

Agenda Item	5
Report No	RES/23/21

THE HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 25 August 2021

Report Title: Resources and Finance - Revenue and Performance Monitoring to 30 June 2021

Report By: Executive Chief Officer, Resources and Finance

1. Purpose/Executive Summary

- 1.1 This report provides information relating to the Quarter1 Revenue and Performance monitoring position for the period to 30 June 2021 and the 2020/21 near final outturn for the Resources and Finance Directorate.
- 1.2 In addition to the main revenue budget variances for which the Directorate 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 Directorate.
- 1.3 The performance information contained within this report includes the Accounts Commission's Statutory Performance Indicators (SPIs) for the Directorate, 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 Directorate and the wider Council. A list of the current SPIs for the Resources and Finance Directorate, together with the frequency of reporting, is provided at **Appendix 7**. 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 Directorate.
- 1.4 Some activities delivered by the Resources and Finance Directorate, 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 Directorate where there has been some slippage, together with remarks for contextual purposes.

2. Recommendations

2.1 Members are invited to:

- i. consider the Revenue near final monitoring position for 2020/21 and the Quarter 1 period to 30 June 2021;
- 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 Directorate and alignment with the Council's commitment to Best Value and continuous improvement;
- iv. examine the actions for the Directorate on the Recovery Action Plan, note the slippage and consider the remarks provided; and
- v. note the update on the Procurement & Contract Management Transformation Project

3. Implications

3.1 **Resource:** The budget of £13.551m available to the Resources and Finance Directorate is around 2.2% of the total general fund for the totality of the Council's services. The Resources and Finance Directorate has a budgeted staffing establishment of circa 500 FTEs. Corporate leadership in financial governance, human resources and provision of shared business support services are key responsibilities of the Directorate. Also, the Directorate 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 citizens. Our responsibilities within the Revenues part of the Directorate involve 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 Directorate 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 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.

3.3.3 The Directorate 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 risk that the impacts of the pandemic and resulting mitigations continue to result in additional and increased costs for the Directorate. 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 and 4** to this report.

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 - Near Final Revenue Budget 2020/21

4.1 **Appendix 1** to this report provides the near final monitoring statement showing the year end outturn. The Directorate is showing an outturn of £22.602m against a net annual budget of £23.280m, representing an underspend of £0.679m. This position is an improvement of £0.026 on the previous Quarter. This does not include the Welfare Budget, which is discussed separately in Section 10 below and detailed in **Appendix 3** to this report.

4.2 Directorate

The Directorate Section overspend of £0.373m includes the Directorate's unallocated efficiency savings relating to prior years. The main movement from the previous Quarter's estimated variance of £0.287m was bad debt write offs at the year end.

4.3 Resources and Finance Covid-19 Costs

The Covid-19 costs of £0.008m include expenditure for overtime and mobile phone related costs.

4.4 People (Annual Budget: £1.869m)

The year end underspend of £0.054m being reported is a movement of £0.004m estimated in the previous Quarter. Aside from some mitigating overspends and underspend movements, the movement is represented by a £0.030m increase in underspend on the occupational health contract and a delayed employee engagement survey of £0.020m.

4.5 ICT Services (Annual Budget: £10.369m)

The ICT & Digital services budget forms part of the 2021/22 Transformation budget. For 2020/21 a near final underspend of £0.244m is reported. This is made up of a Covid-19 spend of £0.232m offset by an underspend forecast for the section of £0.476m. This underspend is made up of SWAN and contract underspends relating to third party software, as well as staffing underspends from delays in recruitment.

4.6 Corporate Finance (Annual Budget: £3.343m)

The movement from the forecasted underspend of £0.276m is mainly due to the underspend on the Procurement Contract being lower than was previously forecast offset by further underspends in Accountancy and Payroll.

4.7 Revenues and Business Support (Annual Budget: £7.393m)

The underspend for Revenues and Business Support increased in the last Quarter from £0.427m to £0.524m underspend. The main movement being underspends in

staffing related expenditure while offsetting some pressures from warrant income due to COVID.

5. **Appendix 2 Resources and Finance Revenue Budget Monitoring 2021/22**

5.1 **Appendix 2** to this report provides the Q1 monitoring statement for 2021/22 showing the forecasted year end outturn at Quarter 1 2021/22. The Directorate is showing an outturn of £13.140m against a net annual budget of £13.551m, representing an underspend of £0.411m. This section of the report provides narrative and budget information for each of the activities detailed in the monitoring report at **Appendix 2** to this report. As set out in section 4 above, this does not include the Welfare Budget, which is discussed separately in Section 10 below and detailed in **Appendix 4** to this report.

5.2 **Directorate**

The Directorate overspend of £0.231m includes unallocated efficiency savings relating to prior years offset by other expenditure underspends. Work is being planned to address these historic issues and future budgets will be aligned to service requirements.

5.3 The Directorate continues to focus on savings targets while recognising that some resources continue to focus on the impacts of the pandemic. The ongoing unpredictable nature of the pandemic has also resulted in pressures that were not foreseen and have hampered the Directorate's spending controls and deliverability of some savings targets.

5.4 **People (Annual Budget: £2.357m)**

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 overspend of £0.043m. The main reason for this overspend relates to a corporate training saving that was applied to this budget last year.

5.5 **Corporate Finance (Annual Budget: £3.523m)**

The forecasted underspend in Corporate Finance of £0.067m is mainly arising from underspends in the Accounting and Insurance Section of £51k and Payroll & Creditors £15k. The underspends are mainly staffing and other expenditure underspends, as well as one-off income.

5.6 **Revenues and Business Support (Annual Budget: £7.292m)**

For this section, the forecasted underspend is £0.618m which includes £0.225m administration funding to support future delivery of pandemic payments. Underspends are offsetting pressure from warrant income.

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 Directorate 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 and to enable progress to be monitored.

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

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

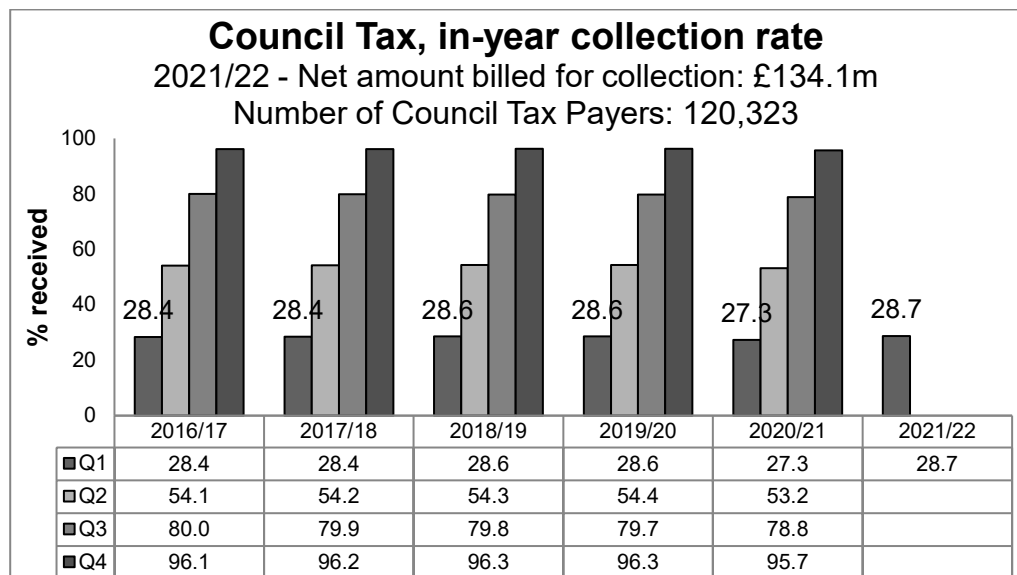
6.3.1 The Council Tax in-year collection rate in Q1 is 28.7%, representing an increase of 1.4% on the comparable period last year and a 0.1% increase on performance in Q1 2019/20.

6.3.2 The Directorate continues to have a sharp focus on the council tax collections with a view to maximising this important income stream for the Council. 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. A planned recovery schedule is in place to ensure that recovery and enforcement actions are progressed in accordance with the appropriate regulations. This encourages payments and helps to identify council tax payers who require additional time to pay and welfare 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 Scottish Water's water and wastewater charges. Council tax payers can apply for this support via the Council's Apply Once online application [form](#), by contacting the Welfare Support Team at 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 76% of council tax bill payments, representing 81.1% of receipts, comparable to the prior year position of 73.9% and 83.5%, respectively.

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 (120,323) included in the above bar chart shows the position as at March 2021 when the 2021/22 council tax bills were being prepared and issued. As new builds come onto the market and are made available for ownership, private rented and social housing, there is natural movement in the tax base and number of council tax payers throughout the year. The March 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.

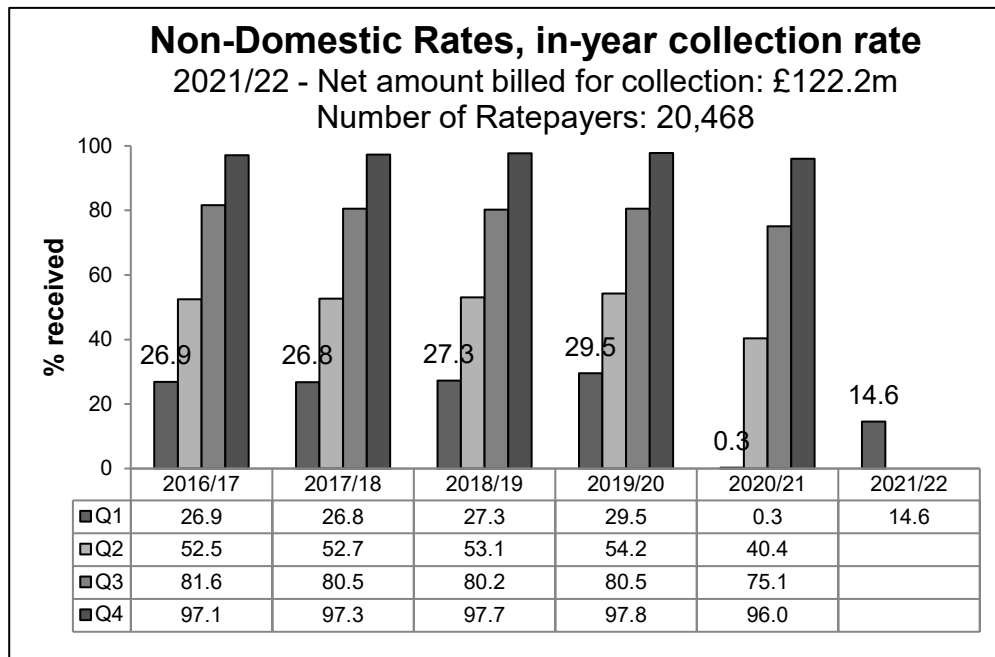
6.4 Revenues and Business Support - Non-Domestic Rates In-Year Collection Rate

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



6.4.5 Historically, relief from Non-Domestic Rates has been available to achieve competitive equity and fairness. For 2021/22, the Scottish Government is providing a comprehensive package of relief to help mitigate the impacts of Covid-19 and has specified the categories of relief that can be awarded. The Scottish Government has specified that the relief available for the [retail](#), hospitality, leisure and aviation sectors requires an application form to be completed by the ratepayer. The Revenues Team has managed well with the associated workload to ensure prompt consideration, and where appropriate, award of this relief.

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 other available relief wherever possible. To raise awareness and to relieve ratepayers from rates bills, information regarding relief is provided on the non-domestic rates bill and published on the Council's website.

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.

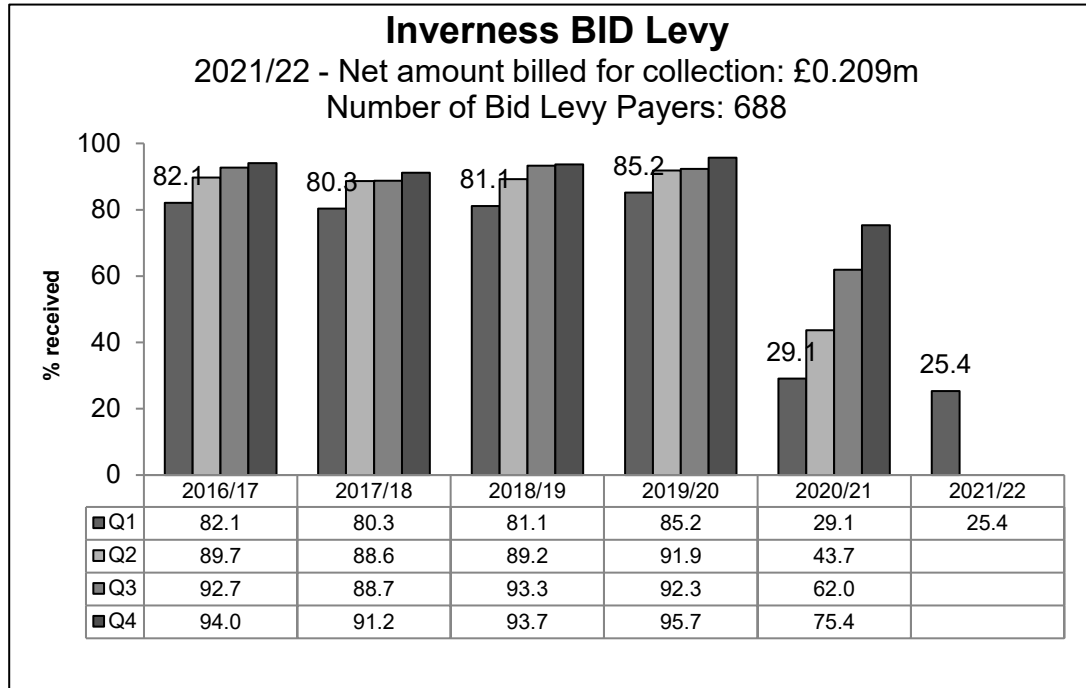
6.5 Revenues and Business Support - Business Improvement Districts (BID)

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. Officers continue to progress billing and recovery in accordance with a planned schedule.

6.5.2 Billing for the Inverness and the Inverness & Loch Ness Tourism BID levies was undertaken in line with previous years, ie April 2021. The Nairn BID billing year commences in October each financial year.

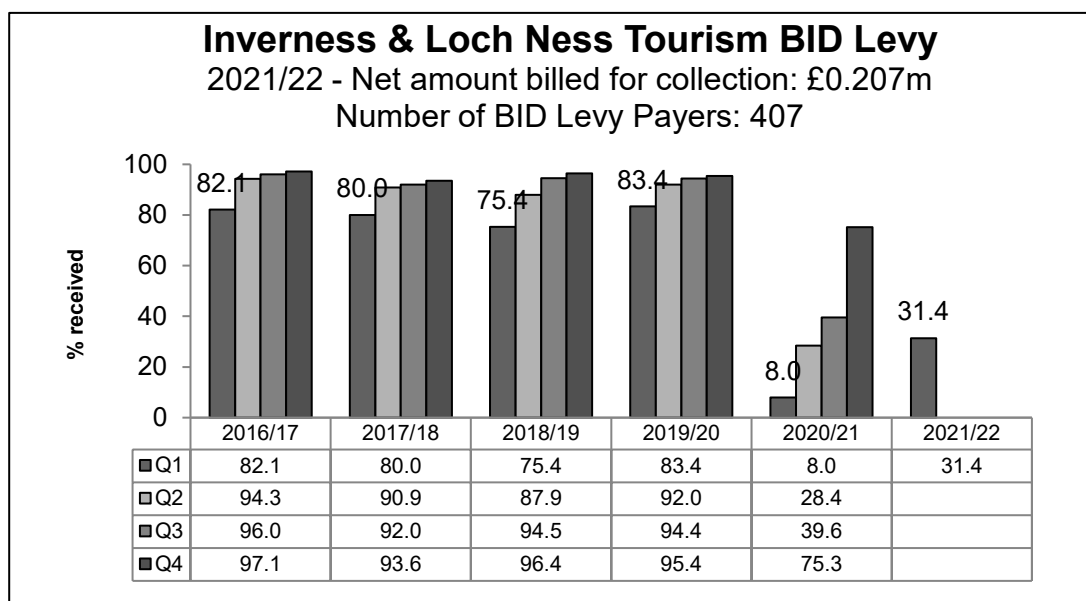
6.5.3 Inverness BID Levy

Although the Inverness BID Levy income has increased, the allocations between the previous and current financial years have resulted in a reported 3.7% reduction when compared with the Quarter 1 position for 2020/21.



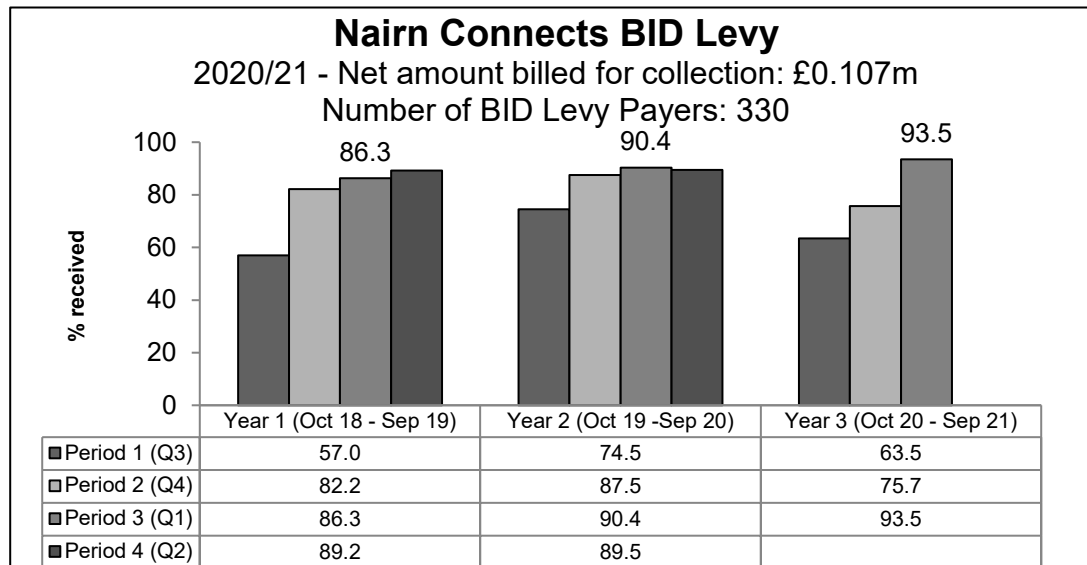
6.5.4 Inverness & Loch Ness Tourism BID Levy

By the end of Q1, 31.4% of the BID levies have been paid compared with 8.0% at the same point in 2020/21.



6.5.5 Nairn Connects BID Levy

The Nairn Connects billing year commences 1 October each year. Performance in Period 3 (Quarter 1) shows a collection rate of 93.5%, a 3.1% improvement on the prior year.



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.

6.6.2 197 single grant applications were received during Q1, 2021/22 of which 98.5% were processed within 5 days. This strong performance delivered by the Shared Business Support Team evidences 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	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 (to date)
Percentage logged, acknowledged & distributed within 5 days target	98.3%	99.2%	96.8%	98.9%	99.2%	98.5%

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

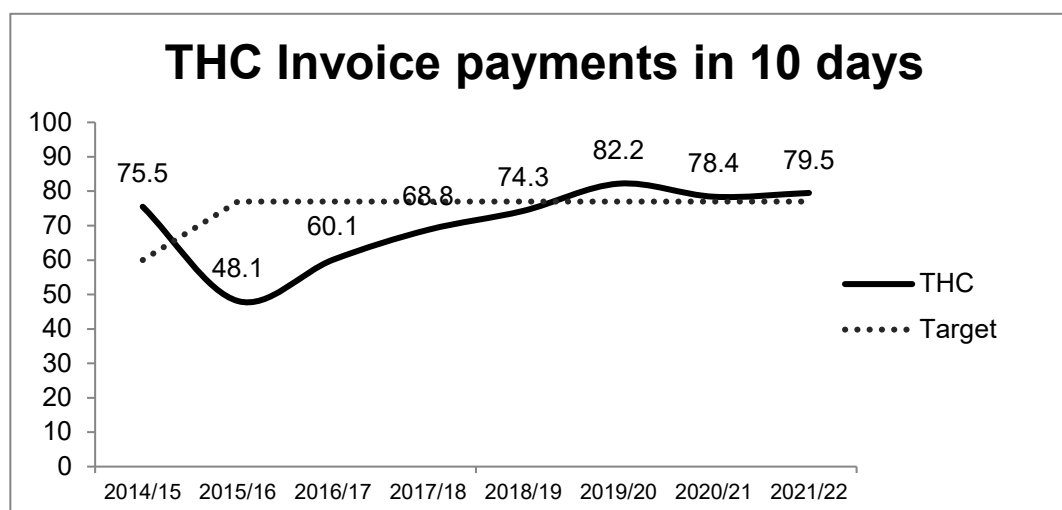
advertise the range of vacancies that are currently being advertised by the Council can be accessed [here](#).

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	21/22 Q1
Number of posts advertised	2,403	1,914	1,947	1,258	1,346	1,313	476
Percentage of posts advertised on time	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%	12,254 98.28%	5,784 98.47%
Percentage of paper applications processed within 2 working days	100%	99.3%	100%	99.7%	100%	100%	100%

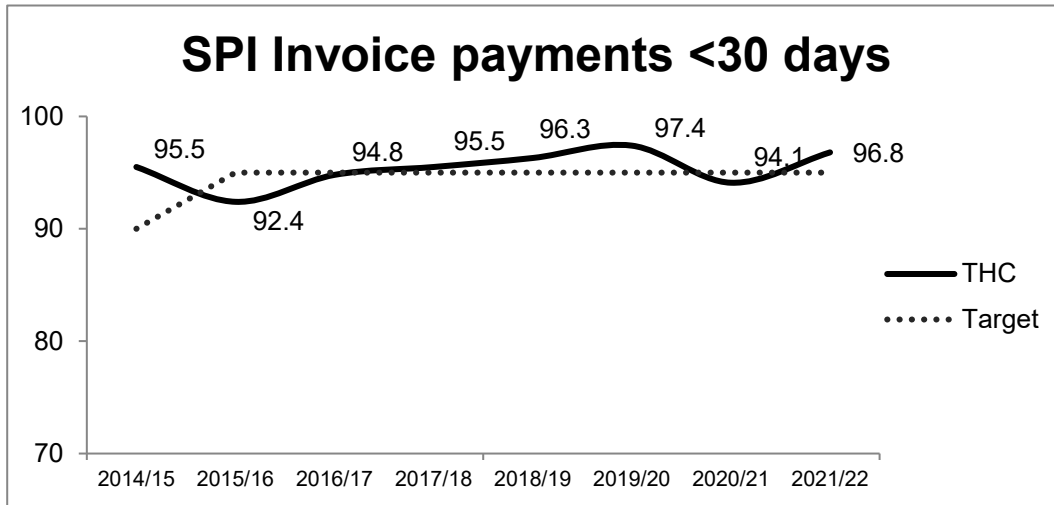
8. Corporate Finance and Revenues & Business Support - Payment of Invoices

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 budget holders and for those matched to Purchase Orders. Q1 performance exceeds the corporate target of 77%, by 2.5%.



8.2 Since the last report, there has been a focus on aligning reporting to reflect each of the Directorates. Performance by Directorate is detailed at **Appendix 8** to this report. 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, Q1 saw an improvement on prior year of 96.8% compared to 94.1% in Q1 20/21, and above the corporate target of 95%, by 1.8%.

9. Directorate Complaints Performance

9.1 The Council has just migrated to a new complaint management system and it is anticipated that more detailed business intelligence on complaints performance and analysis of complaint type will be developed over the course of this year for reporting to Committee. Monitoring complaints and the business intelligence available from doing so, helps to inform service design and decision making. When received, complaints are categorised as follows (a) not requiring investigation with a resolution target of 5 days and (b) more complex complaints, requiring investigation with a resolution target of 20 days. During Q1, performance for the Directorate was as follows against a corporate target of 70% for both categories:

	Resources & Finance	Highland Council
5-days frontline resolution	63.3%	54%
20-days investigation	81.8%	65.9%

9.2 Officers continue to identify actions to improve performance in this area.

10. **Appendix 3 Welfare Budget 2020/21**

10.1 The Welfare Budget is delivered by the Revenues and Business Support section. **Appendix 3**, and the supplementary information detailed at **Appendix 5** sets out the actual expenditure and the outturn against the budget. The Welfare Budget is showing a year end outturn of £21.772m against a net annual budget of £21.313m, representing an overspend of £0.459m for 2020/21. Welfare take up across a range of entitlements is used to determine national distribution of funding. As such, in addition to recognising the direct social, health and economic benefits for individual recipients, communities and local businesses, monitoring of this budget should be considered in terms of these broader factors.

10.2 **Council Tax Reduction**

Reflecting the net position, an overspend of £0.132m is reported for the demand-led Council Tax Reduction Scheme (CTRS) following the strong take-up of this important support.

10.3 **Housing Benefit: Annual Expenditure Budget £38.418m 2020/21**

The Housing Benefit budget reports a near final overspend of £0.294m. Whilst Housing Benefit is generally funded by the Department for Work and Pensions (DWP), it is not fully funded, eg 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, impacting the reported overspend. Although this suspension is now lifted, this national policy decision has reduced the amount of overpaid housing benefit that has been recovered via the DWP. Close monitoring of DWP recovery of overpaid benefit is therefore in place.

10.3.1 Quarter 1 performance shows a 0.75 decrease in the number of days taken to process new claims for housing benefit and council tax reduction with change of circumstance processing time being comparable to prior year.

10.3.2 Prompt processing times for New Claims and Changes in Circumstances 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 £1.304m 2020/21**

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 main factor influencing this budget heading is the significant other sources of help that are available, including via community groups and the third sector. Following a review by Service Delivery Team during Q4 2020/21, spend levels have been increasing and are better aligned with the profiled budget for 2021/22.

10.5 **School Clothing Grants: Annual Budget £0.736m 2020/21**

10.5.1 The year end overspend of £0.132m demonstrates the high demand on this budget during 2020/21 and this is continuing into 2021/22. Reduced working hours, job losses, and other financial pressures 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.

10.6 **Food Fund: Budget £1.612m 2020/21**

The Food Fund expenditure is fully funded resulting in £0 spend for the Council. Demand for food continued during the reporting period and vouchers were provided for around 4,700 eligible children and young people who each received £15 per week during the school holidays. The Food Fund spend is demand led. Due to the unpredictable nature of the pandemic, coupled with other influences including withdrawal of the furlough scheme and the £20 pandemic top-up for Universal Credit both in September together with the impacts of the energy price cap increase from October 2021, demand is anticipated to increase during autumn and winter 2021. 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. From time to time, local purchasing of specific items from the Food Fund are required to supplement the Council's stock of supplies. Led by the Head of Revenues & Business Support, work is also underway, involving officers across several Directorates, to establish a suitable FareShare distribution centre in Highland.

10.7 **Welfare Budget 2021/22**

10.7.1 **Appendix 4**, and the supplementary information detailed at **Appendix 6** shows actual expenditure and the outturn against the budget at 30 June 2021. The Welfare Budget is showing a year end outturn of £23.618m against a net annual budget of £23.111m, representing an overspend of £0.507m for 2021/22.

10.7.2 **Council Tax Reduction**

Reflecting the net position, an overspend of £0.166m is reported for the demand-led Council Tax Reduction Scheme (CTRS) following the strong take-up of this support.

Council Tax Reduction is a demand-led adjustment to council tax bills and is partially funded by the Scottish Government.

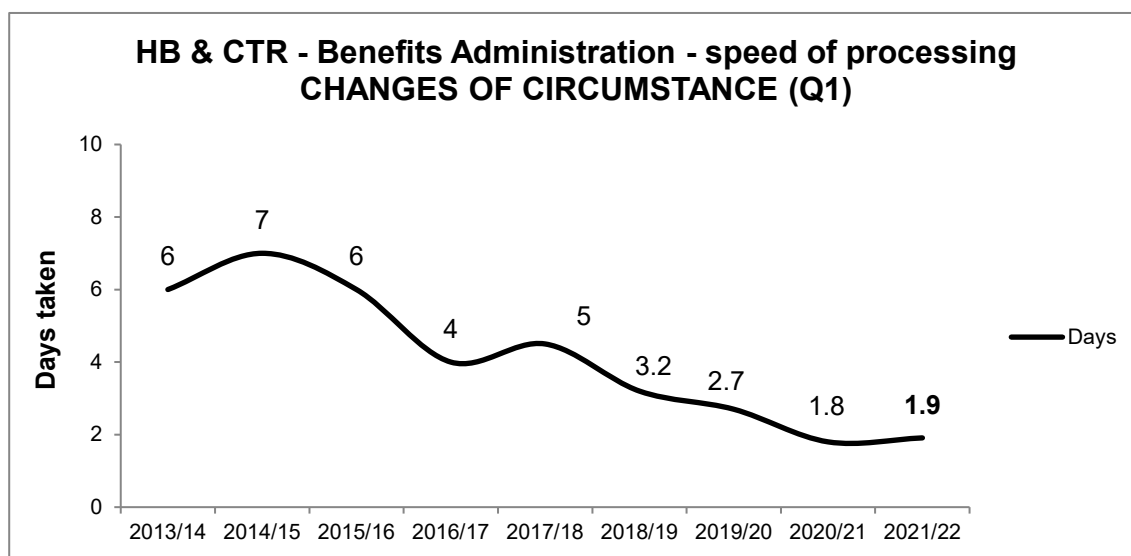
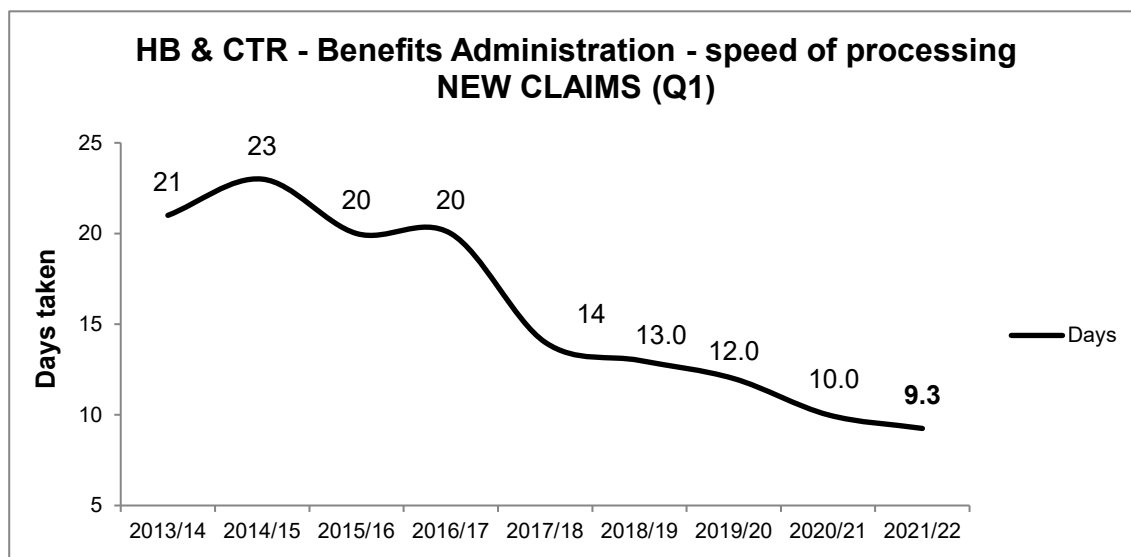
Robust processing times as set out below, regular benefits promotion and the vital support provided by the Welfare Support Team and Advisors across Highland, support a positive share of the national fund.

10.7.3 **Housing Benefit: Annual Expenditure Budget £38.077m**

The Housing Benefit budget reports a balanced budget at this stage in the financial year. As set out above, whilst Housing Benefit is generally funded by the Department for Work and Pensions (DWP), it is not fully funded.

Quarter 1 performance shows a 0.75 decrease in the number of days taken to process new claims for housing benefit and council tax reduction with change of circumstance processing times being comparable to prior year.

Prompt processing times for New Claims and Changes in Circumstances 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.



10.7.4 Scottish Welfare Fund: Annual Budget £1.243m 2021/22

A balanced budget is forecast for Scottish Welfare Fund at this stage in the financial year.

10.7.5 School Clothing Grants: Annual Budget £0.565m 2021/22

On current take-up, the School Clothing Grants spend is forecasted at £0.757m with the budget being topped up by funding from the Scottish Government.

10.7.6 Free School Meals Holidays: Budget £0.722m 2021/22

The forecast spend for free school meal holiday provision is £0.798m with take-up predicted to increase as a result of the autumn changes as set out earlier in this report.

10.7.7 Fuel Support Fund: Budget £0.764m 2021/22

Forecast spend for the successful locally designed fuel support fund is £1.064m resulting in an overspend of £0.300m. This fund is now closed. However, Members are reminded that officers are designing a second scheme to deliver the commitments agreed in the Health & Prosperity Investment Strategy.

10.7.8 Hardship Payments

With pandemic funding from the Scottish Government, hardship payments of £100 per pupil were paid to those in receipt of means-tested free school meals. An overspend of £0.030m is anticipated.

10.7.9 Milton Holiday Activity Hub – Summer 2021

Led by the Head of Revenues & Business Support and developed in consultation with families, delivery partners and relevant Council teams, a weekly wellbeing and play holiday activity hub has been successfully delivered Monday to Friday throughout the summer holiday period. Funded by the Scottish Government, the Hub enabled 24 P1-P7 children to experience the outdoors, enjoy local trips, play with new and long-established, discover new talents and interests, and learn new skills. Nutritious meals were also provided each day and all children were provided with bags of healthy food to share at home with their families. As the Council's main delivery partner, HLH managed the Hub in collaboration with partners to provide a summer of fun for families. A creche was provided to enable parents to learn new skills with the aim of enhancing their employability and life skills. Feedback has been extremely positive from adults and children alike. A survey of parents/carers that was undertaken in the planning stages identified that numbers interested in accessing the Hub exceeded manageable provision. This provides helpful learning for future planning of similar provision and will be incorporated into an evaluation report which will be produced in the coming months for sharing with the Scottish Government and elected members.

11. Recovery Action Plan

11.1 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. As restrictions are being relaxed to below zero there is a continued 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.

11.2 Slippage for the Resources and Finance Directorate, together with updates, are provided below.

Recovery Action Plan – Phase 3			
Items showing slippage: Resources & Finance Directorate			
Item	Key Priority	Action Point	Remarks
1	Financial Recovery Strategy	CIPFA Implement CIPFA review findings - develop Medium Term Financial Plan (MTFP)	Given the uncertain financial climate the development of a MTFP is particularly challenging. Work to develop MTFP will continue during 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 continued in Q1 2021 taking cognisance of the significant financial uncertainty as a direct result of Covid and the current lockdown.

12. Procurement & Contract Management Transformation Project

12.1 Activities undertaken to August 2021

Following member approval of the project scope and rationale at Corporate Resources Committee on 26 May 2021, a project team, comprising officers from The Highland Council and the Commercial & Procurement Shared Service was established, which included the appointment of the project manager (0.5FTE) in June. The recruitment process for the remaining project team members commenced at the end of Q1 and unfortunately did not result in the post being filled. However, mitigating resource measures are now underway to ensure the project timelines remain on track, with the aim of recruiting to the remaining vacant positions during September 2021.

The Project Board has met weekly since the project commenced and has overseen the completion of the following activities:

- Project Roles & Responsibilities agreed
- Detailed Project Plan drafted, reviewed and agreed
- Project Initiation Document finalised
- Initial Risk Register completed – this is subject to continued review and update as appropriate
- Workstream benefits and outcomes identified

Project updates are provided regularly to the Transformation Programme Office, The Recovery Improvement and Transformation Board and will continue to be reported to Corporate Resources Committee until project completion.

12.2 **Planned Activities (next reporting period September to December 2021)**

Activity	Status	Notes
Recruitment to vacant posts	Ongoing	Completion during September 2021
Completion of project documentation and work plans	Ongoing	
Critical appraisal and development of Procurement and Contract Management Roles & Responsibilities, including Roles Matrix	Ongoing	Consultation with ECOs and key contract managers scheduled for completion by September 2021
Engagement with stakeholders	Ongoing	Following on from informative seminar on 28 th April 21 with ECOs, engagement with individual ECOs and contract managers is planned.
To ensure value for money, and in conjunction with contract managers/owners, detailed data analysis and review of contracts.	Ongoing	A significant and important activity which involves a number of stages. This activity initially involves interrogating the ledger and other data, and thereafter developing a robust Contracts Register in conjunction with Directorates. A review of governance arrangements is also planned.
Incorporate feedback from Directorates and approve Procurement & Contract Management Roles and Responsibilities Documentation	Ongoing	Initial engagement with key ECOs and Contract Owners/Managers. Thereafter the Executive Leadership Team will be provided with an opportunity to review.
Report to Corporate Resources Committee	Ongoing	Next Corporate Resources Committee 25 August 2021

12.3 **Key Risks Issues and Mitigation**

Description	Risk or Issue	Status	Mitigation

		(High, Medium or Low)	
Vacant posts remaining unfilled	Risk	High	Recruitment to the two vacancies is underway. The remaining 0.5 FTE vacancy (Project Manager) will be recruited if required.
Non-alignment of Procurement & Council Strategies	Risk	Medium	Should this occur, the identified risk will be considered within the context of the broader impacts for the Council and Shared Service. Issues will be resolved at Board level with escalation arrangements in place, if required.

Designation: Executive Chief Officer, Resources and Finance

Date: 06/08/2021

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

Background Papers:

RESOURCES AND FINANCE DIRECTORATE Revenue Expenditure Monitoring Report

1 April 2020 to 31 March 2021

	£000	£000	£000	£000
	Actual Year To Date	Annual Budget	Year End Outturn	Year End Variance
BY ACTIVITY				
Directorate	680	307	680	373
Resources & Finance - COVID	8	-	8	8
People	1,814	1,869	1,814	(54)
ICT Services	9,893	10,369	9,893	(476)
ICT Services - COVID	232	-	232	232
Revenues & Business Support	6,869	7,393	6,869	(524)
Corporate Finance	3,106	3,343	3,106	(237)
Total	22,602	23,280	22,602	(679)
BY SUBJECTIVE				
Staff Costs	14,331	15,452	14,331	(1,122)
Other Costs	14,164	12,035	14,164	2,129
Gross Expenditure	28,495	27,488	28,495	1,007
Grants	(88)	-	(88)	(88)
Other Income	(5,806)	(4,207)	(5,806)	(1,599)
Total Income	(5,893)	(4,207)	(5,893)	(1,686)
	22,602	23,280	22,602	(679)

Notes

1. % age of Annual Expenditure*	-	Mar 2021	-	-	-
		Mar 2021			97%
					94%

*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 DIRECTORATE Revenue Expenditure Monitoring Report

1 April 2021 to 30 June 2021

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Directorate	1,521	378	609	231
Resources & Finance - COVID	-	-	-	-
People	665	2,357	2,400	43
Revenues & Business Support	2,066	7,292	6,674	(618)
Corporate Finance	567	3,523	3,456	(67)
Total	4,818	13,551	13,140	(411)
BY SUBJECTIVE				
Staff Costs	3,785	13,620	12,654	(966)
Other Costs	1,672	2,603	3,033	430
Gross Expenditure	5,457	16,223	15,687	(536)
Grants	(203)	(745)	(741)	4
Other Income	(436)	(1,927)	(1,806)	121
Total Income	(639)	(2,673)	(2,548)	125
	4,818	13,551	13,140	(411)

Notes

1. % age of Annual Expenditure*

Jun 21/22	36%
Jun 20/21	25%

*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
1 April to 31 March 2021

	£000	£000	£000 Year End	£000 Year End Variance
	Actuals To Date	Annual Budget	Outturn	
BY SERVICE				
Housing Benefit	3,152	2,858	3,152	294
Council Tax Reduction Scheme	13,881	13,749	13,881	132
Scottish Welfare Fund Grants	1,304	1,304	1,304	(0)
Educational Maintenance Allowances	0	-		0
School Clothing Grants	736	715	736	21
Advice Services	1,022	1,010	1,022	12
Milton Activity Hub Grant	0	-	-	0
Food Fund	1,612	1,612	1,612	0
Fuel Poverty	65	65	65	0
Welfare Total	21,772	21,313	21,772	459
BY SUBJECTIVE				
Staff Costs	0	0	0	0
Other Costs	61,153	57,699	61,153	3,454
Gross Expenditure	61,153	57,699	61,153	3,454
Grants	(2,028)	(689)	(2,465)	(1,776)
Other Income	(37,353)	(35,696)	(36,916)	(1,219)
Total Income	(39,381)	(36,385)	(39,381)	(2,996)
Welfare Total	21,772	21,313	21,772	459
% of Annual Expenditure				
This year	102.2%			
Last year	97.5%			

Appendix 4

Welfare Monitoring
1 April to 30 June 2021

	£000	£000	£000	£000
	Actuals To Date	Annual Budget	Year End Outturn	Year End Variance
BY SERVICE				
Housing Benefit	2,064	2,517	2,517	0
Council Tax Reduction Scheme	13,444	13,278	13,444	166
Scottish Welfare Fund Grants	522	1,243	1,243	0
Educational Maintenance Allowances	66	-	-	0
School Clothing Grants	18	565	565	0
Advice Services	450	1,010	1,021	11
Milton Activity Hub Grant	(68)	-	0	0
Welfare COVID	2,031	4,498	4,828	330
Paypoint prepayment*	1,127	-	-	0
Welfare Total	19,655	23,111	23,618	507
BY SUBJECTIVE				
Staff Costs	0	0	0	0
Other Costs	28,221	59,497	60,584	1,087
Gross Expenditure	28,221	59,497	60,584	1,087
Grants	(8,440)	(36,249)	(1,280)	34,970
Other Income	(126)	(136)	(35,686)	(35,550)
Total Income	(8,566)	(36,385)	(36,966)	(580)
Welfare Total	19,655	23,111	23,618	507
% of Annual Expenditure				
This year	85.0%			
Last year	96.9%			

WELFARE BUDGET 2020/21 - NEAR FINAL MONITORING

	GROSS EXPENDITURE				GROSS INCOME				NET TOTAL			
	£'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	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance
BY ACTIVITY												
Housing Benefit	38,418	39,943	39,943	1,524	(35,560)	(36,790)	(36,790)	(1,230)	2,858	3,152	3,152	294
Council Tax Reduction Scheme	13,749	13,881	13,881	132	0	0	0	0	13,749	13,881	13,881	132
Scottish Welfare Fund												
Community Care Grants	943	943	943	(0)	0	0	0	0	943	943	943	(0)
Crisis Grants- awarded	362	362	362	(0)	0	0	0	0	362	362	362	(0)
Educational Maintenance Allowances	689	767	767	78	(689)	(767)	(767)	0	0	0	0	0
School Clothing Grants Awarded	715	736	736	21	0	0	0	0	715	736	736	21
Advice Services												
Citizens Advice Bureau	1,146	1,147	1,147	1	(136)	(126)	(126)	10	1,010	1,022	1,022	12

Milton Activity Hub Grant	0	0	0	0	0	(0)	(0)	(0)	0	0	0	0
Food Fund	1,612	2,462	2,462	850	0	(850)	(850)	(850)	1,612	1,612	1,612	0
Fuel Poverty	65	913	913	848	0	(848)	(848)	(848)	65	65	65	0
TOTAL	57,699	61,153	61,153	3,454	(36,385)	(39,381)	(39,381)	(2,918)	21,313	21,772	21,772	459

WELFARE BUDGET 2021/22 - 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
BY ACTIVITY												
Housing Benefit	38,077	10,323	38,077	(0)	(35,560)	(8,258)	(35,560)	0	2,517	2,064	2,517	0
Council Tax Reduction Scheme	13,278	13,444	13,444	166	0	0	0	0	13,278	13,444	13,444	166
Scottish Welfare Fund												
Community Care Grants	966	295	966	0	0	0	0	0	966	295	966	0
Crisis Grants- awarded	277	227	277	0	0	0	0	0	277	227	277	0
Educational Maintenance Allowances	689	181	689	0	(689)	(114)	(689)	0	0	66	0	0
School Clothing Grants Awarded	565	18	757	192	0	0	(192)	(192)	565	18	565	0
Advice Services												
Citizens Advice Bureau	1,146	576	1,147	1	(136)	(126)	(126)	10	1,010	450	1,021	11
Milton Activity Hub Grant	0	0	68	68	0	(68)	(68)	(68)	0	(68)	0	0

Welfare COVID												
Free School Meals Holidays	722	381	798	76	0	0	(76)	(76)	722	381	722	0
Fuel Poverty	764	1,067	1,064	300	0	0	0	0	764	1,067	1,064	300
Family Pandemic Payments	720	458	962	242	0	0	(242)	(242)	720	458	720	0
Low Income Pandemic Payments	2,292	0	2,292	0	0	0	0	0	2,292	0	2,292	0
Hardship Payments		125	43	43	0	0	(13)	(13)	0	125	30	30
Paypoint prepayment*	0	1,127	1,127	1,127	0	0	(1,127)	(1,127)	0	1,127	0	0
TOTAL	59,497	28,221	61,711	2,214	(36,385)	(8,566)	(38,092)	(1,707)	23,111	19,655	23,618	507

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

Appendix 7

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) 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
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 8

Invoice Payments <10 days									
Directorate	TARGET 21/22	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22 Q1
C&P								83.6	85.6
E&L								79.2	82.8
HW&SC								82.0	86.7
I&E								85.7	85.6
P&G	77%							87.4	91.8
P&H								71.7	74.2
R&F								83.1	89.0
TRANS								84.0	-
Capital								82.1	78.1
Highland Council		76.9	56.5	63.3	71.1	73.7	75.3	77.6	79.5

Invoice Payments <30 days									
Directorate	TARGET 21/22	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22 Q1
C&P								96.6	96.1
E&L								92.2	94.5
HW&SC								95.7	97.3
I&E								96.6	96.2
P&G	95%							96.8	96.9
P&H								92.9	97.8
R&F								96.9	98.4
TRANS								99.0	100.0
Capital								95.4	95.6
Highland Council		94.3	91.3	94.0	95.3	95.7	95.9	94.1	96.8