

Agenda Item	<b>5(c)</b>
Report No	<b>RES/11/23</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 8 June 2023

**Report Title:** Resources and Finance – Q4 Performance to 31 March 2023

**Report By:** Chief Executive

### 1. Purpose/Executive Summary

- 1.1 This report details relevant performance data and contextual information as outlined in the Resources & Finance Service's Service Plan. Future reports will bring together revenue and performance information into a single monitoring report to support financial governance, inform decision making, and enable improvement actions to be identified. This approach is intended to strengthen Member scrutiny and improve accessibility for a wider audience including members of the public.
- 1.2 A list of the current SPIs for the Resources and Finance Service, together with the frequency of reporting, is provided at **Appendix 1**. Future reports will also include comparisons against other Councils with similar profiles, where this is available, and will expand performance reporting for the activities undertaken by the Service.
- 1.3 This report also provides an overview of the People and Finance Systems programme, key deliverables, and progress to date, as a key Service Plan action to replace the Council's existing Finance, Payroll and HR systems.

### 2. Recommendations

- 2.1 Members are invited to
- scrutinise the Service's performance information
  - note the update provided regarding the People and Finance Systems Programme

### 3. Implications

- 3.1 **Resource** - There are no implications arising as a direct result of this report.

- 3.2 **Community (Equality, Poverty and Rural)** - The extent of the strategic role and significant support provided by the Service to alleviate financial insecurities, contribute to Council's poverty-related welfare activities and to promote equalities are evidenced by the Welfare Budget.
- 3.3 **Legal:** Implications relate to meeting statutory requirements for public performance reporting (PPR) and the statutory duty of Best Value. These require the Council to provide balanced and transparent information which informs the public on Council performance and how public money is used.
- 3.3.1 For the provision of welfare support, the Council has a legal duty to provide such services for specified groups, which, as detailed in the Welfare Budget, includes for example the outsourced services delivered by Citizens Advice. These duties are specified in the Social Work (Scotland) Act 1968, the Carers (Scotland) Act 2016 and the Child Poverty (Scotland) Act 2017.
- 3.3.2 The Service is also responsible for ensuring policies are in place, and support is provided for managers and employees to ensure the Council continues to comply with all employment and health and safety requirements.
- 3.4 **Risk:** There are no implications arising as a direct result of this report. Work is ongoing to further develop a Service risk register. The cost of living pressures and energy price increases and resulting mitigations continue to result in additional and increased demand. This includes for example, for the provision of critical demand-led financial assessments, welfare services, and debt management.
- 3.5 There are no **Climate Change/Carbon Clever or Gaelic** implications arising as a direct result of this report, however, in the operational delivery of our service, this is a consideration, for example with the establishment and use of a framework agreement for second-hand and recycled domestic furniture and the provision of new goods.

#### 4. Resources and Finance, Corporate Performance Information

4.1 The Resources & Finance Service performance against the corporate list of measures is reflected in this section. As the Resources & Finance is SPI-owner for Sickness Absence, Invoice payments and Sundry Debt collection, the corporate position is also detailed below.

##### 4.2 Service Sickness Absence

The indicator for staff sickness absence is a nationally benchmarked indicator and it is important that all managers focus on effective attendance management to support staff, maintain productivity and business continuity, and contribute to the Council's overall benchmarked performance.

Average days lost	2021-22		2022-23				
	Q4	FY	Q1	Q2	Q3	Q4	FY
Resources & Finance Service	1.90	6.47	2.07	2.36	2.21	2.48	9.13
All Highland Council (non-teaching)	2.36	8.17	2.45	1.89	2.03	2.97	9.35

Performance for the Service during 2022/23 remained below the corporate average number of days lost per employee, as was the case in financial year 2021/22. It is important that the Resources & Finance Service continues to take a proactive approach to attendance management and endeavours to keep employee absence rates as low as possible by analysing any underlying causes and trends. We will seek to manage down absences by following the Council's HR policies and guidance, undertaking measures such as "return to work" interviews and supportive conversations with our team members for both short-term and long-term absences. Valuing staff and supporting their health and wellbeing are core elements of the established ethos in the Service and is in line with the Council's Connected values of supporting our skilled workforce.

- 4.2.1 The corporate absence data (excluding teaching staff) outlined in the table in 4.2, and in **Appendix 2** indicates an overall upward trend in full time equivalent (FTE) days lost in 2022/23. There has also been an increase in FTE days lost between Q3 and Q4 in both long term (total 10 days of sickness absence in a rolling 12-month period) and short-term absences (4 separate occasions of sickness absence in a rolling 12-month period). Further analysis shows the top short-term absence reason across services to be Viral (covid, cold, flu, sore throat), this is likely to be attributed to a higher volume of viruses over the winter season. Another reason for an increase in FTE days lost is employees taking longer to recover from short-term illnesses since COVID. The top long-term absence reason across services is Stress/Debility. HR Business Partners are supporting services in their analysis of the absence data to fully understand the trends and causal factors to enable services to deal with the absences with input from the Attendance Support Officers as appropriate.
- 4.2.2 HR and People Development have produced learning material on short term persistent absence with a webinar being made available on our e-learning platform Traineasy. Induction guidance has been updated to include information on expectations regarding employee contact and discussion with their line manager covering the period of absence and on return to work. This new learning material forms part of the response to an audit review of Absence Management Arrangements.
- 4.3 **Service Complaints Response Times**
- 4.3.1 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) complex complaints, requiring investigation with a resolution target time of 20 days. Escalated complaints are those that were initially assessed as frontline resolution cases and subsequently re-categorised as a complex complaint for resolution within the 20-day target.
- 4.3.2 The reported measures below represent the end-to-end process, and therefore the combined performance of the Customer Resolution and Improvement Team in Communities & Place – Customer Resolution & Improvement Team [CRIT] (allocation, quality assurance and issue) and Resources and Finance Service (interrogating records, investigation and conclusions, responding to complaints and approvals). Collaboration across Services continues to identify process and other quality improvements to improve performance for frontline resolution within 5-days and complex complaints with a performance target of 20 days.

4.3.3 The combined performance for the end-to-end process in respect of complaints relating to the Resources & Finance Service during Q4 against a corporate target of 80% was as follows.

	<b>R&amp;F Q4</b>	<b>Highland Council Q4</b>	<b>R&amp;F 22/23</b>	<b>Highland Council 22/23</b>
5-days frontline resolution	87.5%	90.1%	82.9%	81.4%
20-days investigation	0.00%*	41.3%	27.8%**	41.6%
20-days escalation	100%	33.3%	80.0%	28.4%

\* Related to one case

\*\* Related to 3 cases out of 11

4.3.4 The combined performance for 2022/23 exceeded the corporate performance for those complaints that were categorised as frontline resolution within 5 days. However, performance for complex complaints fell notably short of the Council's overall performance and aims. Actions are being taken and the drivers that led to this performance continues to be investigated with the aim of achieving improved performance from 2023/24. While performance for escalated complaints was 100%, steps are being taken to improve response times overall.

#### 4.4 Freedom of Information (FOI)

4.4.1

	<b>R&amp;F Q4</b>	<b>Highland Council Q4</b>
FOI Legislative – number	62	577
FOI Legislative - %	81%	71%

The reported performance for FOIs measures the end-to-end process involving both the Performance & Governance and Resources & Finance Services. During Q4 22/23, 10.74% of all FOIs received by the Council related to the Resources & Finance Service. Performance for FOIs relating to the Service exceeded corporate performance. The respective Heads of Service continue to review performance for their sections and to take steps to achieve continued Service-wide improvements

4.4.2

	<b>R&amp;F 21/22</b>	<b>Highland Council 21/22</b>	<b>R&amp;F 22/23</b>	<b>Highland Council 22/23</b>
FOI Legislative – number	184	1,623	232	1,886
FOI Legislative - %	84%	81%	82%	77%

For 2022/23 overall, 12.3% of all FOIs received by the Council related to the Service compared with 11.33% for 2021/22. A year-on-year comparison of performance shows a slight reduction for the Service, which is in line with the Council's overall performance. Performance for Resources & Finance FOIs during 2022/23 exceeded the Council's overall performance. Steps are being taken to improve performance for 2023/24.

#### 4.5 Service Corporate Invoice Payments

4.5.1 These indicators measure the Council's efficiency at paying invoices within 10 days and 30 days of receipt as a percentage of all invoices paid. The Shared

Business Support Team reporting to the Head of Revenues & Business Support and the Creditors Team, reporting to the Head of Corporate Finance, are responsible for payment of invoices once approved by budget holders and for those matched to Purchase Orders.

4.5.2 For the Resources & Finance Service, during Q4 22/23 83.6% of invoices were processed within 10 days against a corporate target of 77%, and 96.5% within 30 days against the corporate target of 95%. Budget holders within the Service continue to focus on these important indicators and administering invoices continues to be a key priority within the overall responsibilities of the Business Support team.

4.5.2 The Business Support team manages two types of invoices received by the Council in accordance with the Council's Financial Regulations and more specifically Appendix 19, and HMRC's VAT requirements. Some invoices received by the Council have an associated purchase order while others do not have an associated purchase order. Invoices can be received either direct from suppliers or internally from Budget Holders requesting payment.

#### 4.6 **Purchase Order (PO) Invoices**

When PO invoices are received from out with the Council, the Business Support team seeks approval from the requester to arrange payment, i.e. to confirm that the goods have been received and that the invoice can be paid. Once confirmation is received the invoice is matched within the Goods Received Notice (GRN) in the Council's Financial System and processed for payment. This process is efficient as it avoids the need for Budget Holders to action individual invoices by virtue that the PO was raised and approved by the Budget Holder. Payments are generally in suppliers' bank accounts within banking two days.

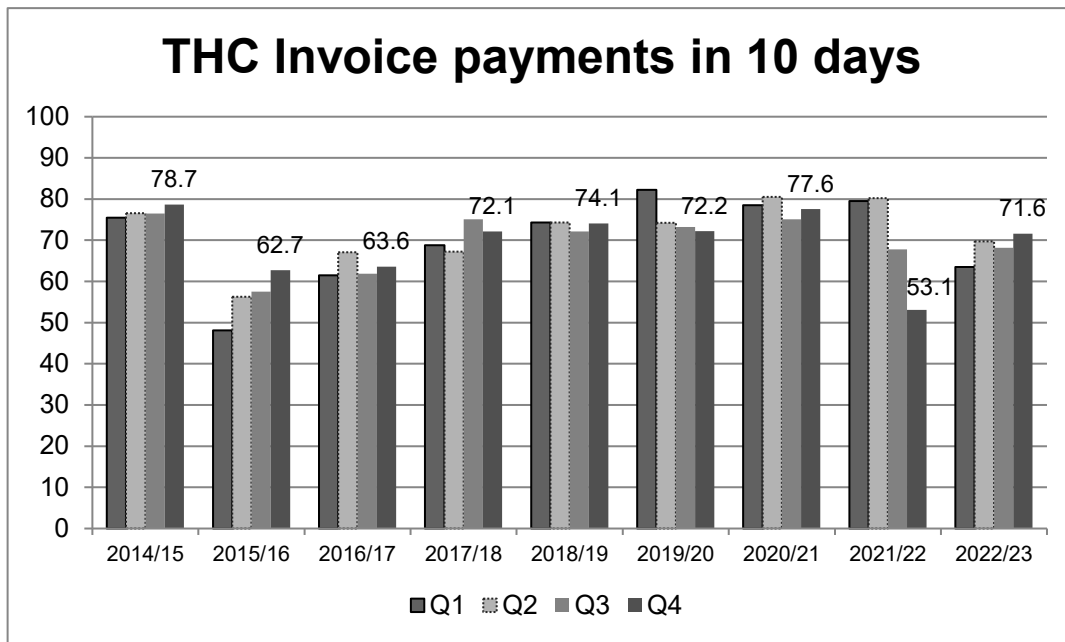
#### 4.7 **Non-PO Invoices**

The process for managing non-PO invoices is more resource intensive, involves more stages, and is inherently more time-delayed than it is for PO invoices. Non-PO invoices require the Business Support team to contact the named colleague on the invoice with a request for authority to pay and an appropriate budget code. Once confirmation is received, the invoice is processed by the Business Support team and using workflow within the Council's Financial System, each invoice is presented line-by-line to the Budget Holder for individual approvals. Once approved, payments are released to suppliers. Unlike PO invoices, payments to suppliers are made only once the budget holder has approved individual invoices.

The processes for managing invoices will be reviewed as part of the People and Finance Systems programme as detailed in Section 7.2 of this report.

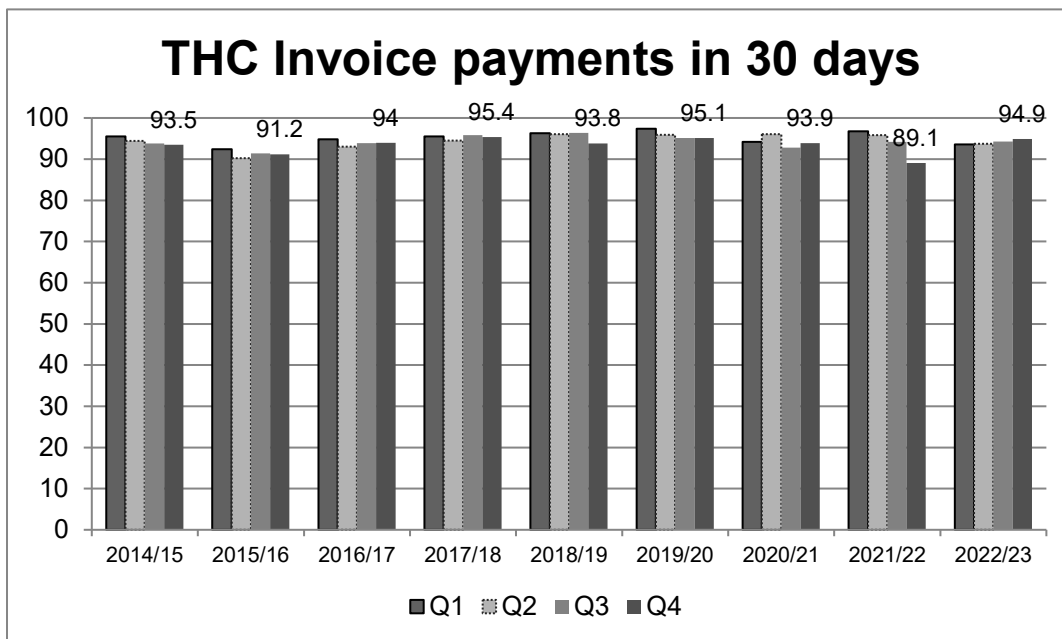
#### 4.8 **Corporate Invoice Payments – SPI Owner**

4.8.1 For Q4, 71.6% of invoices received were paid by Services within 10 days. While this is below the corporate target of 77%, Q4 performance has significantly improved on the Q4 2021/22 position of 53.1%. Performance by Service is detailed at **Appendix 3** to this report. The combined actions by Budget Holders across Services and by Shared Business Support have delivered this notable improvement in performance.



4.8.2 Budget holders and their teams are mindful of the importance of prompt payment although there are valid reasons why some invoices cannot be paid within the 10-days timescales. The Council introduced the 10-day local measure several years ago to support businesses, sole traders and other creditors through prompt payment of invoices.

4.8.3



4.8.4 For the statutory performance indicator of 30 days to pay an invoice, Q4 corporate performance increased to 94.9% compared to 89.1% in Q4 2021/22 and was only just below the corporate target of 95%. The Revenues & Business Support section continues to support Services to identify process and system changes to deliver continuous improvements for both the 10 days and 30 days indicators.

#### 4.9 Annual Sundry Debts Collection Rate – SPI owner

4.9.1 Appendix 10 of the Council’s Financial Regulations focuses on Budget Holders’ responsibilities for managing Sundry Debts for their respective service areas.

Guidance and training are also available for Budget Holders and monthly statements of outstanding debts are auto generated within the Council's financial system and emailed to each Budget Holder so that they may take the appropriate action to recover the invoices raised using their cost centre(s). Thereafter, the Revenues Team is responsible for taking recovery and enforcement action to collect the sums that remain unpaid. For 2022/23, 86.8% of sundry debts were collected overall compared with 83.81% for 2021/22 with the 5-year trend data detailed in the table below. Improved collection performance as well as improving revenues for the Council also supports reduced Bad Debt Provision. Several factors achieved this improvement in performance, including the steps taken by Budget Holders to collect the sums due, access to training and guidance, monthly statements and a continued focus on recovery and enforcement. Processes are in place to ensure that domestic customers can access Welfare and Money Advice to support payments. Payment plans are also available.

<b>Overall collection rates</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Sundry Debts	82.0%	88.6%	83.75%	83.81%	86.8%

## **5. Resources and Finance Performance Information**

5.1 The following paragraphs provide performance information for the Service and while this mainly focuses on those responsibilities for the Head of Revenues and Business Support, the aim is to expand the breadth of information provided in future reports to reflect the responsibilities of each Head of Service. Performance information relating to costs will be reported in due course following completion of the annual accounts.

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

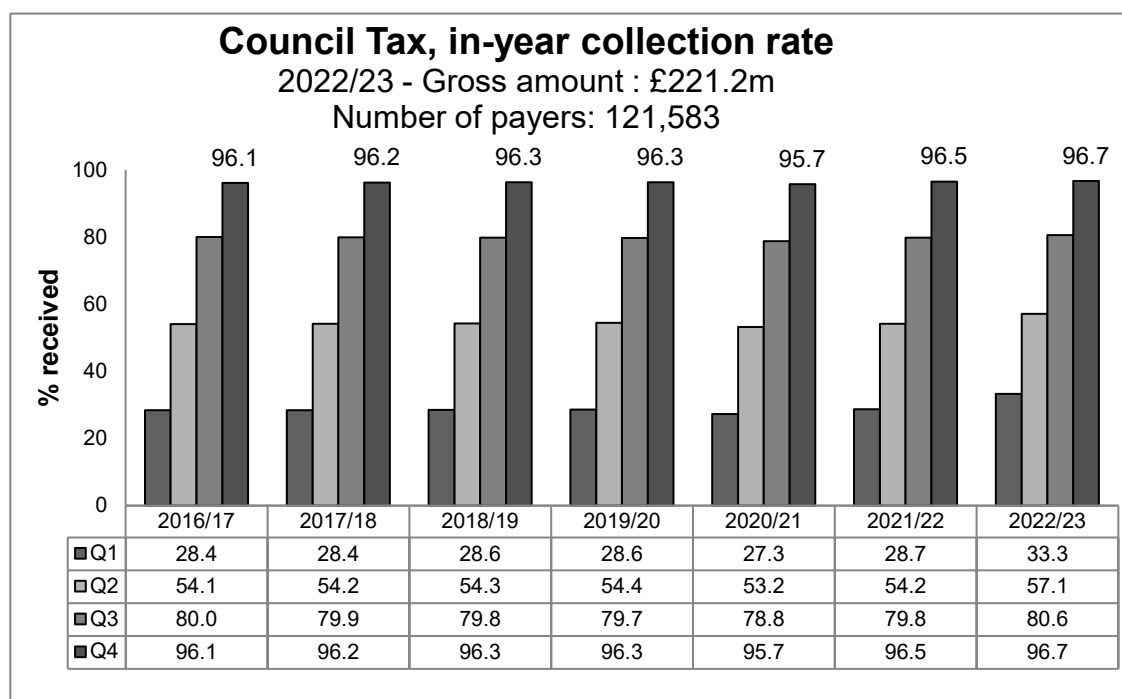
### **5.3 Revenues and Business Support - Council Tax In-year Collection Rate**

5.3.1 The Council Tax in-year collection rate for 2022/23 is 96.7%, representing an increase of 0.2% on the comparable period last year. This level of performance has in part been achieved by crediting some welfare payments to individual council tax accounts and is the highest level of performance achieved for the period being monitored in the below table, commencing 2016/17. At the end of each financial year, the Revenues & Business Support section continues to collect Council Tax for previous years.

5.3.2 The Service continues to have a sharp focus on 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 residents 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 council tax 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 provide in-person face to face and other support for 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 tax payers who require additional time to pay and supports from welfare and money advice.

- 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 20.0% of the Council’s general fund and is used to bridge the difference between the block grant and the Council’s estimated expenditure. There is therefore a sharp focus on council tax collections’ performance and actions to mitigate performance fluctuations. For example, Direct Debits now make up 74.7% of council tax bill payments (Q4), which is slightly up on the performance for the comparable period last year, which was 74.3%. Direct Debit continues to be the Council’s preferred payment method as it is secure and efficient, and convenient for customers.
- 5.3.5 Direct debit payments 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.



- 5.3.6 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.
- 5.3.7 The number of Council Tax payers included in the above bar chart shows the position as at 1 April 2022. As new builds come onto the market and are made available for ownership, private rented and social housing, and properties transfer between Council Tax and Non-Domestic Rates, there is a natural movement in



the tax base and number of Council Tax payers throughout the year. The annual billing position is therefore used year on year to provide trend data and to develop business intelligence. Having such rich data, helps to inform improved performance and decision making.

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

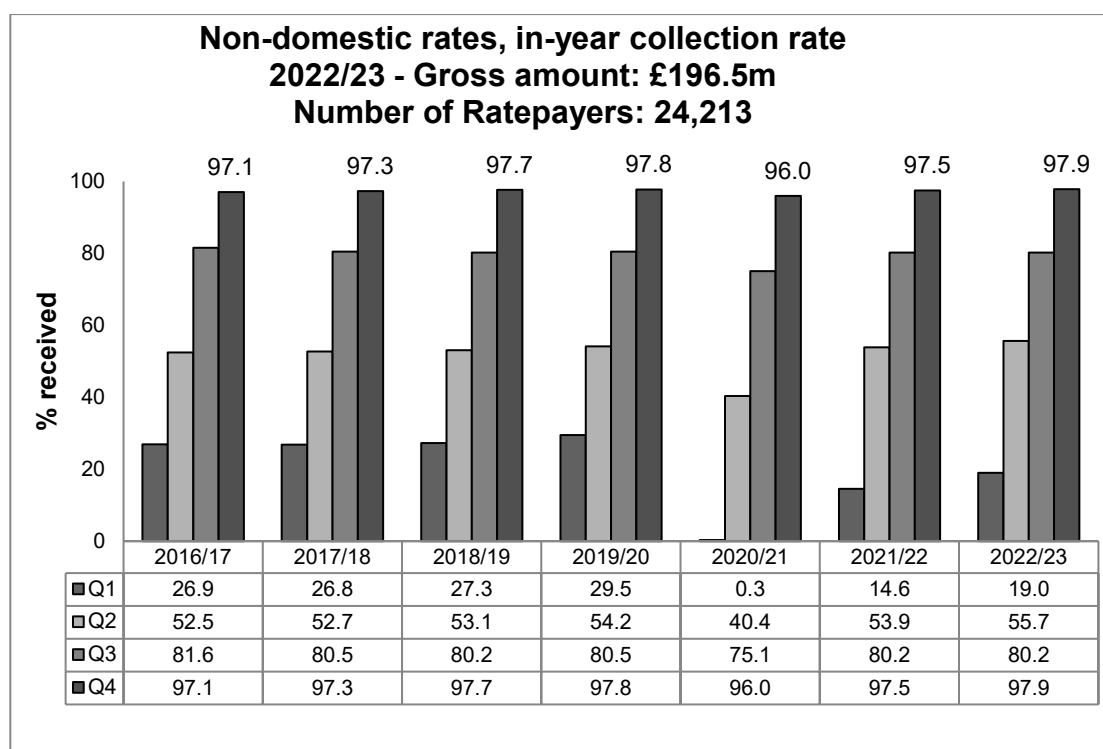
5.4.1 The Council's total revenue funding provided by the Scottish Government is made up of 3 components: General Revenue Grant (GRG): Distributable Non-Domestic Rate Income (NDRI) and specific ring-fenced grants.

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 and responding to external influences continue to be an important focus for the Revenues Team.

5.4.4 The collection rate for Q4 of 97.9% shows an improvement when compared with the same period in the previous year of 97.5%, and above the levels for prior years. The Non-Domestic Rates team continue to identify potential entitlement to relief and to progress recovery in accordance with legislative timescales.

5.4.5



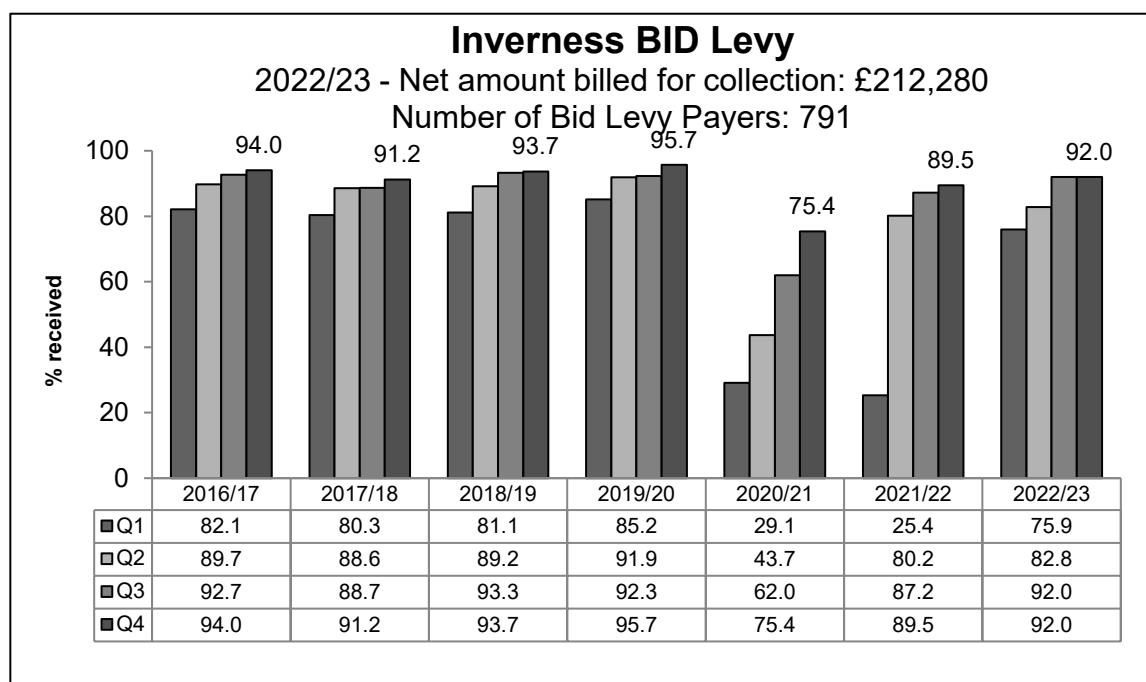
- 5.4.6 Relief from Non-Domestic Rates is available to achieve competitive equity and fairness. This includes for example the Small Business Bonus Scheme. The Scottish Government’s latest published statistics show that 12,393 properties in Highland received £20.9m of relief from Non-Domestic Rates through the Small Business Bonus Scheme.
- 5.4.7 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 available relief wherever possible. To raise awareness and to relieve ratepayers from rates bills, information regarding relief is provided on non-domestic rates bills and published on the Council’s website.
- 5.4.8 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.

**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 of each BID in accordance with planned annual schedules.
- 5.5.2 When monitoring collection performance for each BID, Members will wish to note that billing for the Inverness and the Inverness & Loch Ness Tourism BID levies was undertaken in line with previous years, i.e., April 2022. The Nairn BID billing year commences in October each financial year.

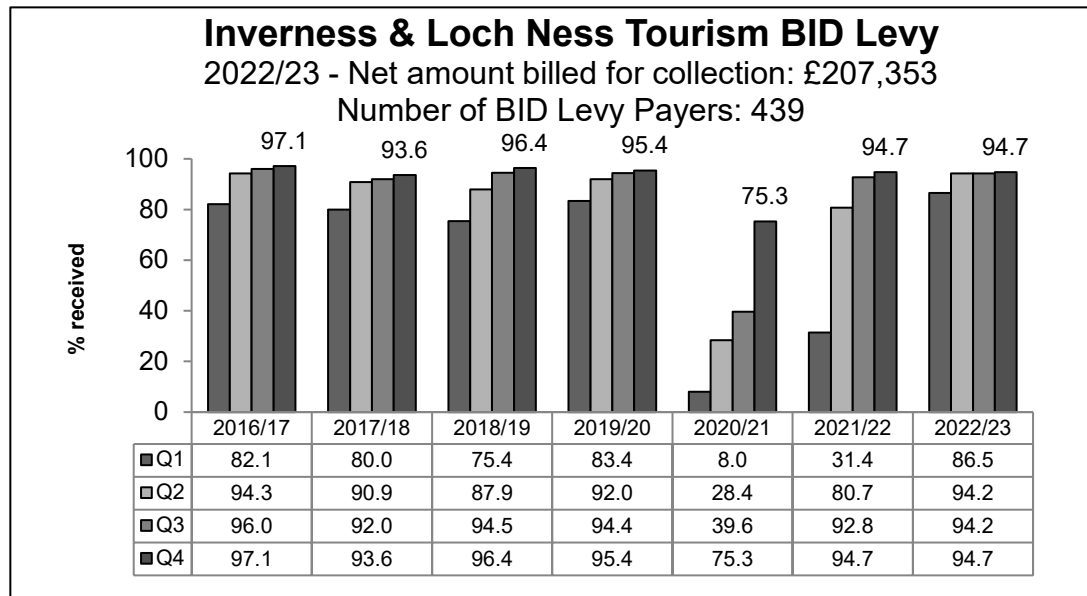
**5.5.3 Inverness BID Levy**

The figures below indicate an increase on Q4 performance compared with the previous two years, with levels continuing to increase, and closer to pre-Covid levels.



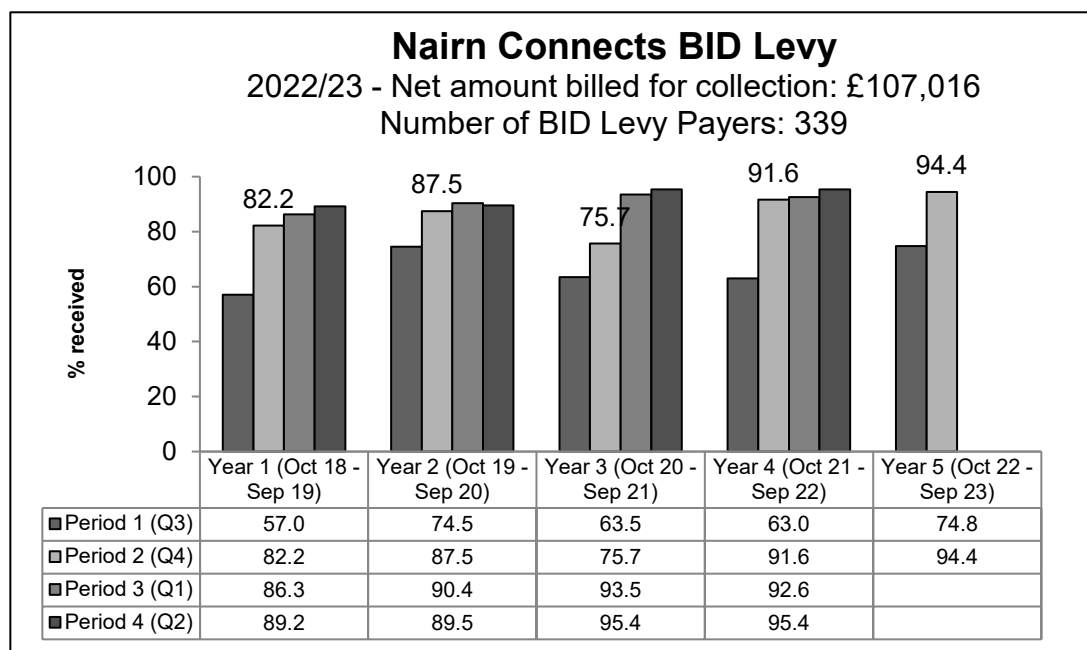
### 5.5.4 Inverness & Loch Ness Tourism BID Levy

By the end of Q4, 94.7% of the BID levies have been paid which matches the outturn performance for 2021/22.



### 5.5.5 Nairn Connects BID Levy

The Nairn Connects billing year commences 1 October each year. Performance in Period 2 (Q4) shows a collection rate of 94.4%, which is an increase on the prior year, is the highest rate in Period 2 to date, and an increase on the pre-Covid position.



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

5.6.1 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 promptly allocating applications to the appropriate teams for consideration and determination.

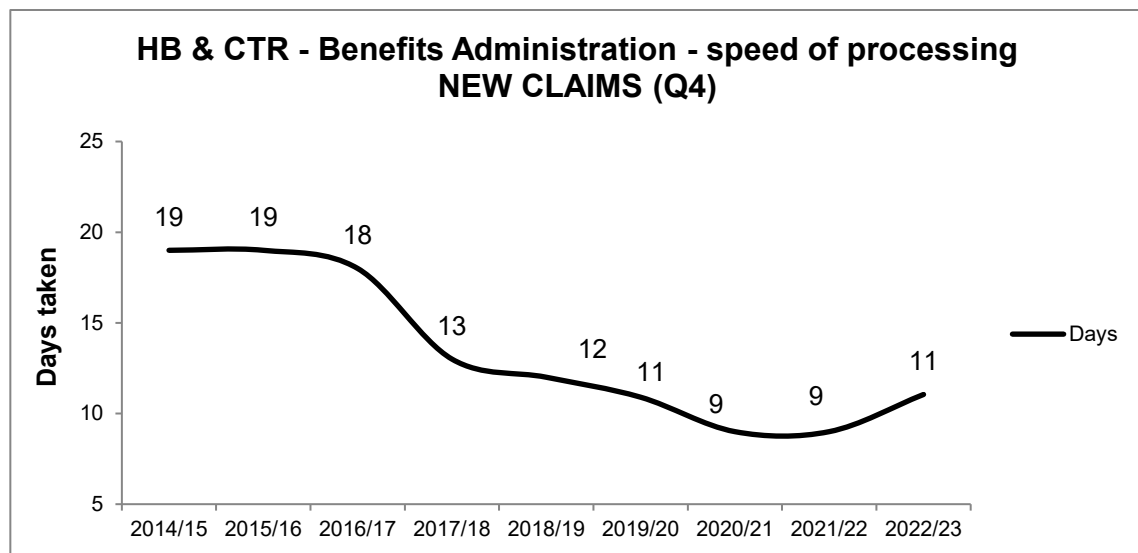
5.6.2 275 single grant applications were received during Q4, 2022/23 of which 100% were processed within the 5 days target. The comparable figures for Q4 2021/22 were 214 applications with a performance figure of 93.9%, demonstrating strong performance against this additional workload (+29%) within the Business Support team. This increase in workload is partly attributable to the applications received for the successful cost-of-living grants of up to £10,000 for community-led initiatives as agreed at the Highland Council meeting on 22 September 2022. For 2023/24, workload is forecast to revert to similar levels in earlier years.

Single Grant Applications	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Percentage logged, acknowledged & distributed within 5 days target	98.3%	99.2%	97.9%	98.9%	99.2%	97.1%	97.8%

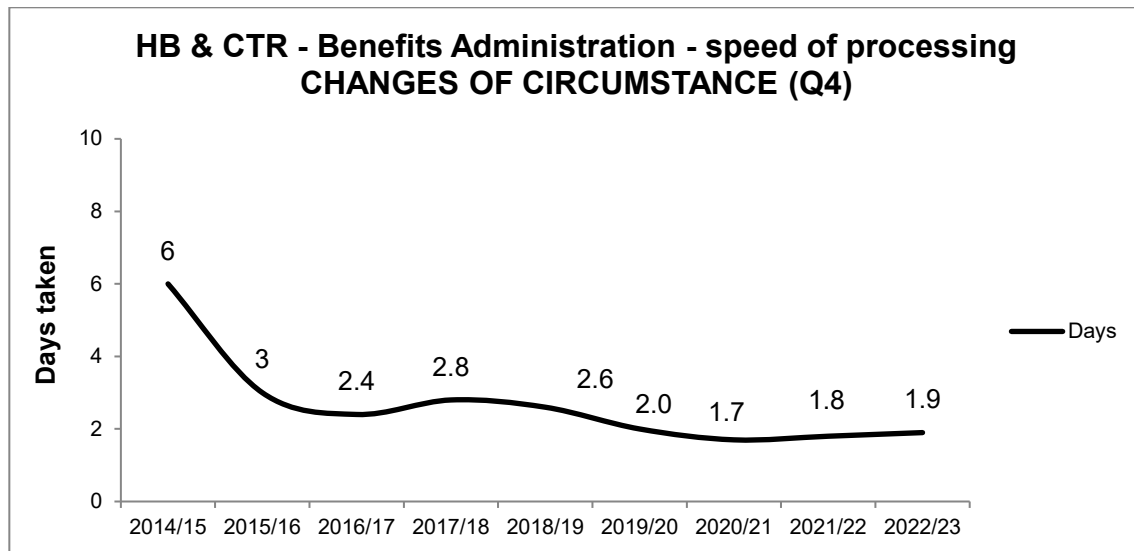
## 6. Speed of processing performance: Housing Benefit and Council Tax Reduction

6.1 This indicator is reporting a small reduction in performance when compared with the same period in 2021/22. Being aware that the Department for Work & Pensions (DWP) national reporting for Housing Benefit New Claims performance shows the same trend, provides reassurance. This movement in performance reflects the significant and successive number of additional welfare payments managed effectively by the Service Delivery Team to alleviate the cost-of-living increases.

6.2



6.3



6.4 This negligible slip in performance from 1.8 days for Q4 2021/22 compared with 1.9 days for the same period 2022/23 demonstrates the Council's commitment to ensuring the right amount of benefit is paid to the right people at the right time, while also managing the increased workload arising from additional welfare payments.

6.5 For Housing Benefit, 91.4% of all claims received relate to Changes in Circumstances. Prompt processing of Changes in Circumstances supports the Welfare Budget, and in particular the Housing Benefit budget, as the overall value of benefit overpayments created are lower than would otherwise be the case, thus enabling more successful recovery of those overpaid benefits that are created and therefore a lower Bad Debt Provision. The latest statistics published by the DWP for Housing Benefit relates to Q3, and reports that the Highland Council was ranked 5<sup>th</sup> equal for New Claims and 2<sup>nd</sup> equal in Scotland for Changes in Circumstances.

6.6 The Council continues to collaborate with UK Government, Scottish Government and CoSLA to develop and progress welfare-related matters by being represented on specialist groups and through participation in national reviews.

## 7. People and Finance Systems programme

7.1 The People and Finance Systems Programme was initiated on 25<sup>th</sup> February 2022. The context for instigating the Programme was the need to obtain new systems for the Council, covering Human Resources, Payroll and Finance (Corporate Finance and Revenues & Business Support) within a reasonably short timescale based on contract/support end dates for existing systems. There was also a desire to have a more integrated software solution, and to explore an ERP (Enterprise Relationship Planning) solution approach for future IT systems.

7.2 The programme is progressing with delivery of a new ERP software solution from TechnologyOne, to replace the existing HR, Payroll and Financial systems. This includes the General Ledger, payment of invoices to creditors, and collection of Sundry Debts due to the Council. The Financial system also interfaces with key line of business systems, including the Revenues & Benefits system.

7.3 The Officer Programme Board is Chaired by the Council's Head of Corporate Finance, as Programme Sponsor, with other Board members including ECO

Performance and Governance, ECO Education and Learning, Head of HR, Head of Revenues & Business Support, and Head of ICT & Digital Transformation.

Council Programme resource includes a Programme Manager, Financial Systems Project Manager, Business Change Manager, Process Development Officer and Project Support Officer. With additional programme resource and input coming from other Council officers and internal subject matter experts, and TechnologyOne project resources.

7.4 The programme aims to deliver the following:

- Procure new ERP solution for Highland Council which could host multiple Council systems in the future within one platform.
- Migrate Highland Council HR & Payroll system (ResourceLink) from existing Highland Council Data Centre hosting to ResourceLink Supplier (Zellis Ltd) hosted cloud platform.
- Migrate existing Highland Council Financials system (hosted by Capita Integra) to new TechnologyOne cloud hosted ERP solution.
- Cleanse Highland Council HR Data in advance of migration to new TechnologyOne cloud hosted ERP solution.
- Rationalise existing Highland Council payrolls in advance of migration to new TechnologyOne cloud hosted ERP solution.
- Redesign the existing HR & Payroll Support Teams structure
- Migrate existing Highland Council ResourceLink HR and Payroll system (hosted by Zellis) to new TechnologyOne cloud hosted ERP solution.

7.5 The key target dates for the programme are driven by the following factors:

- The current Integra financial systems platform contract ends 30th June 2024, and support from Integra for the platform ceases 31st March 2025 (extended from an initial 31st March 2024 at the time the programme initiated).
- There is a key contract milestone date related to the existing Zellis ResourceLink HR and Payroll system with notice to be given by 30th September 2024, the intent being the Council is able to exit that contract no later than March 2025, with implementation of the new TechnologyOne solution in place.

<b>Milestone</b>	<b>Date Complete</b>	<b>Status</b>
P&FS Programme Start	25/02/22	Complete
Procure new ERP solution for Highland Council	29/09/22	Complete
Go-Live THC Zellis ResourceLink HCM Cloud Solution	21/12/22	Complete
Cleanse THC HR Data	TBC	Ongoing
Rationalise THC Payrolls	TBC	Ongoing
Go-Live THC Financials on TechnologyOne ERP system	01/04/24	Ongoing
HR & Payroll Support Teams Redesign	TBC	Ongoing
Go-Live THC HR & Payroll on TechnologyOne ERP system	TBC (no later than 31/3/25)	Yet to Start
P&FS Programme Closure	25/04/25	-

7.6 The Programme has a number of expected benefits, which include:

Increase	Reduce
<ul style="list-style-type: none"> <li>• System Maturity Assessment Score</li> <li>• Stakeholder/Customer Satisfaction</li> <li>• Efficiency</li> <li>• Reliability of absence data</li> <li>• Number of ERDs</li> </ul>	<ul style="list-style-type: none"> <li>• Costs</li> <li>• Processing elapsed time</li> <li>• Processing Effort</li> <li>• Process non-Conformance</li> <li>• Need for cost recovery</li> <li>• Frustration levels</li> <li>• Manual processing</li> <li>• System Costs</li> </ul>

7.7 A full programme risk management approach is in place. As can be expected of a programme of this scale and given the critical role that the new People and Finance systems solution will play in supporting all of the Council’s core activities, there are inevitably some key risks and issues that are highlighted for Members.

- **Target Operating Model approach** – the Council has procured a largely ‘out of the box’ solution from TechnologyOne. As such a fundamental aspect of the Council’s approach is to adapt its existing business processes to work with the system (rather than bespoke design the software to match Council business processes). This approach is to support the programme timescales and a shortened implementation phase, ease of ongoing system support and maintenance, and opportunities for standardised and efficient business processes. This will necessitate a significant programme of business change across the Council and will require corporate input and buy-in to support transformational change. The programme has dedicated business change and process development resource in place.
- **Resources and capacity** – while dedicated programme resource is in place, as described earlier, the nature of the programme will require significant input from across Council Services, including more specific and subject matter expert input from Corporate Finance, Revenues & Business Support, Payroll and HR officers, as well as the broader input as part of transformational change of business processes. This will require careful management to ensure that business as usual workload and outcomes continue to be delivered, but also not at the expense of delivering programme outcomes.
- **Data quality and data cleansing** – a key workstream of the programme is data cleansing, particularly on the existing HR/Payroll system. It is vital that the Council ensures data going into the new system, migrated from current systems, is suitably cleansed to ensure the Council can maximise benefits from the TechnologyOne solution.

7.8 Further updates on the People and Finance Systems programme will be brought back to future Committees.

8. **Digital Revenues & Welfare services**

Once fully implemented, this will provide an online portal and E-billing facility to enable domestic and non-domestic customers to self-serve, thus reducing the need to print and post bills and benefit notifications. Having the portal implemented and available for customers’ use will contribute to the Council’s Net Zero journey by reducing power, printing toner, transport and paper use. It also

avoids paper and landfill waste. The portal will also avoid some enquiries being received that would otherwise involve intervention by staff. A considerable proportion of user acceptance testing has been completed and work is underway to identify resources to enable implementation.

8.1 **Crisis Grants and Community Care Grants:** Data quality means that this performance cannot be accurately reported for 2022/23. To ensure the required pace of implementation was achieved, and to avoid new and additional costs for the Council, administration of COVID-19 Self-Isolation Support Grants were undertaken via the long-established IT system deployed for managing Crisis and Community Care Grants. As a result, the data is distorted for 2022/23. Reporting will re-commence from 2023/24. Officers continue to collaborate with CoSLA and the Scottish Government into the national review of the Scottish Welfare Fund.

## 8.2 **People Data:**

- The Mandatory courses and Induction training completion data is currently being worked on as courses on the new e-learning system Traineasy becomes available and will be reported to future committees.
- The Accident Injury Rate (AIR) illustrates reportable injuries (RIDDOR)/no. employees) x 100,000. Reportable injuries are injuries which lead to an absence of 7 days or more or specific injury such as broken bones. The figure for 2022/23 has increased to 151 from 125 and the reason for this increase is being actively investigated by the corporate OHSW team and reported in the annual OHSW report.
- There has been slippage on issuing a Wellbeing Survey and it is now planned to issue this when the schools return after the Summer holidays.

## 9.0 **Service Risks**

9.1 In addition to leading on several Corporate Risks, which are reported to Audit & Scrutiny Committee every quarter, the Service maintains a Service Risk Register. Work is ongoing to develop the Service Risk Register for inclusion in future performance monitoring reports to this Committee.

## 10. **Service Plan Dashboard**

10.1 Appendix 4 to this report includes all available performance information for the Service as outlined in the Draft Service Plan approved by Committee on 8th September 2022. This is provided for completeness.

## 11.0 **Contribution to the Corporate Plan**

11.1 Future reports will also include the Service's contribution to the Corporate Plan.

Designation: Chief Executive

Date: 25 May 2023

Authors: Sheila McKandie, Head of Revenues & Business Support;  
Lucy Lallah, Business Management Analyst  
Sophie Miller, Corporate Performance Business Partner



## Appendix 1

<b>Other performance measures</b>	<b>Frequency</b>
Processing time benefit – new claims (average days)	Quarterly
Processing time benefit – change in circumstances (average days)	Quarterly
Business Improvement District (BID) Levy	Quarterly
Business Support – Single Grant Applications	Quarterly
The number of invoices paid within 10 calendar days of receipt as a percentage of all invoices paid	Quarterly

<b>Statutory Performance Indicators</b>	<b>Frequency</b>
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
Insurance - cost/claim processed	Annual
Creditors - unit cost/creditor invoice issued	Annual
Payroll - cost/payslip produced	Annual
Pensions - cost per member	Annual
Cost of Accounting % Net Rev Budget + HRA	Annual
Cost of completing the Annual Accounts	Annual
Cost NDR collection/chargeable property	Annual
% NDR collected by year end	Quarterly
Cost sundry debtors/debtors account issued	Annual
% income sundry debtors collected during year	Annual
Cost Corporate Finance % Net Revenue Budget	Annual
Cost Procurement section % Net Revenue Budget	Annual

## Average number of working days per employee lost through Sickness Absence

Service	20/21	21/22					22/23				
	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
C&P	<i>Service splits not aligned to new services</i>	2.44	3.49	3.53	3.42	12.86	3.42	3.45	2.74	3.60	13.21
E&L – non-teaching		1.96	1.21	1.74	2.43	7.36	2.62	1.19	1.82	2.66	8.29
E&L – teaching		1.24	1.00	1.44	1.89	5.58	1.74	0.96	1.67	2.66	7.02
HW&SC		2.54	1.94	1.59	1.69	7.75	2.05	2.04	2.27	2.87	9.23
I&E		0.62	0.66	0.55	0.76	2.59	1.67	1.76	1.55	2.95	7.93
P&G		0.39	0.45	0.77	0.49	2.11	0.65	1.15	1.08	2.13	5.01
P&H		2.43	1.50	1.90	2.74	8.56	2.67	1.75	2.11	3.48	10.02
R&F		1.07	1.47	2.04	1.90	6.47	2.07	2.36	2.21	2.48	9.13
DCE		0.42	0.37	0.75	0.73	2.36	2.17	1.40	2.23	2.19	7.99
<b>THC (non-teaching)</b>	<b>6.44</b>	<b>2.06</b>	<b>1.75</b>	<b>2.00</b>	<b>2.36</b>	<b>8.17</b>	<b>2.45</b>	<b>1.89</b>	<b>2.03</b>	<b>2.97</b>	<b>9.35</b>
<b>THC all employees (inc teachers)</b>	<b>5.47</b>	<b>1.81</b>	<b>1.52</b>	<b>1.83</b>	<b>2.22</b>	<b>7.39</b>	<b>2.24</b>	<b>1.61</b>	<b>1.92</b>	<b>2.88</b>	<b>8.65</b>

Appendix 3

Invoice Payments <10 days																
Service	TARGET 22/23	16/17	17/18	18/19	19/20	20/21	21/22 Q1	21/22 Q2	21/22 Q3	21/22 Q4	21/22	22/23 Q1	22/23 Q2	22/23 Q3	22/23 Q4	22/23
C&P	77%					83.6	85.6	88.3	76.2	57.0	76.4	78.1	78.6	75.2	72.7	75.9
E&L						79.2	82.8	74.8	70.4	60.7	71.0	74.6	69.1	74.4	77.8	74.3
HW& SC						82	86.7	89.9	74.7	59.4	78.4	92.5	91.7	85.8	83.2	88.5
I&E						85.7	85.6	86	76.2	58.0	76.7	80.6	82.6	83.9	81.6	82.2
P&G						87.4	91.8	91.9	75.4	69.5	81.3	85.0	83.9	90.5	88.7	86.9
P&H						71.7	74.2	75.9	60.6	45.1	62.8	40.5	47.4	50.0	55.9	48.2
R&F						83.1	89.0	91.4	88.5	73.9	84.9	90.5	96.6	84.9	83.6	92.0
DCE						84.0	-	75.0	81.6	65.9	69.9	94.7	88.6	92.5	88.3	91.1
Capital						82.1	78.1	77.5	66.5	57.7	70.7	64.6	64.3	77.4	70.2	68.9
<b>THC</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>	<b>67.8</b>	<b>53.1</b>	<b>69.3</b>	<b>67.5</b>

Invoice Payments <30 days																
Service	TARGET 22/23	16/17	17/18	18/19	19/20	20/21	21/22 Q1	21/22 Q2	21/22 Q3	21/22 Q4	21/22	22/23 Q1	22/23 Q2	22/23 Q3	22/23 Q4	22/23
C&P	95%					96.6	96.1	97.4	93.2	93.2	94.9	97.2	97.2	96.8	96.4	96.9
E&L						92.2	94.5	89.4	91.2	91.6	91.8	92.2	86.1	91.8	91.7	90.8
HW&SC						95.7	97.3	96.2	92.4	94.0	94.9	97.6	97.5	97.5	96.3	97.2
I&E						96.6	96.2	96.8	96.9	94.2	96.1	98.1	96.3	97.2	96.2	97.0
P&G						96.8	96.9	96.6	97.3	97.7	97.1	97.8	97.2	97.4	94.4	96.6
P&H						92.9	97.8	96.6	94.7	84.8	93.1	91.0	93.4	94.7	95.6	93.6
R&F						96.9	98.4	97.9	99.0	97.8	98.3	97.9	99.0	98.6	96.5	98.4
DCE						99.0	100.0	87.5	97.4	95.3	95.5	98.7	90.9	97.3	100.0	96.8
Capital						95.4	95.6	94.5	91.4	91.0	93.2	92.3	89.9	95.4	94.1	92.8
<b>THC</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>	<b>94.2</b>	<b>89.1</b>	<b>93.8</b>	<b>94.1</b>

## Resources and Finance PRMS Performance Dashboard

Members should note this is taken for the Council's performance and risk management system (PRMS). All available data is presented below, there will be a more comprehensive update available for the next report to Committee.

Delivering Financial Excellence Q4 22/23						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Target Date
% of Sundry Debt Income Received - QTR	Q3 22/23	88.6 %	Q4 22/23	90.0 %	90.0 %	
Produce a capital budget	Q3 22/23	On Target	Q4 22/23	On Target		Target ongoing
Produce monitoring statements	Q3 22/23	On Target	Q4 22/23	On Target		Target ongoing
Revenue budget produced annually	Q3 22/23	Completed	Q4 22/23	Completed		
Undertake value for money exercise on contracts	Q3 22/23	On Target	Q4 22/23	On Target		

Digital Revenues and Welfare Services Q4 22/23						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Target Date
Implement capabilities to enable digital access to account information	Q3 22/23	On Target	Q4 22/23	No Significant Progress		

- As detailed in the Service Savings, this project remains a high priority for the Service and the Connected Customers Project Board as it will initially provide online access to individual customer's council tax accounts, reduce the number of paper bills being printed and posted, and contribute to the Council's net zero carbon commitments. The Project Board has agreed to assess options so that resources can be identified to recover the situation and move forward to implementation.

People Q4 22/23						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Target Date
Accident Injury Rate	FY 21/22	125	FY 22/23	151	161	
Employee Engagement Survey carried out and results reported	Q3 22/23	Completed	Q4 22/23			Completed Q3 22/23
Employee Retention - QTR	Q3 22/23		Q4 22/23			
CP5.01 ERDs being completed - RSF	Q3 22/23	No Significant Progress	Q4 22/23	No Significant Progress		Target ongoing
Exit Interview questionnaire introduced	Q3 22/23	Completed	Q4 22/23			Completed Q3 22/23
Wellbeing Survey carried out and results reported	Q3 22/23	On Target	Q4 22/23	Some Slippage		

**People and Finance Systems Programme Q4 22/23**

Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Target Date
Agree approach to procuring Resource Planning Systems	Q3 22/23	On Target	Q4 22/23	Completed		
Deliver replacement for the current finance systems	Q3 22/23	On Target	Q4 22/23	On Target		Due to complete Q3 23/24
Develop roadmap for systems operated by RSF service	Q3 22/23	Completed	Q4 22/23			
Procure Resource Planning System	Q3 22/23	Completed	Q4 22/23			