

**FINANCE, PEOPLE AND PERFORMANCE PORTFOLIO**  
**Cllr Maggie Wright**

The Autumn Statement issued in November suggested that local government would receive a two-year settlement covering both 2023/24 and 2024/25. However, there is still uncertainty for 2024/25 so to all intents and purposes we have been given a single year settlement for 2023/24. The long-awaited changes to the business rates baseline and Fair Funding are not now expected to be implemented before 2025/26. This means that our updated Medium Term Financial Strategy (MTFS) still contains several high-level assumptions, although the underlying message of significant future funding gaps is unchanged from last year.

The financial outlook for local government remains uncertain. This year we also have the added pressure of the cost-of-living crisis to bring into account whilst still meeting the need to set a balanced budget. That said, the settlement that we received on 20<sup>th</sup> December is the best in cash terms for local government for many years, but in real terms we are still left with a budget gap. New Homes Bonus continues for another year, and potentially two, but with no legacy payments. A new grant has been introduced to ensure that local authorities' core spending power is increased by at least 3%. This guarantee is funded from the Lower Tier Services Grant and the reduction in New Homes Bonus. The settlement also gives local authorities the ability to increase council tax by the greater of £5 or 2.99% at band D level.

The ever-complicated picture surrounding business rates is even more difficult to predict this year, due to the 2023 revaluation exercise and the government's announcement that it is freezing the rate multiplier. Local authorities will be compensated by a mix of S31 grant and an uplift to the Baseline Funding Level. The precise position will not be known until the NNDR1 return has been completed.

Once again, we will have to look closely at our 5-year capital programme to ensure that it remains affordable. The change to our Minimum Revenue Provision policy, approved by Council in September, will help to reduce borrowing costs in the shorter-term but we are still at risk from rising inflation.

The Performance team has worked hard with all services to reintroduce a performance management framework, which will be key to the delivery of the Council's priorities within the limited resources we have. In addition to this, we have recently procured a new performance management system which is planned to be implemented in time for the new financial year.

Following the HR Review this year will see the continuation of the improvements being made to the HR Service. This will include ensuring consistency of advice; working with the Transformation team to improve the effectiveness and efficiency of HR processes with the upgrade of the I-Trent system; reviewing policies and supporting staff as they embrace the hybrid way of working and reviewing our recruitment process. This will

go hand in hand with a leadership development programme designed to support our people managers to lead and develop our staff ensuring Blaby continues to be a great place to work.

Council Tax and Benefits now falls within my portfolio and, although business grants and the council tax energy rebate scheme have now ended, government has recently announced an extension to its Energy Bill Support Scheme which, once again, local authorities will have a hand in delivering. At the same time, the team will also be looking to implement a new document management system, followed later in the year by a suite of new online forms to help drive transformation of the service.

**Portfolio Holder:** Councillor Maggie Wright

**Senior Officers:** Executive Director (S151), Executive Director, Corporate Services Group Manager, Finance Group Manager, and Strategic HR Manager

**Portfolio Total**

<b>Finance, People and Performance - Total</b>	<b>2022/23 Approved Budget  [A]</b>	<b>2022/23 Revised Estimate  [B]</b>	<b>2023/24 Proposed Budget  [C]</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
<b>1. Establishment Costs</b>	<b>£2,145,934</b>	<b>£2,255,697</b>	<b>£2,241,734</b>	<b>£95,800</b> 4.46%	<b>-£13,963</b> -0.62%
<b>2. Other Gross Direct Expenditure</b>	<b>£11,892,369</b>	<b>£10,481,884</b>	<b>£10,266,020</b>	<b>-£1,626,349</b> -13.68%	<b>-£215,864</b> -2.06%
<b>3. Direct Income</b>	<b>-£11,111,000</b>	<b>-£9,680,723</b>	<b>-£9,335,650</b>	<b>£1,775,350</b> -15.98%	<b>£345,073</b> -3.56%
<b>4. Net Direct Expenditure</b>	<b>£2,927,303</b>	<b>£3,056,858</b>	<b>£3,172,104</b>	<b>£244,801</b> 8.36%	<b>£115,246</b> 3.77%
<b>5. Overall No. of Posts (FTE)</b>	<b>53.75</b>	<b>54.96</b>	<b>51.66</b>	<b>-2.09</b> -3.89%	<b>-3.30</b> -6.00%

## **EXECUTIVE SUMMARY**

This portfolio incorporates the establishment costs relating to the Finance, Council Tax and Benefits, Income and Collection, HR and Performance teams. The Council Tax and Benefits budget was formerly included in the Housing, Community and Environmental Services portfolio but was transferred following the management restructure approved in May 2022. The establishment budget for 2022/23 has been adjusted to allow for the recently settled pay award and uplifted pension contribution rates. The establishment budget for 2023/24 allows for a 3% estimated pay award, contractual increments where appropriate, and employer's national insurance and pension contributions. The establishment budget for this portfolio also includes central provisions for statutory sick pay, maternity pay, the apprenticeship levy, and a vacancy savings provision. The vacancy savings provision of £200,000 recognises that the Council is unlikely to be fully staffed throughout the financial year.

In terms of other gross direct expenditure, one of the most significant movements relates to the long-term lease of the Enderby Road Industrial Estate in Whetstone. The lease agreement allows for a rent review every five years, with the last review applicable from June 2019. The 2022/23 budget allows for a backdated rent increase of approximately £30,000 per annum. The new annual rent of £230,000 per annum has been recognised in the 2023/24 budget. External interest payable is lower than originally budgeted in 2022/23 due to slippage in the planned Capital Programme and because no external borrowing has been undertaken to date this financial year. This is a conscious decision due to the ongoing trend of investment rates being lower than borrowing rates. The Council is effectively borrowing internally to save on interest costs but also reducing the counterparty risk associated with investment.

Also included within other gross direct expenditure is the cost paying housing benefit to residents on low income. This shows a significant reduction in 2023/24, compared with 2022/23, based on a falling caseload due to the transfer of claimants to Universal Credit.

The reduction in direct income in 2023/24 is largely reflective of the reduction in housing benefit payable which causes a corresponding fall in the subsidy claim. In the main, the Council can claim 100% subsidy on rent allowance and rent rebates payable, although where some payments are made in error, they attract a lower rate of subsidy. The increase in homelessness is also causing a disparity between housing benefit payable and the amount of subsidy that can be reclaimed, because there is a cap on the rent amount which can be subsidised.

Investment income in both 2022/23 and 2023/24 is rising considerably in line with the Bank of England base rate which has been increased by the Monetary Policy Committee (MPC) to bring inflation under control.

## **Financial Services**

<b>Financial Services</b>	<b>2022/23 Approved Budget  [A]</b>	<b>2022/23 Revised Estimate  [B]</b>	<b>2023/24 Proposed Budget  [C]</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
<b>1. Establishment Costs</b>	<b>£547,775</b>	<b>£572,433</b>	<b>£633,936</b>	<b>£86,161</b> 15.73%	<b>£61,503</b> 10.74%
<b>2. Other Gross Direct Expenditure</b>	<b>£959,727</b>	<b>£1,076,297</b>	<b>£1,058,896</b>	<b>£99,169</b> 10.33%	<b>-£17,401</b> -1.62%
<b>3. Direct Income</b>	<b>-£145,500</b>	<b>-£445,500</b>	<b>-£405,500</b>	<b>-£260,000</b> 178.69%	<b>£40,000</b> -8.98%
<b>4. Net Direct Expenditure</b>	<b>£1,362,002</b>	<b>£1,203,230</b>	<b>£1,287,332</b>	<b>-£74,670</b> -5.48%	<b>£84,102</b> 6.99%
<b>5. Overall No. of Posts (FTE)</b>	<b>11.50</b>	<b>11.50</b>	<b>11.50</b>	<b>0.00</b> 0.00%	<b>0.00</b> 0.00%

## **Reasons for Variances**

1. The revised estimate allows for the pay award effective from 1<sup>st</sup> April 2022, which exceeds the provision made in the original budget. The 2023/24 establishment budget takes account of the estimated pay award yet to be confirmed, contractual increments where applicable, and increases to employer's national insurance and pension contributions. Includes provision for maternity cover for Accountancy Services Manager.
2. The loan interest payable estimates have been reviewed based upon the draft 5-year Capital Programme; this has resulted in a reduction for the current financial year as no loans have been raised to date, but an increase for 2023/24. Interest payable on the industrial estate lease has increased by approximately £30,000 following a back-dated rent increase. The impact of the backdating is particularly noticeable in 2022/23 where the

additional cost is a one-off £100,000. Inflationary increases have been allowed for where appropriate.

3. Investment interest rates have increased considerably in recent months and investment income budgets have increased accordingly.
4. Net impact of variances listed above.
5. No change other than maternity cover (not included in the post numbers above).

## **Council Tax & Benefits**

<b>Revenues and Benefits</b>	<b>2022/23 Approved Budget</b>	<b>2022/23 Revised Estimate</b>	<b>2023/24 Proposed Budget</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
	<b>[A]</b>	<b>[B]</b>	<b>[C]</b>		
<b>1. Establishment Costs</b>	<b>£832,327</b>	<b>£884,383</b>	<b>£890,631</b>	<b>£58,304</b> 7.00%	<b>£6,248</b> 0.71%
<b>2. Other Gross Direct Expenditure</b>	<b>£10,585,416</b>	<b>£9,040,377</b>	<b>£8,733,254</b>	<b>-£1,852,162</b> -17.50%	<b>-£307,123</b> -3.40%
<b>3. Direct Income</b>	<b>-£10,798,500</b>	<b>-£9,069,023</b>	<b>-£8,751,700</b>	<b>£2,046,800</b> -18.95%	<b>£317,323</b> -3.50%
<b>4. Net Direct Expenditure</b>	<b>£619,243</b>	<b>£855,737</b>	<b>£872,185</b>	<b>£252,942</b> 40.85%	<b>£16,448</b> 1.92%
<b>5. Overall No. of Posts (FTE)</b>	<b>24.56</b>	<b>24.56</b>	<b>23.64</b>	<b>-0.92</b> -3.75%	<b>-0.92</b> -3.75%

## **Reasons for Variances**

1. The revised estimate allows for the pay award effective from 1<sup>st</sup> April 2022, which exceeds the provision made in the original budget. The 2023/24 establishment budget takes account of the estimated pay award yet to be confirmed, contractual increments where applicable, and increases to employer's national insurance and pension contributions.
2. Gross Direct Expenditure mainly comprises the amount of estimated housing benefit that is due to be paid out by the authority to assist residents in staying in their homes because they are on a low income, or in receipt of certain benefits. The caseload is reducing as new claimants are transferred to Universal Credit, administered by the Department for Works and Pensions. The revised estimate includes one-off costs in relation to the Energy Support Scheme, for which funding has been received, as well as budget carried forward from 2021/22 to fund specific projects.
3. The Direct Income figures include all government grants, one off costs, new burdens, rewards, and subsidy. Housing Benefit Subsidy no longer completely offsets benefit payable as the amount that can be claimed in relation to bed and breakfast accommodation is capped.
4. This represents the net impact of the variances listed above.

5. Service Manager has reduced working hours.

### **Income & Collections Team**

<b>Income and Collections</b>	<b>2022/23 Approved Budget  [A]</b>	<b>2022/23 Revised Estimate  [B]</b>	<b>2023/24 Proposed Budget  [C]</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
<b>1. Establishment Costs</b>	<b>£225,738</b>	<b>£238,729</b>	<b>£243,896</b>	<b>£18,158</b> 8.04%	<b>£5,167</b> 2.16%
<b>2. Other Gross Direct Expenditure</b>	<b>£21,625</b>	<b>£20,615</b>	<b>£19,979</b>	<b>-£1,646</b> -7.61%	<b>-£636</b> -3.09%
<b>3. Direct Income</b>	<b>-£166,000</b>	<b>-£166,000</b>	<b>-£178,450</b>	<b>-£12,450</b> 7.50%	<b>-£12,450</b> 7.50%
<b>4. Net Direct Expenditure</b>	<b>£81,363</b>	<b>£93,344</b>	<b>£85,425</b>	<b>£4,062</b> 4.99%	<b>-£7,919</b> -8.48%
<b>5. Overall No. of Posts (FTE)</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b> 0.00%	<b>0.00</b> 0.00%

### **Reasons for Variances**

1. The revised estimate allows for the pay award effective from 1<sup>st</sup> April 2022, which exceeds the provision made in the original budget. The 2023/24 establishment budget takes account of the estimated pay award yet to be confirmed, contractual increments where applicable, and increases to employer's national insurance and pension contributions.
2. Budget revised in line with expenditure to date and expected expenditure.
3. The budget relates to income for the recovery of summons and liability costs.
4. Net impact of variances listed above.
5. No change.



### **Audit & Fraud**

<b>Audit &amp; Fraud</b>	<b>2022/23 Approved Budget  [A]</b>	<b>2022/23 Revised Estimate  [B]</b>	<b>2023/24 Proposed Budget  [C]</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
<b>1. Establishment Costs</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b> 0.00%	<b>£0</b> 0.00%
<b>2. Other Gross Direct Expenditure</b>	<b>£127,811</b>	<b>£116,816</b>	<b>£246,167</b>	<b>£118,356</b> 92.60%	<b>£129,351</b> 110.73%
<b>3. Direct Income</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b> 0.00%	<b>£0</b> 0.00%
<b>4. Net Direct Expenditure</b>	<b>£127,811</b>	<b>£116,816</b>	<b>£246,167</b>	<b>£118,356</b> 92.60%	<b>£129,351</b> 110.73%
<b>5. Overall No. of Posts (FTE)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b> 0.00%	<b>0.00</b> 0.00%

### **Reasons for Variances**

1. No establishment costs are applicable to this service.
2. The external audit fee payable is expected to increase by 150% on average, following the recent national procurement process for audit appointments.
3. Not applicable.
4. See note 2 above.
5. Not applicable.

## **Performance**

<b>Performance</b>	<b>2022/23 Approved Budget  [A]</b>	<b>2022/23 Revised Estimate  [B]</b>	<b>2023/24 Proposed Budget  [C]</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
<b>1. Establishment Costs</b>	<b>£261,723</b>	<b>£272,633</b>	<b>£156,930</b>	<b>-£104,793</b> -40.04%	<b>-£115,703</b> -42.44%
<b>2. Other Gross Direct Expenditure</b>	<b>£29,070</b>	<b>£52,855</b>	<b>£32,150</b>	<b>£3,080</b> 10.60%	<b>-£20,705</b> -39.17%
<b>3. Direct Income</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b> 0.00%	<b>£0</b> 0.00%
<b>4. Net Direct Expenditure</b>	<b>£290,793</b>	<b>£325,488</b>	<b>£189,080</b>	<b>-£101,713</b> -34.98%	<b>-£136,408</b> -41.91%
<b>5. Overall No. of Posts (FTE)</b>	<b>5.42</b>	<b>5.42</b>	<b>3.04</b>	<b>-2.38</b> -43.91%	<b>-2.38</b> -43.91%

## **Reasons for Variances**

1. The revised estimate allows for the pay award effective from 1<sup>st</sup> April 2022, which exceeds the provision made in the original budget. The 2023/24 establishment budget takes account pay award, contractual increments where applicable, and increases to employer's national insurance and pension contributions. Two posts have been transferred to the new Transformation team.
2. The increase in the 2022/23 revised budget includes one-off provision brought forward from 2021/22. Inflationary increases have been included where appropriate.
3. Not applicable.
4. Net impact of variances listed above.
5. Reduction in headcount due to management restructure and movement of staff to Transformation.

## Human Resources

Human Resources	2022/23 Approved Budget  [A]	2022/23 Revised Estimate  [B]	2023/24 Proposed Budget  [C]	Variance [C] - [A]	Variance [C] - [B]
1. Establishment Costs	£278,371	£287,519	£316,341	£37,970 13.64%	£28,822 10.02%
2. Other Gross Direct Expenditure	£168,720	£174,924	£175,574	£6,854 4.06%	£650 0.37%
3. Direct Income	-£1,000	-£200	£0	£1,000 -100.00%	£200 -100.00%
4. Net Direct Expenditure	£446,091	£462,243	£491,915	£45,824 10.27%	£29,672 6.42%
5. Overall No. of Posts (FTE)	6.27	7.48	7.48	1.21 19.30%	0.00 0.00%

## Reasons for Variances

1. The revised estimate allows for the pay award effective from 1<sup>st</sup> April 2022, which exceeds the provision made in the original budget. The 2023/24 establishment budget takes account of the estimated pay award yet to be confirmed, contractual increments where applicable, and increases to employer's national insurance and pension contributions. Both revised budget and 2023/24 include the cost of temporary administrative support.
2. Various small-scale savings identified as part of the budget review process.
3. No longer providing a Disclosure and Barring Service (DBS) for other organisations.
4. Net impact of variances listed above.
5. Includes temporary administrative support.

## **Portfolio Priorities**

### **Financial Services**

- To lead the Council through the significant financial challenges in 2022/23 and beyond, in the face of expected cuts to local government funding, and the cost-of-living crisis.
- Understand costs and deliver a responsive, cost effective and high-quality financial service.
- To formalise the contractual arrangements for the joint HR and Payroll system.
- Upgrade to the latest version of the Income Management System and begin preparations for procurement of a new contract upon expiry of the existing arrangements in May 2024.

### **Council Tax & Benefits**

- To implement a new Document Management System and Workflow system within the team.
- To introduce new on-line forms, as part of the new Council Tax and Benefits software contract, with the aim of driving more efficient working practices and widen the availability of digital services for our customers.

### **Income & Collections**

- To maximise income collection and recovery of outstanding debt.

### **Audit & Fraud**

- Continue a culture of transparency with emphasis on financial control, audit, and having due regard for the prevention of fraud and management of risk.

### **Performance**

- To ensure that effective performance and fair practices are in place across the Council, including the embedding of the new performance framework and implementation of Pentana.

### **Human Resources**

- To deliver the improvements identified in the HR review:
  - Ensure consistency of HR advice
  - Carry out a review and update of policies
  - Work with the Transformation Team to improve HR processes to drive effectiveness and efficiency
  - Upgrade the I-Trent HR system taking advantage of the automation of processes
  - To design and deliver a management development programme based on developing skills in managing teams at Blaby.

## **Services**

### **Financial Services**

The Finance team is responsible for the provision and monitoring of financial information to maintain control of the Council's finances. The team also prepares the annual accounts, and looks after various other functions including treasury management, taxation, insurance, payroll, procurement, and payment of supplier invoices.

### **Council Tax & Benefits**

This team is responsible for the billing and collection of council tax and business rates, and processing and payment of housing benefit and council tax support claims. The team also provides additional help to customers via the provision of discretionary or government funding.

### **Income & Collection**

The Income & Collection team is responsible for maximising income generation in respect of council tax, business rates, and overpayment of housing benefits, in terms of the collection of unpaid debt. The Council Tax Income and Debt Manager also ensures that all guidance in relation to fraud and risk management are up to date and procedures are in place to prevent fraud and manage risk.

### **Audit**

Internal Audit Services is provided by North West Leicestershire as part of a shared service arrangement which includes Blaby and Charnwood.

### **Performance**

This includes staffing and operational costs for the Performance and Systems team, including licences costs for corporate systems such as Pentana and Idox. The Performance and Systems team also help other services succeed by ensuring that our systems work effectively, projects are managed successfully, providing advice on measuring, monitoring and improvement of processes and performance.

### **Human Resources**

The HR Team is responsible for the provision of transactional services, operational advice and strategic development for the Council's staff. HR ensures that services are appropriately resourced with skilled people and that staff are safe, managed effectively and have high levels of satisfaction in their work.

## **Key Points**

<p>Doing things differently – plans for the coming year</p>	<p><b><u>Financial Services</u></b></p> <ul style="list-style-type: none"><li>• The financial settlement for 2023/24 is better than previously expected and, along with a further year of New Homes Bonus and a reduced level of Service Grant, includes an element of funding guarantee that means the 2023/24 settlement is broadly similar to 2022/23. The business rates tariff payable has been reduced to reflect the reduction in the overall rateable value for businesses in the district. However, whilst this means that the funding gap for 2023/24 is manageable, the medium to longer term position remains the same, i.e., a considerable shortfall is forecast from 2025/26 onwards. This coincides with the likelihood of a business rate baseline reset taking effect from 1<sup>st</sup> April 2025. The Finance team will, therefore, continue to work with services to identify opportunities to reduce costs and generate additional income.</li><li>• Continue to review fees and charges to ensure that, as a minimum, the Council recovers its full costs of service delivery.</li><li>• In line with the recommendations of the peer review, we will produce an overall financial plan which sets out how the Council will meet existing and future funding gaps.</li><li>• The Finance team will continue to challenge budgets and support services to ensure full cost recovery in relation to shared services.</li><li>• The procurement of the joint HR/Payroll System is nearing completion and is expected to be implemented in 2023/24.</li><li>• Introduce lower-level efficiencies, including the reduction of paper payslips produced and driving a move towards digital purchase orders.</li></ul> <p><b><u>Council Tax &amp; Benefits</u></b></p> <ul style="list-style-type: none"><li>• Continue to revise the service to take account of any legislative changes or phasing of Universal Credit.</li><li>• To encourage residents and customers towards self-serve options and exploration of other digital options. Current processes will still be available to those customers that are unable to use online services.</li><li>• To replace the document management storage and retrieval system along with options for workflow.</li></ul> <p><b><u>Income &amp; Collections</u></b></p> <ul style="list-style-type: none"><li>• The Income &amp; Collections team is working with external agencies, including bailiffs and legal experts, to implement additional debt recovery measures in line with the Corporate Debt Policy.</li><li>• Procurement of a new enforcement agent contract in collaboration with other Leicestershire districts.</li></ul> <p><b><u>Audit</u></b></p> <ul style="list-style-type: none"><li>• The Internal Audit Shared Service will continue to comply with the Public Sector Internal Audit Standards (PSIAS). The annual audit plan and individual audit programmes will be developed using a risk-based approach.</li></ul>
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	<p>This will ensure that our resources are focused on the areas of highest risk across the council so that our assurance work adds value. The Internal Audit Shared Service had an external inspection in early December 2020 (the PSIAS require this every 5 years). The assessor's opinion was that internal audit at Blaby, Charnwood and North West Leicestershire Councils conforms to the PSIAS. The assessor identified no areas of non-compliance with the standards that would affect the overall scope or operation of the internal audit activity and the team takes a flexible, structured, and focussed approach to their audit assignments.</p> <ul style="list-style-type: none"> <li>• The audit plan will include planned and ad-hoc advisory work, in addition to the continued support for assurance on grants, to ensure that the Internal Audit team can provide relevant support for both changes that are occurring due to external forces and new developments across the Council and try to ensure that appropriate controls are built into new systems and ways of working.</li> <li>• The shared service continues well, providing further business continuity and sharing knowledge across the authorities.</li> </ul> <p><u>Performance</u></p> <ul style="list-style-type: none"> <li>• Implement and embed the new Performance Framework across the Council.</li> <li>• Deliver an integrated IT system as part of the LBCP delegated service project.</li> <li>• Support the Council in delivering the actions identified by the Peer Review.</li> </ul> <p><u>Human Resources</u></p> <ul style="list-style-type: none"> <li>• Continue to support managers and staff in the new Blaby "Way We Work" (agile/hybrid working model).</li> <li>• Continue to deliver a health and wellbeing offer to improve the health of employees including mental wellbeing.</li> <li>• Development of the HR Service and the People Strategy: <ul style="list-style-type: none"> <li>○ Carry out a review and update of policies</li> <li>○ Work with the Transformation Team to improve HR processes to drive effectiveness and efficiency</li> <li>○ Upgrade the I-Trent HR system taking advantage of the automation of processes</li> <li>○ To design and deliver a management development programme based developing skills in managing teams at Blaby.</li> </ul> </li> <li>• Review the Council's recruitment process and continue to look at how the Council attracts and recruits staff.</li> </ul>
Income generation	<p>Income from the Council's central treasury function is included in this portfolio. Returns for 2022/23 and 2023/24 are expected to improve considerably in the wake of recent base rate rises.</p>
Capital plans for the portfolio	<p>The Finance team monitors and maintains oversight of the overall Capital Programme. None of the services within this portfolio have a significant call upon capital resources in 2023/24, although various new system implementations are likely to occur mostly in the new year, namely the Council Tax and Benefits system, HR and Payroll system, and income management upgrade. Most expenditure is likely to fall in the final quarter of 2022/23.</p>

## **Key Performance Indicators**

<b>PERFORMANCE INDICATOR – FINANCE</b>	<b>2022/23 Apr – Dec</b>	<b>2021/22 Full Year</b>	<b>2020/21 Full Year</b>	<b>2019/20 Full Year</b>
Invoices Paid within 10 days	87.34%	86.30%	87.99%	91.03%

<b>PERFORMANCE INDICATOR</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23 YEAR TO DATE</b>	<b>COMMENTS</b>
Percentage of benefit claims which were paid correctly	87.72%	88.06%	94.40%	In 2020 and 2021 there were reduced levels of monitoring due to the additional demands related to the pandemic. This included Test and Trace and other relief associated with this period. Monitoring has now returned to usual levels. Both external and internal audit have continued to observe good practise and levels of accuracy including the most recent current year audit reports.

<b>PERFORMANCE INDICATOR</b>	<b>2021/22 RESULTS</b>	<b>2022/23 YEAR TO DATE</b>	<b>COMMENTS</b>
% total working days lost to sickness absence	3.37%	3.24 %	As at 30 November
The % of staff from ethnic minorities	9.35%	9.86%	As at 30 November
The % of staff who are disabled	6.43%	6.38%	As at 30 November



## **Customers**

The Finance team's external customers include suppliers who invoice the Council for goods and services, and companies and individuals who owe the Council money. Otherwise, the team's customers are largely internal, i.e., colleagues from other service areas, and Members.

Customers of the Council Tax and Benefits team include council taxpayers, business ratepayers, and claimants in receipt of housing benefit and/or council tax support. Changes or phasing for the DWP Universal Credit process will receive careful and considered preparation. The team is also responsible for the service level agreement with South Leicestershire Citizens Advice Bureau.

The Income and Collection team has a variety of customers, mainly residents of the district and business rate payers who have incurred debts by not paying Council Tax, Non-Domestic Rates or Housing Benefit overpayments. These range from customers that owe small to very large amounts of money to the Council. Some customers have other debts too, so the teamwork at collecting payments from them in a manageable way and signpost them to other agencies that can assist them. Often customers will have vulnerability issues that need addressing in other ways so key skills must be used when dealing with the debt collection.

Maintaining awareness of Equalities and Human Rights across the Council by staff and members to ensure fair access to services by customers remains a focus. Training, information articles and advice are provided by the Performance and Systems team supported by HR.

## **Risks**

Corporate and service risks are regularly reviewed to ensure that they are up to date, still valid, and accurately rated. Significant risks attached to this portfolio include the following issues:

- **Overall Financial Risk** – The financial risks facing the Council are not necessarily specific to this portfolio but the Finance team's input into financial issues across all aspects of the Council's services will continue. Officers work closely with the various services to monitor budgets but also to provide sound financial input into all decisions that have financial implications.
- **Local Government Funding** – the Government has stated its intention to undertake two major reviews of the Business Rates Retention Scheme, and the wider Fairer Funding mechanism. The results of both reviews pose a significant risk to the Council's future financial position although they are now unlikely to take effect until 2025/26. New Homes Bonus is being phased out, and as yet it is unclear as to whether it will be replaced with a different funding stream.
- **The cost-of-living crisis** is having a significant impact on the Council's financial position, in the form of high inflation and utility prices.
- **Business Rates Appeals** – the Council still faces a risk in terms of businesses registering appeals against their rateable value. Where these are successful the Council loses 40% of any reduction in rates payable, and the extent to which these appeals are submitted and upheld is outside of the Council's control.

- **Council Tax and Benefits** - errors made by less experienced staff that may then impact on residents. The cost-of-living crisis is also likely to result in an increase in the number of residents experiencing financial difficulties.
- **Audit** – insufficient resources to complete the audit plan due to unplanned corporate investigations, being unable to recruit to vacant positions, or long-term staff absences. As the service is provided through a shared service arrangement there is a risk that any party may want to withdraw from the arrangement which would impact all three partners.
- **Human Resources** - The non-delivery of the People Strategy may have an impact on staff absence, morale, and overall performance.
- **Performance** - lack of engagement in the performance framework may impact on rate of service improvement
- **Idox Database and associated systems** – if the system is not maintained and working effectively, a number of statutory services and duties may not be able to be delivered.