

COMMITTEE **Resources Management Committee** DATE **5 May 2009**

CORPORATE DIRECTOR **Gordon Edwards**

TITLE OF REPORT **Resources Management – Performance Report**

1. PURPOSE OF REPORT

This report presents key performance and management information for the functions within the Resources Management Service.

2. RECOMMENDATION(S)

To seek the Committee's comments and observations on the operational performance and performance management indicators contained in the report.

3. FINANCIAL IMPLICATIONS

No direct implications arising out of this report, although a number of comments are made on the use of resources.

4. SERVICE & COMMUNITY IMPACT

Performance in planning and delivering all services requires measuring and reporting. Specifically the functions covered in this report relate to the use of financial, human and physical resources, which support the achievement of all the challenges contained in service and community related plans/documents.

5. OTHER IMPLICATIONS

There are no other direct implications arising out of this report regarding legal, resource, personnel, property, equipment, sustainability and environmental, health and safety; although a number of comments are made on the use of resources and the report refers to various health and safety measures.

6. REPORT

The Performance Report consists of:

Section 1) Corporate Director's overview of progress since the last Committee. This focuses on the key operational and performance issues in each section within the Resources Management Section.

Section 2) Performance Indicator Balanced Scorecard. There is a traffic light mechanism to indicate the status / level of concern relating to each indicator, which in turn is supported by Appendices with 'drill down' information for each indicator in the Scorecard.

Scorecards are currently being further developed at Heads of Service Level to manage and monitor performance within their teams. From these it is planned to continuously enhance the Balanced Scorecard.

Section 3) Detailed progress on each item is included in section 2) above.

The supporting sheets to the Scorecard identify actions ongoing (Section 3), but not withstanding the full report I would highlight some of the key issues as follows for the period April 2008 to March 2009:

(Same referencing as Balanced Scorecard)

1.2 % Revenue spend against budget – 92%

Comment:

Final allocations are being progressed as part of the year end process and actual spend will come very near to budget at the year end, although we are aiming for a slight underspend within the Resources Management Service.

This is attributable to the proactive management of the Resources Management budget within the current financial climate.

1.3 % Capital spend against budget – 65%

Comment:

Since the approval of carry forwards from 2008/09, Resources Development and Delivery have been actively engaged in determining a programme of works to expend as much of the budget as possible this financial year. A large number of tenders were received mid January 2009 to start / progress works. The latest update from the Head of Resources Development and Delivery is that we anticipate that the carry forward to 2009/10 will be circa £1.5m, compared to the £2,376k brought forward from 2007/08. This will be referred to the Capital Plan prioritisation process.

Year end transactions are being finalised.

1.4 % Overtime budget spent – 73%

Comment:

This outcome is a positive indicator resulting from action to contain overtime within budget. The Pension Fund, which stands alone from the City Council accounts, will be charged for overtime worked within the Pensions Team (City Chamberlain) which will have a further positive effect on the indicator.

1.7 Health & Safety Matrix – 92%

Comment:

The Health & Safety Policy has been updated and issued to all premises within Resources Management. The Operational Support Manager has issued all Heads of Service with outstanding checks for action within agreed timescales.

4.1 % of Staff appraised in year – 73%

Comment:

Appraisal performance is reported on a 12 month rolling period. Due consideration is being given to the areas where appraisals have fallen behind due to workload and sickness absence of line management. The target is to continually improve on this figure, with action plans in place to achieve 100%.

Section 4) Performance targets 2009/10

Key performance measures have been reported to the Committee using the corporate performance management framework since summer 2007. Performance is reported against targets set either corporately or by the Service. As part of the ongoing development of performance reporting, it is appropriate to formally review the Service targets set for the key performance measures for the 2009-10 year.

The review of targets has followed the principles of SMART; each target should be Specific, Measurable, Achievable, Realistic and Timely. There is a clear balance to be struck between being realistic, and also being challenging. Targets set at the right level, and which are a constant focus for members and officers, can be a motivation to improved performance. Set at the wrong level, either insufficiently challenging, or not realistically achievable, targets can have a neutral or negative impact.

Section 4 sets out the review and the reasons for each proposed target.

The 2009-10 targets presented at Section 4 include some additional performance indicators to those reported in 2008/09.

7. AUTHORISED SIGNATURE

Signature: _____

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9. BACKGROUND PAPERS
Not applicable.

RESOURCES MANAGEMENT SERVICE

**Performance Report for period from
10 March 2009 (date of last Committee) to 22 April 2009**

The following is a summary of the significant projects and activities which have been undertaken within the Resources Management Service since the last Committee report on 10 March 2009. It is only a small fraction of the work going on within the Resources Management Service. However, I thought the following would be of specific interest to elected members.

Democratic Services

- With colleagues from across a wide range of Council Services, the Civic Administration Team helped organise the very successful State Visit to the Town House by the President of the United Mexican States on 31st March. His Excellency was accompanied by his host for the visit, HRH The Duke of York. Shortly after this, the Civic Administration Team played a significant part in organising the memorial service for those who lost their lives in the tragedies in the North Sea on 1st April.
- The Elections Team continues with its arrangements for the European Parliamentary Elections. Polling Day is on Thursday 4th June, with the count taking place at the Exhibition Centre on Sunday 7th June. Staffing, training and communication plans are all well underway. Arrangements for polling stations, postal votes and the count are also at an advanced stage. If elected members have questions regarding these elections, please contact the Election Unit on (81)4747.

City Solicitor

The Archives Section:

- The team has hosted a number of visits to the Archives and the Town House by Walker Road Primary School (23rd February), Saltire Society (17th March), the National Trust for Scotland, Grampian Branch (25th March & the 6th April), Peterculter Church Group (7th April).
- The City Archivist has edited a directory of resources, entitled "Routes to Your North East Roots," that are available in the North East of Scotland for the study of family history. This publication, particularly useful for ancestor hunters in this Year of Homecoming, has involved contributions from colleagues in both the City and the Shire as well as at the two Universities in the City, the NHS and other institutions such as the Museum of Scottish Lighthouses.
- Also included are several short "ancestral stories" written from original records and edited by the Senior Archivist, which give a flavour of the variety of information that can be derived from archival sources. The free, full colour booklet will be launched by the Lord Provost of Aberdeen City and the Provost of Aberdeenshire at Woodhill House on Friday 24th April 2009.
- The Scottish Association of Family History Societies holds its annual conference and family history fair at Elphinstone Hall on Saturday 25 April 2009. The Archives team will be represented.
- Throughout the course of the year the Archives team will also be involved in a number of Heritage Fairs being held throughout Aberdeenshire: the first of which takes place in Huntly on Sunday the 3rd of May.

RESOURCES MANAGEMENT SERVICE

Central Procurement Unit

- The Head of Procurement (HoP) was requested to represent the East of Scotland European Consortium as a speaker at an international conference in Reykjavik, Iceland during the last week of March. This was a high profile conference attended by over 220 representatives from 42 countries. Delegates, in the main from local governments, national governments and other public sector bodies, gathered to discuss how sustainable public purchasing practices can make a substantial contribution to climate change mitigation.

The topic the HoP was requested to present on was specifically in relation to food. Public authorities are often responsible for the procurement of large amounts of food for their school canteens, office restaurants, social care facilities and event catering. The production, transportation and storage of food products may entail substantial carbon emissions. The European Commission 2006 EIPRO study (Environmental Impact of Products) placed food as one of the three consumption areas with the highest environmental impacts, including global warming potential. Food therefore forms a significant part of the carbon footprint of many public authorities. The session described the efforts that our Council has made to reduce the carbon footprint of the food we purchase by, amongst other measures, buying fresh.

- The corporate e-Procurement system is now live in 40 school kitchens to date, with Heatheryburn going live in May once the new school opens. This will leave 3 remaining school kitchens where there are some IT and skills issues to be resolved. In March, across all Services who are live, 2,111 orders valued at £1,881,500 (largest number of orders in a month to date, up 21% on previous highest) were processed. To date the system has processed 21,667 orders to a value of £18.91m.
- The Councils Central Stores – Whitemyres Centre finished the 2008/2009 financial year on target with an annual sales turnover of £2,173,012. In excess of 1,500 orders were processed each month to over 1,200 separate sites throughout the north east. The 2009/2010 supplies catalogue has been published and distributed to all end users.

Resources Development and Delivery

- The major piece of work has focussed on progressing with the refinancing of the 3R's Project. Negotiations are ongoing with potential new funders for the Consortium. As members will appreciate, the negotiations are detailed and very time consuming. I will be providing a verbal update later on this agenda.

Office of the City Chamberlain

- The Accounting Team has met with all Service Management Teams to explain what is included in each Services 2009/10 Revenue Budget so roles and responsibilities are absolutely clear. The detailed 2009/10 Budget Booklet has now been produced and widely circulated. Attention is now turning to the preparation of the 2008/09 year end accounts, which will be presented to the Council meeting on 24 June 2009, before being submitted for external audit.
- The Payroll Team, in conjunction with the Pensions Team and Human Resources colleagues, successfully implemented the new Local Government Pension Scheme Regulations with effect from 1 April 2009, including changing approximately 9,000 staff records to reflect the new tiered employee contribution rates to the Pension Fund.

Human Resources

- The major focus of work over the last few weeks has been the close working with colleagues in Payroll and Service Design and Development (SDD) in amending and testing Payroll programmes to ensure that all 8,500 staff covered by the Equal Pay and Modernisation (EP+M) Agreements are paid their revised pay rates and revised terms of conditions with effect from 1 May 2009.
- The Job Evaluation Appeals process is now underway as a result of the appointment of two Appeals Panel Chairpersons.

REF 1.3

Non Housing Capital Programme

Carry Forward from 07/08 £'000	Budget 2008/09 £'000	Total Budget 2008/09 £'000	Actual Spend to March 09 £'000	Forecast Spend 08/09
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Resources Management

Carry Forward from 07/08 £'000	Budget 2008/09 £'000	Total Budget 2008/09 £'000	Actual Spend to March 09 £'000	Forecast Spend 08/09		
7		0	0	60	60	
294		1,606	2,000	3,606	1,913	2,937
300		742	500	1,242	572	925
362		28	100	128	43	100
722		0	25	25	75	75
761			0	0	43	50
		2,376	2,625	5,001	2,706	4,147

Comments: As instructed by the Urgent Business Committee capital projects across ACC were reviewed. The list above is after the review of capital projects across the Council by the Urgent Business Committee for items not yet legally committed, and also reflects where projects have been, under the recent Corporate Director realignment, moved to another area of responsibility.

Action:

The Head of Resources Development & Delivery in order to reduce the amount of any carry forward budget to 2009/10 has for completion by 31 March 2009. The narrative above provides the current position. Recent tenders received have found a general lowering of bid prices. Carry forward has increased to £1.5m from previously reported £705k, this is attributable to extended checks on contracts and a block on acceptances of contracts after the tendering exercise in January 09.

Note - not yet final year figures

Proposed performance targets 2009-10

Section 4

Performance Measure	Outturn 2007-08	Target & Actual/ Estimate 08/09	Proposed target 2009-10	Reason for target	Benchmarking	Frequency
Resources Management						
Average number of days lost through sickness absence – Resources Management Service	8.3 (April 08)	9.7 days Actual at Feb 09 8 days	8.5 days	Corporate 09/10 target for this SPI is 11.8 days. Resources Management have averaged 8.5 days for the periods to November & December 08 and January 09 – and we feel that with the appropriate measures in place that our target is achievable and sets a challenge to managers to continue monitoring absence effectively. This is also supported by the 8.3 days to March 2008.	Sickness absence is a Statutory Performance Indicator. For Chief Officers and Local Government Employees (which make up the staff of the Resources Management) the most recently reported national average is 12.9 days.	Each Committee
Average number of days lost through sickness absence – All Services	12.1 (April 08)	11.8 days Actual at Feb 09 12.8 days	11.3 days	We started measuring average days lost (as opposed to % absence) in April 2008, when the figure was 12.1. In December 2008 the average days lost to sickness absence was 12.09. A reduction to 11.3 days will be a challenge, yet is an achievable target.	Sickness absence is a Statutory Performance Indicator. For Chief Officers and Local Government Employees the most recently reported national average is 12.9 days.	
% spend against revenue	99%	100%	100%	Cannot overspend on cash	N/A	Each

Proposed performance targets 2009-10

Section 4

Performance Measure	Outturn 2007-08	Target & Actual/ Estimate 08/09	Proposed target 2009-10	Reason for target	Benchmarking	Frequency
budget		Current est 92%		limited budget. Equally, there should be no “slack” built into budgets leading to under spends. It is our expectation that with the engagement of prudent spend that we will be under budget, assuming no unforeseen eventualities.		Committee
Resources Management (cont)						
% spend against capital budget	54%	60% Current est 52%	60%	Cannot overspend on approved capital projects. Equally, all steps should be taken to complete capital projects within anticipated timeframes.	N/A	Each Committee
% savings on target to be delivered	Not previously reported	100% Est 100%	100%	Must be 100% to deliver corporate savings. Our analysis should be clear about those savings required to be recurring.	N/A	Each Committee
% overtime budget spent	69%	100% Actual 73%	75%	We are challenging ourselves by a target of 75%: as overtime is an unpredictable area to operate within budget. As	N/A	Each Committee

Proposed performance targets 2009-10

Section 4

Performance Measure	Outturn 2007-08	Target & Actual/ Estimate 08/09	Proposed target 2009-10	Reason for target	Benchmarking	Frequency
				at February 2009 we reported 68%. With the implementation of the new Terms & Conditions it is anticipated that the cost will reduce.		
% TOIL (Time off in lieu)	Not previously reported	0 Actual 132 hrs	0	We aim to minimise time off in lieu, and view this indicator as a measure to help with workload management. TOIL is a standing item on the Union Management Committee agenda.	N/A	Each Committee
The proportion of operational accommodation that is a) in a satisfactory condition and b) suitable for its current purpose	a) 25.8% b) 86.9%	a) 50% Actual 74.6% b) 80% Estimate 86.7%	a) 80% b) 85%	a) Condition - Increase in target expected due to a number of new schools opening and refurbishment projects completing. b) Suitability – although target less than estimate for 08/09, this is likely due to more detailed suitability assessments are rolled out in 2009. It is anticipated that a number of buildings will move from suitable to unsuitable when assesses	Aberdeen City was ranked a) 29 th and b) 5 th out of 32 Scottish Local Authorities.	Annual

Proposed performance targets 2009-10

Section 4

Performance Measure	Outturn 2007-08	Target & Actual/ Estimate 08/09	Proposed target 2009-10	Reason for target	Benchmarking	Frequency
				using the new method.		
Score for compliance with health & safety matrix	100%	100%	100%	100% indicates that we have complied with the key elements of health & safety.	Aberdeen City Council is the only Scottish Council which operates a scored matrix for health and safety.	Each Committee
Impact						
The percentage of the highest paid 2% and 5% of earners among council employees that are women	<u>2%</u> 38.1% <u>5%</u> 43.7%	<u>2%</u> N/A Actual 39.7% <u>5%</u> N/A Actual 46.5%	<u>2%</u> N/A <u>5%</u> N/A	It is not considered appropriate to set targets for this measure. Results are dependent upon the outcome of positive actions / measures within equal opportunities.	12 th and 15 th respectively for 2% and 5% out of 32 Scottish Local Authorities.	Annual
The percentage of council buildings from which the council delivers services to the public in which all public services are suitable for and accessible to people with a disability.	77.6%	80% Actual 77.6%	80%	The target remains unchanged for 2009/10 until confirmation of budget available to spend. It is hoped that the target would be exceeded when monies available. The outcome depends upon the complexity of need versus	Aberdeen City Council was ranked 7 th of 32 Scottish Local Authorities.	Annual

Proposed performance targets 2009-10

Section 4

Performance Measure	Outturn 2007-08	Target & Actual/ Estimate 08/09	Proposed target 2009-10	Reason for target	Benchmarking	Frequency
				budget availability. In 2008/09 performance has been maintained by completing quick fixes and a small cost, and rolling out this programme. The larger works clearly take longer to design and cost more.		
Number of complaints received	15	- Actual 11	-	It is not proposed to set a target for complaints received. We actively encourage feedback from customers, and view complaints, as an opportunity to improve. It is important to monitor this, but setting a target to minimise these is not necessarily appropriate.		Each Committee
Business Processes						
% of Public Performance Reports schedule published	100%	100% Est 100% of due	100%	Fulfillment of obligation under Local Government Scotland Act	Aberdeen City Council is yet to undertake benchmarking for this measure. ACC is not aware of other local authorities having and reporting on compliance against PPR	Each Committee

Proposed performance targets 2009-10

Section 4

Performance Measure	Outturn 2007-08	Target & Actual/ Estimate 08/09	Proposed target 2009-10	Reason for target	Benchmarking	Frequency
					schedules.	
% of internal audit recommendations outstanding	4%	0% Actual 3%	0%	Strive to implement all agreed recommendations within timescales agreed with Internal Audit.	N/A	Each Committee
% of success in dealing with written queries & complaints within 15 working days	89%	90% Actual 89%	95%	It is likely that throughout the year we will receive a small number of enquiries which, due to their complexity or through other factors, may take more than 15 working days to resolve. A target of 95% is considered challenging, but deliverable. The February 2009 position was 90%.	We are unaware of any benchmarking having been undertaken out with Aberdeen City Council. Corporately we have researched the standard in setting a 15 working day limit and this is similar to our peers.	Each Committee
The percentage of all invoices paid within 30 calendar days (All Services)	81.7% (with Feeder systems)	88.5% Actual (Services) 80.2% Actual (with Feeder systems) 84.7%	88.5%	It is hoped that the target will be exceeded with plans for the implementation of Infosmart for payment of Creditors Invoices in 2009/10 that performance will improve. Services have recorded an improved performance against the previous year but erratic performance for invoices fed through Feeder systems	Aberdeen City Council was ranked 23 rd of 32 Scottish Local Authorities.	Each Committee

Proposed performance targets 2009-10

Section 4

Performance Measure	Outturn 2007-08	Target & Actual/ Estimate 08/09	Proposed target 2009-10	Reason for target	Benchmarking	Frequency
				has impacted on the level of overall percentage and this will be an area of targeted focus to improve performance.		
Resources Management Reports not included in the first circulation of agendas	Not previously reported	0 Not reported by individual service as yet	0	This information will enable us to determine the reasons for late reports and take corrective action to avoid further late reports by those Officers, for example through training& confirmation of the processes.	The no. of late reports per Committee was reported to Continuous Improvement in 2008/09 – but not detailed by those Services responsible for the late reports.	Each Committee

Organisational Learning & Improvement						
% eligible staff appraised in past year	95%	100% Actual 73%	100%	Completion of key element of individual performance management.	N/A	Each Committee

Proposed performance targets 2009-10

Section 4

Performance Measure	Outturn 2007-08	Target & Actual/ Estimate 08/09	Proposed target 2009-10	Reason for target	Benchmarking	Frequency
% of identified senior staff who have undergone training in priority areas	25%	Not reported due to review of courses by HR	100%	<p>Ensuring progress is made on identified gaps in organisational capability.</p> <p>The basis of this measure has changed. All senior staff will complete an assessment, with their line manager, of required training needs from the 'advanced skills for managers' suite of workshops offered by HR. The service will support the completion of all identified training. Performance should be at, or near, 100%.</p>	N/A	Each Committee

The following performance measures will be included in 2009/10 reporting, these are being further defined prior to seeking approval from Committee for targets:

Performance Measure	Reason for target	Benchmarking	Frequency
HR unit cost as reported through Cipfa benchmarking club	This is a new measure which is specifically included to address the issue of cost effectiveness specified by Audit Scotland within the 2009/10 Direction and the Local Government Scotland Act Whilst not mandatory it would benefit ACC in demonstrating best value.	The need to monitor costs in these areas is clearly part of the 2009/10 SPI Direction. Therefore, it is anticipated that comparisons will be available with other councils. Issues do arise however as to the precise definition of 'cost of HR function', is this staff costs, does it include a central training budget/ We are aware of 3 other Local Authorities who provide the CIPFA HR benchmarking with the information.	Annual
The required maintenance cost of operational assets per square metre	This is a new measure which is specifically included to address the issue of cost effectiveness specified by Audit Scotland within the 2009/10 Direction and the Local Government Scotland Act	The need to monitor costs in these areas is clearly part of the 2009/10 SPI Direction. Therefore, it is anticipated that comparisons will be available with other councils.	Annual
Cost of the overall accountancy function and corporate accountancy functions per £1,000 of net expenditure	This is a new measure which is specifically included to address the issue of cost effectiveness specified by Audit Scotland within the 2009/10 Direction and the Local Government Scotland Act	The need to monitor costs in these areas is clearly part of the 2009/10 SPI Direction. Therefore, it is anticipated that comparisons will be available with other councils.	Annual