

Agenda Item	<b>4.</b>
Report No	<b>RES/02/22</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 26 January 2022

**Report Title:** Resources and Finance - Revenue and Performance Monitoring to 31 December 2021

**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 2021 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 4** to this report. 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 With regard to the Procurement & Contracts Management Transformation Project, this report also contains a RAG status update, risks and issues together with summary information about planned activities.

1.6 This report also invites Members to implement Phase 2 of the Discretionary Fuel Support scheme for those on low incomes who are not eligible for Council Tax Reduction on the grounds that they are exempt from Council Tax in accordance with Council Tax legislation.

## 2. Recommendations

2.1 Members are invited to:

- i. consider the Revenue position for the Quarter 3 period to 31 December 2021;
- ii. scrutinise the statutory performance indicators, local key performance measures and where available, comparisons with 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. note the update on the Procurement & Contract Management Transformation Project;
- v. agree to implement a Phase 2 Discretionary Fuel Support scheme to make available a one-off payment of £180 per eligible household for those on low incomes who qualify for a person-based council tax exemption as set out in council tax legislation. It is estimated that a budget of £0.280m will be needed for this purpose, to be drawn from the Council's reserves. Paragraph 9.10 of this report provides further details.

## 3. Implications

3.1 **Resource:** The budget of £13.706m available to the Resources & Finance Directorate is 2.1% of the total general fund for the totality of the Council's services with 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 section of the Directorate involve engaging with every household and business in Highland. An estimated budget of £0.280m from the Council's reserves is required for the proposal to implement a Phase 2 Discretionary Fuel Support Fund to be drawn from the Council's reserves.

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 **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.

3.4 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.

- 3.5 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.
- 3.6 **Risk:** There is a risk that COVID-19, other broader economic and social impacts, 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 2 and 3** to this report. Generally, total payment values per scheme are fully recovered.
- 3.7 **Climate Change/Carbon Clever:** As reported in the Service Plan update in section 11 below, electronic Summary Warrants have been implemented for both Council Tax and Non-Domestic rates thus removing the need to print, post and transport paper to each Sheriff Court across the Highlands. This improvement action supports the Council's commitment to net zero carbon.
- 3.8 **Gaelic:** There are no Gaelic impacts arising from this report.

#### **4. Appendix 1 Resources and Finance Revenue Budget Monitoring 2021/22**

- 4.1 **Appendix 1** to this report shows the forecasted year end outturn for the Directorate at Quarter 3, 2021/22. The Directorate is showing an outturn of £13.175m against a net annual budget of £13.706m, representing an underspend of £0.531m. This section of the report provides narrative and budget information for each of the activities detailed in the monitoring report. This does not include the Welfare Budget, which is discussed separately in Section 9 below and detailed in **Appendices 2 and 3** to this report.
- 4.2 **Directorate**  
The Directorate overspend of £0.186m includes unallocated efficiency savings relating to prior years and realignment of budgets to offset pressure areas. Work is continuing to address these historic issues and future budgets will be aligned to service requirements.
- 4.3 The Directorate continues to focus on savings targets while recognising that all Heads of Service and their teams continue to focus on and support pandemic impacts. 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.
- 4.4 **People (Annual Budget: £2.310m)**  
The budget for People mainly relates to staff and training. The composition of this budget needs careful management and is reporting a predicted year end underspend of £0.093m.
- 4.5 **Revenues and Business Support (Annual Budget: £7.475m)**  
For this section, the forecasted underspend is £0.513m. Underspends are offsetting pressure from warrant income which has improved since Quarter 1. The main reason for the movement in the outturn of £0.145m is increased staffing in Business Support to support the Council's needs and increased functional workloads, along with increased computer/ICT related costs and also debt collection costs.

#### 4.6 **Corporate Finance (Annual Budget: £3.544m)**

The forecasted underspend in Corporate Finance of £0.113m is mainly arising from underspends in the Accounting and Insurance Section of £0.081m and Payroll & Creditors £0.034m. These underspends are mainly staffing and other expenditure underspends, as well as one-off income. The increase in forecast underspend of £0.023m is due to a reduction in forecasted other expenditure.

### 5. **Performance Information**

5.1 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 & 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.

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

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

5.3.1 The Q3 Council Tax in-year collection rate is 79.8%, representing an increase of 1.0% on the comparable period last financial year and a 0.1% increase when compared with 2019/20. The Q3 performance matches the 2018/19 position.

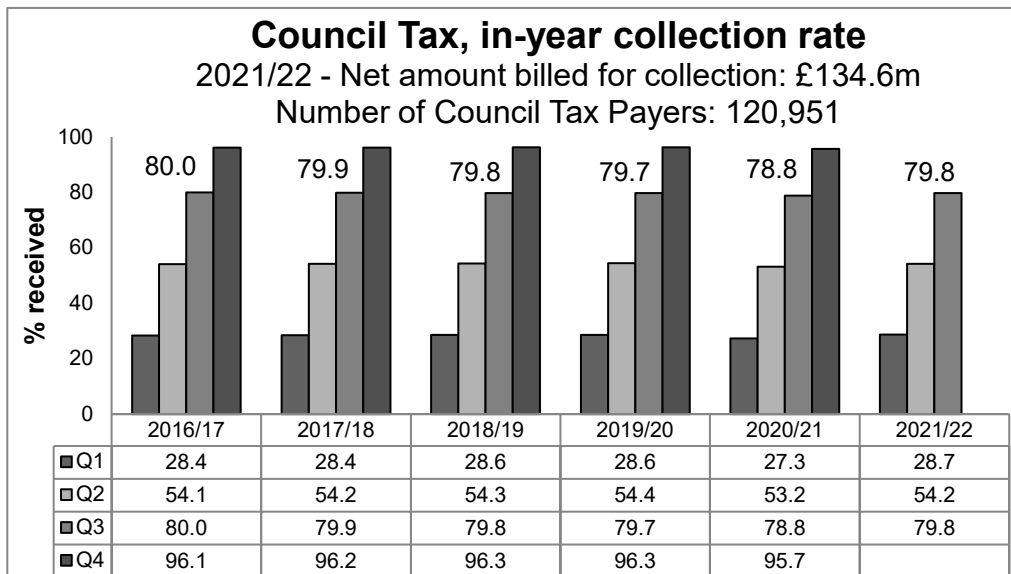
5.3.2 The Directorate continues to have a sharp focus on council tax collections with a view to maximising this significant income stream for the Council. Steps are taken regularly by the Welfare Support Team to promote the Council Tax Reduction scheme using social media and, in every case, when undertaking 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 taxpayers 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 annual 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 taxpayers who require additional time to pay and welfare support.

5.3.3 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](mailto:welfare.support@highland.gov.uk) or by calling 0800 090 1004.

5.3.4 Council Tax contributes around 20.6% of the Council's general fund and is used to bridge the difference between the block grant and the Council's estimated expenditure. There is therefore a sharp focus on council tax collections performance and actions to mitigate performance fluctuations. For example, Direct Debits now make up 75.5% of council tax bill payments, representing 84.6% of receipts, comparable to the prior year position of 74.6% and 84.7%, respectively.

5.3.5 Direct Debit is the Council's preferred payment method for all income streams. Increasing the number of Direct Debit payers and the associated value of receipts, supports collections performance, and reduces bank and other charges resulting in financial savings and cost avoidance. Increased numbers of Direct Debit payments also enable the Council to better predict future income levels, which are important for treasury management and financial planning purposes.

5.3.6



5.3.7 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.

5.3.8 The number of council taxpayers (120,951) included in the above bar chart shows the position as of 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 therefore the number of council taxpayers 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.

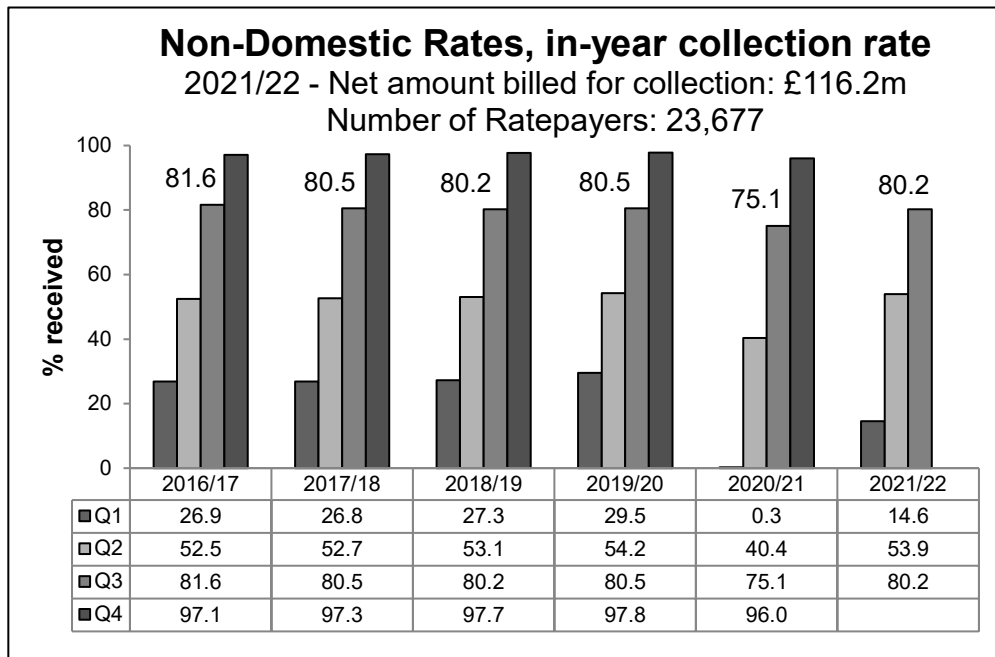
#### 5.4 Revenues and Business Support - Non-Domestic Rates In-Year Collection Rate

5.4.1 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.

5.4.2 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.

5.4.3 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 of and responding to external influences remains an important focus for the Revenues Team.

5.4.4



5.4.5 Q3 performance is showing a significant improvement when compared with 2020/21, is a reduction of 0.3% when compared with 2019/20, and matches the 2018/19 performance. 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 for the [retail](#), hospitality, leisure and aviation sectors. The Revenues Team has managed well with the associated workload to ensure prompt consideration, and where appropriate, award of this relief.

5.4.6 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.

5.4.7 For those reliefs that require application forms to be submitted by the ratepayers, the Revenues team proactively invites applications where sufficient information is available. However, 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, including the Small Business Bonus Scheme.

## 5.5 Revenues and Business Support - Business Improvement Districts (BID)

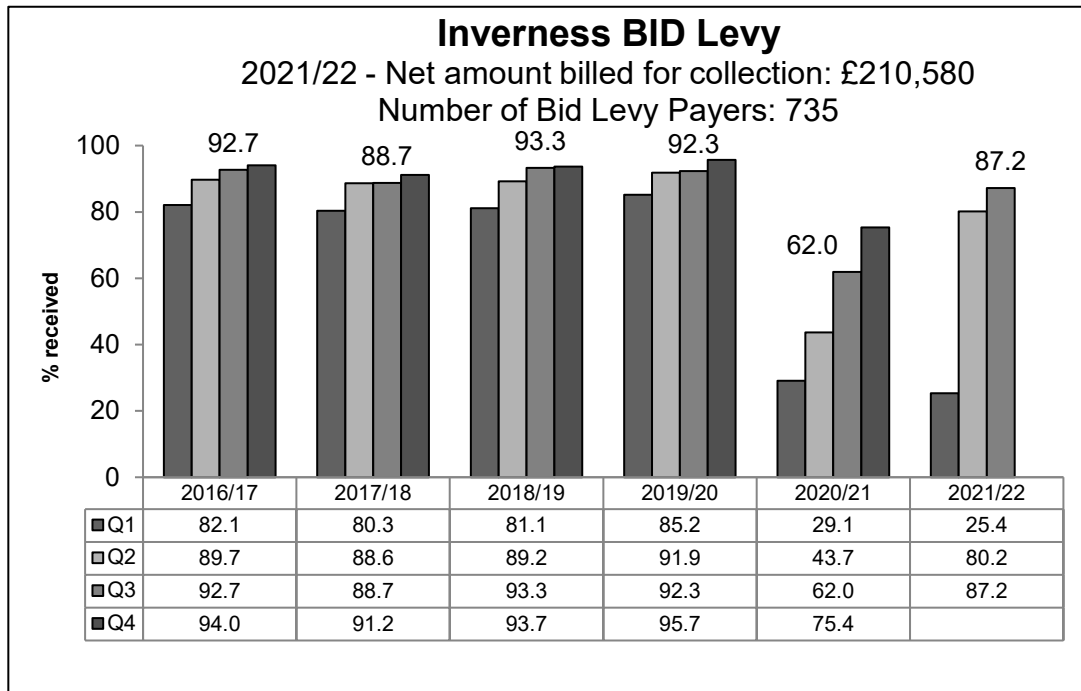
5.5.1 The Revenues Team is responsible for administration and collection of the 3 BIDs currently operating within Highland and for the recovery of the associated annual administrative costs from each BID. Officers continue to progress billing and recovery in accordance with a planned schedule.

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

### 5.5.3 Inverness BID Levy

By the end of Q3, 87.2% of the Inverness BID Levy income had been received, a significant increase on the prior year Q3 position while still lagging behind the 2018/19 and 2019/20 positions, indicating the competing pressures for levy payers.

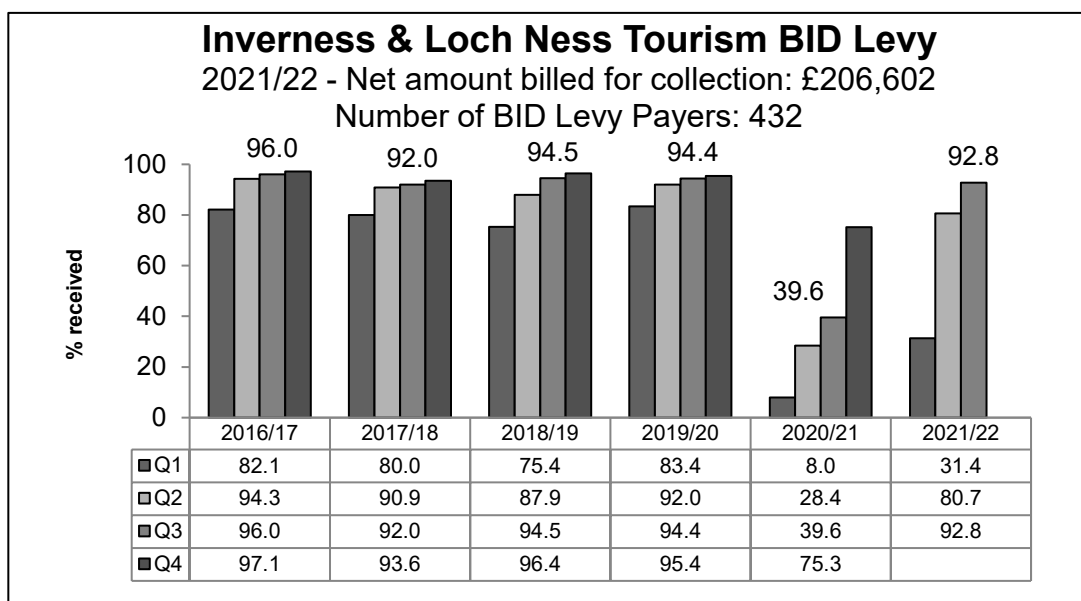
### 5.5.4



### 5.5.5 Inverness & Loch Ness Tourism BID Levy

By the end of Q3, 92.8% of the BID levies had been paid compared with 39.6% at the same point in 2020/21 and 94.4% during 2019/20, underpinning the particular pressures within the tourism sector.

### 5.5.6

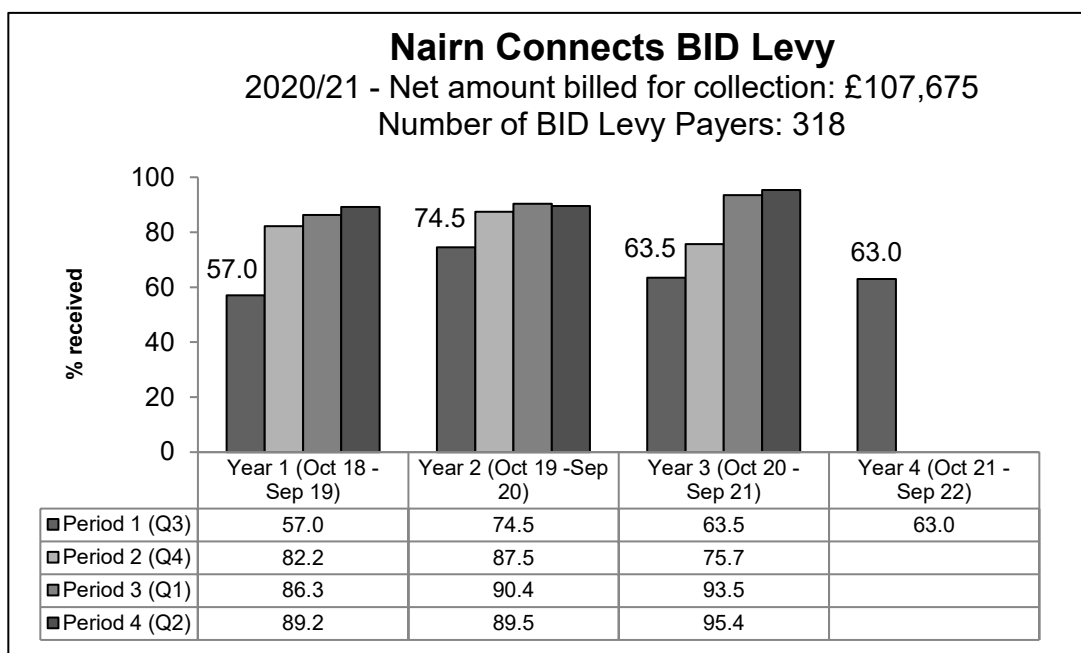


### 5.5.7 Nairn Connects BID Levy

The Nairn Connects billing year commences 1 October each year. Performance in Period 1 (Q3) shows a collection rate of 63%, a 0.5% decrease for the same period in the prior

year, an 11.5% reduction when compared with Year 2 collections for Period 1, and an increase of 6% on the Year 1 position for the same period.

### 5.5.8



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

6.1 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, streamlining processes, eliminating paper and helping to support the Green agenda. The platform used to advertise the range of vacancies that are currently being advertised by the Council can be accessed [here](#).

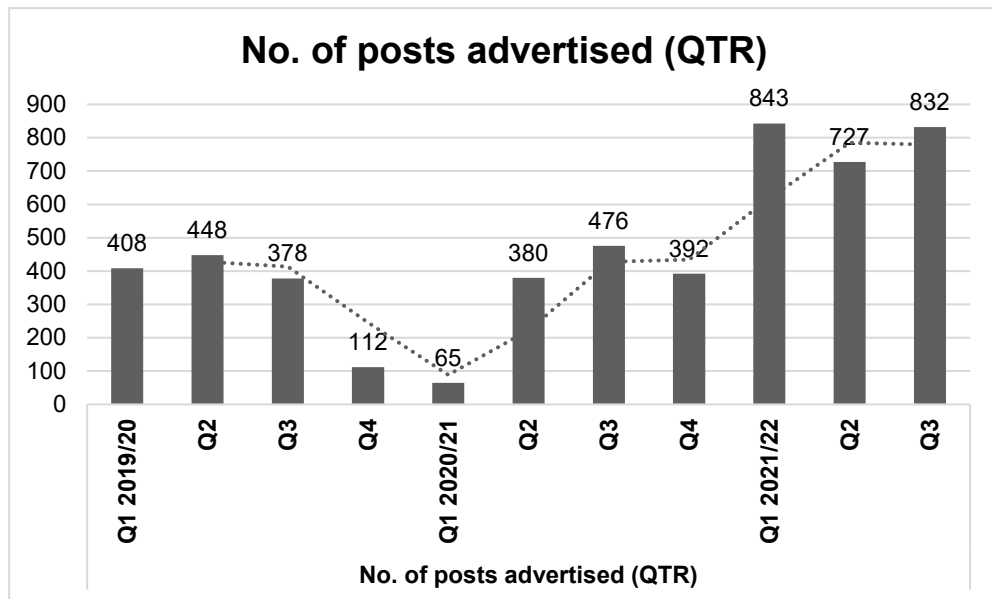
6.2 The following tables evidence continuing strong performance for processing paper forms within the target of 2 days and when advertising posts via TalentLink.

TalentLink	15/16	16/17	17/18	18/19	19/20	20/21	21/22 Q1	21/22 Q2	21/22 Q3
Number of posts advertised	2,403	1,914	1,947	1,258	1,346	1,313	843	727	832
Percentage of posts advertised on time	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number (& percentage) of electronic applications	15,217	14,427	17,206	11,044	11,608	12,254	4,227	3,224	2,225



	95.90%	95.30%	97.50%	97.20%	96.53%	98.28%	99.62%	98.60%	98.58%
Percentage of paper applications processed within 2 working days	100%	99.30%	100%	99.70%	100%	100%	100%	100%	100%

6.3

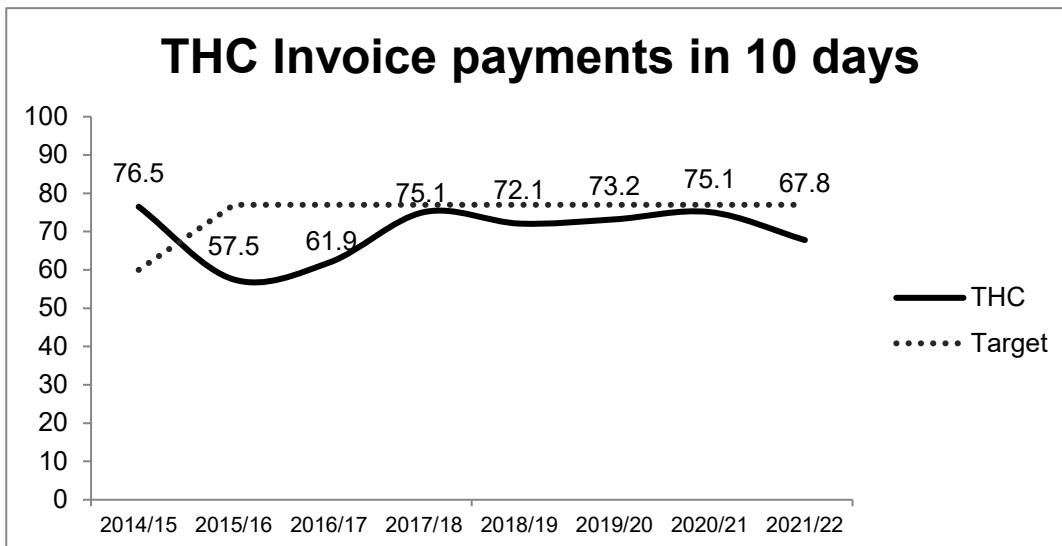


6.4 While the Q3 position shows a slight drop in recruitment when compared with Q1, the workload is well above the totals for 2019/20 and 2020/21 (1,346 and 1,313 respectively). For 2021/22, 2,402 posts were advertised during Qs1-3 placing increased pressure on the Shared Business Support Team. Such notable increases in recruitment reflect the Council's ongoing commitment to economic recovery and growth as set out in the Health and Prosperity Strategy for the Highlands.

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

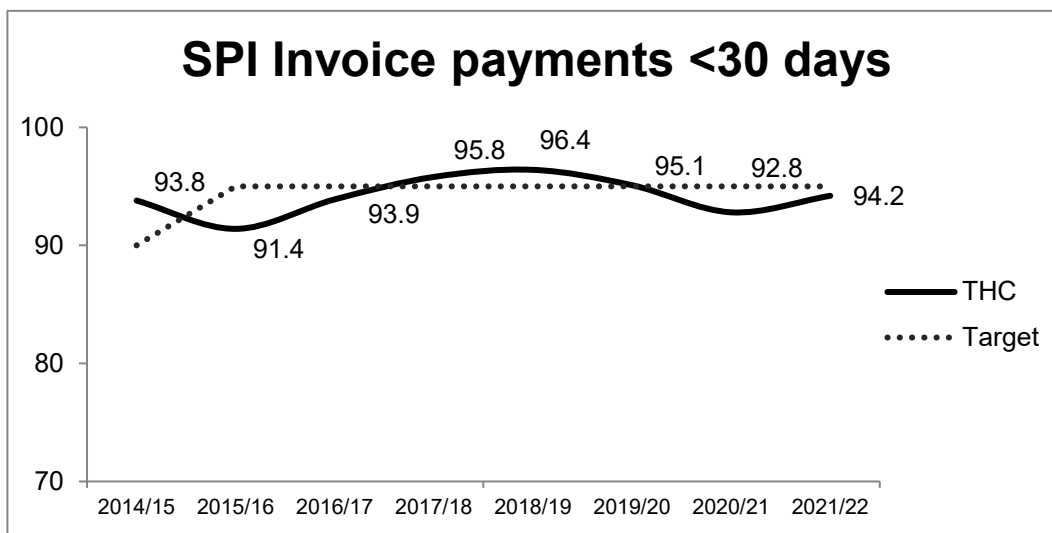
7.1 These indicators measure the Council's efficiency of paying invoices and analyses the number of invoices paid within 10 days and 30 days of receipt as a percentage of all invoices paid. The Creditors Team, reporting to the Head of Corporate Finance, and the Shared Business Support Team reporting to the Head of Revenues & Business Support, are responsible for payment of invoices once approved by budget holders and for those matched to Purchase Orders. Q3 performance for the Council falls short of the local corporate target of 77%, by 9.2%.

7.2



7.3 Performance by Directorate is detailed at **Appendix 5** 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.

7.4



7.5 For the statutory performance indicator of 30 days to pay an invoice, Q3 saw an increase of 1.4% to 94.2% when compared with Q3 2020/21, which is 0.8% below the corporate target of 95%. For Q3 2019/20, performance was above target at 95.1%.

## 8. Combined Complaints Performance

8.1 Led by the Communities & Place Directorate, the Council recently migrated to a new complaint management system. The new Model Complaints Handling procedure was also introduced in April 2021 [Model Complaint Handling Procedure and this sets out our ambitions to improve our performance.](#) It is anticipated that more detailed business intelligence on complaints performance and analysis of complaint type will be developed in due course and once available will be incorporated into this monitoring report. 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)

front line resolution, not requiring investigation with a resolution target of 5 days and (b) more complex complaints, requiring investigation with a resolution target of 20 days.

- 8.2 The reported measures in paragraph 8.3 below represent the end-to-end process, and therefore the combined performance of the Communities & Place (allocation, quality assurance and issue) and Resources & Finance Directorates (checking records, investigation, responding to complaint and approval). Collaboration across the Directorates continues to identify process and other quality improvements, to improve performance for frontline resolution within 5-days and those complaints that are escalated with a performance target of 20 days.
- 8.3 The combined performance for the end-to-end process in respect of complaints for Revenues & Business Support, People and Corporate Finance during Q3 against a corporate target of 80% was as follows:

<b>Resources &amp; Finance – Q3</b>	
Frontline resolution within 5-days	76.5%
Investigation within 20-days	100%

## **9. Appendix 2 Welfare Budget 2021/22**

- 9.1 The Welfare Budget is delivered by the Revenues and Business Support section. Appendix 2, and the supplementary information detailed at Appendix 3 sets out the actual expenditure and the outturn against the budget. The Welfare Budget is showing a year end outturn of £27.956m against a net annual budget of £27.686m, representing an overspend of £0.270m for 2021/22. 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, monitoring of this budget should be considered in terms of these broader factors and the positive impacts for communities and businesses alike.

### **9.2 Council Tax Reduction: Annual Budget £13.278m**

Reflecting the net position, an underspend of £0.166m is reported as some citizens move off this demand-led Council Tax Reduction Scheme (CTRS).

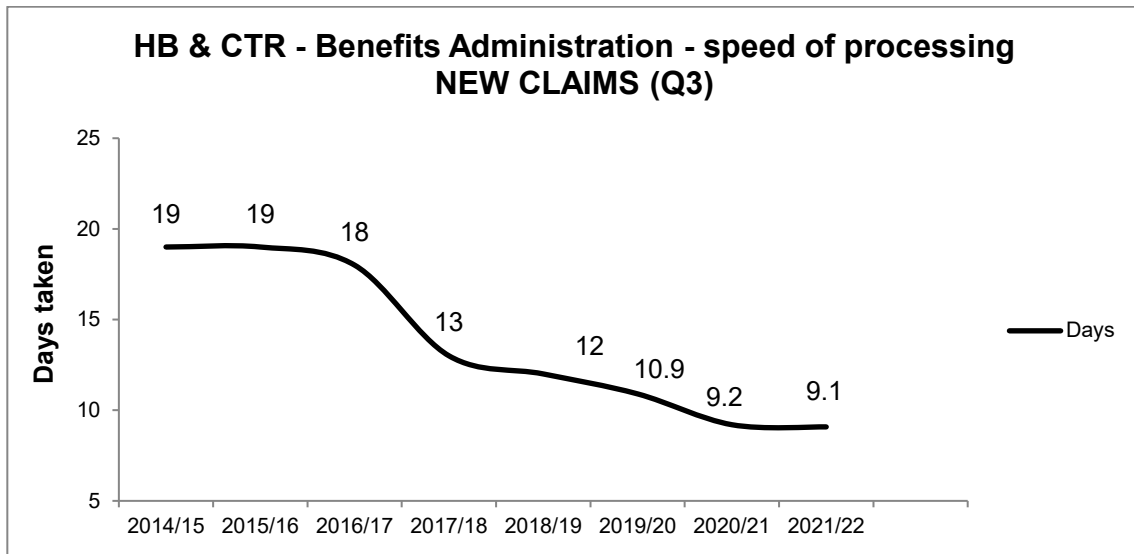
### **9.3 Housing Benefit: Annual Expenditure Budget £38.077m**

The Housing Benefit budget reports a year end outturn of £2.524m, representing an overspend of £0.007m for 2021/22. Whilst Housing Benefit is generally funded by the Department for Work and Pensions (DWP), it is not fully funded, e.g., 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.

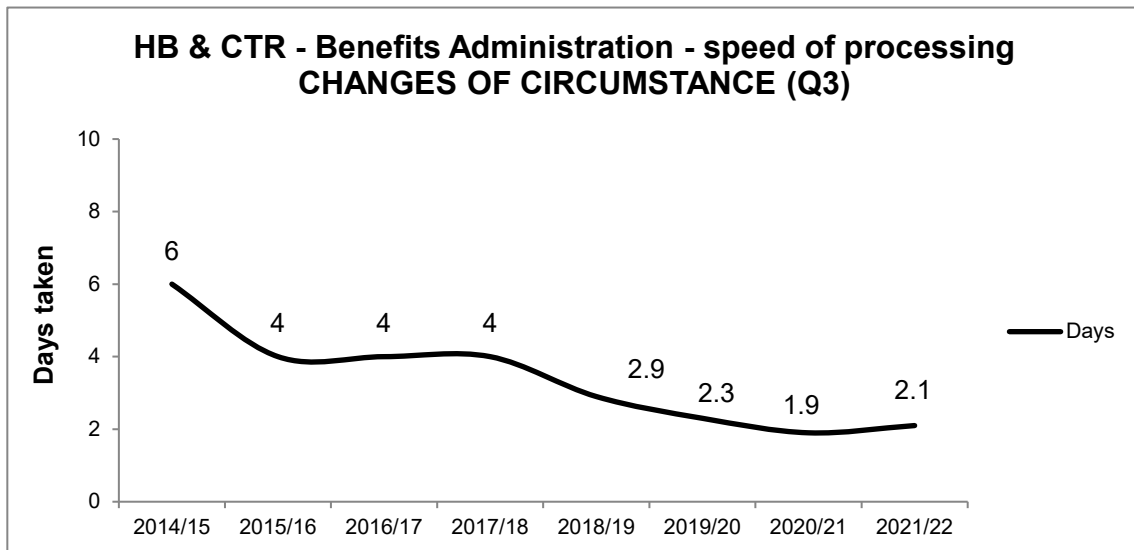
- 9.3.1 Prompt processing times for New Claims and Changes in Circumstances by the Service Delivery Team are positive for customers as they mean the right benefit is paid, to the right people, at the right time. This level of performance, as shown below also helps council tax collection levels, supports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

9.4 An average based on the October and November position is reported below as the Quarter 3 data was not available at the time of writing this report. This continues to show strong processing times for these indicators.

9.4.1



9.4.2



**9.5 Scottish Welfare Fund: Annual Budget £1.951m 2021/22**

There has been a notable increase in demand for support from the Scottish Welfare Fund in recent months and it is anticipated this will continue during Q4. As a result, the budget is being closely monitored. A balanced budget is forecast.

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

A balanced budget is forecast for the School Clothing Grants spend with the budget being topped up by funding from the Scottish Government.

**9.7 Free School Meals Holiday Payments: Budget £0.822m 2021/22**

An overspend of £0.18m is forecasted for this budget. In advance of the December 2021 school holiday period, all P1-S6 pupils in receipt of means-tested Free School Meals received a £25 Wellbeing Payment which was funded by the Council.

**9.8 Fuel Support Fund: Budget £0.764m 2021/22**

Forecast spend for the successful locally designed fuel support fund, which was in place from February to April 2021, is £1.134m resulting in an overspend of £0.370m. This fund is now closed.

**9.9 Discretionary Fuel Support Fund: Budget £2.960m 2021/22**

At the December 2021 meeting of the Highland Council, Members agreed to create a local Fuel Support Discretionary Fund, for those entitled to Council Tax Reduction at 30 November 2021, to help alleviate fuel poverty and extreme fuel poverty in Highland and to help mitigate the challenging increases in energy and living costs. Significant work is underway within the Revenues & Business Support section to enable this £180 Fuel Support payment to be made to the 16,223 eligible households by March 2022. A further update will be provided in Q4 monitoring.

**9.10 Discretionary Fuel Support Fund – Phase 2**

It is proposed to implement Phase 2 of the Discretionary Fuel Support Fund for those low-income households who are not eligible for Council Tax Reduction on the basis that they have a person-based exemption from council tax as set out in Council Tax legislation. This includes care leavers and those classed as been severely mentally impaired. To ensure that payments are targeted to those most in need of this support, this will be a means-tested scheme which will therefore require households to apply for support. The Council's Welfare Support Team and Citizens Advice will be available to provide advice and to help with the application process. It is proposed that eligible households will receive a one-off payment of £180 in Spring 2022. Second-home owners, those with long-term empty properties and those that qualify for a property-based exemption from council tax, eg a property that is under repair, are not eligible for a Phase 2 Discretionary Fuel Support payment. It is estimated that a budget of £0.280m to be drawn from the Council's reserves, will be required for this purpose.

**9.11 Scottish Child Bridging Payments: Budget £1.527m**

£160 Scottish Child Bridging Payments were made by the Service Delivery Team in October 2021, with a further £160 payment made in December 2021 for the 4,735 Highland children and young people who are entitled to free school meals based on low income. Those awaiting their first Universal Credit payment also received these payments as did those whose immigration status meant they could not receive Government-funded financial support. Fully funded by the Scottish Government, a balanced budget is forecast.

**9.12 Low Income Pandemic Payments: Budget £1.292m**

Funded by the Scottish Government, during Q3, £130 Low Income Pandemic Payments were made to those in receipt of Council Tax Reduction in April 2021; those in temporary accommodation, including refuges; those providing care or being cared for and as a result their home is unoccupied; and to households where all residents are care leavers, confirmed by their GP that they are severely mentally impaired, or those aged under 18. These payments were intended to help with increased costs and lost income as a result of coronavirus.

**10. Personal Independent Payments**

**10.1 Personal Independence Payment (PIP) can help with extra living costs for those who have:**

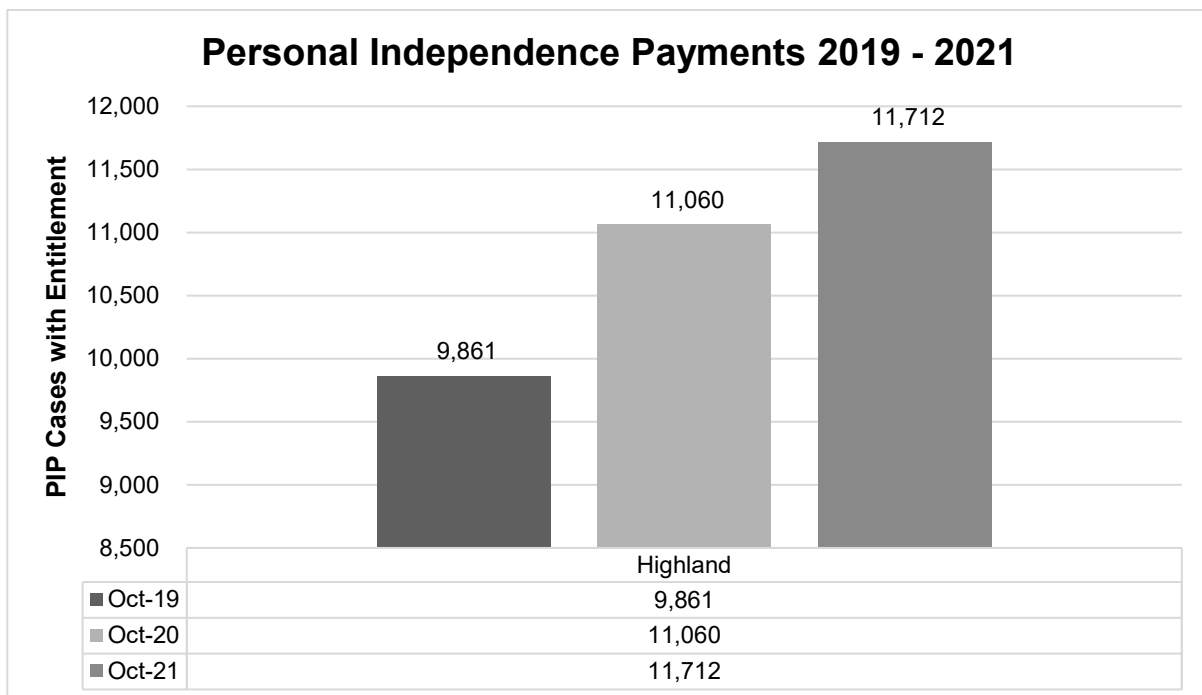
- a long-term physical or mental health condition or disability; and
- difficulty doing certain everyday tasks or getting around because of their condition

PIP is not means-tested and is available to those who are and are not working, have savings or are getting most other benefits and are under the state Pension age.

10.2 While demand for support from the Council’s Welfare Support Team and Citizens Advice to apply for PIP has always been relatively high, there has been a notable increase in the number of Highland households seeking support from advice services throughout the pandemic.

10.3 The latest published statistics report that as of October 2021, 2.8 million people in Great Britain were receiving PIP, of which 297,213 live in Scotland. The following bar chart provides published trend data for Highland for the three-year period to October 2021 and shows there has been an 18.8% increase when comparing October 2019 to October 2021.

10.4



## 11. Service Plan Update

11.1 As set out in **Appendix 6** to this report, the Directorate’s Service Plan comprises 4 key themes:

- Valuing our People and Advancing Wellbeing
- Delivering Excellence and Maximising Revenue for the Council
- Social and Economic Empowerment
- Strategic Leadership and Innovation

11.2 Further progress was made across several actions within the Directorate’s Service Plan during Q3, which included a review of educational financial entitlements; partnership outcomes to further alleviate food insecurities; revised financial regulations published; and contribution to net zero carbon through the implementation of digital Summary Warrants.

11.3 There is some slippage on the Plan mainly involving those improvement actions where measures need developed and accessibility of data sources need confirmed. Action is ongoing to address this slippage and to continue progressing the improvement actions in the Service Plan.

## 12. Procurement & Contract Management Transformation Project

### 12.1 Activities undertaken/ongoing

The Project Board continues to meet regularly 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 the Corporate Resources Committee until project completion.

### 12.2 Activities undertaken this Reporting Period (1 December 21 – 31 March 2022)

Activity	Status No significant progress Some Slippage On track Completed	RAG ● ● ● ●	Notes
Consultation on Joint Procurement Strategy	On track	●	Joint Procurement Strategy (Shared Aberdeen City/Aberdeenshire) renewal required end 2022. Frame, draft, consult to be carried out in the next reporting period.
Procurement Activity Planning	On track	●	Engagement with ECOs/HsoS/Contract Managers to plan procurement activity for financial year 2022-23.
Review of Governance and Guidance	On track	●	Work to commence on review of Contract Standing Orders, Approval routes for Procurement, Procurement Manual & Templates.
Contract Register (Options appraisal)	Some Slippage	●	Business case/Options appraisal developed for future Contract Register i.e., Develop in-house/Invest in system.
Contract Ownership Development	On track	●	Following pilot Contract Ownership toolkit, develop training materials for wider roll out across the organisation for key Strategic/Critical contracts.

Agree format of Procurement Compliance Reports	<b>On track</b>	●	Develop and consult on Procurement Compliance reports, refine following consultation with agreed format to be presented to ELT thereafter.
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### 12.3 Planned Activities

<b>Activity Name/description</b>	<b>Target Date</b>	<b>Notes</b>
Contracts register analysis £50k and above	28th Jan 2022	Identifying off contact spend by segment of needs, match to existing agreements and agree action plan to move/ create new contract with improved commercial arrangements
Contracts register analysis £10k to £50k	28 <sup>th</sup> Feb 2022	Identifying off contact spend by segment of needs, match to existing agreements and agree action plan to move/ create new contract with improved commercial arrangements
Issue consultation survey	28 <sup>th</sup> January 2022	A survey is due to be issued to all DPAs (those with Delegated Procurement Authority), Heads of Service and Executive Leadership Team with the main purpose being to gain information on areas of improvement, raise awareness of the website and to set in place an opportunity for general feedback
Review Council Standing Orders	28 <sup>th</sup> Feb 2022	Standing Orders now under review to include updates on latest developments and needs to reflect these changes.
Attend Service meetings – improve visibility	28 <sup>th</sup> Feb 2022	Over half of the Services already had introduction meeting with the remainder being held until end of February
Contract Ownership toolkit roll out	28 <sup>th</sup> Feb 2022	Pilot toolkit completing end of January 2022 and used to develop increased contract management and savings generation from Feb 2022.
Issue Contracts Register	15 <sup>th</sup> January 2022	Issue updated Contracts Register to Services
Contacts Register options appraisal	31 <sup>st</sup> March 2022	Review with BOrganised option and the new project manager for new Financials system to develop approach on options review to be included in needs design for new modules.



## 12.4 Key Risks, Issues and Mitigation

Item Description	Category (Risk or Issue)	Status (29 Nov Update) (High, Medium or Low)	Mitigation
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.
Contacts Register options appraisal	Issue	n/a	Commence review of options once analysis of Contracts Register completed end of February 2022.

## 12.5 Benefits Update (Cashable and Non-cashable)

Benefit description	Status No significant progress Some Slippage On track Completed	RAG ● ● ● ●	Narrative on progress with achieving benefits
Savings target for 2021/22	On track	●	All on track and going through budget sign out

Designation: Executive Chief Officer, Resources and Finance

Date: 12/01/2022

Authors: Rachel Rae, Trainee Accountant  
Caitlin Thomson, Technical Business Analyst  
Sheila McKandie, Interim Head of Revenues and Business Support

## RESOURCES AND FINANCE SERVICE Revenue Expenditure Monitoring Report

### 1 April 2021 to 31 December 2021

	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
Directorate	1,647	377	563	186
Resources & Finance - COVID	2	-	2	2
People	1,742	2,310	2,217	(93)
Revenues & Business Support	6,658	7,475	6,962	(513)
Corporate Finance	3,216	3,544	3,431	(113)
<b>Total</b>	<b>13,265</b>	<b>13,706</b>	<b>13,175</b>	<b>(531)</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	11,900	13,639	13,329	(310)
Other Costs	3,085	2,738	2,466	(272)
<b>Gross Expenditure</b>	<b>14,985</b>	<b>16,377</b>	<b>15,795</b>	<b>(582)</b>
Grants	(540)	(745)	(742)	3
Other Income	(1,180)	(1,926)	(1,878)	48
<b>Total Income</b>	<b>(1,720)</b>	<b>(2,671)</b>	<b>(2,620)</b>	<b>51</b>
	<b>13,265</b>	<b>13,706</b>	<b>13,175</b>	<b>(531)</b>

#### Notes

1. % age of Annual Expenditure\*

Dec 2122	<b>97%</b>
Dec 2021	<b>90%</b>

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

## Appendix 2

### Welfare Monitoring

1 April to 31 December 2122

	£000	£000	£000	£000
	Actuals	Annual	Year	Year
	To Date	Budget	End	End
<b>BY SERVICE</b>			Outturn	Variance
Housing Benefit	3,326	2,517	2,524	7
Council Tax Reduction Scheme	13,112	13,278	13,112	(166)
Scottish Welfare Fund Grants	1,577	1,951	1,951	(0)
Educational Maintenance Allowances	16	-	-	0
School Clothing Grants	664	565	565	0
Advice Services	1,025	1,010	1,021	11
Milton Activity Hub Grant	(39)	-	0	0
Welfare COVID	4,444	8,365	8,783	418
PayPoint prepayment*	1,127	-	-	0
<b>Welfare Total</b>	<b>25,253</b>	<b>27,686</b>	<b>27,956</b>	<b>270</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	0	0	0	0
Other Costs	52,359	64,072	65,075	1,004
<b>Gross Expenditure</b>	<b>52,359</b>	<b>64,072</b>	<b>65,075</b>	<b>1,004</b>
Grants	(26,981)	(36,249)	(36,741)	(492)
Other Income	(126)	(136)	(378)	(242)
<b>Total Income</b>	<b>(27,107)</b>	<b>(36,385)</b>	<b>(37,119)</b>	<b>(734)</b>
	<b>25,253</b>	<b>27,686</b>	<b>27,956</b>	<b>270</b>
	0			
<b>% of Annual Expenditure</b>				
<b>This year</b>	91.2%			
<b>Last year</b>	109.4%			

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



Free School Meals Holidays	822	484	916	94	0	0	(76)	(76)	822	484	840	18
Fuel Poverty	764	1,068	1,134	370	0	0	0	0	764	1,068	1,134	370
Fuel Support Fund	2,960	0	2,960	0	0	0	0	0	2,960	0	2,960	0
Family Pandemic Payments	1,527	218	1,677	150	0	0	(150)	(150)	1,527	218	1,527	0
Low Income Pandemic Payments	2,292	2,549	2,292	0	0	0	0	0	2,292	2,549	2,292	0
Hardship Payments		125	43	43	0	0	(13)	(13)	0	125	30	30
<b>PayPoint prepayment*</b>	0	1,127	252	252	0	0	(252)	(252)	0	1,127	0	0
<b>TOTAL</b>	<b>64,072</b>	<b>52,359</b>	<b>65,075</b>	<b>1,004</b>	<b>(36,385)</b>	<b>(27,107)</b>	<b>(37,119)</b>	<b>(734)</b>	<b>27,686</b>	<b>25,253</b>	<b>27,957</b>	<b>270</b>

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

## Appendix 4

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

Invoice Payments <10 days											
Service	TARGET 21/22	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22 Q1	21/22 Q2	21/22 Q3
C&P	77%							83.6	85.6	88.3	76.2
E&L								79.2	82.8	74.8	70.4
HW&SC								82	86.7	89.9	74.7
I&E								85.7	85.6	86	76.2
P&G								87.4	91.8	91.9	75.4
P&H								71.7	74.2	75.9	60.6
R&F								83.1	89.0	91.4	88.5
TRANS								84.0	-	75.0	81.6
Capital								82.1	78.1	77.5	66.5
<b>Highland Council</b>			<b>76.9</b>	<b>56.5</b>	<b>63.3</b>	<b>79.5</b>	<b>73.7</b>	<b>75.3</b>	<b>77.6</b>	<b>79.5</b>	<b>80.2</b>

Invoice Payments <30 days											
Service	TARGET 21/22	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22 Q1	21/22 Q2	21/22 Q3
C&P	95%							96.6	96.1	97.4	93.2
E&L								92.2	94.5	89.4	91.2
HW&SC								95.7	97.3	96.2	92.4
I&E								96.6	96.2	96.8	96.9
P&G								96.8	96.9	96.6	97.3
P&H								92.9	97.8	96.6	94.7
R&F								96.9	98.4	97.9	99.0
TRANS								99.0	100.0	87.5	97.4
Capital								95.4	95.6	94.5	91.4
<b>Highland Council</b>			<b>94.3</b>	<b>91.3</b>	<b>94</b>	<b>96.8</b>	<b>95.7</b>	<b>95.9</b>	<b>94.1</b>	<b>96.8</b>	<b>95.8</b>

## Service Plan Themes, Actions and Measurements Resources & Finance Directorate

<b>Valuing our People and Advancing Employee Wellbeing</b>
% attainment of all training offered
% attendance/uptake of training provision
% staff satisfaction for New Ways of Working
Formal Flexible Working Arrangements agreed
Implementation of Strategy Review
Improved H&S data and reporting
Updated OHS&W guidance implemented
Workforce Planning introduced
Workplace H&S management system implemented
<b>Delivering Financial Excellence and Maximising Revenue for the Council</b>
% increase of apprenticeship take up
% increase offset against apprenticeship levy
% more revenue to grow Learning & Development
Implement findings of internal recharge review
Periodic review of spend against individual budget lines - Improved financial performance reporting
Reduced time spent by senior officers on financial governance
Revised financial regulations published
<b>Social and Economic Empowerment</b>
Educational financial entitlement reviewed/recommendations agreed
Further review the Scottish Welfare Fund - comparison with Scot Avg
Online local taxation facilities implemented/available
Partnership outcomes - Further alleviate food insecurities
Revised lower pay grades - fully consolidate Living Wage
<b>Strategic Leadership and Innovation</b>
Develop/agree Procurement Strategy & Annual Performance Report
Develop/implement a People Strategy
Develop/implement Leadership Development Programme
Develop/implement Senior Leadership Structure
E-invoicing project plan - review options for solution
Evidence-based decision making - critically analyse BI
Governance Board outcomes - enhanced financial governance
Implement Talent Management Strategy - development complete
Improved reporting on equalities - improved workforce data system
IOSH Training for Leaders accreditation gained
Performance management framework review - new measures
Stability of corporate systems performance