

The Highland Council

Agenda Item	7.c
Report No	RES/05/24

Committee: Corporate Resources

Date: 7 March 2024

Report Title: Resources and Finance – Revenue Budget Monitoring and Service Performance Reporting for Quarter 3: 1 October 2023 to 31 December 2023

Report By: Interim Depute Chief Executive

1. Purpose/Executive Summary

1.1 This report provides Members with the Quarter 3 revenues and performance monitoring position for the period to 31 December 2023. The Service budget for 2023/24 is £14.454m with a predicted end of year underspend forecast of £0.420m. The Service budget has increased from £13.404m since Quarter 2 as a consequence of the pay award.

1.2 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 6** 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.

1.3 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 Committee agenda. To ensure transparency, performance information relating to Council Tax is also contained within this report.

2. Recommendations

2.1 Members are asked to:

- Consider** the Service's revenue monitoring position.
- Scrutinise** the Service's performance and risk information.

3. Implications

3.1 Resource:

The budget of £14.454m available to the Resources and Finance Service is 2.0% of the total general fund for the totality of the Council's services (£718.694m). 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.

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 and other budgetary pressures. 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 3-4** 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 Revenue Budget Monitoring 2023/24

4.1 **Appendix 1** to this report provides the Quarter 3 monitoring statement for 2023/24 showing the forecasted year end outturn for 2023/24. **Appendix 2** provides further information including the gross position and more detailed information on the variances against each activity. The Service is showing an estimated year end outturn of £14.034m against a net annual budget of £14.454m, representing a forecast underspend of £0.420m. This does not include the Welfare Budget which is reportedly separately at Appendices 3-4.

4.2 **Directorate**

The Directorate position reflects a combination of the Executive Chief Officer (ECO) vacancy, budget provision for the pay award, and savings held centrally which relate to recruitment and vacancy management targets. This savings pressure is intended to be offset by underspends from vacancies elsewhere across the service, to result in a balanced position overall.

4.3 **People (Annual Budget: £3.630m)**

The budget for People mainly relates to staff and corporate training. This budget is reporting a predicted year end underspend of £0.015m arising mainly from part year staffing vacancies.

4.4 **Revenues and Business Support (Annual Budget: £6.766m)**

For this section, the forecasted overspend of £0.360m partly reflects reductions in Summary Warrant income and increased costs as well as the impact of the pay award. At the end of Quarter 3 the pay award still waiting to be drawn down from the Directorate budget. This has subsequently been done and will reduce the pressure on this line by the end of the year.

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

The forecasted underspend in Corporate Finance of £0.046m is mainly arising from part year staffing underspends mainly within the Accounting Team.

4.6 **Welfare – Revenues & Business Support (Annual Budget: £21.00m)**

This demand-led budget reflects the benefits and entitlements managed within the Revenues & Business Support section of the Service. The continued pressure on the Scottish Welfare Fund for both Crisis Grants and Community Care Grants is being closely managed with the aim of delivering this service within budget. The forecasted overspend of £0.207m reflects a forecast underspend in Council Tax Reduction scheme and a forecast overspend in the Housing Benefit arising from rent levels, and costs of providing temporary and supported accommodation. A range of activities continue to promote eligibility to benefits and entitlements and to minimise processing times, as reported in section 13 to this report.

5. Resources & Finance Savings 2023/24

The agreed savings for the Service are detailed at **Appendix 5**. The digitisation of legal support and savings from postages, recruitment and timesheets, will not complete as originally anticipated due to other Council-wide ICT/digital transformation priorities, including the replacement of People and Finance systems. In both cases these are offset by underspends elsewhere in the budget and the intention is that these savings will still be made but over a longer time period.

6. Service Performance - Corporate Indicators

6.1 Service performance in relation to Absence, Complaints, FOIs, and Invoice Payments are set out in the following sub-sections. As the Resources & Finance Service is SPI-owner for Sickness Absence and Invoice Payments, the corporate position is also detailed below.

6.2 Service Attendance Management

6.2.1 Staff absence is a nationally benchmarked indicator. Effective absence management supports staff, maintains productivity, and contributes to the Council's benchmarked performance. In Quarter 3, the Service lost an average of 2.24 days per employee compared to an average of 3.35 for the Council as a whole.

6.2.2

Resources and Finance

Average number working days per employee lost through sickness absence

Average Days Lost	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Q2 23/24	Q3 23/24
Resources and Finance	1.90	2.07	2.36	2.21	2.48	2.38	2.91	2.24
Highland Council	2.22	2.24	1.58	1.89	2.88	2.48	2.08	3.35

6.3 Corporate Sickness Absence – SPI Owner

6.3.1 In Quarter 3 2023/24, there was a notable increase in the number of FTE days lost for the Council overall. There was an upward trend in short-term viral illnesses across Council Services, reflecting the seasonal impacts on absences. There has been very little movement in terms of the number of employees absent; the increase in FTE days lost is therefore due to a combination of employees who have had multiple absences and employees who appear to be taking longer to recover from short-term illnesses.

FTE days lost has also risen significantly for long-term absences with Mental Health related absences appearing to be the predominant reason for the increases across the Services.

HR Business Partners are actively engaged in supporting Services. It is recognised that personal financial pressures are affecting employee's health and wellbeing. In response to this, the e-learning available to managers has been updated, enabling managers to provide employees with appropriate support. Additionally, employees can access our Employee Assistance Programme, which provides independent advice to address financial and also wellbeing and mental health concerns.

Employees also continue to be supported on broader financial-related matters by the Council's Welfare Support Team and outsourced services provided by Citizens Advice. The Energy Team at Inverness Citizens Advice continue to provide support on a range of energy-related issues, including eligibility for the Warm Home Discount, meter readings, fuel debts and disputes.

Furthermore, the Council's Attendance Support Officers continue to play a vital role in assisting both managers and employees. Their support extends to the situations where absence has become complex, necessitating occupational health input, or

when an employee faces a life changing or terminal diagnosis. They also assist when redeployment needs to be considered.

6.4 Service Complaints Response Times

6.4.1 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').

6.4.2 Performance for complaints during Quarter 3 against a corporate target of 80% was as follows:

Complaints - Resources and Finance

Number of closed complaints and the % compliant with the legislative timescale

Frontline Resolution within 5 days

	Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24		Q3 23/24	
Resources and Finance	20	85 %	26	77 %	24	88 %	12	83 %	8	88 %	20	90 %	16	81 %	18	89 %
Highland Council	161	62 %	170	61 %	163	90 %	137	93 %	101	90 %	160	92 %	133	78 %	153	79 %

Investigation Resolution within 20 days

	Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24		Q3 23/24	
Resources and Finance	2	50 %	5	20 %	2	50 %	3	33 %	1	0 %	4	100 %	7	71 %	2	100 %
Highland Council	48	44 %	65	46 %	54	31 %	49	47 %	63	41 %	97	63 %	85	49 %	67	48 %

Escalated Resolution within 20 days

	Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24		Q3 23/24	
Resources and Finance	5	80 %	3	67 %	2	100 %	4	75 %	1	100 %	3	100 %	1	100 %	3	67 %
Highland Council	57	37 %	38	18 %	34	32 %	22	36 %	15	33 %	32	50 %	32	41 %	28	57 %

6.4.3 During Quarter 3, the Service had three Escalated Complaints with two being resolved within 20 days resulting in 67%. The outstanding complaint was a reopened Frontline case due to the customer remaining dissatisfied. A more detailed response was therefore provided within 21 days. While the response was not provided within the 20 days, it exceeded target by only 1 day, providing reassurances that improvements are realistic and achievable.

6.5 Service Freedom of Information (FOI) Response Times

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

The performance for FOI response times during Quarter 3 against a corporate target of 90% is shown in table 6.5.2 below.

6.5.2

Freedom of Information Requests - Resources and Finance

% of FOIs closed compliant with the legislative timescale

% FOIs Compliant - Resources and Finance	Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24		Q3 23/24	
		57	79 %	67	81 %	40	83 %	50	90 %	60	82 %	42	83 %	32	84 %	34

% FOIs Compliant - Highland Council	Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24		Q3 23/24	
		400	76 %	462	73 %	364	82 %	478	81 %	536	75 %	399	84 %	333	88 %	338

Tables display the number of FOIs closed within the quarter and % of those that were compliant with the legislative timescale (20 working days) for the service and the Highland Council overall.
The Scottish Information Commissioner requires the Council to achieve a minimum compliance rate of 90%.

6.5.3 Quarter 3 performance showed an improvement compared with the previous Quarters. Service performance fell slightly short of Q3 corporate performance and was slightly below the target of 90%. Some FOI responses can involve detailed analysis of reports which often are not readily available and need first to be developed and tailored to the information being sought.

6.6 Service Invoice Payment Times

6.6.1 Payment of invoices within 30 days of receipt is a Council Statutory Performance Indicator. The Council also monitors the number of invoices paid within 10 days of receipt. The performance for invoice payment times within 30 and 10-days during Quarter 3 against a target of 95% and 77%, respectively, was as follows:

6.6.2 Resources and Finance - Invoice Payments

Invoice Payment within 30 days	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Q2 23/24	Q3 23/24
Resources and Finance	97.8 %	97.9 %	99.0 %	98.6 %	96.5 %	98.8 %	99.5 %	98.1 %
Highland Council	89.1 %	94.1 %	94.2 %	95.1 %	94.9 %	95.1 %	96.7 %	95.6 %

Invoice Payment less than 10 days	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Q2 23/24	Q3 23/24
Resources and Finance	73.9 %	90.5 %	96.6 %	84.9 %	83.6 %	91.1 %	98.4 %	91.2 %
Highland Council	53.1 %	67.5 %	73.4 %	70.4 %	71.6 %	72.8 %	80.9 %	75.3 %

6.6.3 The Service continues to achieve a high standard for Invoice Payments within 30 Days achieving 98.1% and for Invoice payments less than 10 days, 91.2%. Both exceed target and Council performance overall. 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 Corporate Business Support Team.

6.7 Corporate Invoice Payments – SPI Owner

6.7.1 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 Corporate 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.

- 6.7.2 For Q3, 75.3% of invoices received were paid by Services within 10 days, which is slightly below the corporate target of 77%. Q3 performance has improved on the Q3 2022/23 position of 70.4%. Performance by Service is detailed at **Appendix 8** to this report.
- 6.7.3 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.
- 6.7.4 For the statutory performance indicator of 30 days to pay an invoice, Q3 corporate performance increased to 95.6% compared with 95.1% in Q3 2022/23 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.

7. Service Contribution to the Corporate Plan

- 7.1 The Corporate Plan 2022/27 was approved by Council on 9 March 2023. Reported quarterly, the Indicators and Actions (both quarter and annual as identified in the period column) contributing to the priorities set out in the Corporate Plan are shown below.

Resources and Finance - PIs and Actions in Corporate Plan

PIs/Actions in the Corporate Plan	Period	Data	Period	Data	Period	Data
Avg days to process Housing Benefit & Council Tax Reductions - Changes of Circumstance CP1.02	FY 20/21	1.7	FY 21/22	1.8	FY 22/23	1.9
Avg days to process Housing Benefit & Council Tax Reductions - New Claims CP1.02	FY 20/21	9.1	FY 21/22	9.4	FY 22/23	11.0
No. newly enrolled and upskilled via THC Modern Apprenticeships per year CP1.03	FY 20/21		FY 21/22		FY 22/23	64
% of procurement spend on local enterprises CP2.11 ECON04	FY 20/21	46.99 %	FY 21/22	49.76 %	FY 22/23	49.10 %
% of indicators in OHS Strategy with green rating CP5.01	FY 20/21		FY 21/22		FY 22/23	90 %
ERDs being completed - RSF CP5.01	Q1 23/24	On Target	Q2 23/24	On Target	Q3 23/24	On Target
Finance element of new HR system [OneCouncil] implemented CP5.01	Q1 23/24	On Target	Q2 23/24	On Target	Q3 23/24	On Target
Identify and agree Corporate Training priorities: achieve compliance with training CP5.01	Q1 23/24	On Target	Q2 23/24	On Target	Q3 23/24	On Target
Identify and agree Corporate Training priorities: improve ERD recording CP5.01	Q1 23/24	On Target	Q2 23/24	On Target	Q3 23/24	On Target
Identify and agree Corporate Training priorities: Managers mandatory CP5.01	Q1 23/24	On Target	Q2 23/24	On Target	Q3 23/24	On Target
Sickness Days Lost per Employee CP5.01	FY 20/21	5.47	FY 21/22	7.39	FY 22/23	8.58
Council Tax - Annual % received CP5.10 CORP07	FY 20/21	95.72 %	FY 21/22	96.48 %	FY 22/23	96.71 %

8. Service Plan Progress

- 8.1 The Service is on target to deliver the majority of actions within the Service Plan. The following tables provide updates for actions and indicators (both annual and quarterly as identified in the period column)

Maximising Income Collections Due to the Council Q3 23/24					
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value
Council Tax - Annual % received CP5.10 CORP07	FY 21/22	96.48 %	FY 22/23	96.71 %	96.19 %
Overall Council Tax collection level - 5 years	FY 21/22	97.20 %	FY 22/23	97.30 %	96.30 %
Cost NDR collection/chargeable property	FY 21/22	£ 17.93	FY 22/23	£ 12.54	£ 16.01
% NDR collected by year end	FY 21/22	97.50 %	FY 22/23	97.86 %	97.85 %
% income sundry debtors collected during yr	FY 21/22	83.81 %	FY 22/23	86.77 %	84.50 %
Implement a Corporate Revenues Income Maximisation Strategy	Q2 23/24	On Target	Q3 23/24	On Target	

Social and Economic Empowerment Q3 23/24					
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value
Benefits Admin costs - Gross cost per Case	FY 21/22	£ 41.99	FY 22/23	£ 30.76	£ 41.99
Avg days to process Housing Benefit & Council Tax Reductions - New Claims CP1.02	FY 21/22	9.4	FY 22/23	11.0	20.9
Avg days to process Housing Benefit & Council Tax Reductions - Changes of Circumstance CP1.02	FY 21/22	1.8	FY 22/23	1.9	4.4

Financial Q3 23/24					
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value
Cost of Accounting - % Net Rev Budget + HRA	FY 21/22	0.28 %	FY 22/23	0.21 %	0.28 %
Review and develop budget management good practice across the Council	Q2 23/24	On Target	Q3 23/24	On Target	
Support the Council develop and agree its capital investment programme	Q2 23/24	On Target	Q3 23/24	On Target	
Develop and implement a multi-year financial planning approach for revenue and capital budgets	Q2 23/24	On Target	Q3 23/24	On Target	
Support the Council in achieving and sustaining a financially sustainable position	Q2 23/24	On Target	Q3 23/24	On Target	
Council fulfils its obligations as Accountable Body to Government for the Inverness and Cromarty Firth Green Freeport	Q2 23/24	On Target	Q3 23/24	On Target	
Ensure the Council's lease arrangements comply with Accounting Standards for 24/25	Q2 23/24	Some Slippage	Q3 23/24	Some Slippage	

Joint Procurement Strategy Q3 23/24

Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value
% contracts with community benefits clause included	FY 21/22	77 %	FY 22/23	50 %	95 %
% contracts with carbon reduction clause included	FY 21/22	40 %	FY 22/23	55 %	75 %
% Contract Spend - collaborative contracts [exc. frameworks]	FY 21/22	0 %	FY 22/23	1 %	10 %
% Contract Spend - Cat. A or B frameworks	FY 21/22	15 %	FY 22/23	12 %	10 %
Council Spend with Highland Small & Medium sized businesses	FY 21/22	49 %	FY 22/23	48 %	30 %
% contracts with fair work practices included	FY 21/22	54 %	FY 22/23	32 %	95 %
Efficiency savings - cashable [% of addressable spend]	FY 21/22	£ 757,000	FY 22/23	£ 615,817	£ 742,000
% Spend covered by contract	FY 21/22	74.0 %	FY 22/23	69.0 %	80.0 %
Cost Procurement Sectn % Net Rev Budget	FY 21/22	% 0.109	FY 22/23	% 0.091	% 0.106
% of procurement spend on local enterprises CP2.11 ECON04	FY 21/22	49.76 %	FY 22/23	49.10 %	36.25 %

People Q3 23/24

Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value
Accident Injury Rate	FY 21/22	125	FY 22/23	151	161
Sickness THC - Non Teachers - Avg working days lost CORP06b	FY 21/22	8.17	FY 22/23	9.24	13.20
Sickness Days Lost per Employee CP5.01	FY 21/22	7.39	FY 22/23	8.58	8.50
Women managers in top 2% of earners	FY 21/22	42.7 %	FY 22/23	46.6 %	41.1 %
Support, monitor and report on completion rates of ERDs/Induction Training/Mandatory Courses	Q2 23/24	On Target	Q3 23/24	On Target	

People and Finance Systems Programme Q3 23/24

Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value
Replacement of the current financial system	Q2 23/24	On Target	Q3 23/24	On Target	
Implement a new pensions payroll module within the existing pensions ICT system	Q2 23/24	On Target	Q3 23/24	On Target	
Implement a new software solution to support: management of leases / implementation of IFRS 16 accounting rules changes	Q2 23/24	On Target	Q3 23/24	On Target	

Pensions Q3 23/24					
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value
Conclude the triennial Pension Fund Actuarial Valuation at 31/3/23	Q2 23/24	On Target	Q3 23/24	On Target	
Implement a new pension scheme members self-serve portal	Q2 23/24	On Target	Q3 23/24	On Target	
Implement the revised Pensions staffing structure	Q2 23/24	On Target	Q3 23/24	On Target	

Efficiencies and Improvement in Service Delivery Q3 23/24					
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value
Implement Revenues & Business Support Development Plan	Q2 23/24	On Target	Q3 23/24	On Target	

9. Resources and Finance Performance Information

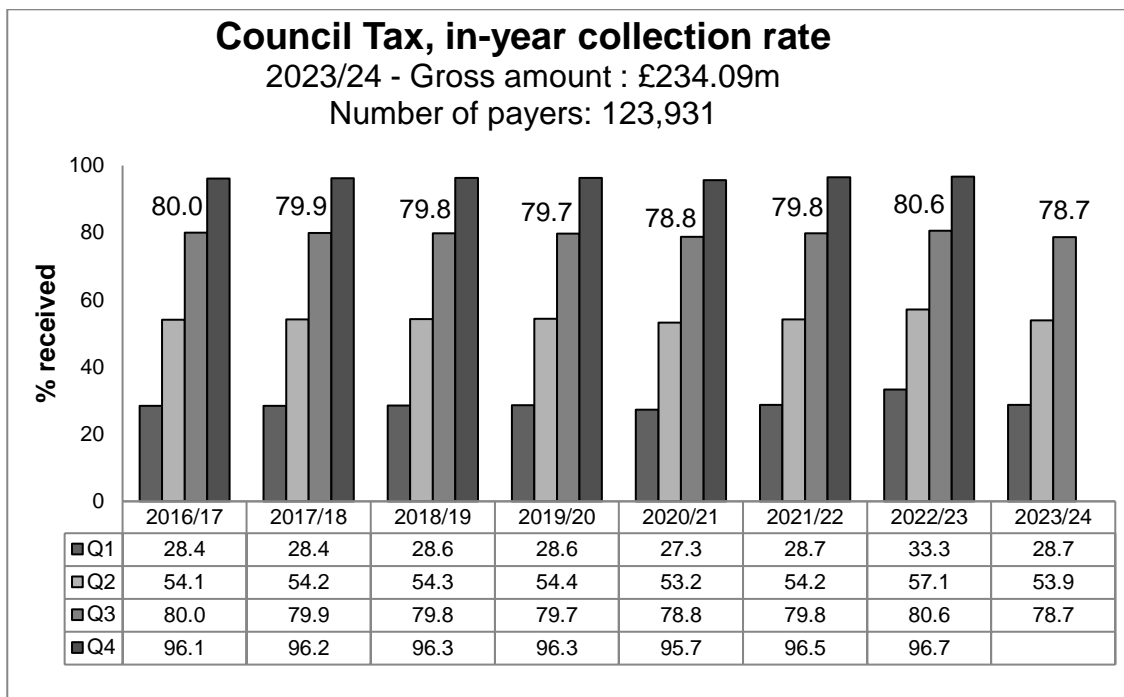
9.1 The following paragraphs provide performance information for the Service.

9.2 Revenues and Business Support - Council Tax In-year Collection Rate

9.3 A collection rate of 78.7% is reported for Q3 2023/24 which is below the reported performance during Q3 2022/23. During 2022/23 a significant value of Cost-of-Living Awards had been credited to Council Tax accounts which provided an increased collection rate. Comparison between Q3 2021/22 and 2023/24, shows similar collection rates.

9.4 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 75.83% of Council Tax bill payments (Q3), which is slightly up on the performance for the comparable period last year, representing 85.95% 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.

9.5 Direct Debit payments and the value of receipts supports collections performance, avoids bank charges, and enables the Council to better predict future income levels, which are important for Treasury management and financial planning purposes.



9.6 The Revenues Team continues to focus on recovering unpaid sums in respect of the current and prior years and works closely with the Council's appointed Sheriff Officers to focus on those debts where Summary Warrants have been granted.

9.7 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.

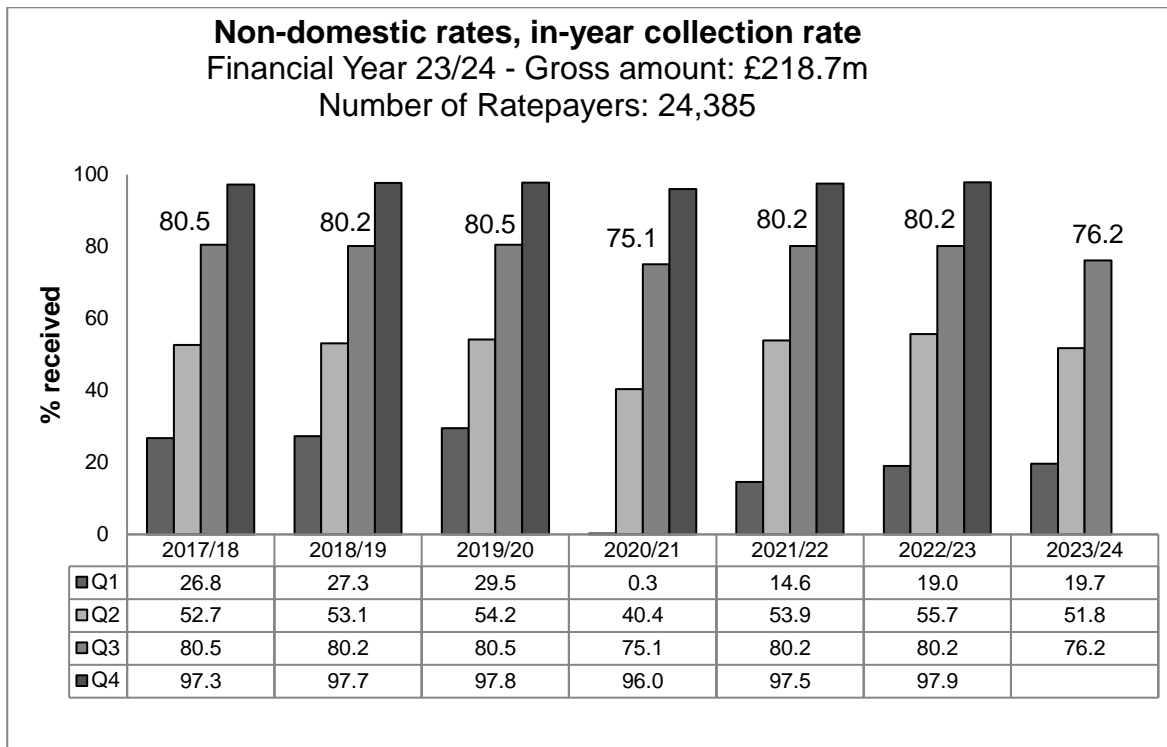
10. Revenues and Business Support - Non-Domestic Rates In-Year Collection Rate

10.1 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 (NDR) and specific ring-fenced grants.

10.2 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 continues to be an important focus for the Revenues Team.

10.3 The collection rate for Q3 of 76.2% shows a decrease when compared with the same period in the previous year of 80.2% and is less than the pre-pandemic position. This is partly attributable to delays with the provision of software necessary to implement legislative change to enable assessment and billing of rates bills and partly reflects economic volatility. The Non-Domestic Rates team continue to identify potential entitlement to relief and to progress recovery in accordance with legislative timescales. NDR comprises around 21.9% of the Council's general fund.

10.4

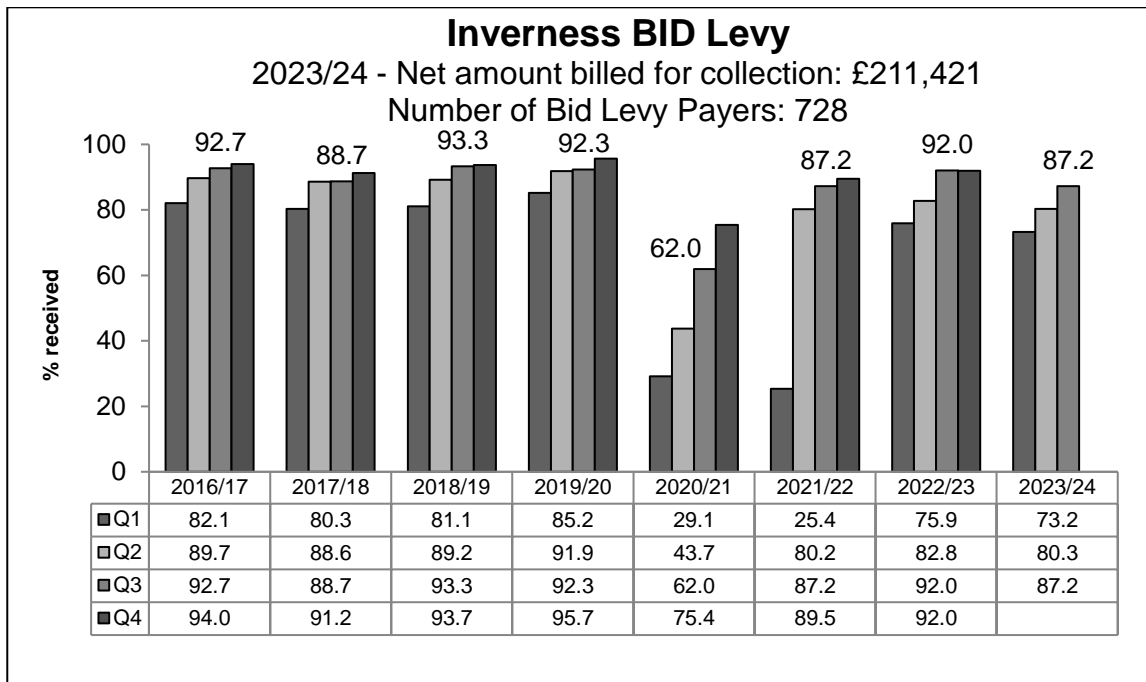


11. Revenues and Business Support - Business Improvement Districts (BID)

11.1 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.

11.2 When monitoring collection performance for each BID, Members will wish to note the billing year for the Inverness and the Inverness & Loch Ness Tourism BID levies commence each April. The Nairn BID billing year commences in October each financial year.

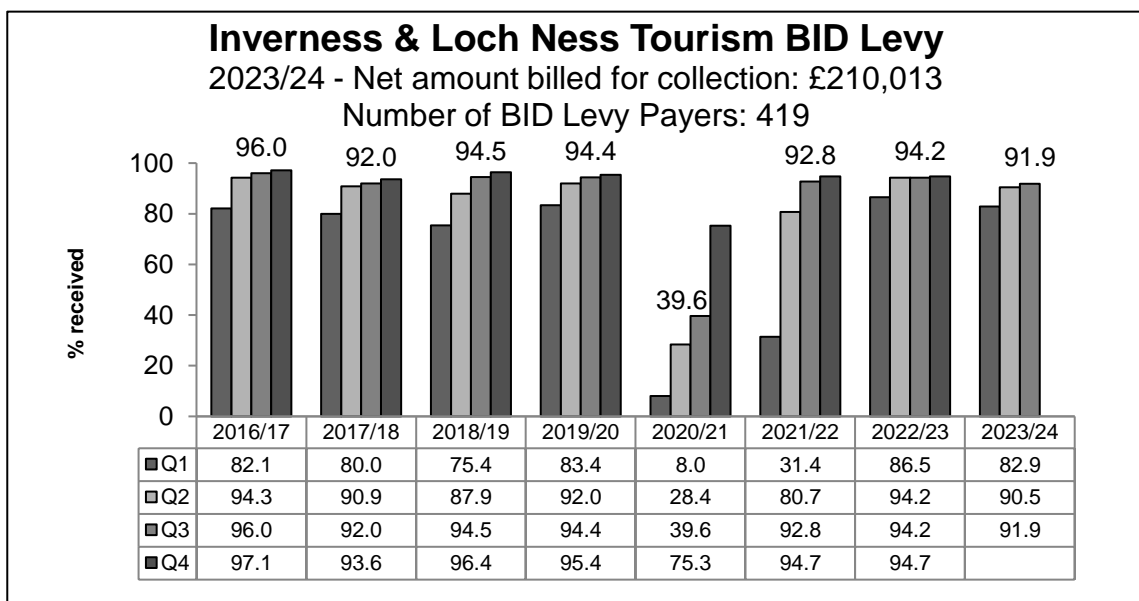
11.3 **Inverness BID Levy**
 While there is a decrease on Q3 performance compared with the previous year, Q3 performance is aligned with same period for 2021/22. There may be several drivers contributing to this level performance, including economic volatility and vacant properties. Inverness BID provide 100% exemption for 3 months. Scheduling of recovery actions during the current financial fully aligns with 2022/23. The Revenues Team continue to pursue the outstanding sum with the aim of maximising collections for Inverness BID.



11.4

Inverness & Loch Ness Tourism BID Levy

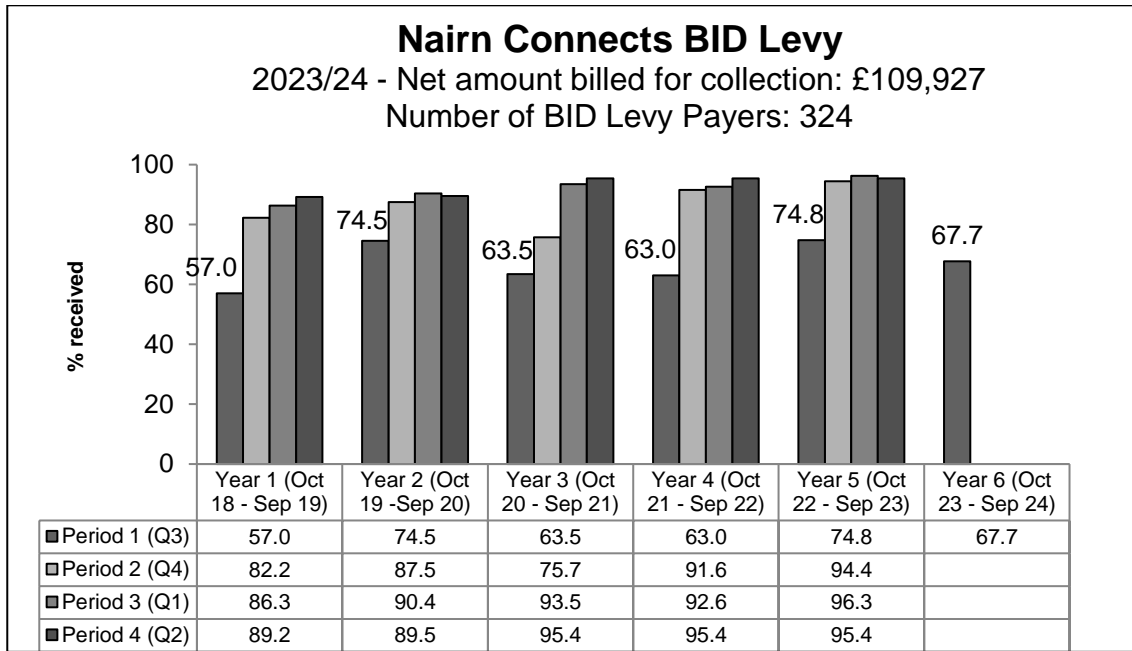
By the end of Q3, 91.9% of the BID levies have been paid which is slightly lower than the same period in 2022/23.



11.5

Nairn Connects BID Levy

The Nairn Connects billing year commences 1 October each year. Performance in Period 1 (Q3) shows a collection rate of 62.73%, which is a notable reduction on the prior year, but improved slightly from the 21/22 performance, reflecting economic volatility.



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

12.1 The Shared Business Support team provides support for all Council Services, including in the administrative process for Single Grant Applications (SGAs).

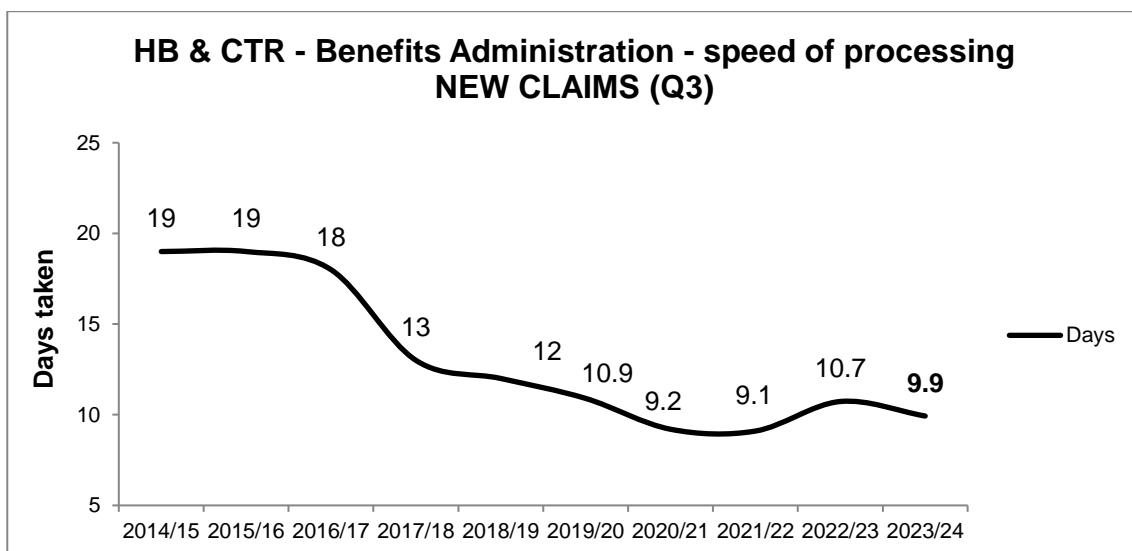
12.2 123 single grant applications were received during Q3, 2023/24 of which 100% were processed within the 5 days target, bringing our 2023/24 performance to date to 99.8%. The comparable figures for Q3 2022/23 were 260 applications with a performance figure of 99.6%.

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%	99.8%

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

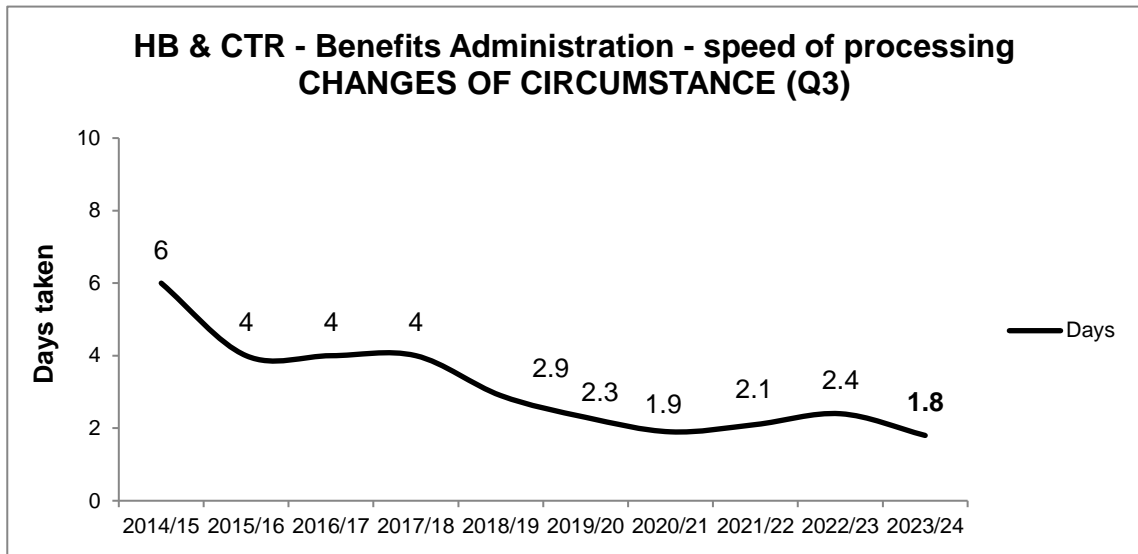
13.1 These indicators are reporting an improvement in performance when compared with the same period in 2022/23.

13.2



13.3 Performance on processing of New Claims is 9.9 days, compared to 10.7 days in Q3 22/23 which shows an improvement on the prior year, and is more in line with our prior high performance.

13.4



13.5 This improved performance in processing Change of Circumstances of 1.8 days for Q3 2023/24 compared with 2.4 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.

13.6 For Housing Benefit, 92.8% 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 Q2, and reports that the Highland Council was ranked 3rd for New Claims (up from 4th equal in Q1) and have had a slight decrease to 2nd equal in Scotland for Changes in Circumstances, from 1st equal in Q1 – with an average speed of processing of 3 days, the same speed as Q1, however 2 authorities have improved their processing to 2 days in the quarter.

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

14. Climate Change/Carbon Clever

14.1 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 October-December 2023, almost 3,000kg of waste was diverted from landfill, and 5.86 metric tons of CO₂e were avoided.

14.2 Since April 2023, 134.4 tonnes of food have been re-distributed by CFINE to Community Food Members in Highland, equivalent to 319,950 meals, with a retail value of £374,700. This has been achieved by working closely with the food industry and FareShare UK, accessing, processing, and distributing surplus food, and engaging logistics and haulage companies to maximise the impact for Highland communities. CFINE is the regional delivery partner of FareShare Scotland.

15. Service Risks

- 15.1 In addition to leading on several Corporate Risks, which are reported to Audit Committee every quarter, the Service maintains a Service Risk Register. Corporate Risks for the Service are detailed in **Appendix 9**.

Designation: Interim Depute Chief Executive

Date: 16 February 2024

Author: Sheila McKandie, Head of Revenues and Business Support

Background Papers: DWP Published Data

Appendix 2

RESOURCES & FINANCE BUDGET 2023/24 - Q3 MONITORING														
	GROSS EXPENDITURE				VARIANCE ANALYSIS		GROSS INCOME				NET TOTAL			
	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Staff Costs Variance	£'000 Other Costs Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance
BY ACTIVITY														
Directorate														
Directorate	942	(364)	223	(719)	236	(954)	(0)	(82)	(0)	(0)	942	(446)	223	(719)
Resources & Finance Change Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Salary Sacrifice	0	(117)	0	0	0	0	0	0	0	0	0	(117)	0	0
Resources and Finance COVID	0	0	0	0	0	0	0	0	0	0	0	0	0	0
People														
HR Services	1,196	1,014	1,179	(17)	(11)	(5)	0	0	0	0	1,196	1,014	1,179	(17)
Workforce Planning Learning & Development	655	620	727	72	80	(9)	(114)	(111)	(124)	(10)	541	509	603	62
Health, Safety & Wellbeing	761	414	608	(153)	(88)	(65)	0	0	0	0	761	414	608	(153)
Payroll	1,177	840	1,270	93	92	1	(44)	(20)	(45)	(1)	1,132	820	1,225	93
Revenues & Business Support														
Revenues	4,542	3,655	4,582	39	102	(62)	(2,406)	(1,802)	(2,541)	(136)	2,137	1,853	2,040	(96)
Business Support	4,992	4,984	5,235	243	(39)	282	(363)	(56)	(149)	213	4,630	4,929	5,086	456
Corporate Finance														
Accounting & Insurance	2,612	1,621	2,536	(76)	(14)	(61)	(415)	(32)	(417)	(2)	2,197	1,589	2,119	(78)
Procurement	723	398	729	6	0	6	0	0	0	0	723	398	729	6
Creditors	194	194	222	28	25	3	0	0	0	0	194	194	222	28
Pensions	1	1,298	0	(1)	(854)	853	0	(1)	0	0	1	1,297	0	(1)
TOTAL	17,796	14,559	17,311	(485)	(472)	(12)	(3,342)	(2,103)	(3,277)	64	14,454	12,455	14,034	(420)

Welfare Monitoring

1 April to 31 December 2023

	£000 Actuals To Date	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
BY SERVICE				
Housing Benefit	4,933	3,122	3,468	346
Council Tax Reduction Scheme	13,766	13,943	13,777	(166)
Scottish Welfare Fund Grants	808	1,243	1,243	0
Educational Maintenance Allowances	297	-	-	0
School Clothing Grants	748	813	813	0
Advice Services	1,093	930	957	27
Milton Activity Hub Grant	(2)	-	0	0
Other Welfare	679	954	954	0
Paypoint prepayment*	120	-	-	0
Welfare Total	22,442	21,005	21,212	207

BY SUBJECTIVE

Staff Costs	13,940	0	0	0
Other Costs	32,115	52,085	53,672	1,586
Gross Expenditure	46,055	52,085	53,672	1,586
Grants	(23,613)	(30,944)	(32,324)	(1,379)
Other Income	0	(136)	(136)	0
Total Income	(23,613)	(31,080)	(32,460)	(1,379)
	22,442	21,005	21,212	207

0

% of Annual Expenditure

This year

106.8%

Last year

105.7%

WELFARE BUDGET 2023/24 - Q3 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
BY ACTIVITY												
Housing Benefit	33,646	28,587	35,365	1,719	(30,524)	(23,654)	(31,897)	(1,373)	3,122	4,933	3,468	346
Council Tax Reduction Scheme	13,943	13,766	13,777	(166)	0	0	0	0	13,943	13,766	13,777	(166)
Scottish Welfare Fund												
Community Care Grants	966	629	966	0	0	0	0	0	966	629	966	0
Crisis Grants- awarded	277	179	277	0	0	0	0	0	277	179	277	0
Educational Maintenance Allowances												
School Clothing Grants Awarded	420	254	420	0	(420)	43	(420)	0	0	297	0	0
Advice Services												
Citizens Advice Bureau	1,066	1,093	1,093	27	(136)	0	(136)	0	930	1,093	957	27
Milton Activity Hub Grant												
Milton Activity Hub Grant	0	0	2	2	0	(2)	(2)	(2)	0	(2)	0	0
Other Welfare												
Free School Meals Holidays	736	556	736	0	0	0	0	0	736	556	736	0
Families Distress & Trauma Fund	0	3	4	4	0	0	(4)	(4)	0	3	0	0
Paypoint prepayment*	218	120	218	0	0	0	0	0	218	120	218	0
TOTAL												
	52,085	46,055	53,672	1,586	(31,080)	(23,613)	(32,460)	(1,379)	21,005	22,442	21,212	207
		32,289				(23,613)			7,062	8,676		

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

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

*

B	R	A	G
Completed	Significant delays	Some Slippage	On Track

Appendix 6

Other performance measures	Frequency
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

Statutory Performance Indicators	Frequency
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) The percentage of a) that was received during the year	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	Q2	Q3
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	4.27	4.38
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	2.08	4.21
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	0.98	2.65
HW&SC		2.54	1.94	1.59	1.69	7.75	2.05	2.04	2.27	2.87	9.23	2.82	2.56	2.87
I&E		0.62	0.66	0.55	0.76	2.59	1.67	1.76	1.55	2.95	7.93	2.85	2.11	2.03
P&G		0.39	0.45	0.77	0.49	2.11	0.65	1.15	1.08	2.13	5.01	1.53	1.75	2.06
P&H		2.43	1.50	1.90	2.74	8.56	2.67	1.75	2.11	3.48	10.02	2.93	2.43	4.60
R&F		1.07	1.47	2.04	1.90	6.47	2.07	2.36	2.21	2.48	9.13	2.38	2.91	2.24
DCE		0.42	0.37	0.75	0.73	2.36	2.17	1.40	2.23	2.19	7.99	1.42	2.14	1.93
THC (non-teaching)	6.44	2.06	1.75	2.00	2.36	8.17	2.45	1.84	1.98	2.97	9.35	2.75	2.54	3.65
THC all employees (inc. teachers)	5.47	1.81	1.52	1.83	2.22	7.39	2.24	1.61	1.92	2.88	8.58	2.48	2.08	3.35

Appendix 8

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	23/24 Q2	23/24 Q3
C&P						83.6	76.4	78.1	78.6	75.2	72.7	75.9	81.2	90.6	89.2
E&L	77%					79.2	71.0	74.6	69.1	74.4	77.8	74.3	76.9	72.8	77.3
HW&SC						82	78.4	92.5	91.7	85.8	83.2	88.5	93.5	90.0	93.0
I&E						85.7	76.7	80.6	82.6	83.9	81.6	82.2	86.9	85.7	86.1
P&G						87.4	81.3	85.0	83.9	90.5	88.7	86.9	93.4	90.8	83.2
P&H						71.7	62.8	40.5	47.4	50.0	55.9	48.2	55.4	72.3	56.0
R&F						83.1	84.9	90.5	96.6	84.9	83.6	92.0	91.1	98.4	91.2
DCE						84.0	69.9	94.7	88.6	92.5	88.3	91.1	95.2	86.8	95.6
Capital						82.1	70.7	64.6	64.3	77.4	70.2	68.9	70.5	71.2	71.4
THC							63.3	79.5	73.7	75.3	77.6	69.3	67.5	73.4	70.4

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	23/24 Q2	23/24 Q3
C&P	95%					96.6	94.9	97.2	97.2	96.8	96.4	96.9	97.5	98.4	98.6
E&L						92.2	91.8	92.2	86.1	91.8	91.7	90.8	93.4	88.8	92.3
HW&SC						95.7	94.9	97.6	97.5	97.5	96.3	97.2	98.6	97.9	98.5
I&E						96.6	96.1	98.1	96.3	97.2	96.2	97.0	97.8	97.7	96.8
P&G						96.8	97.1	97.8	97.2	97.4	94.4	96.6	98.5	95.4	98.1
P&H						92.9	93.1	91.0	93.4	94.7	95.6	93.6	93.0	97.5	94.8
R&F						96.9	98.3	97.9	99.0	98.6	96.5	98.4	98.8	99.5	98.1
DCE						99.0	95.5	98.7	90.9	97.3	100.0	96.8	98.8	98.9	99.1
Capital						95.4	93.2	92.3	89.9	95.4	94.1	92.8	95.4	94.1	93.0
THC		94	96.8	95.7	95.9	94.1	93.8	94.1	94.2	95.1	94.9	94.6	95.1	96.7	95.6

Service Risks

Ref	Risk Owner	Description	Risk Type	Risk Rating		Mitigation
				Q3	Target	
CR1	Head of Corporate Finance	Financial Sustainability	Financial	A1	C2	Some slippage
CR6	Head of People	Workforce Planning	Financial	C2	D2	Some slippage
CR26	Head of People	Managing Long-term Absence	Staffing & Financial	C2	D2	Some slippage
CR29	Head of People	Lack of Occupational Health Provider	Reputational, Financial, Legal	D2	D2	On Target
CR32	Head of Corporate Finance	Delivery of new Enterprise Resource Planning (ERP) system	Reputational, Financial, Legal	B2	D2	Some slippage

Risk ratings are derived as follows:

