

Agenda Item	<b>6</b>
Report No	<b>RES/03/21</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 25 February 2021

**Report Title:** Resources and Finance Service - Revenue and Performance Monitoring to 31 December 2020

**Report By:** Executive Chief Officer, Resources and Finance

### 1. Purpose/Executive Summary

- 1.1 This report provides information relating to the Quarter 3 Revenue and Performance monitoring position for the period to 31 December 2020 for the Resources and Finance Service.
- 1.2 In addition to the main revenue budget variances for which the Service has direct responsibility, contextual information is also incorporated into this report. Bringing together revenue and performance into a single monitoring report supports financial governance, informs decision making, and enables improvement actions to be identified. This approach is also intended to improve the accessibility of this monitoring report for Members and the wider readership by embedding contextual information, enhancing transparency, and enabling an informed view to be made of overall financial and service delivery performance for the Service.
- 1.3 The performance information contained within this report includes the Accounts Commission's Statutory Performance Indicators (SPIs) for the Service, local key performance measures and where available, comparisons to Scottish averages. Trend information is also provided to evidence areas of strong performance and those requiring improvement. Presenting information in this way also provides opportunities for learning and sharing across the Service and the wider Council. A list of the current SPIs for the Resources and Finance Service, together with the frequency of reporting, is provided at **Appendix 3**. Future reports will also include comparisons against other Councils with similar profiles, where this is available, and will expand performance reporting for the activities undertaken by the Service.
- 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 today's agenda. To ensure

transparency, performance information relating to council tax is contained within this report.

- 1.5 As agreed at the Recovery Board meeting held 25 January 2021, this report also contains those actions that are the responsibility of the Resources and Finance Service where there has been some slippage together with remarks for contextual purposes.

## 2. Recommendations

### 2.1 Members are asked to:

- i. consider the Revenue monitoring position for the period to 31 December 2020;
- ii. scrutinise the statutory performance indicators, local key performance measures and where available, comparisons to Scottish averages;
- iii. review the effectiveness of the standard and level of services provided by the Resources and Finance Service and alignment with the Council's commitment to Best Value and continuous improvement;
- iv. agree the continuation of the Fuel Support Fund to 31 March 2021 involving indicative expenditure of £0.790m to be met from Government Covid grant to assist with humanitarian and welfare needs;
- v. examine the actions for the Service on the Recovery Action Plan, note the slippage and consider the remarks provided.

## 3. Implications

3.1 **Resource:** The budget of £31.374m available to the Resources and Finance Service is around 5.2% of the total general fund for the totality of the Council's Services. The Resources and Finance Service has a budgeted staffing establishment of circa 500 FTEs. Corporate leadership in financial governance, human resources and ICT, 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 Service Income), and the strategic and operational delivery of financial assessments and provision of welfare services for our citizens. Our responsibilities within the Revenues part of the Service involves engaging with every household and business in Highland.

3.2 **Community (Equality, Poverty and Rural):** 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.

3.3.1 **Legal:** The Local Government (Scotland) Act 1973 requires the Council to set its budget and thereafter budget holders are responsible for providing services within the budget allocated for that purpose.

3.3.2 For the provision of advice and information, 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.

3.3.3 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.

3.4 **Risk:** There is a substantial risk that the impacts of the pandemic and resulting mitigations introduce new and increased costs for the Service. This includes for example to support changed working arrangements for our staff, as reported in the ICT Covid-19 costs at **Appendix 1** and for the provision of critical demand-led financial assessments and welfare services as reported in the welfare budget set out in **Appendix 2**.

3.5 There are no Climate Change/Carbon Clever or Gaelic implications arising as a direct result of this report.

#### **4. Appendix 1 : Resources and Finance Service Revenue Budget 2020/21**

4.1 **Appendix 1** to this report provides the monitoring statement showing actual expenditure and the estimated year-end outturn against the budget at 31 December 2020. The Service is showing an outturn of £23.160m against a net annual budget of £23.813m, representing an underspend of £0.653m. This does not include the Welfare Budget, which is discussed separately in Section 10 below and detailed in **Appendix 2** to this report.

4.2 The Service continues to focus on savings targets while recognising that resources have been dedicated to respond to the emergency response. The unpredictable nature of the pandemic has also resulted in pressures that were not foreseen and have hampered the Service's spending controls and deliverability of some savings targets.

4.3 Controls such as vacancy management and minimising discretionary expenditure wherever possible have contributed to the reported underspend. The forecast position this Quarter has improved since the reported position in Quarter 2, reflecting the continued focus on spending controls and a reduction in the forecasted pressures relating to expenditure and income recovery.

#### **5. Revenue Monitoring**

5.1 This section of the report provides narrative and budget information for each of the activities detailed in the monitoring report at **Appendix 1** to this report.

##### **5.2 Directorate**

The Directorate Section overspend of £0.287m includes the Service's unallocated efficiency savings relating to prior years. These will be allocated to the other budget headings for the Service to enable Heads of Service to manage these savings within their annual budget allocations. This approach will be taken in future years to ensure that all efficiency savings for the Service are appropriately allocated.

##### **5.3 Resources and Finance Covid-19 Costs**

The Covid-19 costs of £0.011m are being carefully managed and include expenditure for overtime and mobile phone related costs.

5.4 **People (Annual Budget : £1.887m)**

The budget for People mainly relates to staff and corporate training. The composition of this budget needs careful management and is reporting a predicted year-end underspend of £0.004m.

5.5 **ICT Services (Annual Budget : £11.034m)**

ICT has a forecasted overall underspend of £0.244m. This is made up of a forecasted Covid-19 spend of £0.190m offset by an underspend forecast for the section of £0.434m. This underspend is made up of SWAN and contract underspends relating to third party software, as well as staffing underspends from delays in recruitment which have increased by £0.035m this Quarter as a result of Covid-19. The contract underspends represent the result of effective contract management and the application of discounted pricing for network connections – all in addition to already committed third party contract savings.

5.6 **Corporate Finance (Annual Budget : £3.390m)**

The underspend in Corporate Finance of £0.276m is mainly arising from a forecast underspend in the Procurement section. There are also underspends in Accounting, Payroll and Insurance, relating to staffing and other expenditure. The forecast underspend has reduced slightly from Quarter 2 due to increased audit fees in respect of financial year 2019/20 along with an expectation of increased fees for 2020/21.

5.7 **Revenues and Business Support (Annual Budget : £7.380m)**

For this section, the forecasted underspend of £0.427m mainly comprises savings attributable to vacancy management that are offset by income pressures such as reduced Statutory Summary Warrant income and other expenditure underspends.

**6. Performance Information**

6.1 As described in section 1 of this report, a single report containing both revenue and performance information has several benefits. The following paragraphs provide performance information for the Service and while this mainly focuses on those responsibilities for the Head of Revenues and Business Support, the aim is to expand the breadth of information provided in future reports to reflect the responsibilities of each Head of Service. With the support and guidance of the Corporate Audit & Performance Manager best use will be made of the Performance and Risk Management System (PRMS) for future reporting.

6.2 Performance for outsourced activities led by the Service is reported separately to this Committee at various points throughout the year.

6.3 **Revenues and Business Support - Council Tax In-year Collection Rate**

6.3.1 The Council Tax in-year collection rate in Q3 is 78.8%, representing a reduction of 0.9% on the comparable period last year; this reduction is symptomatic of the prevailing economic impacts on household incomes, increased unemployment and the growing financial insecurities for an increasing number of households.

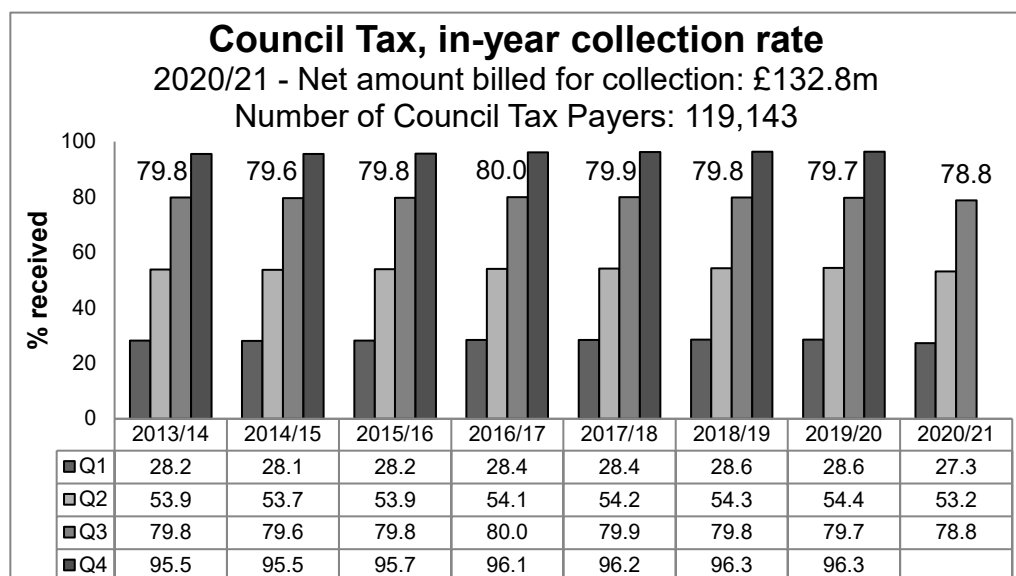
6.3.2 To help mitigate these impacts for households and in order to improve the council tax in-year collection rate, a broad range of measures are in place. Steps are taken regularly by the Welfare Support Team to promote the Council Tax Reduction scheme using social media and, in every case, when undertaking welfare checks for all citizens choosing this service. The availability of this

financial support to reduce council tax bills is also promoted on the reverse side of council tax bills and on all recovery notices. A useful ready reckoner to entitlement is published on the Council's [website](#) to encourage take-up by enabling council tax payers to compare their household composition and income with the qualifying thresholds for their council tax band. Through the Council's outsourced services provided by Citizens Advice, advisers routinely support clients to apply for this valuable support.

6.3.3 Council Tax Reduction reduces the council tax liability by up to 100% for individual households and in these circumstances, limits the bill to water and wastewater charges. Council tax payers can apply for this support via the Council's Apply Once online application [form](#) or by contacting the Welfare Support Team at [welfare.support@highland.gov.uk](mailto:welfare.support@highland.gov.uk) or by calling 0800 090 1004.

6.3.4 Council Tax contributes around 21.5% 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 74.3% of council tax bill payments, representing 85.4% of receipts. Despite the economic climate, this shows an improvement on the prior year position of 73.7% and 84%, respectively. The Council has proactively promoted the ability for council tax payers to extend their payments over a longer period in order to reduce their monthly payments and this means that 1% more payers are now choosing to spread their instalments over 12 months rather than 10 compared with September 2019.

6.3.5 Increasing the number of direct debit payers 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.



6.3.6 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.

6.3.7 The number of council tax payers (119,143) included in the above bar chart shows the position as at March 2020 when the 2020/21 council tax bills were being prepared and issued. There are now 119,945 properties being billed for council tax arising from property movements between non-domestic rates and council tax, and occupation of new build completions.

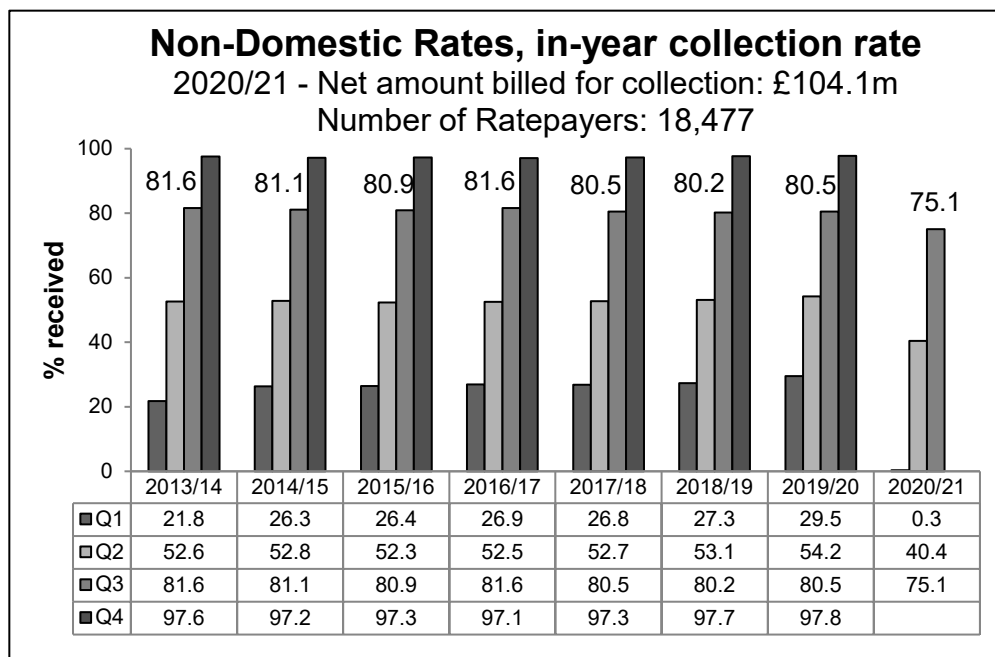
**6.4 Revenues and Business Support - Non-Domestic Rates In-Year Collection Rate**

6.4.1 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.

6.4.2 Non-Domestic Rates are collected and retained by the Council. The Scottish Fiscal Commission is responsible for preparing the national forecast for NDR income to be collected, based on several factors including revaluations, appeals and the likely poundage set. The forecast is then redistributed to local authorities using the most recent prior year Non-Domestic Rates income returns submitted by councils, adjusted to reflect variations between the estimated Non-Domestic Rates Income and the actual amount collected. This means the amount collected by an individual authority has no direct impact on the total funding as the Scottish Government provides each local authority with their formula share of GRG plus NDRI.

6.4.3 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 remain an important focus for the Revenues Team.

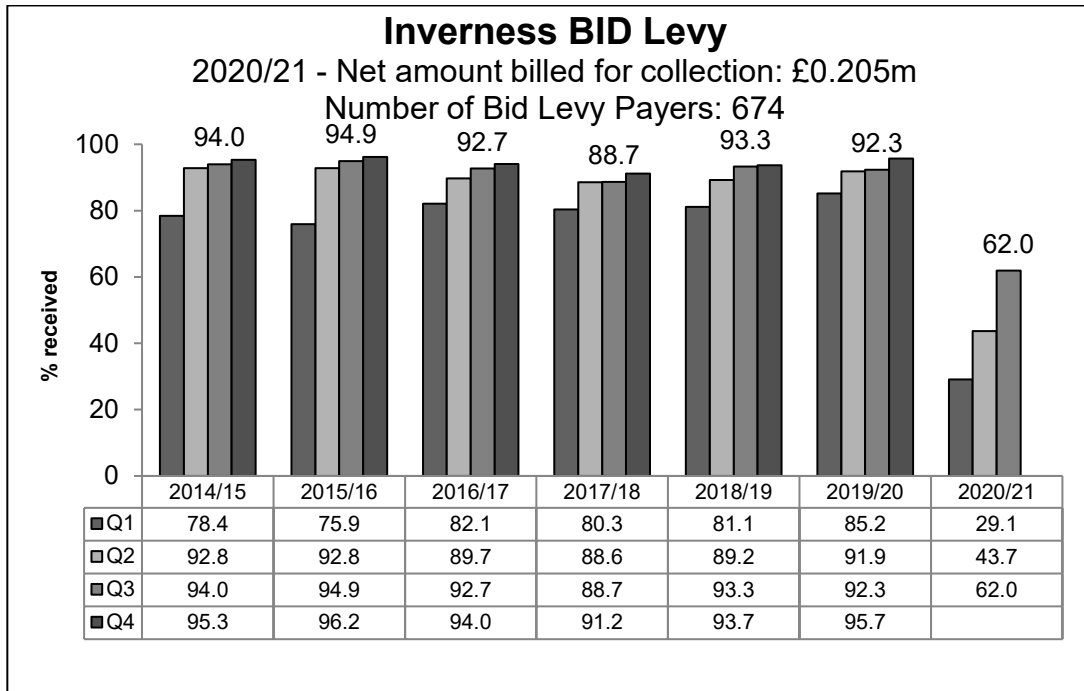
6.4.4 This year, ratepayers were due to pay their first instalments in July 2020 rather than April which has contributed to the reduced collection rate of 75.1% (-5.4%); the major influence being the unprecedented impacts for businesses and other ratepayers arising from the measures being taken to control the transmission of Covid-19. Recovery action continues to further improve the Q3 position by year end.



- 6.4.5 Historically, relief from Non-Domestic Rates has been available to achieve competitive equity and fairness. In addition to that, for this year, the Scottish Government is providing a comprehensive package of relief to mitigate the impacts of Covid-19 and has specified the categories of relief that are automatically awarded by the Revenues Team without the need for ratepayers to apply.
- 6.4.6 Each year, processes are in place, the Council's website is updated, and the Revenues Team is trained to identify qualifying properties and to automatically award relief wherever possible. A useful leaflet was enclosed with all non-domestic rates bill this year which is published on the Council's website and was attached to the Quarter 1 Performance Monitoring Report presented to Committee in August. Full details of the relief package are published on the Council's website at this [link](#).
- 6.4.7 For ratepayers required to apply for relief, the Revenues team proactively invites applications where sufficient information is available, but this is not possible in all cases and relies on some ratepayers applying independently. Steps continue to be taken to identify properties that may be entitled where ratepayers have not yet applied for relief.

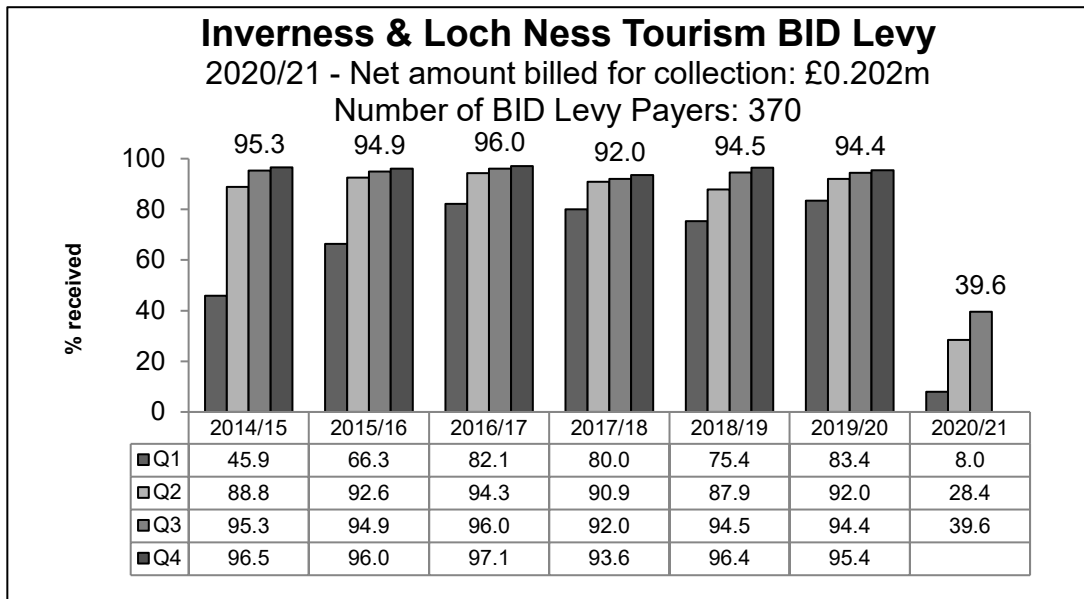
## **6.5 Revenues and Business Support - Business Improvement Districts (BID)**

- 6.5.1 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.
- 6.5.2 Billing for the Inverness and the Inverness & Loch Ness Tourism BID levies was undertaken in line with previous years, ie April 2020, with both BID Boards delaying the payment date to 28 November 2020. While this is contributing to the significantly reduced income collected to date for both BIDs, billing in April has enabled those businesses that are able to pay their levies, to do so.
- 6.5.3 ***Inverness BID Levy***  
The Inverness BID Levy income has reduced by 30.3% when compared with the Quarter 3 position for 2019/20.



**6.5.4 Inverness & Loch Ness Tourism BID Levy**

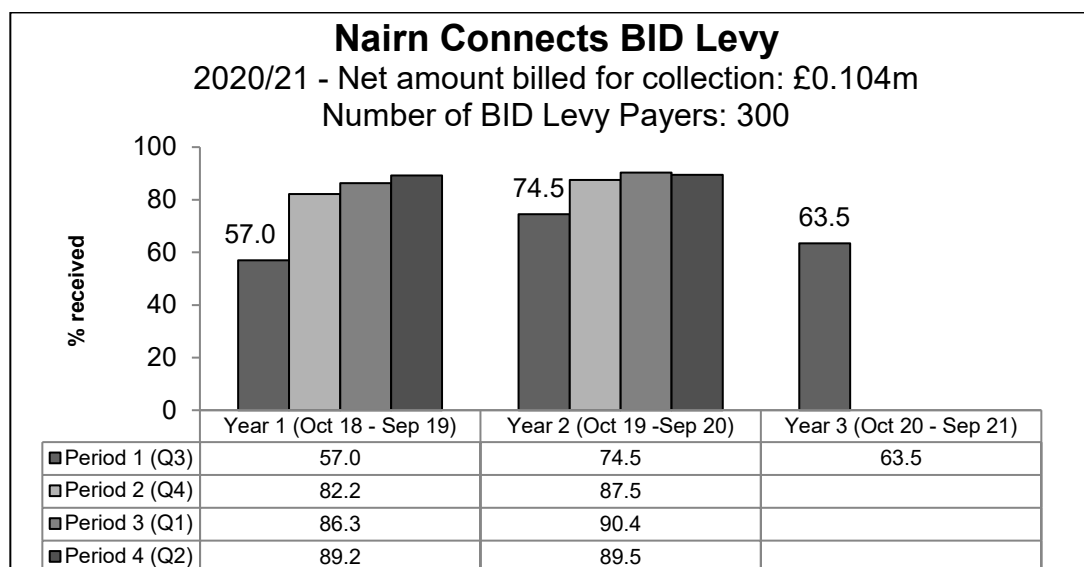
By the end of Q3, 39.6% of the BID levies have been paid compared with 94.4% at the same point in 2019/20.



**6.5.5 Nairn Connects BID Levy**

The Nairn Connects billing year commences 1 October each year and in contrast with the Inverness and Inverness & Loch Ness BIDS, Nairn Connects did not pause their payment date. Performance in Period 1 (Quarter 3) shows a collection rate of 63.5%, an 11% reduction on the prior year reflecting the economic challenges for the business sector.





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

6.6.1 The Shared Business Support team provides support for several Council teams, including Ward Managers, in the administrative process for Single Grant Applications (SGAs). These grants, available for community groups, businesses and individuals, can be accessed at this [link](#). The role of Shared Business Support is primarily logging SGAs onto SharePoint, issuing acknowledgements to applicants and allocating applications to the appropriate teams.

6.6.2 205 (+8.5% since Q2) single grant applications were received during Q3, 2020/21 of which 99.5% (+0.6% improvement on Q2) were processed within 5 days. At the end of Quarter 3, the strong performance delivered by the Shared Business Support Team exceeded the 2019/20 outturn performance, evidencing the efficiency and effectiveness of the designed process, reflecting the skill set within Shared Business Support and their sustained focus on performance.

Single Grant Applications	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21 (to date)
Percentage logged, acknowledged & distributed within 5 days target	97.7%	97.9%	98.3%	99.2%	96.8%	98.9%	99.1%

## 7. Revenues & Business Support and People - TalentLink

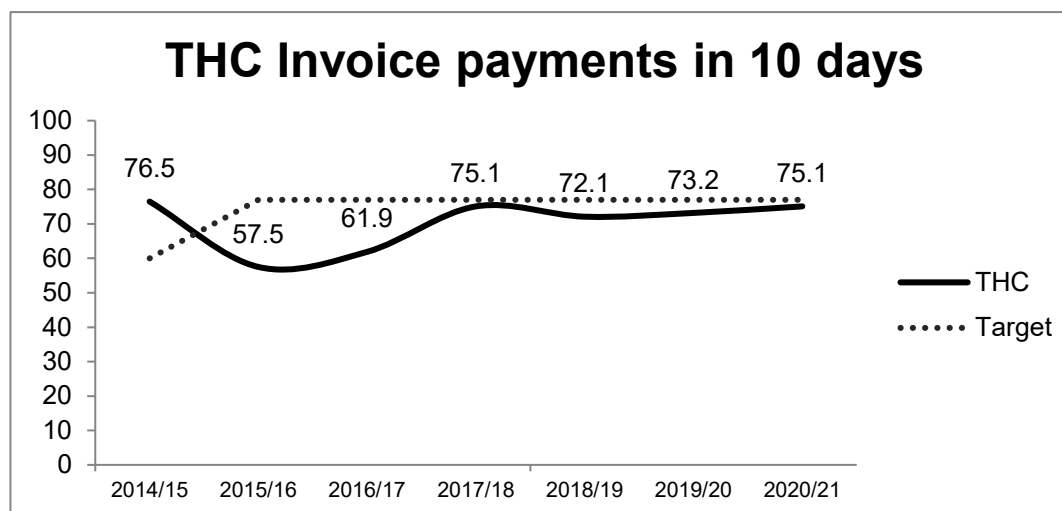
7.1 The teams reporting to the Heads of Revenues & Business Support and People are responsible for ensuring prompt advertising of vacancies once approved by the Resources & Governance Board and thereafter for the efficient processing of applications received. CoSLA's on-line recruitment system, *TalentLink*, is used for this purpose enabling vacancies to be advertised electronically and for applicants to apply online while still ensuring that paper applications can be made. *TalentLink* also enables Council Managers to complete the selection and recruitment process electronically, eliminating paper and streamlining processes. The platform used to advertise the range of vacancies that are currently being advertised by the Council can be accessed [here](#).

7.2 The following table evidences continuing strong performance for processing paper forms within the target of 2 days and when advertising posts via TalentLink.

TalentLink	15/16	16/17	17/18	18/19	19/20	20/21 Q1	20/21 Q2	20/21 Q3
Number of posts advertised	2,403	1,914	1,947	1,258	1,346	65	380	476
Percentage of posts advertised on time	100%	100%	100%	100%	100%	100%	100%	100%
Number (& percentage) of electronic applications	15,217 95.9%	14,427 95.3%	17,206 97.5%	11,044 97.2%	11,608 96.53%	480 98.36%	1,873 97.35%	5,784 98.47%
Percentage of paper applications processed within 2 working days	100%	99.3%	100%	99.7%	100%	100%	100%	100%

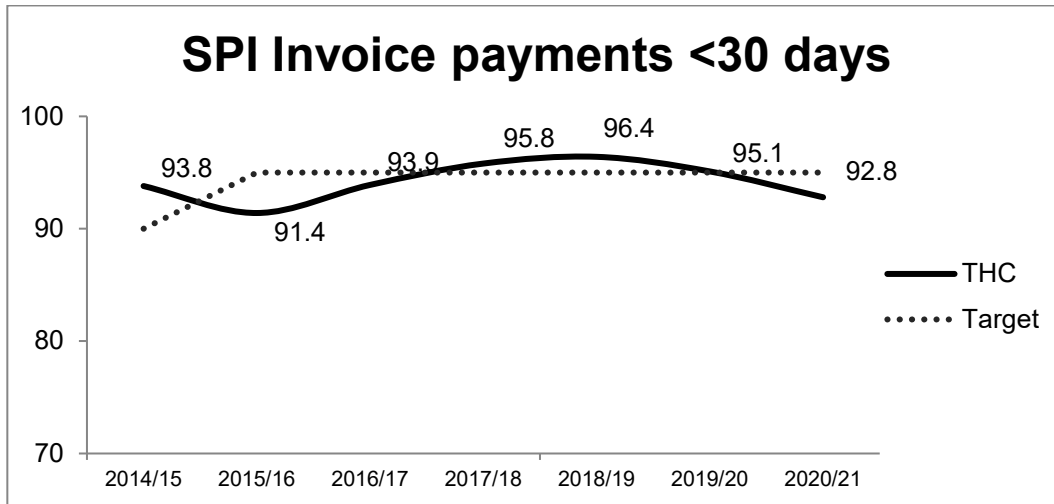
## 8. Corporate Finance and Revenues & Business Support - Payment of Invoices

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



8.2 Performance by Service is detailed at **Appendix 4** to this report. Work continues in order to align reporting with the Council's organisational structure. 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 others through prompt payment of invoices.

8.3 For the statutory performance indicator of 30 days to pay an invoice, Q3 saw a slight drop in performance to 92.8%; the year to date figure being 94.2% when compared with the target of 95%.



## 9. ICT : Digital Access and Self-Serve

9.1 Offering a significant number of services that can be accessed online, the Council's website provides a wide range of information and support for citizens, businesses, the third sector, communities and other stakeholders.

9.2 For this reporting period, there has been a 30% increase in the number of times the most visited pages on the Council's website have been accessed when compared with Q3 2019. Views of the Council's website increased by 16% when comparing Q3 to Q2 in 2020 with 2.6m pages visited.

9.3 Since work began in 2015 to further develop online service delivery, the number of services that can be accessed online has increased to 140, enabling customers to pay and apply for services or report concerns, eg street lighting. This ranges from simple transactions, such as paying Council Tax or applying for a Garden Waste Permit, to complex services such as Apply Once, which enables customers to apply, through one application form, for Council-administered benefits they may be entitled to. The following graph details online transactions since 2015.



9.4 A key measure of digital activity is the number of online processes that customers complete online without support from Council teams. When these services were moved online, the corporate target for self-serve was 45% whereas it is currently 69% (39,840 transactions).

## 10. Revenues and Business Support - Welfare Budget 2020/21 - £21.310m

10.1 The Welfare Budget is delivered by the Revenues and Business Support section. **Appendix 2**, and the supplementary information detailed at Appendix 2(a) shows actual expenditure and the outturn against the budget at 31 December 2020. The section is showing an outturn of £21.526m against a net annual budget of £21.310m, representing an overspend of £0.216m.

### 10.2 **Council Tax Reduction**

Reflecting the net position, an overspend of £0.074m is anticipated for the demand-led Council Tax Reduction Scheme (CTRS) following the strong take-up of this support.

10.2.1 Council Tax Reduction is a demand-led adjustment to council tax bills and is funded by the Scottish Government. It is therefore anticipated that the budget will increase to meet this increased demand.

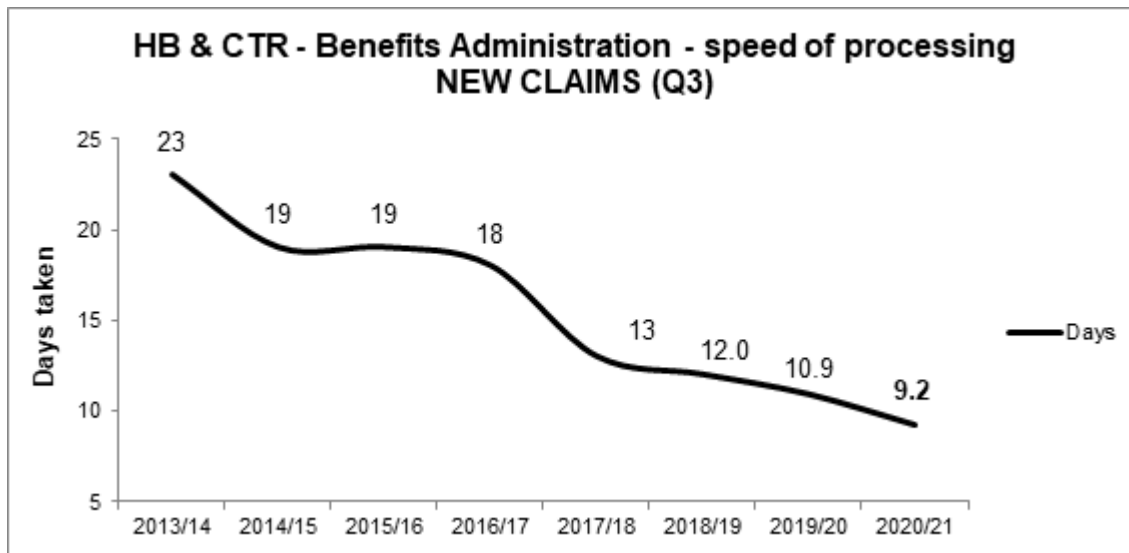
10.2.2 Robust processing times as set out below, regular benefits promotion and the vital support provided by the Welfare Support Team and Advisors across Highland, support a positive share of the national fund.

10.2.3 The initial spike in take-up as the initial lockdown began, an increase of 11.7% in the Highlands, represented the highest increase in Scotland for the first Quarter of this financial year. The latest published statistics evidence that overall take up for Scotland has increased by 5.9% at the end of November 2020 with Highland increasing by 6.1% during the same period. Promotional activity continues to raise awareness of this important support. The Scottish Government's published report to 30 November 2020 is available [here](#) providing information relating to take-up and spend, by local authority.

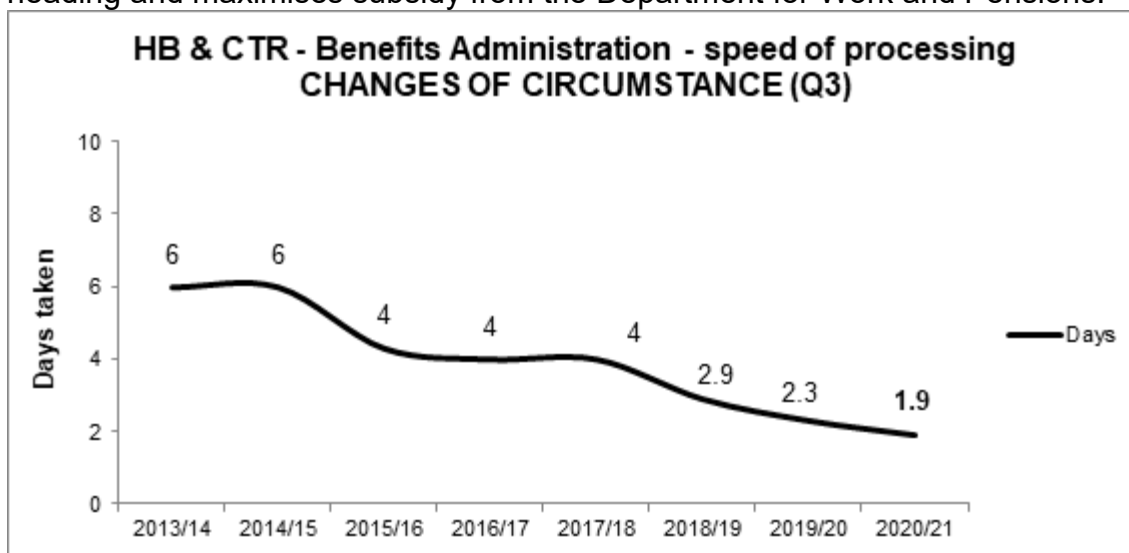
### 10.3 **Housing Benefit : Annual Expenditure Budget £38.418m**

The Housing Benefit budget reports an overspend at this stage in the financial year of £0.142m. Whilst Housing Benefit is generally funded by the Department for Work and Pensions (DWP), it is not fully funded. For example, where Housing Benefit has been overpaid because the customer had not advised the Council timeously of a material change in their circumstances. As a result of Covid-19, the DWP suspended local authorities' abilities to recover overpayments of housing benefit resulting in the reported overspend.

10.3.1 Quarter 3 performance shows continued improvements in the number of days taken to process new claims (9.2 days) for housing benefit and council tax reduction and when processing changes in circumstances.



10.3.2 Prompt processing times for New Claims and Changes in Circumstances (1.9 days) by the Service Delivery Team are positive for customers as they mean the right benefit is paid, to the right people, at the right time. This level of performance also helps council tax collection levels, supports the Housing Benefit budget heading and maximises subsidy from the Department for Work and Pensions.



10.4 **Scottish Welfare Fund : Annual Budget £1.929m**

10.4.1 The Scottish Welfare Fund provides non-repayable grants for low income households as follows:

- *Crisis Grants* when experiencing a crisis because of a disaster (eg fire/flood) or emergency (eg unexpected expense);
- *Community Care Grants* to support someone to start to live, or to carry on living, a settled life in the community.

10.4.2 The £0.713m spend to the end of Quarter 3 has reduced by 28.67% when compared with the same period in the previous year. The main factor that influenced this budget heading in Q3 is the significant other sources of help that are available, including via community groups and the third sector. An ongoing review of this Fund is being undertaken to ensure that monies are targeted and

managed appropriately while ensuring that this cash-limited fund is available to meet future needs.

## 10.5 **School Clothing Grants : Annual Budget £0.565m**

10.5.1 Eligible pupils are each entitled to a £140 school clothing grant per academic year. Reduced working hours, job losses, and other financial pressures arising from Covid-19, have increased demand for this vital support for our most vulnerable children and young people. The Welfare Support Team continues to promote this important financial support for eligible families. The pressure on this fund will be offset by allocating the required amount from the Financial Insecurities Fund.

## 10.6 **Food Fund: Budget £1.199m**

10.6.1 The Food Fund expenditure is forecast at £1.996m against a budget of £1.199m. Funding of £0.797m is included in the forecast to fund this expenditure over the current budget. Demand for food continued during the reporting period and vouchers were provided for more than 4,500 eligible children and young people who each received £15 per week during the October and December school holidays. As a result, there has been an increase in expenditure from last Quarter.

10.6.2 The Food Fund spend is demand led and due to the unpredictable nature of the pandemic this is likely to change in some way as the Council continues to work within a Covid-19 environment and as uplift funding is refocused. The Head of Revenues and Business Support continues to collaborate with FareShare to receive significant supplies of donated goods (eg from supermarkets) for distribution to individuals and community groups via the Council's humanitarian hubs.

10.6.3 Since 23 March 2020, FareShare has distributed 373.8 tonnes of food direct to community groups in Highland (97.3 tonnes) and to the Council (276.6 tonnes), with an estimated retail value of £498,582.00. FareShare's Highland-based Development Worker continues to work directly with community resilience members and the Council to develop a sustainable infrastructure for the targeted provision of food and in order to reduce food waste. From time to time, local purchasing of specific items from the Food Fund are required to supplement the Council's stock of supplies and to meet identified need.

## 10.7 **Fuel Support Fund**

10.7.1 At the Communities and Place Committee on 25<sup>th</sup> November 2020, Members were provided with [an update on humanitarian and welfare needs and support](#). Members noted the focus on food and fuel insecurity for the second wave of Covid-19 and the supports in place at that time on fuel insecurity. Since then, in order to mitigate the impacts of the extreme winter weather conditions and the increased costs of domestic heating, plus the ongoing financial pressures being experienced by an increasing number of households, a local Fuel Support Fund was launched by the Council on 18 January 2020.

10.7.2 Although the Fuel Support Fund provides a £60 payment for households experiencing fuel insecurities who are also in receipt of council tax reduction, the Head of Revenues & Business Support has discretion to make an award in other circumstances. Embedded in the application process for this Fund, is an option for residents to be referred to Citizens Advice for specialist energy checks. At the

time of writing this report, in excess of 350 residents had opted for this support. Members of this Committee will be provided with the outcomes of these referrals to Citizens Advice together with the energy savings identified in due course.

10.7.3 While the initial intention was to open the Fund for applications to 28 February 2021, during the first 3 weeks of operation, in excess of 4,500 applications had been received. Furthermore, feedback from residents, increasing domestic energy bills, and forecasting of unemployment and underemployment in the Highlands, demonstrates a need to continue this Fund until at least the end of March 2021.

10.7.4 Full reporting of this Fund will be provided in Quarter 4 monitoring to this Committee. In the interim, Members are invited to agree that £0.790m is allocated to the Fuel Support Fund to cover the period up to end March 2021. Ongoing costs for continuing this Fund can be met from Government Covid grant to assist with humanitarian and welfare needs, including beyond this financial year, if required.

## 11. Recovery Action Plan

11.1 In addition to delivering core services within the Council, and for our citizens and businesses, the Resources and Finance Service is leading and enabling a significant and broad range of projects including Workforce Planning & Development, the Workforce Data project, the Review of the Procurement Shared Service and Lockdown Agility.

11.2 At its meeting on 25 January 2020, the Recovery Board considered progress of the Recovery Action Plan for phase 3, at the end of December 2020. Of the 79 tasks, 13 showed some slippage. The Council has continued to deliver against the extensive Recovery Action Plan while supporting resilience requirements and dealing with the effects of pandemic in parallel. The move from Scottish Government Tier 1 to Tier 4 in December and then further into Lockdown measures on 4 January 2021 presents a significant challenge to the timeous deliverability of the Recovery Plan, reinforcing the importance of such progress reports to the Board, and strategic Committees, and innovative use of existing technology, ie PRMS. These changes also present further challenge with regard to service delivery, for all staff on the shielding list to work from home, providing assistance to vulnerable citizens and supporting the NHS. The rapidly changing situation with regard to the national pandemic also underscores the need for the Recovery Programme to be agile in its approach, not just with regard to timescales and resourcing but also in terms of content.

11.3 The Board agreed that the relevant Strategic Committee be notified of tasks where there has been some slippage and that these be referenced at the forthcoming Strategic Committee meetings. The full Recovery Action Plan report can be accessed at Item 4 at this [link](#). Slippage for the Resources and Finance Service, together with remarks, are provided below.

<i>Recovery Action Plan – Phase 3 to 31 December 2020</i>			
<i>Items showing slippage: Resources &amp; Finance Service</i>			
<i>Item</i>	<i>Key Priority</i>	<i>Action Point</i>	<i>Remarks</i>
1	Financial Recovery Strategy	CIPFA Implement CIPFA review findings - develop	Given the hugely uncertain financial climate the

		Medium Term Financial Plan (MTFP)	development of a MTFP is particularly challenging. Work to develop MTFP will continue into 2021 taking account of the evolving circumstances with regular updates provided to Corporate Resources Committee.
2	Financial Recovery Strategy	Capital Plan - Develop Capital Strategy	The strategic focus of capital work has been on the review and revision of the current capital programme (as reported to Council on 7 January 2021). Work to further develop the capital strategy will continue in Q1 2021 taking cognisance of the significant financial uncertainty as a direct result of Covid and the current lockdown.
4	IT Transformation	Implementation of Phase 2 MS Teams training	Slippage due to operational priorities but training now in progress for Teams Stage 2 using the Council's IT Change Network
5	IT Transformation	Physical Refresh - Programme completion and closure	Still working through remaining corporate refresh. Further delays due to COVID. Expected completion by March 2021
6	IT Transformation	Commence fixed telephony review linked to MS strategic engagement	Dependencies on Microsoft engagement delayed due to COVID. This action will commence during Q1 2021
7	IT Transformation	CRM Stage 1 – Improve & Deliver as is current capability	Some slippage due to <i>Helping Hands</i> implementation which has had to be prioritised as part of the Council's Covid -



			19 response. CRM implementation now in progress and going live by March 21.
8	IT Transformation	ICT Business Transformation - development of business case & implementation plan	Microsoft engagement delayed due to COVID but has now recommenced with engagement at ECO level. New plan to be worked up with Microsoft Q1 2021
9	IT Transformation	ICT Delivery Model – Project Dochas – programme implementation	Dochas Project Board met on 18 December 2020 and regular meetings now scheduled. Discussions underway with Wipro about a phased transition. Recruitment to key new posts in ICT underway but overall delayed due to COVID and COVID related critical priorities. Progress reports on Project Dochas will continue to be presented at the Corporate Resources Committee.
10	IT Transformation	Microsoft engagement to inform ICT Delivery Model and ICT Business Transformation	Microsoft engagement delayed due to COVID but has now recommenced with engagement at ECO level. New plan to be worked up with Microsoft Q1 2021.
11	IT Transformation	Strategic review of Line of business applications (ICT applications & systems)	New CRM delivery underway as above, Cloud migration and contracts in place for Housing systems, Revenues and Benefits and Care-first. Q1 focus now on Resource-link and Integra contracts & systems.

\*Items 3, 12 and 13 are not the responsibility of the Resources & Finance Service and will therefore be reported to the relevant Strategic Committees.

Designation: Executive Chief Officer Resources and Finance

Date: 29/01/2021

Authors: Rachel Rae, Trainee Accountant  
Caroline Urquhart, Business Management Analyst  
Sheila McKandie, Head of Revenues and Business Support

Background Papers: Notification of Council Tax Reduction Allocation  
Resources & Finance Revenue Monitoring Report 2019/20  
Scottish Government Council Tax Reduction Published  
Statistics  
DWP Published Housing Benefit Statistics  
Recovery Board 25 January 2021: Recovery Action Plan –  
Phase 3

Received by Committee Services: 15 February 2021 at 13:59

## RESOURCES AND FINANCE SERVICE Revenue Expenditure Monitoring Report

**1 April 2020 to 31 December 2020**

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Directorate	309	103	390	287
Resources & Finance - COVID	(24)	-	11	11
People	1,575	1,887	1,883	(4)
ICT Services	9,462	11,053	10,618	(434)
ICT Services - COVID	182	-	190	190
Revenues & Business Support	6,470	7,380	6,953	(427)
Corporate Finance	3,346	3,390	3,115	(276)
<b>Total</b>	<b>21,320</b>	<b>23,813</b>	<b>23,160</b>	<b>(653)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	13,072	15,499	14,438	(1,061)
Other Costs	11,224	12,521	13,738	1,217
<b>Gross Expenditure</b>	<b>24,296</b>	<b>28,020</b>	<b>28,176</b>	<b>156</b>
Grants	(578)	(745)	(798)	(53)
Other Income	(2,398)	(3,462)	(4,218)	(756)
<b>Total Income</b>	<b>(2,976)</b>	<b>(4,207)</b>	<b>(5,016)</b>	<b>(809)</b>
<b>Total</b>	<b>21,320</b>	<b>23,813</b>	<b>23,160</b>	<b>(653)</b>

### Notes

- %age of Net expenditure to date
 

Dec 2020	<b>90%</b>
Dec 2019	<b>87%</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.

	£000	£000	£000	£000
	Actuals	Annual	Year	Year
	To Date	Budget	End	End
			Estimate	Variance
<b>BY SERVICE</b>				
Housing Benefit	4,183	2,858	3,000	142
Council Tax Reduction Scheme	13,823	13,749	13,823	74
Scottish Welfare Fund Grants	713	1,929	1,929	0
Educational Maintenance Allowances	57	-	-	0
School Clothing Grants	709	565	565	0
Advice Services	1,147	1,010	1,010	0
Milton Activity Hub Grant	(68)	-	0	0
Food Fund	1,170	1,199	1,199	0
Fuel Poverty	0	-	-	0
Winter Hardship Payments	443	-	-	0
Paypoint prepayment*	1,127	-	-	0
<b>Welfare Total</b>	<b>23,303</b>	<b>21,310</b>	<b>21,526</b>	<b>216</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	0	0	0	0
Other Costs	51,492	57,695	61,687	3,992
<b>Gross Expenditure</b>	<b>51,492</b>	<b>57,695</b>	<b>61,687</b>	<b>3,992</b>
Grants	(28,189)	(36,249)	(40,025)	(3,775)
Other Income	0	(136)	(136)	0
<b>Total Income</b>	<b>(28,189)</b>	<b>(36,385)</b>	<b>(40,161)</b>	<b>(3,775)</b>
	<b>23,303</b>	<b>21,310</b>	<b>21,526</b>	<b>216</b>
<b>% of Annual Expenditure</b>				
Dec 2020		109.4%		
Dec 2019		91.6%		

## WELFARE MONITORING TO DECEMBER 2020

Appendix 2(a)

BY ACTIVITY	GROSS EXPENDITURE				GROSS INCOME				NET TOTAL			
	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance
<b>Housing Benefit</b>	38,418	31,402	39,478	1,060	(35,560)	(27,219)	(36,478)	(918)	2,858	4,183	3,000	142
<b>Council Tax Reduction Scheme</b>	13,749	13,823	13,823	74	0	0	0	0	13,749	13,823	13,823	74
<b>Scottish Welfare Fund</b>												
Community Care Grants	1,500	543	1,500	0	0	0	0	0	1,500	543	1,500	0
Crisis Grants- awarded	429	169	429	0	0	0	0	0	429	169	429	0
<b>Educational Maintenance Allowances</b>	689	529	689	0	(689)	(472)	(689)	0	0	57	0	0
<b>School Clothing Grants Awarded</b>	565	709	715	150	0	0	(150)	(150)	565	709	565	0
<b>Advice Services</b>												
Citizens Advice Bureau	1,146	1,147	1,146	0	(136)	0	(136)	0	1,010	1,147	1,010	0
<b>Milton Activity Hub Grant</b>	0	0	68	68	0	(68)	(68)	(68)	0	(68)	0	0
<b>Food Fund</b>	1,199	1,601	1,996	797	0	(431)	(797)	(797)	1,199	1,170	1,199	0
<b>Fuel Poverty</b>	0	0	270	270	0	0	(270)	(270)	0	0	0	0

<b>Winter Hardship Payments</b>	0	443	447	447	0	0	(447)	(447)	0	443	0	0
<b>PayPoint prepayment*</b>	0	1,127	1,127	1,127	0	0	(1,127)	(1,127)	0	1,127	0	0
<b>TOTAL</b>	57,695	51,492	61,687	3,992	(36,385)	(28,189)	(40,161)	(3,775)	21,310	23,303	21,526	216

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

## Appendix 3

Other performance measures	Frequency
Processing time benefit – new claims (average days)	Quarterly
Processing time benefit – change in circs (average days)	Quarterly
Welfare Support	Quarterly
Business Improvement District (BID) Levy	Quarterly
Business Support - Talentlink	Quarterly
Business Support – Single Grant Applications	Quarterly

Statutory Performance Indicators	Frequency
The average number of working days per employee lost through sickness absence for: b) All other local government employees	Quarterly
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
Internal Audit - cost of audit/£1m net expenditure	Annual
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

## Appendix 4

Invoice Payments <10 days										
Service	TARGET 20/21	14/15	15/16	16/17	17/18	18/19	19/20	20/21 Q1	20/21 Q2	20/21 Q3
C&L	77%	67.4	49.2	57.6	65.7	66.1	72.2	66.3	73.1	63.8
CD		72.0	71.3	75.1	78.2					
CEX		84.0	75.2	76.7	72.5	77.3	70.4	75.3	69.3	78.5
CS		75.6	62.8	65.8	76.4	81.4	83.1	86.7	85.7	83.9
D&I		85.0	51.0	55.8	65.3	67.2	50.8	57.7	73.4	68.1
Fin		91.0	76.8	91.4	83.0					
CRS						77.7	85.6	90.0	86.8	89.3
<b>Highland Council</b>			<b>76.9</b>	<b>56.5</b>	<b>63.3</b>	<b>71.1</b>	<b>73.7</b>	<b>75.3</b>	<b>78.4</b>	<b>80.4</b>

Invoice Payments <30 days										
Service	TARGET 20/21	14/15	15/16	16/17	17/18	18/19	19/20	20/21 Q1	20/21 Q2	20/21 Q3
C&L	95%	93.7	89.7	94.5	94.9	93.8	95.0	87.6	93.1	86.8
CD		93.6	93.1	92.8	94.5					
CEX		95.4	96.1	94.1	92.3	94.8	92.1	96.1	91.4	93.7
CS		91.8	92.9	93.1	95.4	97.0	97.4	97.0	97.9	96.5
D&I		90.6	88.4	91.7	95.4	96.7	92.1	91.0	96.1	96.3
Fin		99.0	96.9	98.1	98.9					
CRS						97.5	98.2	97.1	96.2	98.1
<b>Highland Council</b>			<b>94.3</b>	<b>91.3</b>	<b>94.0</b>	<b>95.3</b>	<b>95.7</b>	<b>95.9</b>	<b>94.1</b>	<b>96.1</b>