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**REPORT TO: ECONOMIC GROWTH, HOUSING AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE ON 6 OCTOBER 2020**

**SUBJECT: PERFORMANCE REPORT (FINANCIAL SERVICES) – HALF YEAR TO MARCH 2020**

**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 from 1 October 2019 to 31 March 2020.
- 1.2 This report is submitted to the Economic Growth, Housing and Environmental Sustainability Committee following a decision of Moray Council on 17 June 2020 to agree a simplified committee structure as a result of the COVID-19 pandemic. In the case of this committee the combining of the delegated responsibilities of Economic Development and Infrastructure, Community Services (Housing and Property) and Finance (budget, capital and revenue monitoring) (para 9 of the minute refers).

**2. RECOMMENDATION**

**2.1 It is recommended that Committee:**

- (i) scrutinises performance of the Service Plan, Operational Performance Indicators and Complaints to the end of March 2020;**
- (ii) welcomes good performance;**
- (iii) notes the actions being taken to improve performance where required.**

**3. BACKGROUND**

- 3.1 At a meeting of the Moray Council on 7 August 2019, a revised Performance Management Framework was approved (para 5 of the minute refers). A key part of this framework covers the Managing, Delivering and Reporting of Performance. This was intended to increase focus on priority areas and reduce the detailed narrative around lower priority indicators in order to ensure that debate, scrutiny and challenge was directed at the areas of

strategic importance to the council rather than routine operational performance. Whilst the latter is clearly deserving of scrutiny if trends develop, consideration at committee should focus on the ability to deliver priorities in the LOIP, Corporate Plan and Service Plan. This half yearly performance report allows the Service Plan priorities and any relevant Operational Performance Indicators for Financial Services to be monitored by committee as outlined in this section of the framework. .

#### **4. SUMMARY OF PERFORMANCE**

- 4.1 At a meeting of the Policy and Resources Committee on 2 October 2019, approval was given for the Corporate Services Department Service Plans for 2019/20, which included the Financial Services Service Plan (para 6 of the minute refers).
- 4.2 As per the Performance Management Framework, this Service Plan consists of two distinct sections;
- Strategic Outcomes - locked down against commitments in National Outcomes, the Local Outcome Improvement Plan and the Corporate Plan.
  - Service Level Outcomes – reflecting service priorities not covered in higher level plans.
- 4.3 A total of 12 actions were included in the Service Plan, with 2 at Strategic Level due to be completed in 2019/20. Both actions have been completed as has one other that was due for completion in March 2021. Note that the timescales for 7 of the actions were dependent upon other agencies including the progress made with the Moray Growth Deal. For the actions due to be completed in future years progress is as planned for all actions except 2, both of which are Service Level outcomes.

<b>Level of Action</b>	<b>Number of Actions</b>	<b>Expected completion by end of 2019/20</b>	<b>Actual completion by end 2019/20</b>
Strategic Outcome	5	2 <sup>1</sup>	3
Service Level Outcomes	7	2	0

#### **Strategic Outcomes - successes**

- 4.4 Financial Services had 2 Service Plan actions that contributed to the Corporate Plan priority ‘Creating a Sustainable Council’. The medium to long term financial strategy was approved by Moray Council at their meeting of 3 March 2020 (ACTION FIN19-20.01a) and at the same meeting the Moray Council’s 3-year financial plan covering the period 2020 to 2023 was also approved (ACTION FIN19-20.01b).
- 4.5 Two actions contributed to the Corporate Plan priority ‘Empowering Communities’. The first action was the development of a Participatory Budgeting (PB) Framework and Policy Document (ACTION FIN19-20.03a),

<sup>1</sup> Two actions were planned to be completed by March 2021, and one by June 2021.

<sup>2</sup> Actions were due to be completed in October and December 2020 and June 2021.

which was written with input from Community Groups and approved by the Policy and Resources Committee at their meeting of 14 January 2020 (para 16 of the minute). As a result, the Corporate Management Team/Senior Management Team is the Steering Group for PB responsible for directing work associated with PB.

- 4.6 The second action linked to this priority is to provide advice and support to Community Asset Transfer (CAT) process (ACTION FIN19-20.03b). This activity will continue beyond the end of 2019/20 but this year has included support for the following CAT business cases: Alice Littler Park, Cullen Community & Residential Centre, Dufftown Community Centre, Lesser Borough Briggs and Buckie Fishermen's Hall.

#### **Service Level Outcomes - successes**

- 4.7 In 2019 the Scottish Government mandated the adoption of IFRS 16, an International Financial Reporting Standard (IFRS) promulgated by the International Accounting Standards Board (IASB) providing guidance on accounting for leases. A project plan, action plan and timeline were completed, and the project was on target to achieve the implementation deadline of April 2020, which would be incorporated into the financial accounts for 2020/21 (ACTION FIN19-20.04b). However, implementation has now been postponed by Scottish Government.
- 4.8 Financial Services have provided support to 2 major projects within Moray Council. The budget for the Expansion of Early Learning and Childcare has been comprehensively reviewed (ACTION FIN19-20.05a) and work on the NESS Energy Project continues to progress on the site at East Tullos, with payments matching the schedule supplied by the prime contractor, Accionna (ACTION FIN19-20.05b).
- 4.9 Work continues, and is on target, to implement the recommendations from external audits, with discussions being held with the external auditors to ensure all actions are implemented in time for the 2019/20 final accounts (ACTION FIN19-20.06).

#### **Strategic Outcomes – challenges and actions to support**

- 4.10 Support with the Moray Growth Deal was provided as required, but the expected timescale for heads of terms was delayed and support will continue to be provided into 2020/21 (ACTION FIN19-20.02a).

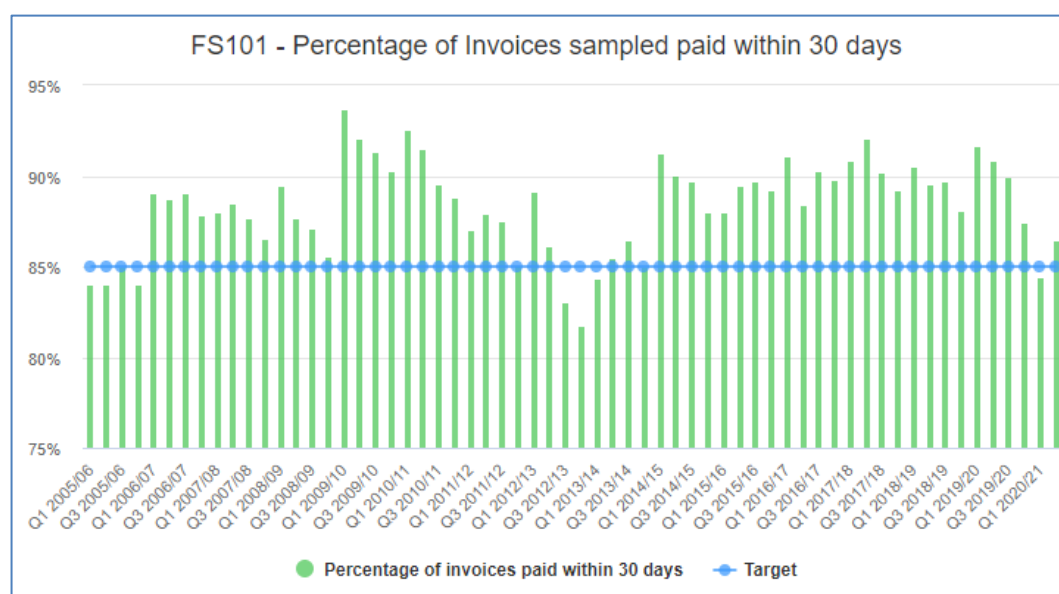
#### **Service Level Outcomes – challenges and actions to support**

- 4.11 The action to implement the Procurement Strategic Action Plan (ACTION FIN19-20.07) have not been progressed due to a lack of resources. The assistant manager post remains vacant and a member of staff has been away from work due to long-term sickness. The completion date for this action has been reviewed and rescheduled for the end of December 2020.
- 4.12 The implementation of the new Business Tax Portal within the Financial Management System (ACTION FIN19-20.04a) was making good progress with Phase 1 completed at the end of January. Testing is underway for phase 2, but due to the lockdown and the support required from the Council's software provider this work has been suspended for the time being. Originally

the deadline for obtaining acceptance from HMRC was 1 April 2020, so the target for implementation was 31 March 2020, but HMRC has now rescheduled to October 2020.

### Operational Indicators - successes

- 4.13 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 below comparators will be reported to this committee for member scrutiny.
- 4.14 The Accountancy team have 4 indicators that were all on target:
- 4.14.1 The annual accounts were submitted on time (INDICATOR FS001) and an unqualified audit certificate has been received (INDICATOR FS002).
- 4.14.2 A financial report was submitted to the February meeting of the Full Council to enable members to set the 2020/21 Council Tax (INDICATOR FS003).
- 4.14.3 All budget monitoring reports were issued to budget managers on time during the second half of 2019/20 (INDICATOR FS004).
- 4.15 The Payments team paid 90.87% of invoices (a selected sample) within 30 days (INDICATOR FS101). The team has consistently exceeded the target of 85% in recent years. (Note, the graph includes data for quarters 1 and 2 for 2020/21).



### Operational Indicators - challenges and actions to support

- 4.16 None of the Financial Services operational indicators are performing below the required level.

## **Complaints & MP/MSP Enquiries**

- 4.17 Between October 2019 and March 2020, Financial Services received 2 complaints both of which were closed during the same period. One complaint was upheld while the other related to insurance and was passed to Housing Services. No MP/MSP enquiries were received.

## **5. 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 needed because the report is to inform the Committee on performance.

### **(h) Consultations**

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

## **6. CONCLUSION**

- 6.1 At the end of 2019/20 all the planned Service Plan outcomes have been achieved. All operational performance indicators are performing well, and Financial Services have delivered financial savings of £716,000, compared to the target of £360,000, due to savings from the procurement of insurance.

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Background Papers: Held by Author  
Ref: