

Agenda Item	<b>6c</b>
Report No	<b>RES/22/23</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 6 September 2023

**Report Title:** Resources and Finance - Revenue and Performance Monitoring to 30 June 2023 and near final outturn for 2022/23

**Report By:** **Interim Chief Executive**

### 1. Purpose/Executive Summary

- 1.1 This report provides Members with the 22/23 near final outturn monitoring statement for Resources & Finance. The Service budget for 2022/23 was £13.48m with an end of year under spend of £1.438m.
- 1.2 This report also provides Members with the Quarter 1 Revenues and Performance monitoring position for the period to 30 June 2023. The Service budget for 2023/24 is £13.404m with a predicted end of year underspend forecast of £0.113m.
- 1.3 This report also provides performance information on:
- Corporate Indicators;
  - Contribution to the Corporate Plan;
  - Service Plan Progress;
  - Mitigation of Service Risks; and
  - Service updates out with the Corporate Indicators or Service Plan

A list of the current SPIs for the Resources and Finance Service, together with the frequency of reporting, is provided at **Appendix 8** to this report.

The content and structure are intended to:

- Assist Member scrutiny and performance management
  - Inform decision making to aid continuous improvement, and
  - Provide transparency and accessibility
- 1.4 Some activities delivered by the Resources and Finance Service, such as Loans Fund and Council Tax Income, are contained within the Corporate Revenue Monitoring Report, which is a separate item on the agenda. To ensure transparency, performance information relating to Council Tax is also contained within this report.

## 2. Recommendations

- 2.1 Members are invited to:
- i. **Consider** the Service's revenue monitoring position
  - ii. **Scrutinise** the Service's performance and risk information.

## 3. Implications

- 3.1 **Resource:** The budget of £13.4m available to the Resources and Finance Service is 2.1% of the total general fund for the totality of the Council's services (£619,314m). The Service has a budgeted staffing establishment of circa 437 FTEs. Corporate leadership in financial governance, human resources and provision of shared business support services are key responsibilities of the Service. Also, the Service provides the corporate leadership role for the core revenues streams (Council Tax, Non-Domestic Rates and Sundry Debt Income), and the strategic and operational delivery of financial assessments and provision of welfare services for our residents. Our responsibilities within the Revenues part of the Service involve engaging with every household and business in Highland.
- 3.2 **Legal:** This report contributes to the Council's statutory duties to report performance and secure best value in terms of; Section 1(1)(a) of the Local Government Act 1992, and Section 1 of the Local Government in Scotland Act 2003, respectively.
- 3.2.1 For the provision of welfare support, the Council has a legal duty to provide such services for specified groups, which, as detailed in the Welfare Budget, includes for example the outsourced services delivered by Citizens Advice. These duties are specified in the Social Work (Scotland) Act 1968, the Carers (Scotland) Act 2016 and the Child Poverty (Scotland) Act 2017.
- 3.2.2 The Service is also responsible for ensuring policies are in place, and support is provided for managers and employees to ensure the Council continues to comply with all employment and health and safety requirements.
- 3.3 **Community (Equality, Poverty, Rural and Island):** The extent of the strategic role and significant support provided by the Service to reduce poverty, alleviate financial insecurities and promote equalities are evidenced by the Welfare Budget.
- 3.4 **Climate Change/Carbon Clever:** There are no implications arising as a direct result of this report. However, this is a consideration in the operational delivery of our Revenues & Business Support section. Further information is provided in the Performance section of this report.
- 3.5 **Risk:** Risk implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees. There is a risk that cost-of-living pressures continue to result in additional and increased demand. This includes for example, for the provision of critical demand-led financial assessments and welfare services as reported in the welfare budget set out in **Appendices 3-6** to this report.

3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)**

There are no immediate health and safety implications arising from this report.

3.7 **Gaelic:** There are no implications arising as a direct result of this report.

4. **Resources and Finance - 2022/23 Outturn**

4.1 **Appendix 1** to this report provides the 2022/23 outturn position for the Service and shows a year end underspend of £1.438m.

4.2 The Service reported savings across all sections in staffing as a result of effective vacancy management. Savings were also made in non-staffing costs across a range of budget headings. The Service continues to have a focus on effective budget management and delivery of agreed savings.

4.3 **Welfare – Revenues & Business Support**

As reported in Appendix 3 to this report, the Welfare Budget is demand-led and reflects the range of benefits and entitlements managed within the Revenues & Business Support section of the Service. This budget reported an underspend of £0.410m for 2022/23. Demand for Housing Benefit, Council Tax Reduction and School Clothing Grants was lower than budget. An overspend of £0.148m is reported for the Scottish Welfare Fund which provides for Crisis Grants and Community Care Grants. Steps are being taken to manage this service within the budget for 2023/24 and Officers continue to collaborate in the national review of the Scotland Welfare Fund.

5. **Resources and Finance Revenue Budget Monitoring 2023/24**

5.1 **Appendix 2** to this report provides the Quarter 1 monitoring statement for 2023/24 showing the forecasted year end outturn at Quarter 1 2023/24. The Directorate is showing an estimated year end outturn of £13.291m against a net annual budget of £13.404m, representing a forecast underspend of £0.113m. This does not include the Welfare Budget which is reportedly separately at Appendices 3-6.

5.2 **Directorate**

The Directorate overspend of £0.263m includes recruitment time savings offset partly by the vacancy relating to the Executive Chief Officer for Resources & Finance.

5.3 **People (Annual Budget: £3.071m)**

The budget for People mainly relates to staff and corporate training. This budget is reporting a predicted year end underspend of £0.038m. Part year staffing vacancies; Rospa membership and payroll postages pressures offset by forecast underspends in training and recovery in excess of target income from Modern Apprenticeships, contribute to this forecast position.

5.4 **Revenues and Business Support (Annual Budget: £7.221m)**

For this section, the forecasted underspend is £0.181m which is mainly arising from staffing underspends and income collections in excess of target.

5.5 **Corporate Finance (Annual Budget: £3.116m)**

The forecasted underspend in Corporate Finance of £0.156m is mainly arising from part year staffing underspends mainly within the Accounting team.

#### 5.6 **Welfare – Revenues & Business Support (Annual Budget: £51.9m)**

This demand-led budget reflects the benefits and entitlements managed within the Revenues & Business Support section of the Service. The forecasted underspend of £0.155m relates to the Council Tax Reduction scheme. This is the current forecast of caseload using trend data from previous years. A range of activities continue to promote eligibility to this scheme.

#### 6. **Resources & Finance Savings 2023/24**

The agreed savings for the Service are detailed at **Appendix 7**. There is a risk that the digitisation of legal support and savings from postages will not complete as originally anticipated due to other Council-wide ICT/digital transformation priorities, including the replacement of People and Finance systems. Digitisation of recruitment and timesheets will not complete during 2023/24.

#### 7. **Service Performance 2022/23 & Q1 – Success Highlights**

##### 7.1 **Corporate Finance**

- **Unaudited Annual Accounts** – the Council's 2022/23 unaudited annual accounts were completed by the 30 June 2023 deadline.

##### 7.2 **People**

- **Induction and ERDs** - both key documents have been reviewed, relaunched, and promoted via Traineasy (on-line training system) to ensure staff and Managers are effectively using these documents. There is improved recording of ERDs.
- **New Occupational Health (OH) provider** – the Central Safety Committee heard a presentation from PAM (People Asset Management OH) who we have contracted with to provide OH services. This will include absence management, health surveillance, fitness to work assessment and wellness monitoring.

##### 7.3 **Revenues & Business Support**

- **Council Tax** in-year collection rate exceeded the budget by £0.726m generating additional income for the Revenue Budget
- **86.8% of Sundry Debts** were collected overall compared with 83.81% for 2021/22, which supports reduced Bad Debt Provision.
- **Top quartile performance** indicators relating to Housing Benefit New Claims and Changes in Circumstances

- **Welfare Advice and Health Partnership services (WAHPs)** - following on from the award-winning pathway development during 2021/22, WAHPs were launched in 2022/2023.
- **Staff Awards** - recognition for key roles in service delivery and initiatives.
- **Legislative changes** involved adapting and developing processes and reviewing priorities to deliver in both lead and support roles.
- **Significant expansion of delivering activities** for benefits and entitlements. This involved managing 9 additional entitlements, which was absorbed, wherever possible, within existing staff resources and by making best use of existing technologies, to achieve value for money and implementation at pace.

## 8. Service Performance - Corporate Indicators

Service performance in relation to Absence, Complaints, FOIs, and Invoice Payments are set out in the following sub-sections.

8.1 As the Resources & Finance is SPI-owner for Sickness Absence and Invoice Payments, the corporate position is also detailed below.

### 8.2 Service Sickness Absence

The indicator for staff sickness absence is a nationally benchmarked indicator and it is important that all managers focus on effective attendance management to support staff, maintain productivity and business continuity, and contribute to the Council's overall benchmarked performance.

8.2.1 The table below illustrates performance for Resources and Finance Service during Q1 of 2023/24 and the previous year's quarter average days lost along with Q4 and total average days lost for 2021/22 for comparison. The Service's Q1 average days lost for 2023/24 (2.38 average days) remains below the corporate average number of days lost per employee for Q1 (2.44), however the average number of days lost in Q1 for this year is higher than the days lost for the same period in the previous year (2.07) for the Service. The reasons for short-term absences across the Service are Stress/Debility, Viral (covid, cold, flu, sore throat), and Anxiety/Depression. These are also the predominant reasons for long term absence in the Service.

Average days lost	2021/22		2022/23					2023/24
	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Resources & Finance Service	1.90	6.47	2.07	2.36	2.21	2.48	9.13	2.38
All Highland Council (non-teaching)	2.36	8.17	2.45	1.89	2.03	2.97	9.35	2.44

### 8.3 Corporate Sickness Absence – SPI Owner

8.3.1 The corporate absence data (excluding teachers) outlined in table in 8.2, and in **Appendix 9** to this report, indicates an overall upward trend in full time equivalent (FTE) days lost in 2022/23. Appendix 9 provides data on all employees, including teachers. There has also been an increase in FTE days lost between Q3 and Q4 in

both long term (total 10 days of sickness absence in a rolling 12-month period) and short-term absences (4 separate occasions of sickness absence in a rolling 12-month period). Further analysis shows the top short-term absence reason across services to be Viral (covid, cold, flu, sore throat), this is likely to be attributed to more staff interacting in the workplace where viruses can spread requiring staff to take time off or longer to recover coming out of the winter season. Another reason for an increase in FTE days lost is employees taking longer to recover from short-term illnesses since COVID. The top long-term absence reason across all Services is Stress/Debility. HR Business Partners are supporting services in their analysis of the absence data to fully understand the trends and causal factors to enable Services to manage attendance. Personal financial pressures are also impacting on staff's health and wellbeing. The Attendance Support Officers continue to assist managers and employees, particularly where absence has become complex, when Occupational Health input is required, when an employee has a life changing or terminal diagnosis or when redeployment needs to be considered.

- 8.3.2 HR and People Development have created and implemented learning material which is now available on Traineasy. The e-learning modules follow the required process for the management of short-term persistent absence, recording absence on MyView and outlines specific areas of responsibility for managers and employees for each part of the process. Induction guidance has been updated to include information on expectations regarding employee contact and discussion with their line manager covering the period of absence and on return to work. This new learning material forms part of the response to an audit review of Absence Management Arrangements.
- 8.3.3 Also, in response to the audit review of Absence Management Arrangements, when a manager has completed the e-learning training, the Attendance Support Officers will make contact by email outlining the purpose of their role and provide links to relevant policy and guidance. In addition, Attendance Support Officers now conduct quarterly checks to ensure processes are being followed in respect of obtaining self-certificates, Fit Notes and return to work meetings.
- 8.3.4 HR and People Development are currently working on additional e-learning modules in relation to Long Term Absence, Ill Health Retirement and Capability Dismissals.
- 8.3.5 A lean review is currently underway with a proposal to obtain feedback from Managers and analyse current processes then put in place controls and embed any highlighted changes required.
- 8.3.6 To support employees and reduce employees using sick leave provisions whilst undertaking caring responsibilities, a Carer Positive Policy and networking sessions have been introduced to help those employees who provide unpaid support to a dependant affected by long term illness, disability or addiction. The policy facilitates up to 5 days additional leave each year.
- 8.3.7 The recent procurement of a nurse led Occupational Health services provider (PAM) and an online portal, (OHIO) for managers, provides some assurance that referrals will be triaged, and medical reports obtained timeously to support attendance management processes.

## **9. Service Complaints Response Times**

- 9.1 Monitoring complaints provides important feedback which can facilitate decision making and service design. Services are responsible for responding to complaints which are issued on their behalf by the Customer and Resolution Improvement Team ('CRIT').
- 9.2 Complaints response times for the Resources & Finance Service for 2022/23 and during Q1 2023/24 are provided in the undernoted table.
- 9.3 The Service's performance for 2022/23 exceeded corporate performance for 5-days frontline resolution and for those escalated to 20 days. For those categorised at point of receipt as requiring resolution within 20-days, the Service fell notably short of corporate performance. This related to 3 complaints which fell short of the 20-day target.

Complaints	Resources & Finance			THC		
	5-days frontline resolution	20-days investigation	20-days escalation	5-days frontline resolution	20-days investigation	20-days escalation
22/23 Q1	77%	20%	67%	61%	46%	18%
Q2	88%	50%	100%	90%	31%	32%
Q3	83%	33%	75%	93%	47%	36%
Q4	88%	0%*	100%	90%	41%	33%
<b>22/23 FY</b>	<b>82.9%</b>	<b>27.8%**</b>	<b>80.0%</b>	<b>81.4%</b>	<b>41.6%</b>	<b>28.4%</b>
23/24 Q1	90%	100%	100%	92%	63%	50%

\* Related to one case

\*\* Related to 3 cases out of 11

- 9.4 For 2023/24, the Service's performance has improved for all categories of complaints and 100% performance for two of the three categories has been delivered.

## 10. Service Freedom of Information ('FOI') Response Times

- 10.1 FOI requests are co-ordinated by the Customer Resolution and Improvement Team in collaboration with the Service teams which may hold information relevant to the request.

FOI Requests	R&F Q4 2022/23	R&F Q1 2023/24	Highland Council Q4 2022/23	Highland Council Q1 2023/24
FOI Legislative – number	62	42	577	399
FOI Legislative - %	81%	83%	71%	84%

- 10.2 Performance for FOIs relating to the Service is similar to corporate performance. The respective Heads of Service continue to review performance for their sections and to take steps to achieve continuous Service-wide improvements.

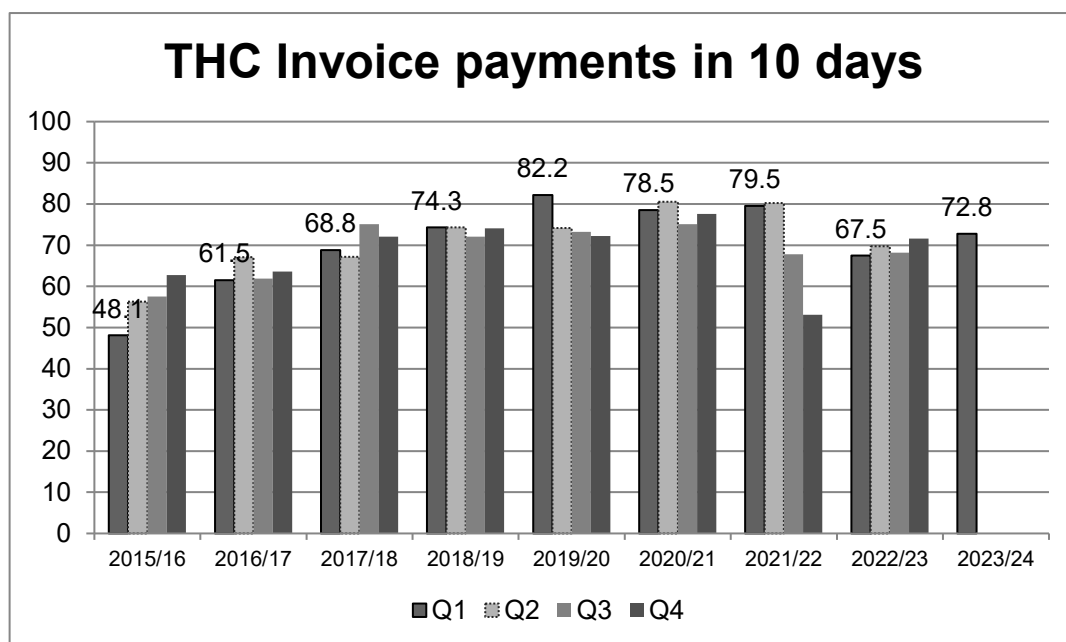
## 11. Service Invoice Payment Times

11.1 These indicators measure the Council’s efficiency at paying invoices within 10 days and 30 days of receipt as a percentage of all invoices paid. The Shared Business Support Team reporting to the Head of Revenues & Business Support and the Creditors Team, reporting to the Head of Corporate Finance, are responsible for payment of invoices once approved by budget holders and for those matched to Purchase Orders.

11.2 For the Resources & Finance Service, during Q1 2023/24, 91.1% of invoices were processed within 10 days against a corporate target of 77%, and 98.8% within 30 days against the corporate target of 95%. Budget holders within the Service continue to focus on these important indicators, and administering invoices continues to be a key priority within the overall responsibilities of the Business Support team.

11.3 **Corporate Invoice Payments – SPI Owner**

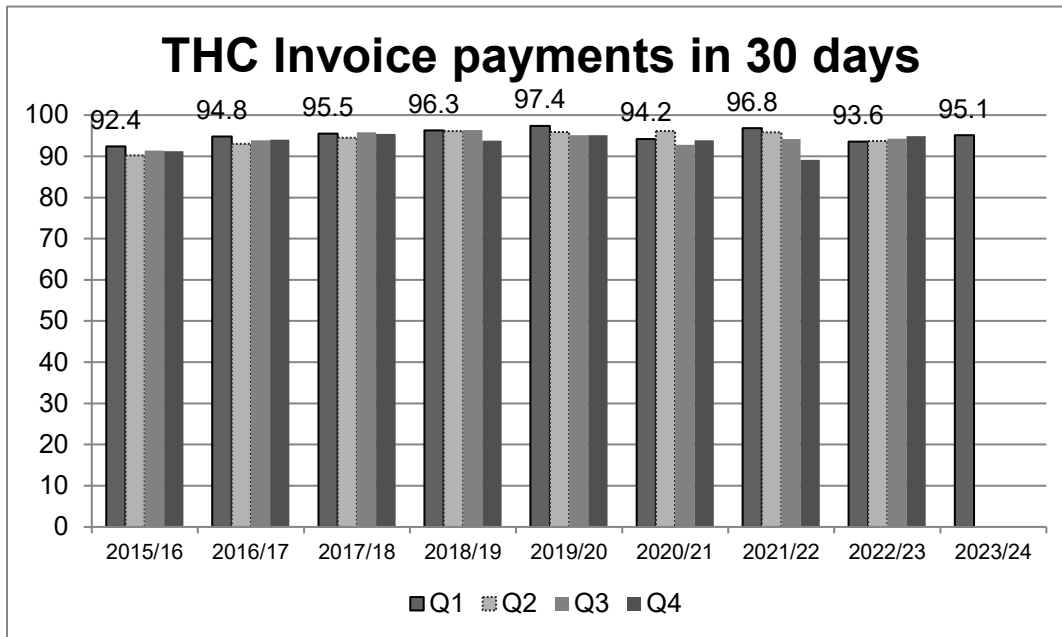
11.3.1 For Q1, 72.8% of invoices received were paid by Services within 10 days. While this is below the corporate target of 77%, Q1 performance has significantly improved on the Q1 2022/23 position of 67.5%. Performance by Service is detailed at **Appendix 10** to this report.



11.3.2 Budget holders and their teams are mindful of the importance of prompt payment although there are valid reasons why some invoices cannot be paid within the 10-days timescales. The Council introduced the 10-day local measure several years ago to support businesses, sole traders and other creditors through prompt payment of invoices.



11.3.3



11.3.4 For the statutory performance indicator of 30 days to pay an invoice, Q1 corporate performance increased to 95.1% compared with 93.6% in Q1 2022/24 and is above the corporate target of 95%. The Revenues & Business Support section continues to collaborate with Services to identify process and system changes to deliver continuous improvements for both the 10 days and 30 days indicators.

12. Service Contribution to the Corporate Plan

12.1 Following the approval of the Corporate Plan 2022/27 by Council on 9 March 2023, detailed below are the Indicators and Actions for the Service, which contribute to the priorities set out in the Corporate Plan.

Measures and Actions	Previous
CP1.02 Avg days to process Housing Benefit & Council Tax Reductions - New Claims	FY 22/23 <span style="color: green;">●</span>
CP1.02 Avg days to process Housing Benefit & Council Tax Reductions - Changes of Circumstance	FY 22/23 <span style="color: green;">●</span>
CP1.03 No. newly enrolled and upskilled via THC Modern Apprenticeships per year	FY 22/23 <span style="color: green;">●</span>
CP2.11 ECON04 - % of procurement spend on local enterprises	FY 22/23 <span style="color: green;">●</span>
★ CP5.01 ERDs being completed - RSF	Q1 23/24 <span style="color: green;">●</span>
★ CP5.01 Finance element of new HR system [OneCouncil] implemented	Q1 23/24 <span style="color: green;">●</span>
★ CP5.01 Identify and agree Corporate Training priorities: achieve compliance with training	Q1 23/24 <span style="color: green;">●</span>
★ CP5.01 Identify and agree Corporate Training priorities: improve ERD recording	Q1 23/24 <span style="color: green;">●</span>
★ CP5.01 Identify and agree Corporate Training priorities: Managers mandatory	Q1 23/24 <span style="color: green;">●</span>
CP5.01 % of indicators in OHS Strategy with green rating	FY 22/23 <span style="color: green;">●</span>
CP5.01 Sickness Days Lost per Employee	FY 22/23 <span style="color: red;">●</span>
CP5.10 CORP07 - Council Tax - Annual % received	FY 22/23 <span style="color: green;">●</span>

12.2 The one indicator with a RAG status of Red relates to the indicator for Sickness Days Lost per employee.

- 12.3 There were 8.05 sickness days lost per employee for 2022/23 which is above the target set of 7.23. The Council experienced a significant reduction in staff absence during 2020/21 (5.47) as employees moved to alternative working arrangements due to the pandemic, and as a result there was less staff contact and spread of other seasonal viruses in the workplace.
- 12.4 As COVID measures relaxed and more staff were beginning to interact at work and socially the sickness absence levels have been increasing (7.39 in 21/22 and 8.05 22/23). However sickness absence levels continue to be below the pre-pandemic level of 8.83. This upward trend in sickness absence is also reflected across Scottish Councils. An Accounts Commission report prepared by Audit Scotland in May 2023 (Local Government in Scotland Overview 2023) cited high sickness absence levels as a current challenge faced by Councils.

Year/RAG	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Highland	9.44	8.83	5.47	7.39	8.65
Target	9.45	9.45	9.31	9.31	7.23

### 13. Service Plan Progress

- 13.1 The Service is on target to deliver the majority of actions within the Service Plan. Actions continue to be taken to deliver digital services for Revenues & Welfare services, which had been delayed due to security assurance and resourcing. Some slippage is reported with regard to the Wellbeing Survey. The People section continues to progress this important activity.

Delivering Financial Excellence Q1 23/24						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Completion/ Update Date
% of Sundry Debt Income Received - QTR	Q4 22/23	90.0 %	Q1 23/24	88.7%	95.0 %	Stretch target under review
Produce a capital budget	Q4 22/23	On Target	Q1 23/24	Not Updated		Ongoing
Produce monitoring statements	Q4 22/23	On Target	Q1 23/24	Not Updated		Ongoing
Revenue budget produced annually	Q4 22/23		Q1 23/24			Completed Q3 22/23
Undertake value for money exercise on contracts	Q4 22/23	On Target	Q1 23/24	Not Updated		Due to complete Q4 22/23

Joint procurement strategy Q1 23/24						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Completion/ Update Date
% contracts with community benefits clause included	FY 21/22		FY 22/23			
% contracts with carbon reduction clause included	FY 21/22		FY 22/23			
% Contract Spend - collaborative contracts [exc. frameworks]	FY 21/22		FY 22/23			
% Contract Spend - Cat. A or B frameworks	FY 21/22		FY 22/23			
% contracts with fair work practices included	FY 21/22		FY 22/23			
% Efficiency savings - cashable [% of addressable spend]	FY 21/22		FY 22/23			
% Spend covered by contract	FY 21/22		FY 22/23			
Council Spend with Highland Small & Medium sized businesses - QTR	Q4 22/23		Q1 23/24			
Development of Supplier Relationship Management Model	Q4 22/23	Not Updated	Q1 23/24	Not Updated		Due to complete ?
Implementation of Contract Ownership training	Q4 22/23	Not Updated	Q1 23/24	Not Updated		Due to complete ?
Procurement governance processes and guidance refresh	Q4 22/23	Not Updated	Q1 23/24	Not Updated		Due to complete ?

Digital Revenues and Welfare Services Q1 23/24						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Completion/ Update Date
% take-up of digital access to account information	FY 21/22		FY 22/23			On Hold - ICT
Implement capabilities to enable digital access to account information	Q4 22/23	No Significant Progress	Q1 23/24			Progress being made

Social and Economic Empowerment Q1 23/24						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Completion/ Update Date
Community Care Grant applications within target time QTR	Q3 – national data most recently available 97% <i>Scotland fig 89%</i>					
Crisis Grant applications within target time QTR	Q3 – national data most recently available 98% <i>Scotland fig 95%</i>					
Prompt processing of changes in circumstances	Q4 22/23	1.9	Q1 23/24	1.6		
Prompt processing of new claims	Q4 22/23	11	Q1 23/24	10		

People Q1 23/24						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Completion/ Update Date
% Mandatory Course completion rates - due to start reporting FY23/24	FY 21/22		FY 22/23			Revised for Service Plan 23/24
% Training Induction completion rates	FY 21/22		FY 22/23			
Accident Injury Rate	FY 21/22	125	FY 22/23	151	161	
Employee Engagement Survey carried out and results reported	Q4 22/23		Q1 23/24			Completed Q3 22/23
Employee Retention - QTR	Q4 22/23		Q1 23/24			Revised for Service Plan 23/24
CP5.01 ERDs being completed - RSF	Q4 22/23	No Significant Progress	Q1 23/24	On Target		90% completion rate
Exit Interview questionnaire introduced	Q4 22/23		Q1 23/24			Completed Q3 22/23
Wellbeing Survey carried out and results reported	Q4 22/23	Some Slippage	Q1 23/24	Some Slippage		

People and Finance Systems Programme Q1 23/24						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Completion/ Update Date
Agree approach to procuring Resource Planning Systems	Q4 22/23	Completed	Q1 23/24			Completed Q4 22/23
Deliver replacement for the current finance systems	Q4 22/23	On Target	Q1 23/24	On Target		Due to complete Q3 23/24
Develop roadmap for systems operated by RSF service	Q4 22/23		Q1 23/24			Completed Q3 22/23
Procure Resource Planning System	Q4 22/23		Q1 23/24			Completed Q3 22/23

## 14. Resources and Finance Performance Information

14.1 The following paragraphs provide performance information for the Service

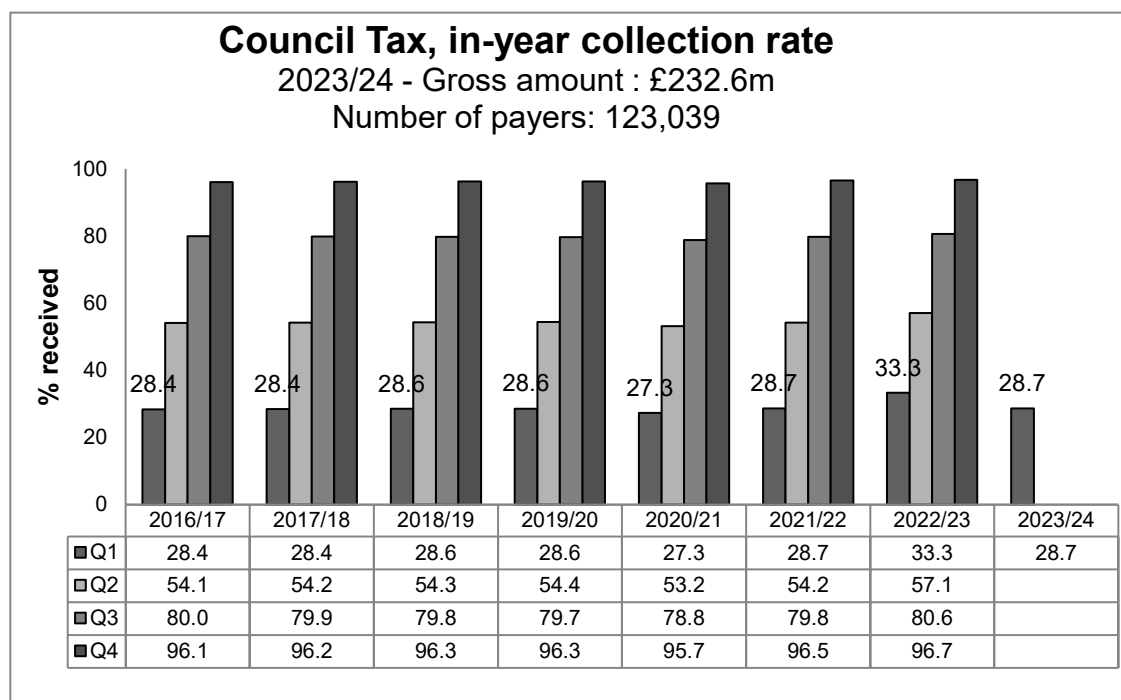
### 14.2 Revenues and Business Support - Council Tax In-year Collection Rate

14.3 A collection rate of 28.7% is reported for Q1 2023/24 which is below the reported performance during Q1 2022/23. During Q1 2022/23 a significant value of Cost of Living Awards had been credited to Council Tax accounts. Comparison between Q1 2021/22 and 2023/24, shows equivalent collection rates.

14.4 Council Tax contributes around 20.1% of the Council's general fund and is used to bridge the difference between the block grant and the Council's estimated expenditure. There is therefore a sharp focus on council tax collections' performance and actions to mitigate performance fluctuations. For example, Direct Debits now make up 76.49% of council tax bill payments (Q1), which is slightly up on the performance for the comparable period last year, representing 81.33% of Council Tax receipts. Direct Debit continues to be the Council's preferred payment method as it is secure and efficient, and convenient for customers.

14.5 Direct debit payments and the value of receipts supports collections performance, reduces bank charges resulting in financial savings, and enables the Council to better

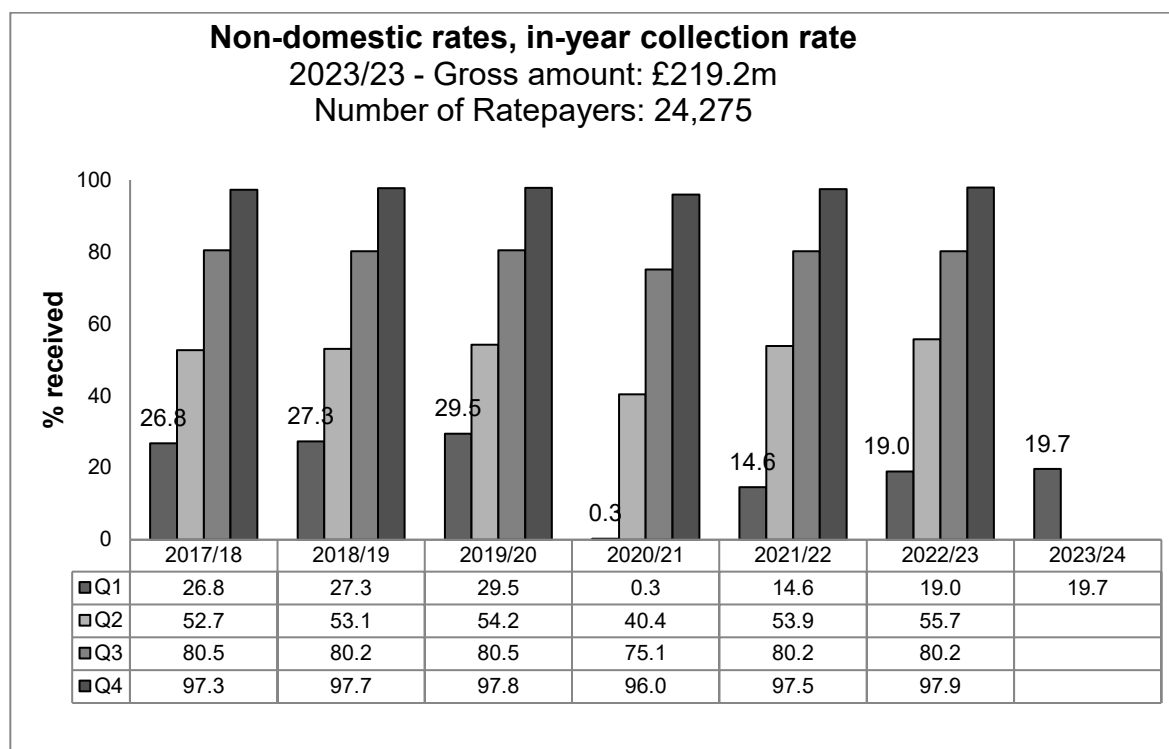
predict future income levels, which are important for treasury management and financial planning purposes.



- 14.6 The Revenues Team continues to focus on recovering unpaid sums in respect of the current and prior years and is working closely with the Council’s appointed Sheriff Officers to focus on those debts where Summary Warrants have been granted.
- 14.7 The number of Council Tax payers included in the above bar chart shows the position as at 1 April 2023. As new builds come onto the market and are made available for ownership, private rented and social housing, and properties transfer between Council Tax and Non-Domestic Rates, there is a natural movement in the tax base and number of council tax payers throughout the year. The annual billing position is therefore used year on year to provide trend data and to develop business intelligence. Having such rich data, helps to inform improved performance and decision making.
- 15. Revenues and Business Support - Non-Domestic Rates In-Year Collection Rate**
- 15.1 The Council’s total revenue funding provided by the Scottish Government is made up of 3 components: General Revenue Grant (GRG): Distributable Non-Domestic Rate Income (NDRI) and specific ring-fenced grants.
- 15.2 Economic volatility is very quickly evident from fluctuations in Non-Domestic Rates income and underlines the importance of understanding and acting upon the trend information detailed in the table below. Keeping abreast and responding to external influences continue to be an important focus for the Revenues Team.
- 15.3 The collection rate for Q1 of 19.7% shows an improvement when compared with the same period in the previous year of 19.0% and less than the pre-pandemic position.

The Non-Domestic Rates team continue to identify potential entitlement to relief and to progress recovery in accordance with legislative timescales.

15.4



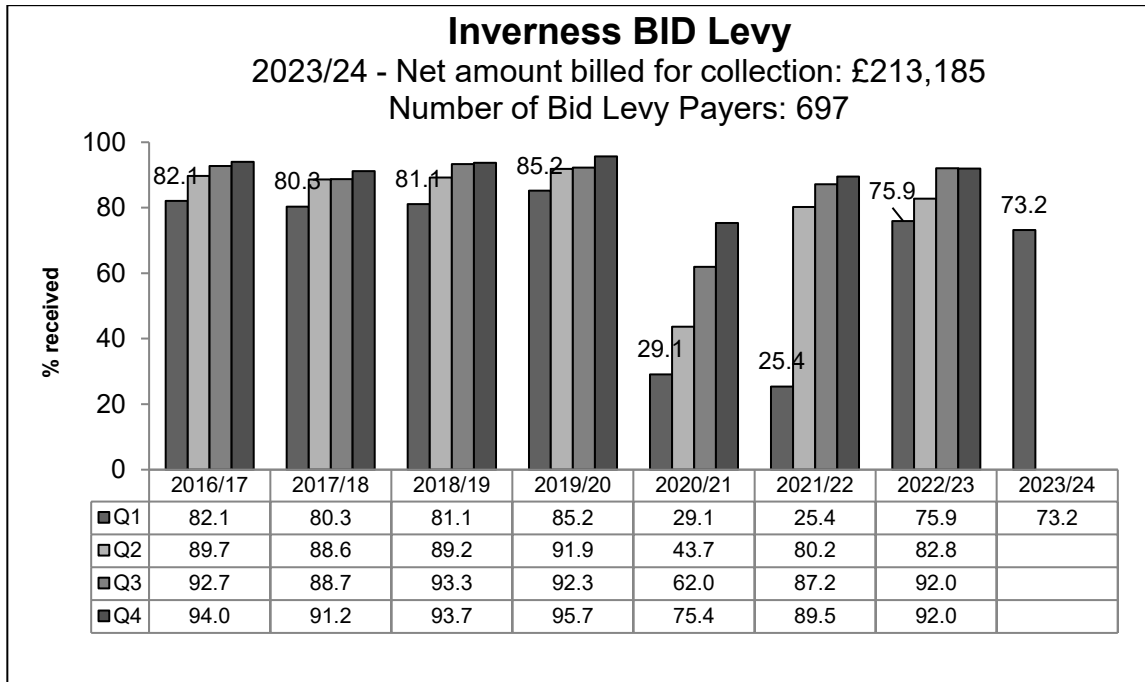
## 16. Revenues and Business Support - Business Improvement Districts (BID)

16.1 The Revenues Team is responsible for administration and collection of the 3 BIDs currently operating within Highland and for the recovery of the associated annual administrative costs from each BID. Officers continue to progress billing and recovery of each BID in accordance with planned annual schedules.

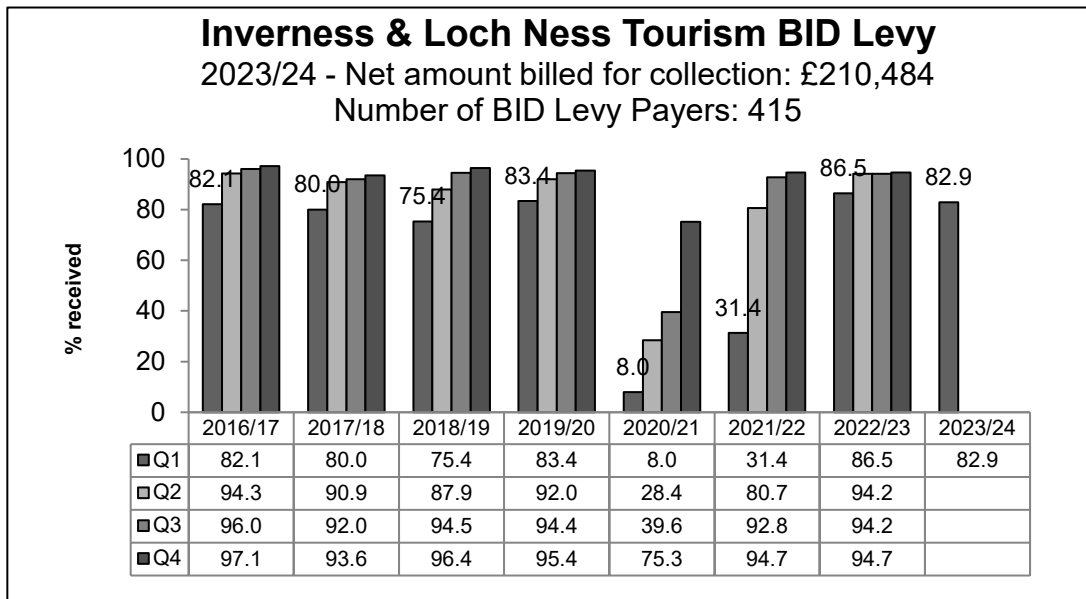
16.2 When monitoring collection performance for each BID, Members will wish to note that billing for the Inverness and the Inverness & Loch Ness Tourism BID levies was undertaken in line with previous years, i.e., April 2022. The Nairn BID billing year commences in October each financial year.

### 16.3 Inverness BID Levy

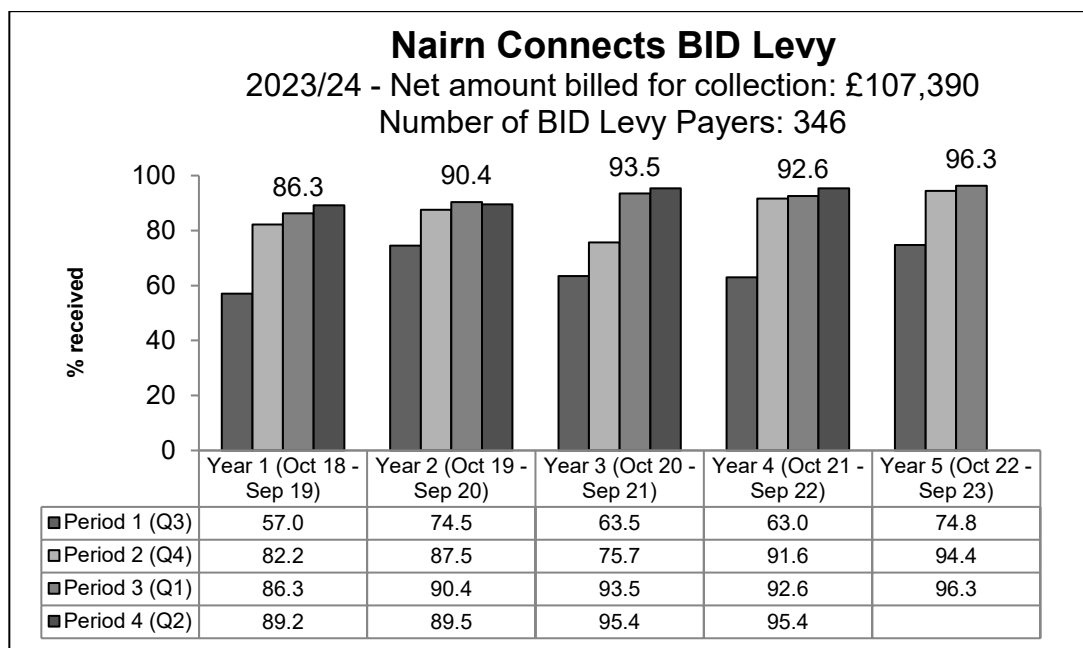
The figures below indicate a decrease on Q1 performance compared with the previous year. The Revenues Team continue to pursue the outstanding sum with the aim of maximising collections for Inverness BID.



**16.4 Inverness & Loch Ness Tourism BID Levy**  
By the end of Q1, 82.9% of the BID levies have been paid which is lower than the same period in 2022/23.



**16.5 Nairn Connects BID Levy**  
The Nairn Connects billing year commences 1 October each year. Performance in Period 3 (Q1) shows a collection rate of 96.3%, which is the highest collection rate performance to date for Periods 3 and 4.



## 17. Revenues and Business Support - Single Grant Applications (SGA)

17.1 The Shared Business Support team provides support for several Council teams, including Ward Managers, in the administrative process for Single Grant Applications (SGAs).

17.2 128 single grant applications were received during Q1, 2023/24 of which 99.2% were processed within the 5 days target. The comparable figures for Q1 2022/23 were 182 applications with a performance figure of 98.3%, demonstrating an increase in performance.

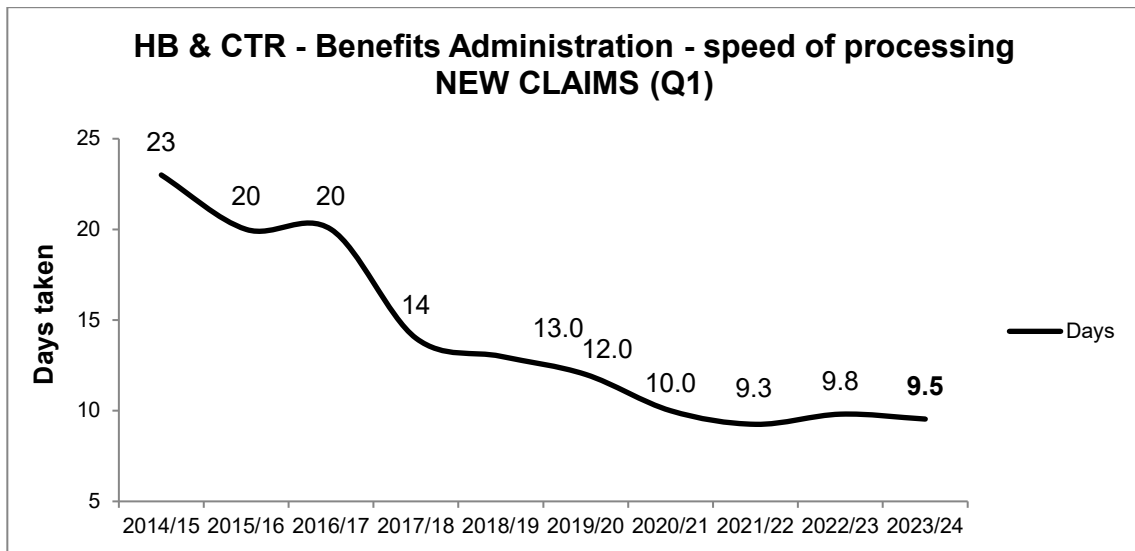
Single Grant Applications	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 to date
Percentage logged, acknowledged & distributed within 5 days target	99.2%	97.9%	98.9%	99.2%	97.1%	97.8%	99.2%

## 18. Speed of processing performance: Housing Benefit and Council Tax Reduction

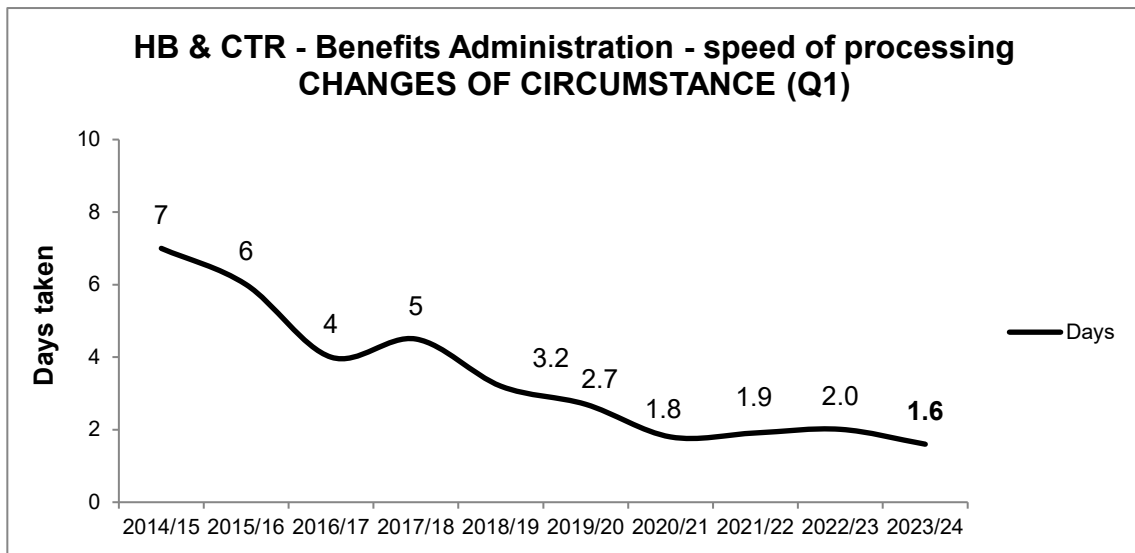
18.1 This indicator is reporting a small improvement in performance when compared with the same period in 2022/23.



18.2



18.3



18.4 This improved performance of 1.6 days for Q1 2023/24 compared with 2.0 days for the same period 2022/23 demonstrates the Council’s commitment to ensuring the right amount of benefit is paid to the right people, at the right time.

18.5 For Housing Benefit, 90.1% of all claims received relate to Changes in Circumstances. Prompt processing of Changes in Circumstances supports the Welfare Budget, and in particular the Housing Benefit budget, as the overall value of benefit overpayments created are lower than would otherwise be the case, enabling more successful recovery of overpaid benefits and therefore a lower Bad Debt Provision. The latest statistics published by the DWP for Housing Benefit relates to Q4, and reports that the Highland Council was ranked 5<sup>th</sup> for New Claims and 1<sup>st</sup> equal in Scotland for Changes in Circumstances.

18.6 Officers continue to collaborate with UK Government, Scottish Government and CoSLA to develop and progress welfare-related matters.

## 19. Climate Change/Carbon Clever

- 19.1 A framework agreement for second-hand and recycled domestic furniture and the provision of new goods supports delivery of the Scottish Welfare Fund. For the period April - June 2023, almost 3 tonnes of waste were diverted from landfill, and 8.61 metric tons of CO2e were avoided.

## 20. Carer Positive Policy

- 20.1 Following approval at Council in May 2023, the Carer Positive Policy was launched during carers week in June and since its launch there have been 2 on-line drop-in sessions which have been well received by the staff attending with the intention to hold these sessions every 6-8 weeks. Information on the Carers Positive Policy can be accessed on the HR Microsite.

## 21. New Pay Model

- 21.1 The new SJC Pay Model has been fully implemented and staff paid on the new model from May. This exercise relates to a period of negotiations with UNSION, GMB and Unite unions on fully consolidating the Living Wage reintroducing increments in HC grades 01-03. This change has positive impacts for our lowest paid staff. Successful implementation involved a range of teams across services – Payroll, HR, ICT who worked through a very challenging period due to other payments being made through the council's payroll systems.

## 22. Equally Safe at Work

- 22.1 A submission has been made to seek the bronze accreditation which has included reviewing our equalities policies and developing a separate Sexual Harassment Policy as part of the accreditation submission which is being considered at Resources Committee.

## 23. Service Risks

- 23.1 In addition to leading on several Corporate Risks, which are reported to Audit & Scrutiny Committee every quarter, the Service maintains a Service Risk Register. Work is ongoing to develop the Service Risk Register for inclusion in future performance monitoring reports to this Committee. Corporate Risks for the Service are detailed below.

- 23.2 Risk ratings are derived as follows:

Likelihood A: Very High B: High C: Significant D: Low E: Very Low F: Almost Impossible  
Impact 1: Catastrophic 2: Critical 3: Marginal 4: Negligible

Ref	Risk Owner	Description	Risk Type	Risk Rating	
				Current	Target
CR1	Head of Corporate Finance	Financial Sustainability	Financial	A1	C2
CR6	Head of People	Workforce Planning	Financial	C2	C2

CR26	Head of People	Managing Long-term Absence	Staffing and Financial	C2	D2
CR29	Head of People	Lack of Occupational Health Provider	Reputational, Financial, Legal	A2	D2

Designation: Interim Chief Executive

Date: 18 August 2023

Authors: Sheila McKandie, Head of Revenues and Business Support

Background Papers: DWP Published Data

## RESOURCES AND FINANCE SERVICE

### Revenue Expenditure Monitoring Report

**1 April 2022 to 31 March 2023**

	£000	£000	£000	£000
	Actual	Annual	Year End	Year End
	Year To Date	Budget	Estimate	Variance
<b>BY ACTIVITY</b>				
Directorate	(197)	(722)	(197)	525
People	2,364	2,545	2,364	(182)
Revenues & Business Support	7,063	8,025	7,064	(961)
Corporate Finance	2,812	3,632	2,812	(820)
<b>Total</b>	<b>12,042</b>	<b>13,480</b>	<b>12,042</b>	<b>(1,438)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	13,382	14,034	13,382	(652)
Other Costs	1,328	2,302	1,328	(974)
<b>Gross Expenditure</b>	<b>14,710</b>	<b>16,336</b>	<b>14,710</b>	<b>(1,626)</b>
Grants	(771)	(745)	(771)	(26)
Other Income	(1,897)	(2,111)	(1,897)	214
<b>Total Income</b>	<b>(2,668)</b>	<b>(2,856)</b>	<b>(2,668)</b>	<b>188</b>
	<b>12,042</b>	<b>13,480</b>	<b>12,042</b>	<b>(1,438)</b>

#### Notes

1. % age of Annual Expenditure*	-	-	-	-
	Mar 2223	<b>89%</b>		
	Mar 2122	<b>95%</b>		

\*These percentage figures represent the proportion of budget spent at the end of the quarter reported, with comparison to the same reporting position last year.

## RESOURCES AND FINANCE SERVICE Revenue Expenditure Monitoring Report

**1 April 2023 to 30 June 2023**

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Directorate	(2,141)	(4)	259	263
People	408	3,071	3,032	(38)
Revenues & Business Support	2,238	7,221	7,040	(181)
Corporate Finance	1,090	3,116	2,960	(156)
<b>Total</b>	<b>1,595</b>	<b>13,404</b>	<b>13,291</b>	<b>(113)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	4,125	13,377	13,060	(318)
Other Costs	(1,889)	2,884	3,095	211
<b>Gross Expenditure</b>	<b>2,236</b>	<b>16,261</b>	<b>16,155</b>	<b>(106)</b>
Grants	(216)	(746)	(778)	(32)
Other Income	(425)	(2,111)	(2,086)	25
<b>Total Income</b>	<b>(641)</b>	<b>(2,857)</b>	<b>(2,864)</b>	<b>(7)</b>
	<b>1,595</b>	<b>13,404</b>	<b>13,291</b>	<b>(113)</b>

### Notes

	-	-	-	-
1. % age of Annual Expenditure*	Jun 2324	<b>12%</b>		
	Jun 2223	<b>25%</b>		

\*These percentage figures represent the proportion of budget spent at the end of the quarter reported, with comparison to the same reporting position last year.

### Appendix 3

Welfare Monitoring NEAR FINAL/OUT TURN
--

1 April to 31st March 2023
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	£000	£000	£000	£000
	Actuals To Date	Annual Budget	Year End Outturn	Year End Variance
<b>BY SERVICE</b>				
Housing Benefit	2,781	3,226	2,781	(445)
Council Tax Reduction Scheme	13,326	13,671	13,326	(345)
Scottish Welfare Fund Grants	1,391	1,243	1,391	148
Educational Maintenance Allowances	0	-	-	0
School Clothing Grants	633	745	633	(112)
Advice Services	1,024	1,010	1,024	14
Milton Activity Hub Grant	0	-	0	0
Other Welfare	7,582	7,252	7,582	329
<b>Welfare Total</b>	<b>26,737</b>	<b>27,147</b>	<b>26,737</b>	<b>(410)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	0	0	0	0
Other Costs	60,038	59,583	60,038	455
<b>Gross Expenditure</b>	<b>60,038</b>	<b>59,583</b>	<b>60,038</b>	<b>455</b>
Grants	(33,175)	(32,300)	(33,175)	(875)
Other Income	(126)	(136)	(126)	10
<b>Total Income</b>	<b>(33,301)</b>	<b>(32,436)</b>	<b>(33,301)</b>	<b>(865)</b>
<b>Welfare Total</b>	<b>26,737</b>	<b>27,147</b>	<b>26,737</b>	<b>(410)</b>
<b>% of Annual Expenditure</b>	0			
<b>This year</b>	98.5%			
<b>Last year</b>	91.2%			



Free School Meals Holidays	941	941	941	(0)	0	0	0	0	941	941	941	(0)
Fuel Support Fund	200	528	528	328	0	0	0	0	200	528	528	328
Support for Vulnerable Young Persons Fund	591	592	592	1	0	0	0	0	591	592	592	1
LA Covid Economic Recovery Fund	2,505	2,506	2,506	1	0	0	0	0	2,505	2,506	2,506	1
Families Distress & Trauma Fund	41	41	41	(0)	0	0	0	0	41	41	41	(0)
Support for Living	2,975	2,975	2,975	0	0	0	0	0	2,975	2,975	2,975	0
<b>TOTAL</b>	<b>59,583</b>	<b>60,038</b>	<b>60,038</b>	<b>455</b>	<b>(32,436)</b>	<b>(33,301)</b>	<b>(33,301)</b>	<b>(1,134)</b>	<b>27,147</b>	<b>26,736</b>	<b>26,737</b>	<b>(410)</b>



## Appendix 5

### Welfare Monitoring

1 April to 30 June 2023

	£000	£000	£000	£000
	Actuals	Annual	Year	Year
	To Date	Budget	End	End
			Outturn	Variance
<b>BY SERVICE</b>				
Housing Benefit	2,011	3,122	3,122	0
Council Tax Reduction Scheme	13,735	13,943	13,788	(155)
Scottish Welfare Fund Grants	287	1,243	1,243	0
Educational Maintenance Allowances	142	-	-	0
School Clothing Grants	12	813	813	0
Advice Services	555	930	930	0
Milton Activity Hub Grant	(2)	-	0	0
Other Welfare	329	736	736	0
Paypoint prepayment*	120	-	-	0

#### **Welfare Total**

**17,190**

**20,787**

**20,632**

**(155)**

#### **BY SUBJECTIVE**

Staff Costs

0

0

0

0

Other Costs

24,554

51,867

51,829

(38)

**Gross Expenditure**

**24,554**

**51,867**

**51,829**

**(38)**

Grants

(7,364)

(30,944)

(31,061)

(117)

Other Income

0

(136)

(136)

0

**Total Income**

**(7,364)**

**(31,080)**

**(31,197)**

**(117)**

**17,190**

**20,787**

**20,632**

**(155)**

#### **% of Annual Expenditure**

**This year**

82.7%

**Last year**

79.8%

**WELFARE BUDGET 2023/24 - JUNE MONITORING**

	GROSS EXPENDITURE				GROSS INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual Budget	Actual YTD	Year End Outturn	Year End Variance	Annual Budget	Actual YTD	Year End Outturn	Year End Variance	Annual Budget	Actual YTD	Year End Outturn	Year End Variance
<b>BY ACTIVITY</b>												
<b>Housing Benefit</b>	33,646	9,416	33,646	0	(30,524)	(7,405)	(30,524)	0	3,122	2,011	3,122	0
<b>Council Tax Reduction Scheme</b>	13,943	13,735	13,788	(155)	0	0	0	0	13,943	13,735	13,788	(155)
<b>Scottish Welfare Fund</b>												
Community Care Grants	966	221	966	0	0	0	0	0	966	221	966	0
Crisis Grants- awarded	277	66	277	0	0	0	0	0	277	66	277	0
<b>Educational Maintenance Allowances</b>	420	99	420	0	(420)	43	(420)	0	0	142	0	0
<b>School Clothing Grants Awarded</b>	813	12	813	0	0	0	0	0	813	12	813	0
<b>Advice Services</b>												
Citizens Advice Bureau	1,066	555	1,066	0	(136)	0	(136)	0	930	555	930	0
<b>Milton Activity Hub Grant</b>	0	0	2	2	0	(2)	(2)	(2)	0	(2)	0	0
<b>Other Welfare</b>												
Free School Meals Holidays	736	329	736	0	0	0	0	0	736	329	736	0

Families Distress & Trauma Fund	0	1	115	115	0	0	(115)	(115)	0	1	0	0
Paypoint prepayment*	0	120	0	0	0	0	0	0	0	120	0	0
<b>TOTAL</b>	51,867	24,554	51,829	(38)	(31,080)	(7,364)	(31,197)	(117)	20,787	17,190	20,632	(155)

10,819

(7,364)

6,844 3,455

\* As required by the Financial Conduct Authority in relation to Crisis Grants, School Clothing Grants and Free School Meals

<b>Resources &amp; Finance Agreed Savings 2023/24</b>			
<b>Service Ref</b>	<b>Saving Description</b>	<b>Agreed Saving £m</b>	<b>BRAG status*</b>
1.2	Revenues & Business Support - Review of postages	0.057	<b>A</b>
2.1g	Finance - Removal of vacant accountant post	0.055	<b>B</b>
2.1h	Finance - Removal of vacant accounting technician post supporting members expenses	0.019	<b>B</b>
2.1i	People - H&S - Removal of vacant 0.5 Fire Safety Officer	0.019	<b>B</b>
2.1j	People - Service Support - Removal of HC07 post	0.040	<b>B</b>
2.1k	Revenues & Business Support - Review of R&BS budget non-staffing lines	0.110	<b>B</b>
3.1	Revenues & Business Support - Improved Council Tax Collections	0.375	<b>B</b>
3.7b	Revenues & Business Support - Digitisation - Purchasing & Payment	0.052	<b>A</b>
3.7c	Revenues & Business Support - Digitisation - Legal Support	0.013	<b>B</b>
3.7d	People - Digitisation - Recruitment, timesheets	0.104	<b>R</b>
3.9	Revenues & Business Support - Revs and Bens Review of management / supervision	0.145	<b>G</b>
3.23	Revenues & Business Support - Review of Welfare Support Team structure	0.035	<b>B</b>
4.2	Revenues & Business Support - Review of Information and Advice Services	0.080	<b>B</b>
7.10	Revenues & Business Support - Review of Housing Benefit	0.200	<b>B</b>
	<b>TOTAL</b>	<b>1.304</b>	

\*

<b>B</b>	<b>R</b>	<b>A</b>	<b>G</b>
<b>Completed</b>	<b>Significant delays</b>	<b>Some Slippage</b>	<b>On Track</b>

## Appendix 8

<b>Other performance measures</b>	<b>Frequency</b>
Processing time benefit – new claims (average days)	Quarterly
Processing time benefit – change in circumstances (average days)	Quarterly
Welfare Support	Quarterly
Business Improvement District (BID) Levy	Quarterly
Business Support – Single Grant Applications	Quarterly

<b>Statutory Performance Indicators</b>	<b>Frequency</b>
The gross administration cost per benefits case	Annual
The cost of collecting Council Tax per dwelling	Annual
Current year income from Council Tax: a) The income due from Council Tax for the year, net of relief and rebates <b>b) The percentage of a) that was received during the year</b>	Quarterly
The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid	Quarterly
The number of invoices paid within 10 calendar days of receipt as a percentage of all invoices paid	Quarterly
Insurance - cost/claim processed	Annual
Creditors - unit cost/creditor invoice issued	Annual
Payroll - cost/payslip produced	Annual
Pensions - cost per member	Annual
Cost of Accounting % Net Rev Budget + HRA	Annual
Cost of completing the Annual Accounts	Annual
Cost NDR collection/chargeable property	Annual
% NDR collected by year end	Quarterly
Cost sundry debtors/debtors account issued	Annual
% income sundry debtors collected during year	Annual
Cost Corporate Finance % Net Revenue Budget	Annual
Cost Procurement section % Net Revenue Budget	Annual

## Average number of working days per employee lost through Sickness Absence

Service	20/21	21/22					22/23					23/24
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1
C&P	<i>Service splits not aligned to new services</i>	2.44	3.49	3.53	3.42	12.86	3.42	3.45	2.74	3.60	13.21	3.80
E&L – non-teaching		1.96	1.21	1.74	2.43	7.36	2.62	1.19	1.82	2.66	8.29	1.71
E&L – teaching		1.24	1.00	1.44	1.89	5.58	1.74	0.96	1.67	2.66	7.02	2.59
HW&SC		2.54	1.94	1.59	1.69	7.75	2.05	2.04	2.27	2.87	9.23	2.82
I&E		0.62	0.66	0.55	0.76	2.59	1.67	1.76	1.55	2.95	7.93	2.85
P&G		0.39	0.45	0.77	0.49	2.11	0.65	1.15	1.08	2.13	5.01	1.53
P&H		2.43	1.50	1.90	2.74	8.56	2.67	1.75	2.11	3.48	10.02	2.93
R&F		1.07	1.47	2.04	1.90	6.47	2.07	2.36	2.21	2.48	9.13	2.38
DCE		0.42	0.37	0.75	0.73	2.36	2.17	1.40	2.23	2.19	7.99	1.42
<b>THC (non-teaching)</b>	<b>6.44</b>	<b>2.06</b>	<b>1.75</b>	<b>2.00</b>	<b>2.36</b>	<b>8.17</b>	<b>2.45</b>	<b>1.89</b>	<b>2.03</b>	<b>2.97</b>	<b>9.35</b>	<b>2.44</b>
<b>THC all employees (inc teachers)</b>	<b>5.47</b>	<b>1.81</b>	<b>1.52</b>	<b>1.83</b>	<b>2.22</b>	<b>7.39</b>	<b>2.24</b>	<b>1.61</b>	<b>1.92</b>	<b>2.88</b>	<b>8.65</b>	<b>2.48</b>

Invoice Payments <10 days													
Service	TARGET 22/23	16/17	17/18	18/19	19/20	20/21	21/22	22/23 Q1	22/23 Q2	22/23 Q3	22/23 Q4	22/23	23/24 Q1
C&P						83.6	76.4	78.1	78.6	75.2	72.7	75.9	81.2
E&L	77%					79.2	71.0	74.6	69.1	74.4	77.8	74.3	76.9
HW& SC						82	78.4	92.5	91.7	85.8	83.2	88.5	93.5
I&E						85.7	76.7	80.6	82.6	83.9	81.6	82.2	86.9
P&G						87.4	81.3	85.0	83.9	90.5	88.7	86.9	93.4
P&H						71.7	62.8	40.5	47.4	50.0	55.9	48.2	55.4
R&F						83.1	84.9	90.5	96.6	84.9	83.6	92.0	91.1
DCE						84.0	69.9	94.7	88.6	92.5	88.3	91.1	95.2
Capital						82.1	70.7	64.6	64.3	77.4	70.2	68.9	70.5
<b>THC</b>							<b>63.3</b>	<b>79.5</b>	<b>73.7</b>	<b>75.3</b>	<b>77.6</b>	<b>69.3</b>	<b>67.5</b>
Invoice Payments <30 days													
Service	TARGET 22/23	16/17	17/18	18/19	19/20	20/21	21/22	22/23 Q1	22/23 Q2	22/23 Q3	22/23 Q4	22/23	23/24 Q1
C&P	95%					96.6	94.9	97.2	97.2	96.8	96.4	96.9	97.5
E&L						92.2	91.8	92.2	86.1	91.8	91.7	90.8	93.4
HW&SC						95.7	94.9	97.6	97.5	97.5	96.3	97.2	98.6
I&E						96.6	96.1	98.1	96.3	97.2	96.2	97.0	97.8
P&G						96.8	97.1	97.8	97.2	97.4	94.4	96.6	98.5
P&H						92.9	93.1	91.0	93.4	94.7	95.6	93.6	93.0
R&F						96.9	98.3	97.9	99.0	98.6	96.5	98.4	98.8
DCE						99.0	95.5	98.7	90.9	97.3	100.0	96.8	98.8
Capital						95.4	93.2	92.3	89.9	95.4	94.1	92.8	95.4
<b>THC</b>		<b>94</b>	<b>96.8</b>	<b>95.7</b>	<b>95.9</b>	<b>94.1</b>	<b>93.8</b>	<b>94.1</b>	<b>94.2</b>	<b>95.1</b>	<b>94.9</b>	<b>94.6</b>	<b>95.1</b>

