

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

The Autumn Statement issued in November brought little comfort to District Councils with regard to future finances. As in previous years it is only a one-off guarantee.

The long-awaited changes to the business rates baseline and Fair Funding are not now expected to be implemented before 2026/27. This means that our updated Medium Term Financial Strategy (MTFS) will still contain several high-level assumptions, although the underlying message of significant future funding gaps remains unchanged.

Again, this year we saw the pay award agreed at levels above that which we had budgeted for and, whilst this was good news for staff during the cost-of-living crisis, a further substantial increase in the 2024/25 budget has had to be provided for. This ongoing increase along with inflationary elements to the Council's cost base puts added pressure on an already tight budget.

However, the Settlement, that we received on 18<sup>th</sup> December was similar to our expectations. New Homes Bonus has continued for another year but with no legacy payments. The Council has continued to benefit from the Funding Guarantee Grant introduced to ensure that local authorities' core spending power is increased by at least 3%. It is this grant that is currently compensating for loss of NHB as that funding source has considerably reduced. The settlement also gives local authorities the ability to increase council tax by the greater of £5 or 2.99% at band D level. Blaby band D level has now surpassed 2.99% being higher than £5 but only marginally.

The ever-complicated picture surrounding business rates is even more difficult to predict this year and the precise position will not be known until the NNDR1 return has been completed towards the end of January.

Once again, we will have to look closely at our 5-year capital programme to ensure that it remains affordable. We will continue to assess the requirement to take forward capital projects or whether it might be appropriate to defer if possible.

The Business Systems and Information team has worked hard with all services to introduce a performance management system. This is now assisting with the monitoring of key priorities, projects and operational performance indicators.

Improvements continued across the HR service in 2023. We saw the successful implementation of the Midland HR iTrent system upgrade. The team are now working on understanding how the system can deliver further efficiencies.

Policy and procedural reviews continue with emphasis on current legislation and corporate values. HR remain committed to supporting our people to embed hybrid working and ensure our ways of working enable quality and effectiveness of our

services. 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.

The Council Tax and Benefits team are in the process of implementing a new document management system, to be followed later in the year with a project to implement Citizen Access. This will bring a suite of new online forms to help drive transformation and efficiency of the service.

Recruitment to vacancies within the Financial Services Team in 2023/24 was extremely difficult and I'm pleased to say we now have a full complement of staff. It is key for all officers of the Council to be financially astute. The finance team are, therefore, looking to develop and grow the financial awareness across all service areas to help support the financial challenges and the transformation agenda. This of course goes alongside the ongoing operational requirements to produce the financial statements and respond to the external audit backlog.

**Portfolio Holder:** Councillor Maggie Wright

**Senior Officers:** Executive Director (S151), Executive Director, Corporate Services Group Manager, Finance Group Manager, and ICT & Transformation Group Manager

**Portfolio Total**

<b>Finance, People and Performance - Total</b>	<b>2023/24 Approved Budget  [A]</b>	<b>2023/24 Revised Estimate  [B]</b>	<b>2024/25 Proposed Budget  [C]</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
<b>1. Establishment Costs</b>	<b>£2,241,734</b>	<b>£2,279,416</b>	<b>£2,335,439</b>	<b>£93,705</b> 4.18%	<b>£56,023</b> 2.46%
<b>2. Other Gross Direct Expenditure</b>	<b>£10,271,945</b>	<b>£11,308,902</b>	<b>£11,325,995</b>	<b>£1,054,050</b> 10.26%	<b>£17,003</b> 0.15%
<b>3. Direct Income</b>	<b>-£9,325,657</b>	<b>-£10,894,350</b>	<b>-£10,619,254</b>	<b>£1,293,597</b> 13.87%	<b>£275,096</b> -2,.53%
<b>4. Net Direct Expenditure</b>	<b>£3,188,022</b>	<b>£2,694,058</b>	<b>£3,042,180</b>	<b>-£145,842</b> -4.57%	<b>£348,122</b> 12.92%
<b>5. Overall No. of Posts (FTE)</b>	<b>52.97</b>	<b>53.01</b>	<b>51.22</b>	<b>1.75</b> -3.300%	<b>-1.79</b> -3.38%

## **EXECUTIVE SUMMARY**

This portfolio incorporates the establishment costs relating to the Finance, Council Tax and Benefits, Income and Collection, HR, and Business Systems and Information teams. The establishment budget for 2023/24 allowed for a 3% pay award. Following protracted negotiations, a flat rate increase of £1,925 for employees on grades 1 to 9 has been agreed with the trade unions. The nationally agreed pay award for Chief Executives and Chief Officers was 3.5%. Whilst individual service budgets have yet to be adjusted to reflect the settlement, provision of £145,000 has been included centrally, and this represents the estimated impact on pay of a further 1%. The establishment budget for 2024/25 allows for a 3% estimated pay award, contractual increments where appropriate, and employer's national insurance and pension contributions within service budgets. Again, a further 1% provision of £164,000 has been included within the budget at a corporate level. 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 current 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, the most significant movement relates to housing benefit payable, which is showing a significant increase due to the impact of homelessness. This is partially covered by housing benefit subsidy, which is included within the direct income line. The interest payable budget has been increased to reflect additional borrowing to support the planned Capital Programme. Although no external borrowing has been undertaken to date this financial year and is also unlikely in 2024/25 due to the current higher level of borrowing rates, there is still a requirement to provide for potential borrowing, whether that be internal or external. The Council is currently using internal borrowing (by applying reserves and balances) in lieu of external borrowing as a means of reducing interest costs but also reducing the counterparty risk associated with investment.

The 2023/24 revised estimate includes items of non-recurring expenditure in relation to council tax support (funded by external grant), and recruitment costs associated with the two Director posts.

The increase in direct income in 2024/25 is largely reflective of the additional housing benefit payable which, in the main, can be recovered through subsidy. The Council can claim 100% subsidy on most 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. This will be partially addressed through the purchase of 16 dwellings for homelessness purposes.

Investment income in 2023/24 has risen considerably, linked to the bank rate, and is expected to remain at a similar, although slightly reduced, level for 2024/25.

## **Financial Services**

<b>Financial Services</b>	<b>2023/24 Approved Budget  [A]</b>	<b>2023/24 Revised Estimate  [B]</b>	<b>2024/25 Proposed Budget  [C]</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
<b>1. Establishment Costs</b>	<b>£633,936</b>	<b>£654,118</b>	<b>£671,255</b>	<b>£37,319</b> 5.89%	<b>£17,137</b> 2.62%
<b>2. Other Gross Direct Expenditure</b>	<b>£1,059,821</b>	<b>£1,108,928</b>	<b>£1,1304,572</b>	<b>£244,751</b> 23.09%	<b>£195,644</b> 17.64%
<b>3. Direct Income</b>	<b>-£405,500</b>	<b>-£1,245,500</b>	<b>-£1,045,500</b>	<b>-£640,000</b> 157.83%	<b>£300,000</b> -22.30%
<b>4. Net Direct Expenditure</b>	<b>£1,288,257</b>	<b>£517,546</b>	<b>£930,327</b>	<b>-£357,930</b> -27.78%	<b>£512,781</b> 122.81%
<b>5. Overall No. of Posts (FTE)</b>	<b>11.50</b>	<b>12.54</b>	<b>12.54</b>	<b>0.04</b> 0.32%	<b>0.00</b> 0.00%

## **Reasons for Variances**

1. The revised estimate allows an additional Finance Assistant post approved by Cabinet Executive in September. The 2024/25 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. The loan interest payable reflects the latest, draft capital programme and any changes to borrowing plans between now and February, when the budget is approved, will be reflected in the final budget proposals. The budget for card transaction fees has been increased to reflect current charges and payment methods. Charges are currently under review as part of the Income Management system procurement, with a view to achieving a reduction in transaction fees.
3. Investment income has increased significantly throughout the current financial year, in line with increases in the bank rate imposed by the Bank of England. Whilst the bank rate is considered to have reached its peak, rates are not expected to begin to reduce until later in 2024/25.
4. Net impact of variances listed above.
5. Additional Finance Assistant post approved by Cabinet in September.

## **Council Tax & Benefits**

	2023/24 Approved Budget	2023/24 Revised Estimate	2024/25 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]
Revenues and Benefits	[A]	[B]	[C]		
1. Establishment Costs	£890,631	£898,131	£939,472	£48,841 5.48%	£41,3411 4.60%
2. Other Gross Direct Expenditure	£8,733,254	£9,655,000	£9,508,600	£775,346 8.88%	-£146,400 -1.52%
3. Direct Income	-£8,741,707	-£9,370,400	-£9,395,304	-£653,597 7.48%	£24,904 0.27%
4. Net Direct Expenditure	£882,178	£1,182,731	£1,052,768	£170,590 19.34%	£129,963 -10.99%
5. Overall No. of Posts (FTE)	23.64	23.64	23.05	-0.59 -2.50%	-0.59 -2.50%

## **Reasons for Variances**

1. The revised estimate includes £7,500 for an Interim Team Leader to cover a vacant position that is now filled. The 2024/25 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. A vacant post equating to 0.59 FTE, has been removed from the establishment.
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. However, benefit payable in respect of temporary bed and breakfast accommodation has increased compared to the pre-pandemic position. The revised estimate includes one-off costs in relation to the Energy Bill Support Scheme, for which funding has been received, as well as budget carried forward from 2022/23 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. Vacant Senior Team Leader post removed from establishment.



### **Income & Collections Team**

<b>Income and Collections</b>	<b>2023/24 Approved Budget  [A]</b>	<b>2023/24 Revised Estimate  [B]</b>	<b>2024/25 Proposed Budget  [C]</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
<b>1. Establishment Costs</b>	<b>£243,896</b>	<b>£243,896</b>	<b>£259,675</b>	<b>£15,779</b> 6.47%	<b>£15,779</b> 6.47%
<b>2. Other Gross Direct Expenditure</b>	<b>£19,979</b>	<b>£16,240</b>	<b>£16,240</b>	<b>-£3,739</b> -18.71%	<b>£0</b> 0.00%
<b>3. Direct Income</b>	<b>-£178,450</b>	<b>-£178,450</b>	<b>-£178,450</b>	<b>£0</b> 0.00%	<b>£0</b> 0.00%
<b>4. Net Direct Expenditure</b>	<b>£85,425</b>	<b>£81,686</b>	<b>£97,465</b>	<b>£12,040</b> 14.09%	<b>£15,779</b> 19.32%
<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 2024/25 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 future expectations.
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>2023/24 Approved Budget  [A]</b>	<b>2023/24 Revised Estimate  [B]</b>	<b>2024/25 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>£251,167</b>	<b>£252,694</b>	<b>£265,223</b>	<b>£14,056</b> 5.60%	<b>£12,529</b> 4.96%
<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>£251,167</b>	<b>£252,694</b>	<b>£265,223</b>	<b>£14,056</b> 5.60%	<b>£12,529</b> 4.96%
<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. Increased cost of Shared Internal Audit service.
3. Not applicable.
4. See note 2 above.
5. Not applicable.

## **Business Systems & Information**

<b>Performance</b>	<b>2023/24 Approved Budget  [A]</b>	<b>2023/24 Revised Estimate  [B]</b>	<b>2024/25 Proposed Budget  [C]</b>	<b>Variance [C] - [A]</b>	<b>Variance [C] - [B]</b>
<b>1. Establishment Costs</b>	<b>£156,930</b>	<b>£156,930</b>	<b>£171,611</b>	<b>£14,681</b> 9.36%	<b>£14,681</b> 9.36%
<b>2. Other Gross Direct Expenditure</b>	<b>£32,150</b>	<b>£42,995</b>	<b>£32,245</b>	<b>£95</b> 0.30%	<b>-£10,750</b> -25.00%
<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>£189,080</b>	<b>£199,925</b>	<b>£203,856</b>	<b>£14,776</b> 7.81%	<b>£3,931</b> 1.97%
<b>5. Overall No. of Posts (FTE)</b>	<b>3.35</b>	<b>3.35</b>	<b>3.04</b>	<b>-0.31</b> -9.25%	<b>-0.31</b> -9.25%

## **Reasons for Variances**

1. The 2024/25 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. The increase in the 2023/24 revised budget includes one-off provision brought forward from 2022/23. Inflationary increases have been included where appropriate.
3. Not applicable.
4. Net impact of variances listed above.
5. Minor changes in hours.

## **Human Resources**

<b>Human Resources</b>	<b>2023/24 Approved Budget</b>	<b>2023/24 Revised Estimate</b>	<b>2024/25 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>£316,341</b>	<b>£326,341</b>	<b>£293,426</b>	<b>-£22,915</b> -7.24%	<b>-£32,915</b> -10.09%
<b>2. Other Gross Direct Expenditure</b>	<b>£175,574</b>	<b>£233,135</b>	<b>£199,115</b>	<b>£23,541</b> 13.41%	<b>-£34,020</b> -14.59%
<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>£491,915</b>	<b>£559,476</b>	<b>£492,541</b>	<b>£626</b> 0.13%	<b>-£66,935</b> -11.96%
<b>5. Overall No. of Posts (FTE)</b>	<b>7.48</b>	<b>7.48</b>	<b>6.59</b>	<b>-0.89</b> -11.90%	<b>-0.89</b> -11.90%

## **Reasons for Variances**

1. The 2024/25 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. The post of Strategic HR Manager (0.71 FTE) has been deleted from the establishment following the recent management restructure. An Assistant post has also been removed, and an Advisor post has increased hours.
2. The revised estimate allows for £50,000 towards the cost of recruitment to two Director posts, in line with the new management structure.
3. Not applicable.
4. Net impact of variances listed above.
5. Strategic HR Manager and Assistant post removed, 1 post increase in hours as per Note 1.

## **Portfolio Priorities**

### **Financial Services**

- To lead on the identification of savings measures and efficiencies in order to address the forecast financial shortfall within the Medium-Term Financial Strategy.
- Understand costs and deliver a responsive, cost effective and high-quality financial service.
- Procurement of a new income management system ahead of the expiry of the current contract on 31<sup>st</sup> March 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 internal controls, audit, and having due regard for the prevention of fraud and management of risk.

### **Business Systems & Information**

- 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 IPlan.

### **Human Resources**

- Commence on delivery on the November 2023 approved People and Organisational Development (POD) Objectives and Delivery Plan developed as part of the Transforming Blaby Together (TBT) Strategy
- Ensure the embedding of the new (cloud based) Midland HR iTrent system and commence development of understanding and utilising functionality to support Blaby District council's ambitions for working as efficiently as possible.

## **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 District Council as part of a shared service arrangement which includes Blaby District Council and Charnwood Borough Council.

### **Business Systems & Information**

This includes staffing and operational costs for the Business Systems and Information team, including licences costs for corporate systems such as Pentana and Idox. The 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**

HR is an advisory and enabling service, offering employee relations advice, and learning and development support for colleagues across the authority. HR coordinates a number of integral corporate processes including but not limited to recruitment, DBS vetting, health and wellbeing support and organisational change. Our HR objectives will drive us to deliver on appropriate support and development of all our employees, ensuring we recruit and retain the best talent and maintain effective leadership.

## **Key Points**

Doing things differently – plans for the coming year

### **Financial Services**

- The financial settlement for 2024/25 is as 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 2024/25 Settlement is broadly similar to 2023/24. With some management of vacancies and utilisation of the Business Rate Pool monies to support Economic Development Expenditure the funding gap for 2024/25 is manageable. The medium to longer term position however remains the same, i.e., a considerable shortfall is forecast from 2026/27 onwards. This coincides with the likelihood of a business rate baseline reset taking effect from 1<sup>st</sup> April 2026. The Finance team will, therefore, continue to work with services to identify opportunities to reduce costs and generate additional income.
- Continue to review fees and charges to ensure that, as a minimum, the Council recovers its full costs of service delivery.
- 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.
- The Finance team will continue to challenge budgets and support services to ensure full cost recovery in relation to shared services.
- The procurement of a cloud-based Income Management system is underway and is expected to be implemented early in 2024/25.
- Introduce lower-level efficiencies, including the reduction of paper payslips produced and driving a move towards digital purchase orders.

### **Council Tax & Benefits**

- Continue to revise the service to take account of any legislative changes or phasing of Universal Credit.
- 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.
- To replace the document management storage and retrieval system along with options for workflow.

### **Income & Collections**

- The Income & 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.

### **Audit**

- 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. 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

	<p>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>Business Systems &amp; Information</u></p> <ul style="list-style-type: none"><li>• Embed the new Performance Framework across the Council.</li><li>• Deliver an integrated IT system as part of the Leicestershire Building Control Partnership delegated service project.</li><li>• Support the Council in delivering the actions identified in the Corporate Plan.</li></ul> <p><u>Human Resources (HR)</u></p> <p>A major focus for 2023 was to define a Transformation Strategy (Transforming Blaby Together) for Blaby District Council, the strategy was approved by Cabinet in November 2023.</p> <p>Transforming Blaby Together brings together our aspirations and plans for Customer Insights, Experience, and Engagement; Equality, Diversity and Inclusion; Transformation and Projects; and People and Organisational Development into one place. The strategy will support the delivery of the new Corporate Plan, providing a foundation of skills, culture, and policies for the authority.</p> <p>The Groups Individual Objectives and Delivery Plans support the strategy, setting out action-based approaches. These documents form the basis of the Transformation Groups Service Plans for 2024. This in turn will support delivery of the new Corporate Plan (2024-2028).</p> <ul style="list-style-type: none"><li>• Review our policies and procedures to ensure they are relevant, up to date, and reflect current legislation and corporate values for all key employment areas.</li><li>• When meeting any additional needs of our people, we will ensure our processes flow to enable provision of the right tools and enabling technology to fulfill their roles the best way they can</li><li>• Revisit our recruitment and induction process to ensure it sets the right tone and offers robust support for those starting out on their team Blaby journey to deliver quality services, excellent customer experience and support the council's transformation programme</li></ul>
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	<ul style="list-style-type: none"> <li>• Through a robust programme of training and development we will empower and support managers to deliver transformational services which are sustainable and deliver positive outcomes.</li> <li>• Maximise the use of the apprenticeship levy to develop our existing employees and attract our employees of the future</li> <li>• Make better use of our existing packages and support mechanisms<sup>1</sup> for employees, shaping our approach to address known health inequalities and the differing needs of our staff.</li> <li>• Continue to support managers and staff in the new Blaby “Way We Work” (agile/hybrid working model).</li> <li>• Continue to work in partnership with services to explore new initiatives and deliver a health and wellbeing offer to support our people.</li> </ul>
Income generation	<p>Income from the Council’s central treasury function is included in this portfolio. Returns for 2023/24 and 2024/25 have improved considerably in line with increases in the Bank of England base rate, designed to combat inflation. Whilst rates are expected to reduce in future years, they should remain fairly static for much of 2024/25.</p> <p>Collection of Council Tax and Business Rates.</p>
Capital plans for the portfolio	<p>The Finance team monitors and maintains oversight of the overall Capital Programme. In terms of Finance-specific schemes, the implementation of a new Document Management System and digital self-service are expected to be completed early in the new financial year. Similarly, procurement of a new income management system will be completed before the end of March 2024, with implementation early in 2024/25.</p> <p>Within HR 2023-24 saw capital investment in our Payroll and HR system. Implementation of this upgrade has progressed well and there will likely be some carryover into the 2024/25 budget as enablement for greater use of the systems functionality to support process improvements in the shape of automation where possible/appropriate.</p>

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<sup>1</sup> Existing support mechanisms include; flexible working hours, Mental Health First Aiders, Occupational Health, Blaby Benefits, Employee Assistance Programme, coaching, line management, staff support networks and self-managed groups

## **Key Performance Indicators**

<b>PERFORMANCE INDICATOR – FINANCE</b>	<b>2023/24 Apr-Dec</b>	<b>2022/23 Full Year</b>	<b>2021/22 Full Year</b>	<b>2020/21 Full Year</b>
Invoices Paid within 10 days	86.76%	87.48%	86.30%	87.99%

<b>PERFORMANCE INDICATOR</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24 YEAR TO DATE</b>	<b>COMMENTS</b>
Percentage of cases checked which were paid correctly	88.06%	87.50%	89.92%	We have experienced a turnover of staff, also new staff that have joined the team have left. In terms of training this is a perpetual wheel of work taking Team Leaders away from other priorities. Replacement staff have no direct experience, and this can be reflected in the accuracy checking. Internal Audit continue to observe good practise and substantial levels of assurance found in many of the areas of work they have examined. 89.92% is a good out-turn taking into account all of these factors.

<b>PERFORMANCE INDICATOR</b>	<b>2022/23 RESULTS</b>	<b>2023/24 YEAR TO DATE*</b>	<b>COMMENTS</b>
% total working days lost to sickness absence	3.07%	4.6 %	*As at 30 September 2023
% Staff Turnover Rate	16.13%	7.32%	*As at 30 September 2023

## **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.

## **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 2026/27. New Homes Bonus is being phased out, and it is still 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.
- **Internal 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.
- **External Audit** – the Council's 2020/21 financial accounts have not yet been signed off by our external auditors, following resourcing issues experienced by the auditors during the pandemic and since. There is a national backlog in terms of the external audit of local authority accounts and, whilst the government has proposed the introduction of backstop measures to bring outstanding audits up to date, those

proposals have yet to be finalised. The main risk arising from the backlog is the lack of certainty over the financial position while the accounts remain in draft form. This can cause issues with future planning, although the Council has a good track record where audit adjustments are concerned.

- **Human Resources** - The non-delivery of the related elements of the Transforming Blaby Together Strategy may have an impact on staff absence, morale, and overall performance. A shortage of staff with the appropriate and necessary skills to keep up with demand, failure to have compliant policies and practices in place which are maintained, and HR and Payroll systems failure, continue to be recorded and monitored corporate risks.
- **Business Systems & Information** - 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.
- **Staffing** – whilst the overall recruitment picture has improved in recent months, some services continue to suffer in terms of the availability of the required skill set, including Finance, and Council Tax and Benefits.