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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b> 19 <sup>th</sup> November 2013
<b>Report By:</b>	<b>Corporate Director Education, Communities &amp; Organisational Development Acting Corporate Director Environment, Regeneration &amp; Resources</b>	<b>Report No:</b> FIN/85/13/JB/CM
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<b>Subject:</b>	<b>SOLACE Indicators</b>	

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to present to Committee an overview of the relevant SOLACE (Society of Local Authority Chief Executives) Indicators which benchmarked specific data for the financial years 2010/11 and 2011/12 and highlight Inverclyde Council's position for the Corporate Services indicators relevant to this Committee and any proposed action.

## 2.0 SUMMARY

- 2.1 A report was presented to the 26 March 2013 Policy and Resources Committee which provided an overview of the Improving Local Government project being progressed by the Improvement Service under the direction of SOLACE. The aim of the project is that the indicators will replace the SPI framework from 2013/14 and provide a comparable performance support framework to allow Scottish Authorities to drive out efficiencies.
- 2.2 A total of 55 indicators have been established across 7 service areas including Corporate Services which have 8 indicators which report to this Committee. The details of the indicators and the performance of 10/11 and 11/12 are tabled at Appendix 1.
- 2.3 It was agreed at the September Policy & Resources Committee that each Service Committee would receive a report on the indicators which relate to that Committee. This report fulfils that remit.

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee note this report and approve the proposals on the action for each of the indicators.
- 3.2 That the Committee note that a report on the 2012/13 indicators will be presented to Committee as soon as the results are published with the performance and proposed actions and annually thereafter.

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## **4.0 BACKGROUND**

- 4.1 A report was presented to the March Committee meeting which detailed the work that the Improvement Service has been carrying out to support SOLACE to develop a set of benchmarking indicators on behalf of Scottish Councils as part of the 'Improving Local Government' agenda.
- 4.2 The aim of the project was that the indicators will replace the SPIs from 2013/14 and will provide a comparable performance support framework for Scottish local authorities, enable authorities to target areas for transformational changes in terms of – efficiency, costs, productivity and outcomes.
- 4.3 Overall there are 55 indicators split across 7 service areas but as Inverclyde no longer has Housing stock only 50 are relevant, 8 of which fall within the Corporate Services and are reported through this Committee.

## **5.0 INDICATORS**

### **5.1 Corp1 – Central Support Services as a % of the total gross expenditure**

Central Support Costs are classed as overhead cost for services such as ICT, HR, Legal, Finance. An organisation will aim to keep overheads to minimum which highlights an efficient organisation. In both 2010/11 and 2011/12 Inverclyde Council was ranked 2<sup>nd</sup> and in the 1st Quartile.

**Action/Comment** - No specific action is proposed, support services will continue to look for opportunities to provide better value for money and deliver efficiencies on an ongoing basis.

### **5.2 Corp2 - Core Democratic Costs per 1,000 population**

Again this is viewed as an overhead cost and is the cost for supporting the democratic process within the Authority. It includes the proportion of officer's time spend specifically supporting the democratic process: preparing for and attending meetings, presentations, civic occasions. It also includes elected members salaries, allowances and support costs. A lower cost arguably reflects a more efficient democratic process within the organisation. In 2010/11 Inverclyde was ranked 4<sup>th</sup> in Scotland but slipped to 16<sup>th</sup> for 2011/12. This was due to an error in the 2010/11 calculation where the cost was understated. The ranking for 2011/12 is more accurate and places the Council in the 2<sup>nd</sup> Quartile.

**Action/Comment** No specific action is proposed, officers will continue to look for opportunities to provide better value for money and deliver efficiencies on an ongoing basis.

### **5.3 Corp3A and Corp3B – Percentage of employees in the highest 2% and 5% earners that are female**

Inverclyde was ranked 8<sup>th</sup> in 2010/11 moving to 12<sup>th</sup> in 2011/12 for the highest 2% earners being female and ranked 10<sup>th</sup> in 2010/11 for the top 5% earners being female moving to 14<sup>th</sup> in 2011/12 remaining in the 2<sup>nd</sup> Quartile for both. The Council has robust equalities management procedures in place. The recruitment and selection procedures are equality impact assessed and are subject to rigorous re-evaluation at regular intervals to ensure equality standards are maintained. The Council has recently appointed an Equalities Officer for a two year appointment to further embed equalities within the day to day activities of the Council.

**Action/Comment** No action or comment.

#### 5.4 Corp 4 – The cost per dwelling of collecting Council Tax

Inverclyde Council was ranked 26<sup>th</sup> in Scotland in 2010/11 improving to 24<sup>th</sup> in 2011/12 and placed in quartile 3. The cost of collection represents just 2.2% of the Revenue collected. Due to the demographics of the area Officers need to ensure that the Debt Recovery Team is appropriately staffed. Whilst reductions in cost would reduce the cost per dwelling it would likely have a far greater detrimental effect on Revenue.

This is an indicator which is reviewed annually by the Directors of Finance and the consistency of reporting costs has been a matter of concern with the Chief Financial Officer and raised, but not resolved, amongst his peers. The Finance Service are confident that the indicators in relation to Inverclyde is accurate and has shown real term reductions in costs over the last few years.

**Action/Comment** This indicator is reviewed annually through the Directors of Finance performance indicators as well as being monitored and reported through the Corporate Directorate Improvement Plan (CDIP).

#### 5.5 Corp6 – Days lost per FTE employee

The ranking in 2010/11 was 25<sup>th</sup> in Scotland moving to 27<sup>th</sup> in 2011/12 and placing the Council in quartile 4. The Absence Management Strategy is under constant review to determine patterns of absence and ensure that resources are directed to those areas where support is required. Employee costs form a large proportion of the Council's budget and it recognised that absence management is a key priority to the Council. Through robust absence management procedures, the Council is endeavouring to support employees and reduce this level of absence. The Absence Management Policy is being actively promoted within Services with higher levels of absence. The Council works closely with our Occupational Health provider to ensure that absent employees are given the necessary support to enable them to return to work as soon as possible. A challenging absence rate has been set for the Council and all services which are monitored quarterly with the overall results for the Council.

**Action/Comment** The Council has set an absence target of 4.75 %. Services are continuously looking to reduce absence. When target is achieved it will be reviewed and set at a lower level for the future.

#### 5.6 Corp 7 - % Income due from Council Tax received by the end of the financial year

Inverclyde ranking was 25<sup>th</sup> in 2010/11 and remained 25<sup>th</sup> in 2011/12 and in the 4<sup>th</sup> quartile. This is an area that is constantly monitored and is reported in the Directorate Plan. The Chief Financial Officer receives monthly briefings on this area of performance which has been benchmarked since 1993. Performance is regularly reviewed with the Council's Debt Management Partner. A good practice guide issued by the Directors of Finance has been reviewed to identify areas of possible improvement. Previous detailed comparison with a number of Councils with higher overall collection shows that Inverclyde out performs these Councils on a Band by Band basis and that housing tenure/values is a key influence on this measure.

It should also be noted that some councils report council tax collection levels using a methodology which inflates collection levels by 1-2% due to the way water and sewerage monies are allocated. If Inverclyde Council was to report in this way the Council would show a higher collection figure and probably exceed the National mean. The Chief Financial Officer has not adopted this approach in order to be consistent with prior years.

**Action/Comment** The Council is piloting "Water Direct" deductions with DWP and it is expected this will marginally increase collection levels in 2013/14. This measure is monitored on a monthly basis and reported through the CDIP.

## **5.7 Corp8 - % invoices paid within 30 days**

The Council has improved from 4<sup>th</sup> rank in 10/11 to joint 2<sup>nd</sup> in 11/12. The Council is constantly looking to see where it can improve efficiency and this is an area that the Council has made significant efficiencies in the past. The team has reduced in size as services and Finance work together to maintain performance. The focus is to maintain performance and improve payment times to local suppliers having introduced 20 day payment of invoices rather than the statutory 30 days. Whilst this will not make a difference to this indicator it will improve cash flow to local businesses.

**Action/Comment** This information is reviewed annually through the Directors of Finance performance indicators, performance is also monitored on a monthly basis and reported through the CDIP.

## **6.0 CONCLUSIONS**

- 6.1 The report highlights how the Council is performing in relation to Corporate Indicators and the action being proposed to maintain/improve performance.
- 6.2 A key task is to ensure consistency across the data collection which is being progressed by the Finance team in consultation with Services in terms of completing the Local Finance Returns (LFRs) which is where the financial information is gathered by the Scottish Government.

## **7.0 EQUALITIES**

- 7.1 No implications.

## **8.0 REPOPULATION**

- 8.1 Providing efficient and effective services will allow more resources to be allocated to front line services and should make the area a more attractive place to live.

			APPENDIX 1				
Solace Indicators	Description	Inverclyde 10/11	Inverclyde 11/12	Position	Quartile	Best Performing 11/12	Median 11/12
CORP 1	Central Support as a % of total gross expenditure	2.50%	2.70%	2nd	1st	2.68%	4.3
COPR 2	Core Democratic cost per 1,000 population	£22,678	£32,063	16th	2nd	£11,448.51	£32,643
CORP 3A	Percentage of employees in the highest 2% of earners that are female	42.5%	42%	12th	2nd	54.80%	39.80%
CORP 3B	Percentage of employees in the highest 5% of earners that are female	47.6%	47.6%	14th	2nd	60.10%	47.1%
CORP 4	Cost per dwelling of collecting CT	£16.61	£15.05	24th	3rd	£2.98	£12.46
CORP 6	Days lost per FTE employee	10.4 days	10.5 days	27th	4th	7.6 days	9.4 days
CORP 7	Income due from CT received by the end of the Financial Year	94%	94.20%	25th	4th	98%	95.60%
CORP 8	% Invoices paid within 30 days	9.40%	95.60%	Joint 2nd	1st	97%	88.60%