

Agenda Item	7.b
Report No	RES/16/22

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 8 September 2022

Report Title: Resources & Finance DRAFT Directorate Service Plan 2022/23

Report By: Acting Depute Chief Executive/ECO Performance and Governance

1. Purpose/Executive Summary

- 1.1 This report introduces the draft Resources & Finance Directorate Service Plan for 2022/23. The Plan sets out our Directorate priorities for 2022/23. Further development of the plan will be required to take a longer-term view of strategic and operational priorities over the life of the new Council 2022/27. This follows local government elections in May 2022 and the need to reflect how the Directorate will contribute to the delivery of new corporate priorities to be set out in the new Council Programme and Corporate Plan which are currently under development. The draft Directorate Service Plan is set out in Appendix 1 of this report

2. Recommendations

- 2.1 The Committee is invited to comment on the draft Resources & Finance Directorate Service Plan for 2022/23; and
- 2.2 Note that the draft plan will be subject to review following the approval of a new Council Programme and Corporate Plan and completion of development work outlined in section 5 of this report.

3. Implications

- 3.1 Resource: The Service Plan outlines the revenue budget associated with the Directorate, along with the high-level organisational structure. The Plan highlights how we are achieving Best Value and transforming the Directorate to achieve efficiency savings. The resources section of the Plan on page 8 provides a high-level summary of the budget for 2022/23. The resources available take account of the core budget agreed at the Council meeting in March 2022, thereafter,

budgets are monitored and reported on quarterly. Any material change, which will affect Service Plan delivery, will be reported to future Committee meetings to enable informed decisions on any amendment required to be made.

- 3.2 Legal: Service Plans set out the planned objectives and measures which together form the framework for annual public performance reporting. The Directorate is responsible for discharging the duties and functions set out in the Council's Scheme of Delegation including Section 95 duties; Financial Regulations and Contract Standing Orders; and providing strategic leadership and support across finance, human resources, health & safety, training & development, business support, revenues and welfare.
- 3.3 Community (Equality, Poverty and Rural): Activities within the Plan are subject to screening for Equality Impact Assessment (EQIA). Screening will take place once the plan is finalised and the results have been passed to the Council's Equalities Officer as part of the corporate monitoring systems for Equalities Legislation. Screening will also consider any policy, strategy and plans linked to the delivery of the Service Plan and their impact.
- 3.4 Climate Change/Carbon Clever: The Performance and Governance Directorate is responsible for ensuring there is a strong corporate focus on delivering as a whole organisation against the Council's ambitious targets. This will require active collaboration across all the Council's Directorates and prioritisation to accelerate change, capitalising on the ability to make connections across multiple council projects and workstreams. This remit will continue to be driven through the Climate Change Committee.
- 3.5 Risk: Directorate risks are recorded in the Service Plan and are managed through the Corporate Risk Register and the Directorate Risk Register which are monitored quarterly. Changes will be reported to future Committee meetings and relevant corporate risks are also reported to the Executive Leadership Team (ELT) and to every Audit & Scrutiny Committee.
- 3.6 Gaelic: Once approved the Directorate Service Plan will have headings and sub-headings translated into Gaelic in keeping with Council policy.

4 Background

- 4.1 This draft Directorate Service Plan relates to the key functions, resources and strategic improvements for the Directorate. The Plan is structured around five key sections:
 - 1. Vision
 - 2. Strategic Priorities
 - 3. Priorities, Improvement Actions and Measures
 - 4. Resources – Directorate budget and staffing.
 - 5. Service Risks

The focus of the draft plan is on improving Directorate performance and supporting the development of the new Council Programme and Corporate Plan. Following local government elections in May 2022 a new Council Programme and Corporate Plan are under development. The Service Plan will need to reflect how the Directorate will contribute to the delivery of the new Programme and Corporate Plan. Therefore, further review will be required to take account of longer-term

strategic priorities over the life of the new Council 2022/27. The draft Directorate Service Plan is provided as Appendix 1 of this report.

- 4.2. The Service Plan is an active document and once finalised will be subject to update and review on an annual basis and submitted to Committee for consideration. Any review will take account of internal and external influences and actions arising from monitoring activity throughout the year. Review and update will also take account of any future amendments to the Corporate Plan in subsequent years following its initial approval by Council.
- 4.3 The plan will be monitored on a quarterly basis and quarterly reports will be provided to Committee as part of an integrated finance and performance report allowing for ongoing scrutiny of delivery by Members.

5. Developing Directorate Service Plans for 2023/4 forward

- 5.1 In order to review the plan and update, a number of other elements of review are also required by the end of March 2023 in order to submit an updated Plan to Committee by the first committee cycle of 2023/24:
- **Performance Analysis** - to drive continuous improvement, the Directorate needs to be aware of its KPIs and review them in the context of the annual budget process to support setting targets and improvement actions for the financial year or longer term where required. Financial monitoring is an element for every part of the Directorate and financial trends and outturns will be reported quarterly alongside performance data.
 - **Business Intelligence (BI)** - Most the Council's KPIs are annual measures, it is therefore important that Committee is sighted on more regular reporting on performance. On a quarterly basis Committee will be provided with the following business intelligence reflecting corporate requirement with further Service specific:
 - Budget – in year and projected outturn of revenue budget
 - Directorate staff sickness absence trends and targets (contribution to nationally benchmarked KPI)
 - Directorate Complaints
 - Directorate FOI performance against targets
 - Directorate invoice processing against target (contribution to nationally benchmarked KPI).
 - Service specific Business Intelligence
 - **Risk Analysis** - The Directorate's Management Team regularly reviews service delivery risks along with any Directorate owned or supported corporate risks. This is a continuous process and Committee will be informed of any significant change that might impact on the delivery of the Service Plan.
 - **Best Value** – The Council operates in the context of Best Value which focused on the continuous improvement of the organisation and is subject to review by external audit annually. The Service Plan and monitoring reports are evidence in relation to the delivery of Best Value. The Council's most recent Best Value Assurance Report (BVAR) in January 2020 resulted in an improvement plan approved by Council in March 2020 and the Directorate

has a responsibility to contribute to the delivery of the improvement plan until completed.

- **Inspections, Internal and External Audit Reports** - the Directorate will review reports and consider if any improvement actions identified require action and monitoring through the Service Plan and advise Committee accordingly.
- **Workforce Planning** - Improvements in performance will be delivered through having the right staff in the right place with the right skills through effective workforce planning including training and development, wellbeing support, performance management and appraisal, transition, sustainability, flexibility, and redeployment. The Service Plan will contain any significant strategic improvement needed to deliver effective work force planning.
- **Staff Health, Safety & Wellbeing** – The plan should consider any action required to improve staff engagement, health, safety & wellbeing making use of staff survey results to identify areas of improvement.
- **Digital Transformation** – the Plan should consider the role of digital transformation in supporting Directorate improvement activity, identifying any strategic projects in the Service Plan working in partnership with ICT Services.

6. Equality and Community Impact Assessment, and Strategic Environmental Assessment

6.1 Committee should be aware that the Service Plan once finalised is subject to the following statutory processes:

- Equality and Community Impact Assessment – the Plan will be assessed for potential impacts on communities and an Equalities Impact Assessment has also been completed. This helps us to achieve our duties in respect to the Public Sector Equality Duty, including socio-economic impacts at a strategic level, and a Council commitment to consider rural and poverty impacts. Assessments will be carried out for equality, rural and poverty impacts.
- Strategic Environmental Assessment - The Council has a legal duty to consider for all plans, programmes and strategies, the relevance of the Environmental Assessment (Scotland) Act 2005. A pre-screening assessment will be completed and submitted to the Scottish Government.

Designation: Acting Depute Chief Executive

Author: Strategic Lead Corporate Audit & Performance Manager

Date: 25 August 2022

Appendices: DRAFT Resources & Finance Directorate Service Plan 2022/23

Resources and Finance

Draft Directorate Service Plan (2022-2027)

Directorate Vision

Our **Ambitious Strategic Leadership** delivers financial excellence. We do this by embedding appropriate controls and ensuring governance of key Council resources, delivering Best Value and value for money. We equip Executive Chief Officers and budget managers with the skills, knowledge, and data to effectively manage budgets, to deliver services in a safe and compliant manner and to protect and advance the wellbeing of the Council's workforce.

Our **"can do"** culture across the Resources & Finance Directorate underpins our resourcefulness, innovative approaches, and our abilities to positively influence and contribute to the successful delivery of the Council's Programme.

We will provide strategic leadership in relation to our People role by **nurturing a listening, engaging and forward-thinking workforce**. We will continue to advance **employee wellbeing** through our corporate Workforce Planning Strategy; blended training; professional payroll and pension services; and by promoting a safe, healthy and secure environment. We pride ourselves in retaining and developing our workforce, attracting new talent, providing exciting employment opportunities for our school leavers and young people, and offering valuable training opportunities while mitigating health and safety risks.

We will continue to **innovate our services for our diverse stakeholders** by being **ambitious** and **connected** when modernising processes, increasing efficiency, and seeking **sustainable** improvements in our performance and service provision. We will continuously challenge existing thinking, learn from leading practice, and collaborate with our partners across the public, private and third sectors to improve outcomes and experiences for all. Our **Corporate Shared Business Support** experts' significant breadth and depth of knowledge will inform process redesign and the Council's priority projects and initiatives.

Social and Economic Empowerment is the focus of our **ambitious and high performing Revenues and Welfare** services. In collaboration with UK and Scottish Governments, CoSLA and professional bodies, we aim to maximise revenue from local taxation, to reduce disadvantage and inequalities, to support our vulnerable residents and, where we have influence and resources, to help mitigate the impacts of the cost-of-living crisis, financial hardships, and disadvantage within our communities.

Strategic Priorities

Social and Economic Empowerment - Our pledge is to pay the right entitlements to the right residents and businesses at the right time while also maximising entitlements for Highland's residents.

Digital Revenues and Welfare Services - Implement technologies to enable residents, businesses, and landlords to self-serve and to have real time access to online accounts and entitlements.

Delivering Financial Excellence - Address the financial challenges with a positive vision of change, review the Capital programme, improve Capital monitoring and reporting, maximise revenues from local taxation and service income, and provide Value for Money.

Joint Procurement Strategy - Delivery of a refreshed Joint Procurement Strategy for the period 2022 – 2027 covering Governance, Policy, Food Procurement, Climate Change & Circular Economy, Commercialisation and Community Wealth Building.

Resources & Finance Systems Programme - Create step change in systems capability for the Directorate and the Council by ensuring an effective corporate approach to the systems that effectively manage the use of resources; providing a single version and view of financial and resource data for the Council underpinned by clarity on roles and responsibility with respect to systems.

Medium-term Financial Plan - In an uncertain economic climate developing a medium-term financial plan will help ensure the Council's financial sustainability as required by the CIPFA Financial Management Code.

Supporting Improved Organisational Governance - Contracts Ownership move towards supplier relationship management supported by monitoring and reporting on Procurement compliance. Our Health & Safety focus will include robust incident and accident reporting, follow through, mitigating risks, and near misses. Our training provision will encompass induction and mandatory training compliance and extend to optional training for professional and personal development. We will ensure compliance with the CIPFA Financial Management code.

People Strategy – To attract talent, support and develop our workforce, our People Strategy has five strands. Workforce Planning Strategy– recruiting, retaining, and re-shaping our current workforce; Talent Management Strategy; Employee Engagement Strategy; Employee Wellbeing Strategy; and Learning and Development Strategy.

Directorate Priorities, Improvement Actions and Measures

Priorities	Improvement Actions	How we will measure success	Targets
People	<ul style="list-style-type: none"> Health & Safety recording and monitoring 	<ul style="list-style-type: none"> Accident/incident rates 	152
	Learning and Development, <ul style="list-style-type: none"> ERD – updated with corporate values Training – induction Mandatory courses 	<ul style="list-style-type: none"> ERD - Completion rates Training – Induction - Completion rates Mandatory Courses - Completion rates 	90% 90% 90%
	Employee Engagement <ul style="list-style-type: none"> Survey Corp plan cascade 	<ul style="list-style-type: none"> Results – Engagement index progress As above 	Dec 2022
	Talent Management <ul style="list-style-type: none"> Review and Implementation of Exit Interview strategy Employee retention and attraction. 	<ul style="list-style-type: none"> Improve approach by introducing questionnaire Identifying reasons for leaving Collate quarterly retention rate 	Oct 2022 Dec 2023 Dec 2023
	WFP <ul style="list-style-type: none"> Service WF plans Service Learning Plans 	<ul style="list-style-type: none"> Service WF Plans - Completion Service Learning Plans - Completion 	March 2023 March 2023
	Wellbeing Survey	<ul style="list-style-type: none"> Survey results 	
	Joint procurement strategy	<ul style="list-style-type: none"> Procurement governance processes & guidance refresh 	1. Community Benefits and Sustainable Procurement

Priorities	Improvement Actions	How we will measure success	Targets
	<ul style="list-style-type: none"> Implementation of Contract Ownership training Development of Supplier Relationship Management Model Procurement Compliance Reporting and support engagement 	<ol style="list-style-type: none"> % Spend with local SME businesses % of contracts with community benefits clause included % of contracts with fair work practices (Includes living wage) included % of contract with carbon reduction clause included <ol style="list-style-type: none"> Efficiency Savings <ol style="list-style-type: none"> Efficiency savings – cashable (% of Addressable Spend) Contract Compliance <ol style="list-style-type: none"> % Spend covered by contract (Total including collaborative contract & framework spend) % Contract Spend which is covered by collaborative contracts (excluding frameworks) % Contract Spend which is covered by spend on Category A* or Category B* frameworks 	<ul style="list-style-type: none"> >30% >95% >95% >75% >0.5% >80% >10% >10%
People and Finance Systems Programme	<ul style="list-style-type: none"> Manage the Migration and Upgrade of the HR and Payroll systems Agree an approach to procuring Resource Planning Systems 	<ul style="list-style-type: none"> Delivered upgraded system Increased ability to measure and manage standard HR tasks Reduced data errors and reduced manual data entry 	13/1/23

Priorities	Improvement Actions	How we will measure success	Targets
	<ul style="list-style-type: none"> Procure System Deliver replacement for the current finance systems Where not already developed, create a road map for systems operated by the service 	<ul style="list-style-type: none"> Delivered a step change in systems capability as measured by systems maturity framework assessment 	15/11/23
Delivering Financial Excellence	<ul style="list-style-type: none"> Address the Council's financial challenges with a positive vision of change. Produce and maintain an affordable capital programme Effective/informative capital monitoring and reporting Maximise revenues, from local taxation and service income. Ensure best value for money. 	<ul style="list-style-type: none"> Produce a revenue budget that meets the needs of the services and is affordable. Produce a capital budget that meets the council's priorities and affordability. Produce monitoring statements showing under/overspends and slippage with commentary. Maximise statutory revenue streams from local taxation (Council Tax and Non-Domestic Rates) and service income. Undertake value for money exercise on contracts in line with financial regulations. 	<p>March annually</p> <p>Quarterly</p> <p>Quarterly</p> <p>Local taxation targets above Scottish averages. 90% overall sundry debt collections</p> <p>By March 2023</p>

Priorities	Improvement Actions	How we will measure success	Targets
Digital Revenues and Welfare Services	<ul style="list-style-type: none"> • Implement capabilities to enable digital access to account information for residents, landlords and businesses. • Stakeholder awareness • Contribution to Net Carbon Zero 	<ul style="list-style-type: none"> • Capability available • Take-up of new capabilities • Reduce paper-based documentation 	10% sign-up in initial 12-months of operation
Social and Economic Empowerment - Our pledge is to pay the right entitlements to the right residents, landlords and businesses at the right time while maximising entitlements for Highland's residents.	<ul style="list-style-type: none"> • Sustain high performance 	<ul style="list-style-type: none"> • Prompt processing of new claims • Prompt processing of changes in circumstances • Prompt decision-making for Crisis and Community Care Grants 	Maintain Top quartile performance 98% of all decisions made within 1 and 15 days respectively of receiving all relevant information

Resources

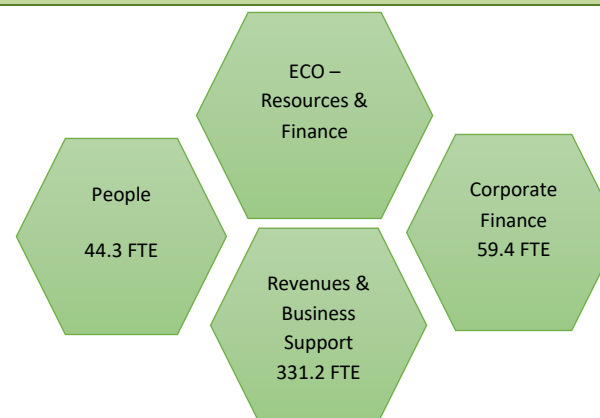
Budget

Revenue Budget

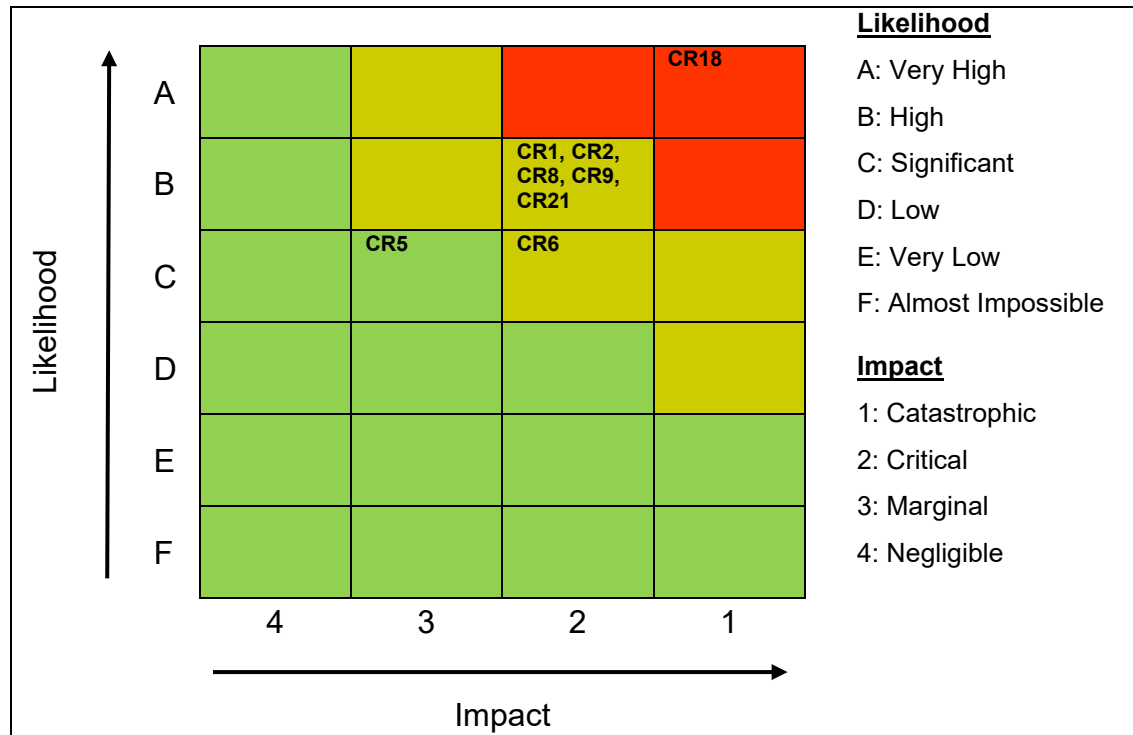
Function	Budget (2022/23) £000
Directorate	(254)
Corporate Finance	3,406
People	2,406
Revenues & Business Support	8,077
Welfare	22,059
Total Resources and Finance Including Welfare	35,694

Staffing

Function	FTE
Directorate	1.0
Corporate Finance	59.4
People	44.3
Revenues & Business Support (includes Welfare)	331.2
Total Resources & Finance	435.9



Directorate Risk Register



Risk No.	Risk Rating	Risk Name
CR1	B2	Financial Sustainability
CR2	B2	Security and Resilience – Cyber Security (Review and test Business continuity plans)
CR5	C3	Effective Governance in Local Decision Making (Resources for Place Based Approaches)
CR6	C2	Workforce Planning
CR8	B2	Demographic Change (Workforce Strategies, Workforce Plans)
CR9	B2	Safe and Effective Property (Health and Safety Requirements associated with Capital Bids)

CR18	A1	COVID-19 (Staff Health and Safety, Customer and Client Health and Safety, Operational Continuity, Reducing Financial Impact, Implementation of Budget for Health and Prosperity,
CR21	B2	Elections (Critical services)

The Performance and Risk Management System (PRMS) contains all identified Corporate and Directorate risks and is used to monitor mitigating actions quarterly.