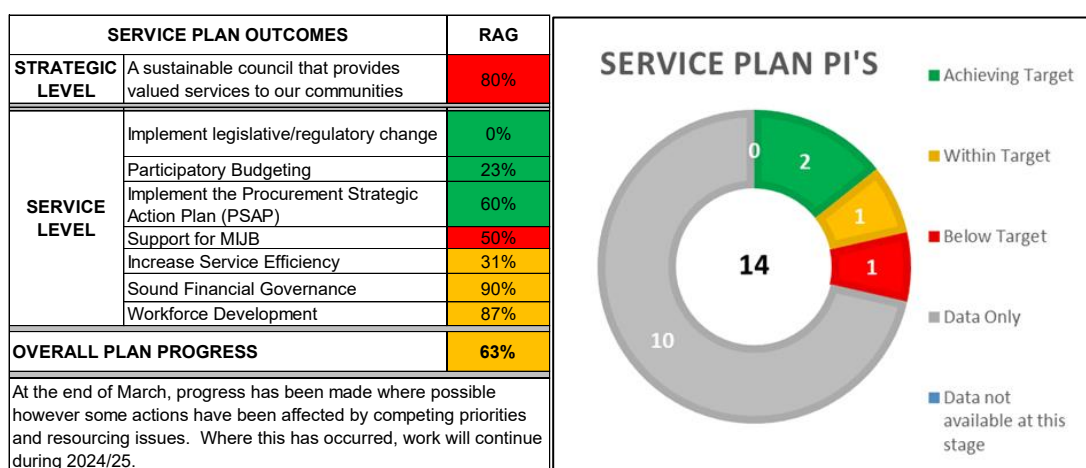
- 3.1 On 7 August 2019, the Moray Council approved a revised Performance Management Framework for services (para 5 of minute refers).

4. SERVICE PLANNING

- 4.1 Each Service Plan sets out the strategic and service level priorities and outcomes it intends to deliver in the coming year aligning closely with financial planning, corporate and community planning partnership strategic priorities. This report provides an interim update on progress on the service plan, key outcomes and performance indicators. Committee is invited to review progress to secure assurance that is satisfactory and to provide scrutiny and further direction where performance requires attention.

4.2 Latest Local Government Benchmarking Framework (LGBF) Indicators covering 2022/23, initially published in February 2024, will be refreshed in June. The full suite can be viewed via the [LGBF Dashboard](#). In total, there were eight indicators covering Financial Services published, three indicators ranked in the top 16 local authorities when compared nationally and two indicators ranked in the top 4 when compared in our family group of 8 local authorities. Overall, results improved and worsened from previous year performance equally across four indicators each. Published indicators for this service have been incorporated within the relevant section of this report depending on whether used to evidence progress against strategic, service plan or service performance priorities. 2023/24 LGBF data will be available early 2025.

4.3 The narrative included is by exception, links to Service Plan Actions and Performance Indicators can be accessed within the Background Papers section of this report.



Strategic Outcomes – successes

4.4 Nothing to report.

Strategic Outcomes – challenges and actions to support

4.5 With the recent approval of the new Corporate Plan at a meeting of Moray Council on 28 February 2024 (para 5 of the Minute refers), work is ongoing to ensure the medium to long term financial strategy reflects agreed priorities and incorporates the Transformation Strategy. (Action FIN23-24.Strat-4.1).

Service Level Outcomes – successes

4.6 Development of a new e-form for Accounts Payable is complete with a roll-out in progress across Council departments. Early adopters include those involved with large volumes of invoices, such as Property, Finance, Catering and Health & Social Care. (Action FIN23-24.Serv-5.5g).

4.7 Budget Manager Training has been successfully reviewed and delivered to 21 Budget Managers. Feedback continues to be positive with all returned forms scoring the training as good or excellent. (Action FIN23-24.Serv-5.6b, PIs FS017 and FS017b).

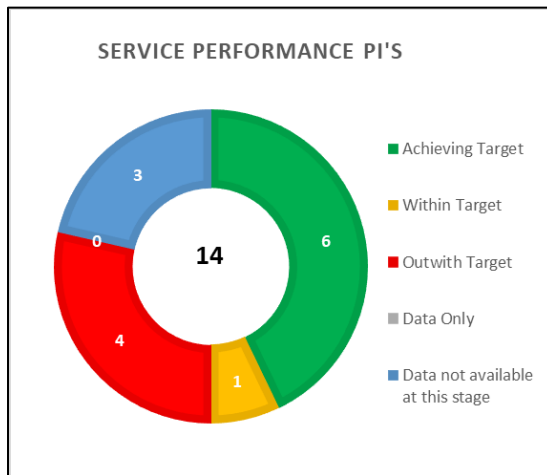
4.8 Although out-with original target timescales, recruitment to a new trainee position within Accountancy is complete. (Action FIN23-24.Serv-5.7b).

Service Level Outcomes – challenges and actions to support

- 4.9 Due to other workload priorities and resourcing issues, advance work relating to IFRS 16 was placed on hold. Implementation began on 01 April 2024 and work to ensure this is reflected in the accounts for 2024/25 will recommence following the 2023/24 audit. (Action FIN23-24.Serv-5.1).
- 4.10 Participatory Budgeting allocated spend has fallen this year to 23.12% of the 1% target, with development of the Letterfourie/Netherha playpark now planned for early 2024/25. During quarter 4, work relating to the UK Shared Prosperity Fund was finalised with 8 Arts and Culture projects sharing the available £91,000. (Action FIN23-24.Serv-5.2, PI FS215).
- 4.11 Although out with target timescales, support for effective procurement and commissioning to Moray Integrated Joint Board (MIJB) continues in line with the action plan. (Action FIN23-24.Serv-5.4).
- 4.12 Conflicting workload priorities and limited staff resources have resulted in no further progress with six actions relating to increasing service efficiency. Work will continue as other priorities dictate following completion of audits and annual accounts. However, it should be noted that the uptake of e-billing for Council tax is an improving trend with uptake now 9.3% against a target of 7.2%. (Actions FIN22-23 Serv-5.5a-e, PI FICT138).
- 4.13 Following the implementation of a revised Financial Reporting Template, used in reporting to the Moray Growth Deal Board, two projects are now progressing and budgets will be updated when full business case profiles are agreed. (Action FIN23-24.Serv-5.6a).
- 4.14 All ERDPs within Payments and Accountancy are complete for 2023/24. Due to workload priorities and limited staff resources, ERDPs are yet to take place in Taxation. This will be progressed as early as possible in 2024/25. (Action FIN23-24.Serv-5.7a, ERDP.FIN3).

5 SERVICE PERFORMANCE

- 5.1 In line with Performance Management Framework, operational performance is monitored quarterly by departmental management. Areas performing well and/or areas subject to a decreasing trend or where benchmarking results show performance below comparators will be reported to this Committee for member scrutiny.
- 5.2 The narrative included is by exception, links to Service Performance Indicators can be accessed within the Background Papers section of this report.



Operational Indicators – successes

- 5.3 For 2022/23, the percentage of invoices sampled that were paid in 30 days has improved from 85.49% to 89.37%, moving Moray out of the lowest quartile and only slightly below the Scottish average of 90.6% and family group average of 91.4%. As this relates to Budget Manager authorisation rather than the performance of Financial Services, it is anticipated this rate will continue to improve with reviewed Budget Manager training now being delivered. (PI CORP8).

Operational Indicators – challenges and actions to support

- 5.4 Low levels of uncommitted general fund balance as a percentage of council annual budgeted net revenue, may mean a Council could struggle if any unknown financial expenditure requirements were to occur. In 2022/23, Moray moved into the lowest quartile with an uncommitted balance of 2.1% against a Scottish rate of 3.2%. With a comparator authority average of 2.7%, Moray is also ranked lowest within the assigned family group. The Council's current reserves policy, approved by Council on 15 September 2021 (para 29 of the Minute refers), is to hold £5m as free reserves, around 2% of budgeted revenue expenditure on General Services, levels remain within agreed tolerances. (PI SFINSUS02).
- 5.5 The ratio of financing costs to net revenue stream is a Prudential Indicator identifying affordability around debt financing costs. It highlights the revenue implications of existing and proposed capital expenditure and aims to ensure capital plans are within sustainable limits. With a rate of 8.7%, Moray remains within the lowest quartile against a Scottish average of 5.4% and a family group average of 5.3%. Prudential Indicators were reported to Council on 28 February 2024 (para 9 of the Minute refers) with estimates showing an increase in financing costs over the next 4 years due to the requirement to increase borrowing to fund capital expenditure, particularly in the Learning Estate and Moray Growth Deal. This is factored into the Council's financial planning and is used as a tool for assessing affordability of the capital plan which is under review. (PI SFINSUS03).
- 5.6 To ensure spending is accurately forecast, actual outturn as a percentage of budgeted expenditure is recorded. Although actual outturn improved in 2022/23 to 93.4%, Moray remains in the lowest quartile; below both the Scottish average of 98.6% and family group average of 97.6%. Budget

management is key to accurate forecasting. The completed review of Budget Manager training aims to improve knowledge, understanding and awareness, and as a result continuing improvement on actual outturn should follow. (PI SFINSUS05) Part of the underspend arises from the decisions made in year to take a loans pool holiday. The budget was not adjusted to reflect this decision.

6. OTHER PERFORMANCE RELATED DATA

Complaints & MP/MSP Enquiries

- 6.1 In line with the Performance Management Framework, complaints are reviewed quarterly by departmental management in terms of time taken to respond, outcome and learning points. Detailed tables can be accessed within the Background Papers section of this report.
- 6.2 During the reporting period, Financial Services received 14 complaints and closed 11. 8 (73%) were closed as frontline with 3 (27%) as investigative. A total of 8 complaints (73%) met the target timescale of either 5 or 20 working days.
- 6.3 2 complaints linked to the Taxation Service were partially upheld due to missed deadlines. Staff have been reminded of the need to deal with all enquiries within agreed timeframes.
- 6.4 Between October and March, no MP/MSP enquiries were received by Financial Services.

Other Performance (not included in the Service Plan)

- 6.5 Nothing to report.

Case Studies

- 6.6 Nothing to report.

Consultation and Engagement

- 6.7 Nothing to report.

7 SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Performance measurement is used to ensure the efficient and sustainable delivery of services to meet the Council's priorities in both the Corporate Plan and the LOIP.

(b) Policy and Legal

The Council has a statutory requirement to publish a range of information that will demonstrate that it is securing best value and assist in comparing performance both over time and between authorities where appropriate.

(c) Financial implications

None.

(d) Risk Implications

None.

(e) Staffing Implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

An Integrated Impact Assessment is not needed as this report is to inform the Committee on performance.

(h) Climate Change and Biodiversity Impacts

None.

(i) Consultations

The Depute Chief Executive (Economy, Environment and Finance), the Chief Financial Officer, Service Managers, Legal Services, the Equal Opportunities Officer and Caroline O'Connor, Committee Services Officer have been consulted with any comments received incorporated into this report.

8. CONCLUSION

8.1 At the end of March 2024, progress against the Financial Services Service Plan is 63% complete. Several actions have been affected by competing priorities and resourcing issues. Work will continue with these in 2024/25.

Author of Report: Suzanne Wilson, Research and Information Officer
Background Papers: [Service Plan Actions](#)
[Service Plan Performance Indicators](#)
[Service Performance Indicators](#)
[Complaints Monitoring Report](#)

Ref: SPMAN-1293228629-1092