



REPORT TO: CORPORATE COMMITTEE ON 14 JUNE 2022

SUBJECT: PERFORMANCE REPORT (FINANCIAL SERVICES) – PERIOD TO MARCH 2022

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

1. REASON FOR REPORT

1.1 To inform the Committee of the performance of the service for the period to 31 March 2022.

1.2 This report is submitted to Council in terms of Section III (A) (4) of the Council's Scheme of Administration to monitor performance of the services within the Committee's remit 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 2022;

(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 the minute refers).

4. SERVICE PLANNING

4.1 Each service plan sets out the planned 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 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.

SERVICE PLAN OUTCOMES		RAG
STRATEGIC LEVEL	Drive economic development to create a vibrant economy for the future	50%
SERVICE LEVEL	Financial Services and Drive economic development to create a vibrant economy for the future	67%
RECOVERY & RENEWAL	Check and pay supplier relief claims	96%
OVERALL PLAN PROGRESS		71%
Comment: At the end of March 2022, progress of the Financial Services Service Plan sits at 71% complete. Deadlines for both the Strategic Level and Recovery & Renewal actions have been extended however two Service Level actions have not met the target timescale of the end of March.		

SERVICE PLAN PI'S

■ Achieving Target
■ Within Target
■ Below Target
■ Data Only

Strategic Outcomes - successes

- 4.3 The action to develop Moray Council's medium to long term financial strategy was originally due by February 2022, however due to the financial disruption caused by the pandemic, work to achieve this will continue into 2022/23 with an amended target date of 28 February 2023. Audit Scotland are aware of this extension. In the meantime, a report on the Short to Medium Term Financial Planning was submitted to Full Council on 19 January 2022 (item 15 of the Minute refers) with the 2022-23 Budget 2022-25 Financial Plan submitted to Full Council on 22 February 2022 (item 4 of the Minute refers). (ACTION FIN20-22.Strat-4.1).

Strategic Outcomes – challenges and actions to support

- 4.4 There are no further Strategic Outcomes within the Service Plan to report.

Service Level Outcomes - successes

- 4.5 The Moray Growth Deal was officially signed off in December 2021 with an agreed Financial Plan included within the full suite of documents. The Capital Plan approved by full Council on 22 February 2022 includes the capital spend and capital grant drawdown agreed in the Financial Plan. A pro forma reporting template was agreed by the Board at its meeting on 25 March 2022 and a final claim was made to the Scottish Government within the agreed deadline of 31 March 2022. (ACTION FIN20-22.Serv-5.6).

Service Level Outcomes – challenges and actions to support

- 4.6 Work to develop mainstream Participatory Budgeting (PB) has continued during the reporting period with a members briefing session held in conjunction with the PB Team and representatives from COSLA and Scottish Community Development Centre (SCDC). A presentation was also delivered to the Leadership Forum. Identifying potential areas to run a PB exercise is ongoing with meetings held covering Active Travel, Housing Revenue Account (HRA) and Community Wealth Building. Initial work has also started on the next community Play Park Equipment projects with an exercise due to take place early 2022/23. Despite the work undertaken this year, there is still

a long way to go before the target of identifying 1% of the budget is achieved (ACTION FIN20-22.Serv-5.2 PI FS214).

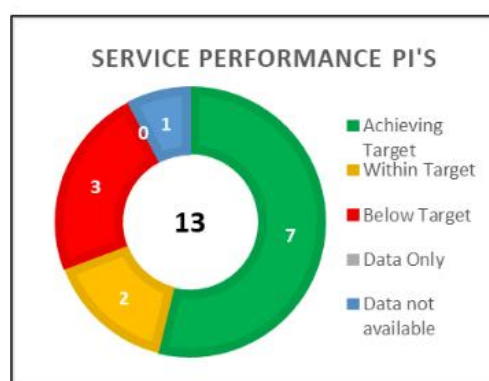
- 4.7 Progress of the Lean review of processes remains on hold awaiting the appointment of staff into the improvement and modernisation posts approved by Moray Council on 12 May 2021 (item 13 of the Minute refers) and this will be subject to an assessment of potential savings. (ACTION FIN20-22.Serv-5.5).

Recovery and Renewal - successes

- 4.8 The Payments team continue to check and pay all supplier relief claims with 278 received to date; 261 are settled and 7 have been queried, leaving 10 yet to action. To date, approximately £3.7M in payments have been made with Supplier Relief now extended until the end of June 2022. (ACTION FIN20-22.Recovery-6.1).

5. SERVICE PERFORMANCE

- 5.1 In line with the Performance Management Framework, operational performance is reviewed quarterly by departmental management. Areas performing well and/or areas subject to a decreasing trend or where benchmarking results show performance significantly below or above comparators will be reported to this committee for member scrutiny.
- 5.2 Initial publication of 2020-21 Local Government Benchmarking Framework Indicators in February 2022 will be refreshed in early June. The full suite can be viewed using the [My Local Council](#) tool. Published indicators for this service have been incorporated within the relevant section of this report depending on whether results are used to evidence progress against strategic, service plan or service performance priorities.
- 5.3 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

- 5.4 As demand for services is increasing and cost pressures rising, the Local Government Benchmarking Framework (LGBF) created a common set of financial sustainability measures comparable across Scotland. The Uncommitted General Fund Balance expressed as a percentage of the annual

budgeted net revenue provides an indication on the level of uncommitted reserves in that a lower level may be a sign that a council would be challenged if any unknown financial surprises were to occur. For the period 2020-21, 7.2% of the council's revenue was not committed to a specific theme/project, against a national average of 3.5% ranking Moray 3rd of 32 local authorities. (PI FINSUS02)

Operational Indicators - challenges and actions to support

- 5.5 Moray remains within the lowest quartile for the percentage of invoices sampled that were paid within 30 days. During 2020/21, the proportion fell to 84.0% from 87.3% in 2019/20. Nationally, the rate increased slightly from 91.7% to 91.8%. (PI CORP8) All payments are made immediately on receipt of authorised invoices from departments (a measure taken during the pandemic to support the local economy). This PI therefore reflects the pace of budget managers authorisation rather than the performance of Financial Services. Heads of Service are periodically informed of the performance of their service in this regard.
- 5.6 In 2020-21, the ratio of financing costs to net revenue stream improved slightly from 9.5% in 2019/20 to 8%, however above the national average of 6.2 and at 27th, ranked in the lowest quartile. As an indicator of affordability, it highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income. This is factored into the Council's planning referred to in para 4.3 and will be used as a tool for assessing affordability in the current review of the capital plan (PI FINSUS03)
- 5.7 The need for budgets and forecasts to reflect actual spending becomes increasingly important with decreasing or lower levels of usable reserves to draw on. In 2020/21, actual outturn as a percentage of budgeted expenditure in Moray fell to 89.6% from 95.04% in 2019/20 below the national average of 97.4% and ranked 30 of 32 authorities. This reduction reflects additional funding received at the year-end which was not planned to be spent in 2020/21, increasing the level of usable reserves. Patterns of budgeted spend were impacted across all local authorities, but in different ways, although an increase in the level of reserves held was a common feature. (PI FINSU05)

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 In the half year to March 2022, a total of 18 complaints were closed; 11 in quarter 3 and 7 during quarter 4. Of the 7 complaints in quarter 4; 6 were closed at the frontline stage and 1 as investigative. 4 of the frontline complaints were dealt with within the target timescale taking an average of 4.33 working days for a full response. The investigative complaint received a full response in 17 days; well within the 20 day target.

- 6.3 2 complaints were partially upheld (1 frontline and 1 investigative) with 1 complaint upheld (frontline). All complaints related to the Process/Procedure undertaken to address issues with taxation and benefits. Learning outcomes involved a revision of correct working practices with staff.
- 6.4 A total of 10 MP/MSP enquiries have been received during the 6 month period to March 2022. 5 related to Council Tax matters, 3 queried COVID 19 grants, 1 was in relation to Leave to Remain and 1 was a Short Term Let query in relation to Ukrainian Refugees.

Other Performance (not included within Service Plan)

- 6.5 Nothing to report for the period to March 2022.

Case Studies

- 6.6 Nothing to report for the period to March 2022.

Consultation and Engagement

- 6.7 Nothing to report for the period to March 2022.

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 Equality Impact Assessment is not required as this report is to inform the Committee on performance.

(h) Climate Change and Biodiversity Impacts

None

(i) Consultations

The Head of Financial Services, Depute Chief Executive (Economy, Environment and Finance), and Service Managers have been consulted with any comments received incorporated into this report.

8. CONCLUSION

8.1 At the end of March 2022, progress against the Financial Services Service Plan sits at 71%; 3 actions are complete while deadlines for developing the medium to long term financial strategy and for Supplier Relief claims have been extended. Work in relation to Participatory Budgeting, that was due for completion by 31 March 2022, will now continue into 2022/23 while the Lean review of processes remains on hold due to staffing of Improvement and Modernisation posts.

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Background Papers: [Service Plan Actions](#)
[Service Plan Performance Indicators](#)
[Service Performance Indicators](#)
[Complaints Monitoring Report](#)

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