

HISTORIC SCOTLAND BOARD

KEY PERFORMANCE TARGETS 2008-09: QUARTER 2 REPORT

Purpose

1. To inform the Board of progress on Key Performance Targets for the second quarter of 2008-09.

Priority

2. Routine

Key Performance Targets – Exception Report

3. Seven out of the nine key performance targets are green. The two exceptions are:
 - Historic Scotland Earned Income (red)

Target (£m)	25.879
Forecast (£m)	24.268
Shortfall (£m)	1.611

- Cash Releasing Efficiency Gains on all Non-Grant Expenditure (red)

Target (£m)	1.000
Identified efficiencies (£m)	0.765
Forecast efficiencies (£m)	0.506
Shortfall (£m)	0.235/0.494

Mitigation Activity

4. In light of the second quarter performance against these targets, the following action is being taken to mitigate the risk of the projected shortfalls materialising:

4.1 Earned income – PIC will comment on this.

4.2 Efficiency – SMT met on 6 October to discuss progress and the following action was agreed:

4.2.1 Addressing the gap between identified efficiencies and forecast efficiencies
Directors would rigorously review their efficiency projects in order to ensure the delivery of the identified £0.765m.

4.2.2 Addressing the gap between identified efficiencies and the target

Action would be taken on a series of cross-Agency projects designed to meet the shortfall between identified efficiencies and the target, as set out below:

Potential Efficiency Area	Expenditure 2007-08
Overtime	£969,000
Travel and Subsistence	£934,738
Hospitality	£46,497
Print Work	£1,508,536
Stationery	£202,354

For overtime and travel and subsistence, we will commission projects to review both of these areas of expenditure and the project briefs will be circulated to SMT for approval. However for 2008-09 we will ask Directors to carry out an immediate review of their area and to achieve a 5% cut in overtime expenditure and a 5% cut in travel and subsistence expenditure by March without this impacting the delivery of the basic service.

Directors have also been asked to review hospitality expenditure and provide an analysis of their spend. Given that much of the hospitality budget is optional we expect significant savings to be achieved this financial year and recurring in years 2 and 3 of the programme.

Finance will carry out an initial review and analysis of print work and stationery expenditure and meet with individual Directors to discuss the scope for efficiency savings.

In addition, we have identified a number of sources of staff time savings. The efficiency target is cash releasing and so SMT have agreed a mechanism via the Staffing Committee for converting them to cash.

Conclusion

5. The Board is invited to note the above report.

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Corporate Development Manager
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