

 <b>Employment Committee</b> <b>27 January 2015</b>		<b>Agenda Item No.</b> <b>9</b>
<b>Title</b>	Finance - Staffing	
<b>For further information about this report please contact</b>	Mike Snow – 01926 456800	
<b>Wards of the District directly affected</b>	N/A	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>		
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	N/A

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	8/1/2015	Andy Jones
Head of Service	8/1/2015	Mike Snow
CMT		
Section 151 Officer	8/1/2015	Mike Snow
Monitoring Officer	8/1/2015	Andy Jones
Finance	8/1/2015	Mike Snow
Portfolio Holder(s)	8/1/2015	Stephen Cross
<b>Consultation &amp; Community Engagement</b>		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
<b>Final Decision?</b>		Yes/No
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **Summary**

- 1.1 This report recommends several changes to the Finance Establishment to ensure that the service continues to meet the demands upon it, reflecting external and internal changes.

## 2. **Recommendation**

- 2.1 The Employment Committee agree to the following changes to the Finance Establishment, subject to funding being agreed as part of the February 2015 Budget report:-

- Additional Revenues Officer post (permanent)
- Additional Revenues Officer post (one year appointment)
- Additional Procurement Officer post (three year appointment)
- Additional Benefits Support Officer (permanent ,2 posts of 0.5 FTE)
- Additional Assistant Accountant 22.2hours (permanent)
- Extension to existing interim Assistant Accountant post (three months to 30 June 2015)

- 2.2 The Employment Committee agree the deletion of the following vacant posts within the Benefits Section:-

- Visiting Officer (0.5 FTE)
- Revenues Support Officer (0.5 FTE)

## 3. **Reasons for the Recommendation**

### 3.1 **Council Tax**

- 3.1.1 The council tax section has seen an increase in the processing time for council tax correspondence in recent years. This has been brought to members' attention, most recently within the Service Area Plan updates to November 2015 Executive. In May 2014, the backlog, as measured by the oldest item awaiting processing, peaked at 45 days. There are several causes for this increase:-

- In 2010/11 (the first full year for which figures are held within the document management system) 60,326 items of post were processed. This increased to 68,826 in 2013/14 items of post, and is forecast to increase to over 70,000 for 2014/15. Consequently the team are processing approximately 16% more items of work than 4 years ago.
- Since 2010 the number of properties has increased from 59, 927 to 61,035 (1.8%) and the number of new properties each year is in an upward curve.
- Student properties are on the increase – over 100 new properties in the past 2 years. The number of new full time students at Warwick University has increased by 29% in 5 years many of whom are now living within the area. Students take up much administration as officers have to confirm status each year.
- Although there are no figures to show the number of rental properties, these have boomed within the past 5 years increasing the number of transactions as people move around the District in far greater numbers.
- Single Person Discount figures have remained fairly static just below 20,000, however officers are now required to do a National Fraud Initiative (NFI) data matching exercise every year. This regularly requires 500 cases to be investigated.

- The changes introduced to discounts has had a big impact on the number of transactions the staff now undertake. For example, when a property previously became empty nothing happened for a period of 6 months if it remained empty by which time the information as to who should be charged after the 6 month period would usually be available. However officers are now issuing bills after a month which often requires investigative work to establish who should be charged especially if a sale has gone through which may then result in 2 bills. It is also even more important to obtain accurate dates of sales and vacation dates as customers will challenge when they get their bill.
- The Local Council Tax Reduction scheme is increasing the number of small debts that need to be recovered. This will increase as the scheme requires all council tax payers to pay a minimum of 15% from April, increasing from the current 7.5%.
- There are now 11 staff administering council tax, this reflecting reductions which have been made from 14 in 2009.

As at 31 December 2014 the backlog was 35 days, having been reduced to 27 days in September.

3.1.2 The Revenues team have been pro-active in streamlining procedures and using ICT to maximum benefit. The Revenues team introduced document image processing and workflow in 2008 to help improve efficiency and productivity within the team. Since then further functionality has been added such as the OpenAccess module (2009) enabling customers to self-serve and the OPENVision module (2009) which has enabled the customer service centre to respond to telephone queries more efficiently and e-billing & Email module (2011) which enabled effective communication with our customers.

3.1.3 With the increase in the processing backlog, many initiatives have been undertaken to endeavour to reduce the backlog, and maintain the processing time to an acceptable time. These include:-

- Staff working overtime at weekends
- Utilising staff from other neighbouring teams, ie Business Rates and Finance Admin Support Team.
- Temporary post to manage the NFI work, financed from the penalties generated from those found not to be entitled to single person discounts.
- Use of external contractors.

3.1.4 These initiatives did halve the processing backlog for September. However, subsequently there has been a further increase.

3.1.5 With the planned residential growth in the District, the correspondence is expected to increase further.

3.1.6 A permanent solution is required. It is proposed that the establishment is increased by one additional permanent Revenues Officer and one Revenues Officer for 12 months to ensure that the backlog is cleared.

## 3.2. **Procurement**

3.2.1 As discussed in recent reports on procurement the Procurement Team have seen an increase in their workload over the last 15 months. The reasons for this increase are discussed below.

- 3.2.2 Under the Council's previous Code of Procurement Practice, each service area was responsible for its own procurement, with help and guidance being provided by the central Procurement Team in place at that time. Members will be aware that this approach was not entirely effective, as highlighted within the report to Executive in March 2014 and the subsequent actions required to be carried out and duly reported upon.
- 3.2.3 The new Procurement Team are proactively taking a more "hands-on" approach in terms of managing tenders and providing procurement advice. Whilst this approach is clearly having a considerable impact upon their time, it is generally welcomed by officers across the Council. In addition this approach is ensuring that procurement across the Council is more robust, reduces the risk of legal challenge and legal penalties and ensures compliance with the current Procurement Regulations.
- 3.2.4 The review of the Contracts Registers by all Service Areas has shown several supplies and services that should be procured under a more formal arrangement. These require formal tenders to be carried out in many cases to ensure compliance with the Council's Code of Procurement Practice and the relevant legislation. In addition, work is underway considering a "Spend Analysis" whereby each service needs to confirm the contractual arrangements for each supplier being used. Again, this is highlighting where formal contracts and tenders need to be in place. All of this work is helping to inform the Procurement workplan for 2015 onwards, whereby contracts and tenders are being prioritised and scheduled.
- 3.2.5 Alongside the support to all service areas in managing their contract and tenders, the team have corporate responsibilities. These include:-
- Reporting to members on procurement activity, monitoring against action plan and strategy, together with ongoing reviews of the Code of Procurement Practice and Procurement Strategy.
  - Maintenance of the Contracts Register and regular publication thereof on the Council's website
  - Reporting to Central Government on EU tender processes
  - Procurement training for officers – formal and 1 to 1.
- 3.2.6 Based on the fore-going, it is apparent that the Procurement Team staff resources are insufficient to support all the items within the workplan, providing the help, guidance and leadership required alongside their other corporate functions. Over the next two or three years there is substantial work to be carried out to ensure all supplies and services are on suitable contracts. At the same time officers in all service areas should receive the support they require and relevant training.
- 3.2.7 It is recommended that an additional Procurement Officer is appointed for three years whilst work is undertaken to support officers in ensuring all supplies and services are under suitable contracts.

### 3.3 **Accountancy**

- 3.3.1 One of the Principal Accountants has expressed a wish to take flexible retirement from April 2015, reducing from five to four days per week. This has been agreed by the Head of Service using agreed delegated powers. In addition, in April 2014, the Strategic Finance Manager reduced her working hours from 37 to 33. This was done on an interim trial basis. The "lost" 4 hours

have so far been accommodated with the section, but this position is not sustainable alongside the reduction in the Principal Accountant's hours.

- 3.3.2 As part of the Finance Staffing Review that was reported and agreed in September 2012, a temporary Assistant Accountant post was agreed for 2 years whilst Accountancy and Housing and Property Services reviewed the support that was being provided by Finance. This post was recently extended for a further 6 months to 31 March 2015 due to delays in the Housing and Property Service Area's Redesign with new Budget Managers being recruited to reflect this.
- 3.3.3 Recent long term sickness also proved that the Accountancy Services could not be maintained at a satisfactory level if the temporary Assistant Accountant post was to cease. Also, Housing and Property Services will still require some Assistant Accountant Support, albeit the equivalent of 1-2 days a week rather than 5 days previously being provided.
- 3.3.4 In order to compensate for the reduced hours discussed in 3.3.1, and provide ongoing support to Housing and Property Services so maintaining a robust Accountancy Service, it is proposed that a new permanent three day per week Assistant Accountant Post is established. This post will provide support to Housing and Property Services, and pick up some of the appropriate duties from other changes to duties within the Accountancy Section.
- 3.3.5 It is also proposed that the current Temporary Assistant Accountant post is extended for a further three months covering the period 1 April 2015 to 30 June 2015. This extension is proposed following discussions between the Head of Housing and Property Services and Finance, where it was agreed and is now proposed that this interim post be extended for a further 3 months until the end of June 2015. This will enable this post holder to support the new Budget Managers within Housing and Property Services, and to focus on Final Accounts.

#### 3.4 **Benefits**

- 3.4.1 Responsibility for investigating Housing Benefits Fraud transfers to the Single Fraud Investigation Service (SFIS) from February 2015. As part of this the Council's two Benefit Fraud posts will transfer to SFIS. In view of this, in September 2014 the Employment Committee agreed to a new Corporate Fraud Investigations post. Whilst SFIS will be investigating Housing Benefit cases, the Council will need to provide support to SFIS, for example referring cases and files, and supplying information requested.
- 3.4.2 The Council currently has 2.5 Visiting Officer posts within the Benefits Section, of which the 0.5 recently became vacant. The purpose of these posts is to visit council tax and business rates properties to ensure they are entered into the valuation list and rating list correctly and that the correct charges have been levied, visit long term empty properties to assist in maximising the new homes bonus, visit customers to decide whether a disability discount, or exemption is appropriate and to assist customers to make claims for Benefit if they are unable to visit our offices.
- 3.4.3 Over time, the administrative work carried out by the visiting team has increased which has prevented them from undertaking visits. Therefore it seems sensible to employ some administrative support for the team to free up

more “visiting” time and thereby ensure that they are maximising revenue for the Council.

- 3.4.4 The establishment of the Benefits Section includes a part time Revenues Support Officer; this post has been vacant for some time .It is proposed that this post and the vacant Visiting Officer post are removed from the establishment.
- 3.4.5 It is proposed that two new part time posts of Benefits Support Officer would be able to provide appropriate benefits and administrative support. One of these posts would be support the Visiting Officers, and the other would support the new Corporate Fraud Officer.

#### 4. **Policy Framework**

- 4.1 **Policy Framework** – This report does not propose any changes to the policy framework. It does however, seek to ensure that the establishment within Finance continues to be able to support the Council’s existing policy framework, and so meet the needs of customers (both external and internal).
- 4.2 **Fit for the Future** – The Finance Service comprises “front line” services (primarily Revenues and Benefits) and also “back office” services (including Accountancy and Procurement). The Finance Service therefore supports all the 5 key policy priority areas within the Sustainable Community Strategy, either directly or indirectly.

The Benefits Section directly assist eligible residents with their housing costs, and so assist the prosperity of the area. The other Sections of Finance discussed within this report provide indirect support of all of the themes, for example by:-

- Raising funding by way of collection of council tax and business rates to pay towards services
- Ensuring supplies and services are properly procured, whilst obtaining best value for money
- Providing financial advice and support to all service areas to ensure that the Council’s funds are being optimally used in the provision of services.

#### 5. **Budgetary Framework**

- 5.1 The proposed additional Revenues Officer post, Grade G, will cost £22,800 per annum including overheads at top of scale, with the one year appointment costing a similar sum, this being proposed to be met from the Service Transformation Reserve.
- 5.2 The proposed Procurement Officer post, Grade E1, will cost £31,800 per annum including overheads, coming to £95,400 over a three year period, this being proposed to be financed from the Service Transformation Reserve. It is anticipated that the cost of this post will generate savings in future procurement and tenders, as well as ensuring that the procurement function more robust across the Council.
- 5.3 The proposed Assistant Accountant post for 3 days per week will cost an additional £2,100, taking into account the savings on the Principal Accountant Flexible Retirement and other Voluntary Reduced Time within the Accountancy Team.

- 5.4 The extension to the temporary Assistant Accountant post from 1 April 2015 to 30 June 2015 will cost £8,000. This is proposed to be met from the Service Transformation Funding.
- 5.5 The proposed Benefits Support Officer post is estimated to cost £19,700 per annum (subject to determination by the Hay Panel). This will be funded from vacant Visiting Officer post and Revenues Support Officer post.
- 5.6 In total these posts will result in an additional recurring cost to the Council of £24,900 and £126,200 from the Service Transformation Reserve. This funding will need the agreement of the Executive as part of the February 2015 Budget report.
- 5.7 The Employment Committee is reminded that whilst the Council has achieved many savings in recent years, with reducing Government Support and restrictions on future Council Tax increases, further savings of around £1 million still need to be identified and delivered over the next 5 years. Efficient Procurement practice and Contract Management can contribute towards these savings.

## **6. Risks**

- 6.1 The changes proposed are designed to make the Service more robust so as to be able to meet customer need. If changes are not made, it is evident that the existing teams will not be able to provide the level of service required and also risk excessive pressures upon staff.

## **7. Alternative Option(s) considered**

- 7.1 No alternatives are proposed. Whilst the current Establishment could be left unchanged, it would not help enable the Service to meet all the current and future changing demands upon it.