

Finance – Portfolio Holder Update

Service Area Plan Performance 2016/17

1. Background

The customers of Finance can be broadly categorised in three ways:-

External

These customers include all those responsible for the payment of council tax and business rates, for which there are approximately 62,000 and 5,000 respective properties (as at 31 August 2016). Housing Benefit claimants currently total 6,300 (value £30.3m pa), with there being 7,000 (value £6.1m pa) households in receipt of Council Tax Reduction (previously council tax benefit).

Finance also administers the Rural and Urban Capital Initiative Scheme for which there is a budget of £75,000 for new grants to be awarded in 2016/17.

Internal

Much of Finance is a support service, primarily providing services to the Council's officers and councillors. The services here include:-

- Accountancy
- Internal Audit and Risk
- Procurement
- Payments and sundry debtors

Corporate/Strategic

Finance is responsible for managing the Council's overall finances. This includes maintaining the Medium Term Financial Strategy, Budget setting and monitoring expenditure/income against Budget.

2. Performance

Council Tax/Business Rates

The processing time for council tax correspondence has improved in the current year from 24 days in March to 18 for August. Whilst there is some annual seasonality in these figures, this represents a significant improvement compared to the peak of 48 days in June 2015, and 22 days for the same period last year. This improvement reflects the dedication of the team and the many initiatives to make improvements. These include:-

- The work piloting the move to generic working within Council Tax/Business Rates has helped to reduce processing times
- Staff doing some weekend working

- The new Customer Service Team, who provide a more specialised service and provide processing support during quiet times.
- Whilst the improvement is welcomed, a staffing review is planned to embed the generic working across the section and ensure the section is better placed to be able to accommodate the expected increase in future workload as the District see further substantial development in future years.

Housing Benefits/Council Tax Reduction

The introduction of "E-Forms" for new housing benefit/council tax reduction claims and notification of changes in circumstances has proved a success. The table below shows the proportion of new claims now being received electronically.

	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Total
New E Claims	49	64	61	54	40	268
New paper claims	228	154	143	131	134	790
Total	277	218	204	185	174	1,058
% E forms	18%	29%	30%	29%	23%	25%

There are many benefits associated with the process, for the customer and the Council:-

- The system tells the claimant what specific documentation is required to support the claim, and how this is to be provided.
- Claims are quicker to submit.
- There is no scanning required of the claim.
- Data entry is greatly reduced.
- With claims being more complete, the requests for further information from claimants are greatly reduced.
- Claims are processed and benefit awarded much faster.

These improvements all amount to an improved customer service and efficiencies for the Council. More promotion of the E-forms is planned, along with more training to ensure that Reception/One Stop Shop staff actively encourage on-line claims.

The audit of the 2015/16 Housing Benefit Claim by the Council's external auditors on behalf of DWP is currently underway. Some errors have been identified which mean that the claim is likely to be qualified. The effect on the final subsidy claim will not be known until the results of further testing.

Customer Service Team

With the demise of the shared Customer Service Centre with WCC, the Benefits section took responsibility for the new Benefits/Revenues Customer Team from

February 2016, with staff transferring and two new appointments. Overall the service quality has greatly improved with more calls dealt with at first point of contact and some reduced waiting time. The Team also manage Switchboard Calls for the Council, for which further work is on-going to reduce these calls. An apprentice has recently been appointed within the team to manage switchboard calls. Whilst it is too early to comment on overall reductions in the numbers of calls, longest wait times and abandoned calls have reduced. The Team are still striving to reduce average wait times. It is believed that the more specialised service now provided is providing a higher quality service.

Accountancy

The Accountancy Team have had specific challenges during the year, with the absence of a key members of staff, and a new Principal Accountant starting in May. The work for the first half of the year is dominated by the completion of final accounts and the Statement of Accounts. The audit of the accounts is nearing completion, with no significant issues expected to be reported. Consequently, an unqualified audit opinion is expected. The auditors have so far been pleased with the improved quality of the accompanying working papers, although there is still scope to reduce the overall size of the documents.

Internal Audit and Risk

Up until the end of August, eight internal audits had been completed. As reported to Finance and Audit Scrutiny Committee in August, there has been a slow start in achieving this year's audit plan due to resources being diverted to investigation work. The team are reasonably confident that they should be able to "catch up", with progress on the audit plan being closely monitored.

Following on from the external review of Internal Audit in line with the Public Sector Internal Audit Standards, the action plan of improvements was reported to Finance & Audit Scrutiny Committee in June. In addition a review of Risk Management across the organisation was undertaken by Zurich Insurance. Again the action plan was presented to Finance and Audit Scrutiny Committee. Both action plans form part of the Finance Service Area Plan for 2016/17.

Procurement

The new Procurement Team has continued to strive to embed good procurement practices across the authority whilst providing support to procurement projects. The Code of Procurement Practice has been reviewed, and is due to be considered by Executive again in September. Many guides and supporting documents have been produced to support officers in procuring goods and services.

There has continued to be much emphasis on further procurement training, both in formal and one to one sessions. In addition, all Council managers were party to a recent Managers Forum session considering procurement. Contract

Management training is also being arranged. A report is due to be presented to Finance and Audit Scrutiny Committee in September on the half year update on the Procurement Action Plan.

3. Risks

The Finance Risk Register has continued to be reviewed throughout the year, and was presented to Finance & Audit in April 2016. There are no risks that score in the "red". Risks are regularly considered at Finance Management Team meetings, along with the register being reviewed quarterly with the Finance Portfolio Holder.

4. Workforce Planning

Within the Exchequer Team, there is a continued move towards greater generic working, which enables officers to be trained in more aspects of the work in the section. This has been piloted for over a year and is now planned to be rolled out to all officers.

The Procurement Team has struggled to appoint to the three year Procurement Officer post. Working with local colleges, we are seeking to appoint a Procurement Apprentice to support the team and so gain working experience.

The long term sickness of a senior officer within Accountancy has impacted upon the some of the work within Finance. To assist in this, a temporary Principal Accountant has been appointed to provide additional support.

5. Budget

The Finance budget for 2016/17 includes the 5% reduction to discretionary budgets. There is also an assumed £50,000 additional investment interest included from the use of alternative investment vehicles. this being something that is being progressed with the Council's investment advisors, Capita.

In terms of the overall Council Budget, the Accountancy Team actively works with Budget Managers across the Council to review the current year expenditure and income and that for future years. In addition, the medium term financial strategy is maintained and updated – this driving the Council's overall finances.

Following on from the 2015/16 surplus, there is tighter scrutiny being given of significant income budgets such as planning fees, parking and cremations. These budgets can be difficult to forecast, which has led to some overly cautious forecasting in recent years.

Finance - Planned Changes, Major Workstreams and Projects

Change/Project	Milestones
Review of Concurrent Services and parish support	Report to July Executive, currently subject to consultation.
On-line Returns - Live roll-out to RSC and Leisure Centres. Investigate use of OLR for other services.	System live. Currently being operated by RSC staff, rollout to leisure centres being planned.
Arrange investment in Equity Funds in line with 2016/17 Investment Strategy	Currently in discussion with Capita to form plan.
Plan for Early Closure of Accounts – inc 2015/16 de-cluttering, improved electronic WPs, planning for 2017/18 closedown.	Reviewed 2015/16 closedown in July with all Accountancy.
Support Service budget and allocations review as a result of Leisure Centre operational management changes	Support Service savings targets included within June 2016 FFF report. To be progressed within 2017/18 Estimate process.
Re-write HRA Business Plan Model	Base Budget report, February 2017 Rent and HRA Business Plan Executive reports. Business Plan to be informed by Stock Condition Survey, Housing Futures Project and HRA Levies.
Budget Review – increase corporate subjective monitoring	Income monitoring included in greater detail within Budget Monitoring reports. Other subjective budget spend included within month 4 SMT report, and being analysed by accountants.
Review of Council Tax Reduction Scheme in light of Universal Credit	Report to July Executive, currently subject to consultation.
Review of new development monitoring by Visiting Officers	Initial discussion with Dev Services Further actions TBC
Auto-matching for Creditor invoices – implement across Council	Agree PID, but subsequent system problems suggest the system may not perform as required. Project being further reviewed.
Council Tax “Self Serve” (Open Channel) module business case	Business Case to be produced.
Cost Audit by third party of selected corporate supplies	Consultant appointed to review landlines. Initial report due September.
Progress actions from January 2016 Risk Management Review	Update provided to August F&A.

Change/Project	Milestones
Progress actions from April 2016 Internal Audit Review	Being monitored by Audit and Risk Manager. Actions to be completed during 2016/17.
Review usage being made of Procurement System with a view to its use being made across the Council in managing contracts, updating contracts register and procuring services.	Phase 1 – contract details input onto system complete. Alerts now being used on system. Further rollout of system under consideration.
Social Value – agree corporate approach and priorities for Social Value	Paper to SMT September 2016
Procurement Training for officers across the Council	Informal training provided on one to one basis. Refresher training provided at August Managers’ Forum. Formal training sessions planned from September, including contract management.
Procurement Strategy Action Plan	As laid out in Action Plan presented to F&A March 2016, update to September 2016 F&A.