

Finance

Service Area Plan Performance 2018/19

1. Background

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

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.

External customers

These customers include all those responsible for the payment of council tax and business rates, for which there are approximately 64,700 and 5,400 respective properties (as at March 2019). Housing Benefit claimants currently total 5,900 (value £26m pa), with there being 6,450 (value £6m pa) households in receipt of Council Tax Reduction (previously council tax benefit).

Finance also administers the Rural and Urban Capital Initiative Scheme for which for which the budget was agreed at £150,000 for new grants to be awarded in 2018/19.

Internal customers

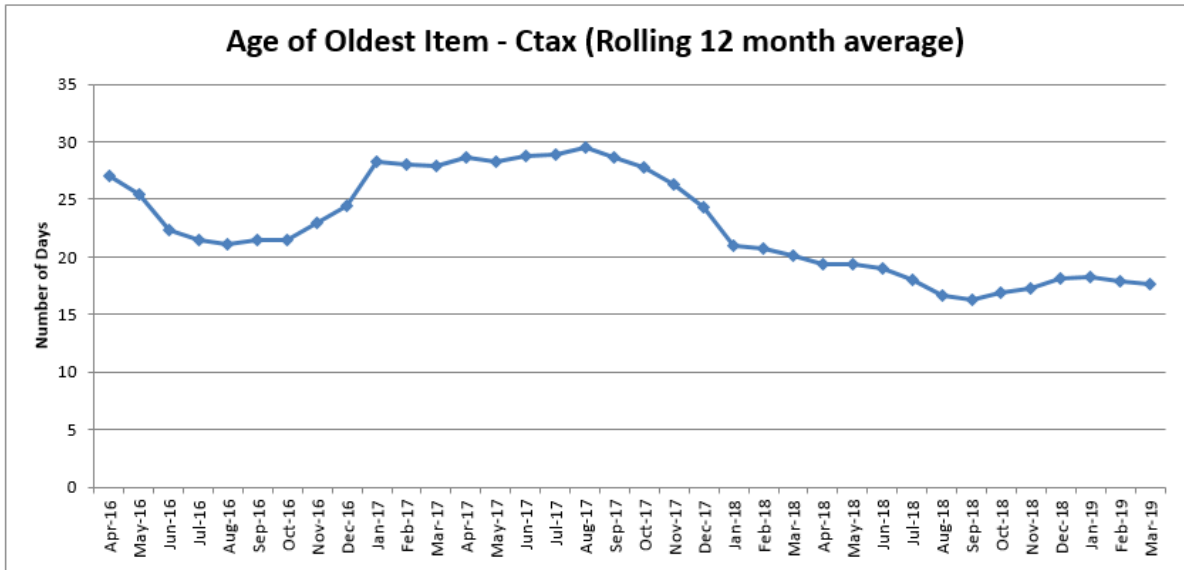
Much of Finance is a support service, primarily providing services to the Council's officers and councillors. The services here include:-

- Accountancy (including Budgeting and Treasury Management)
- Internal Audit and Risk
- Procurement
- Payments and sundry debtors

2. Performance

Council Tax/Business Rates

The processing time for council tax correspondence has improved in the current year from 20 days in March 2018 to 18 in March 2019 (based on a rolling 12-month basis, to remove the impact of seasonal swings). Whilst there is some annual seasonality in these figures, this represents a significant improvement compared to the peak of 48 days in June 2015. Recent staff turnover has impacted upon the service in recent months. The position for the last three years is shown in the chart overleaf:-



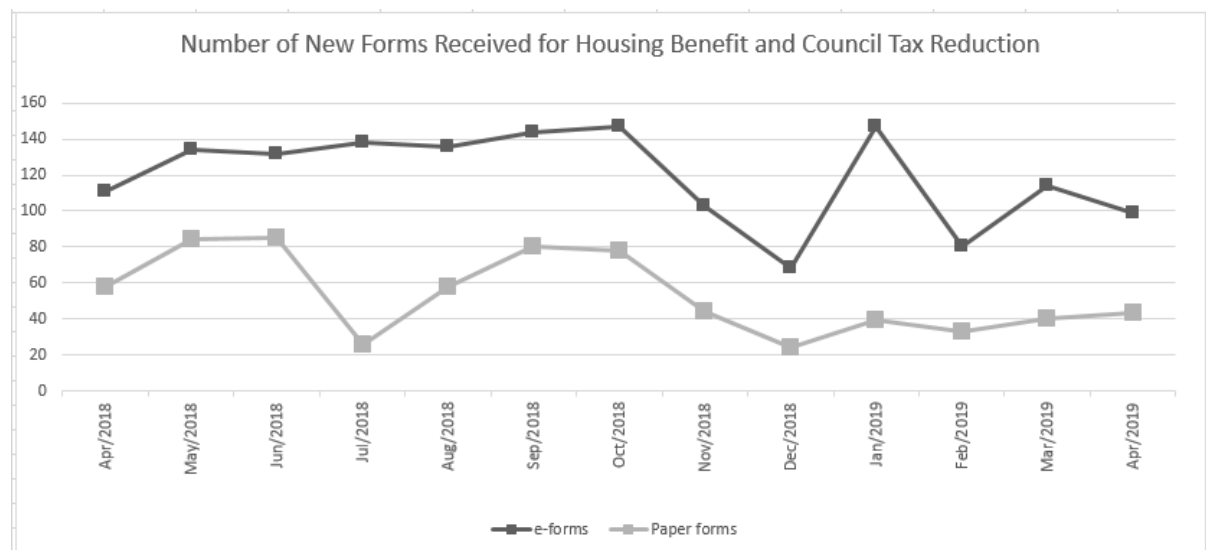
The improvement reflects the dedication of the team and the many initiatives. These include:-

- The change to generic working within Council Tax/Business Rates has helped to reduce processing times. This was piloted ahead of being agreed by Employment Committee in January.
- Staff doing some weekend and out of hours working.
- Changing the way we process the work queue to minimise repeat callers.
- The Customer Service Team, who provide a more specialised service and provide processing support during quiet times.
- In line with the Digital by Design agenda, a project is underway to provide residents with the ability to “self serve” in respect of their council tax account. Open Channel will enable customers to complete and submit a series of on line forms to inform the Council of a property move which will, subject to data validation, automatically update the account without the need for back office intervention. This project is currently being piloted. However, it is not expected that this service will have an instant impact on the workload of the Service, but as the number of properties in the District continues to grow over future years and customers increasing expect to be able to self-serve, Open Channel will increase the processing capacity of the service.

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.

New Benefits Claims



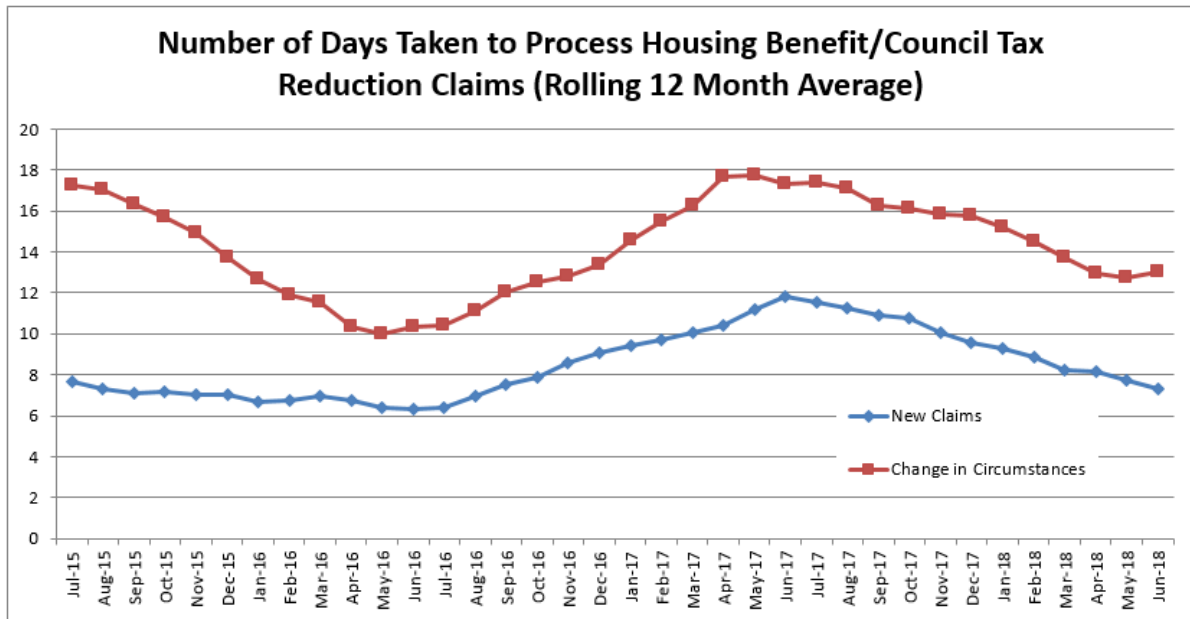
There are many benefits associated with the process, for the customer and the Council:-

- 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 improved customer service and efficiencies for the Council. Greater promotion of the E-forms is underway, along with more training to ensure that Reception/One Stop Shop staff actively encourage on-line claims. With WDC responsibility for Front Line staff and One-Stop Shops under the Benefits and Fraud Manager (alongside the Revs/Bens Customer Service Team), it is envisaged the service will be better prepared to support the roll out of Universal Credit. Currently, working age claimants must now apply for Universal Credit. However, a date is still awaited for when the current working age Housing Benefit claimants will be migrated on to Universal Credit. Pensioner aged claimants continue to apply for Housing Benefit as they are not eligible for Universal Credit.

The time taken to process benefits claims is actively monitored as shown below. The recent increases in processing time have again resulted from staff turnover. Following a recruitment campaign, several new appointments have been made, with these new members of staff undergoing an intensive training process. In addition, over the last year, the amount of work on current claims has increased

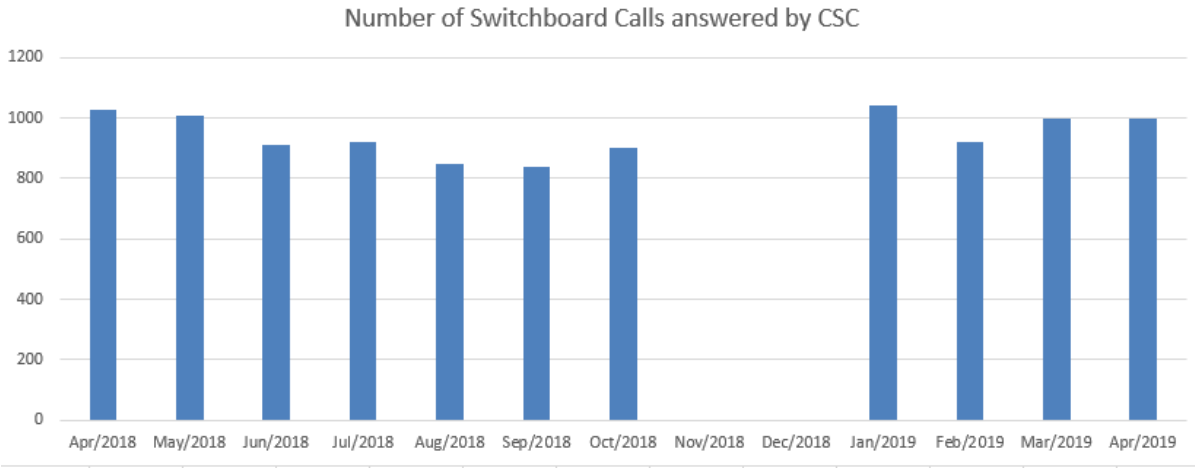
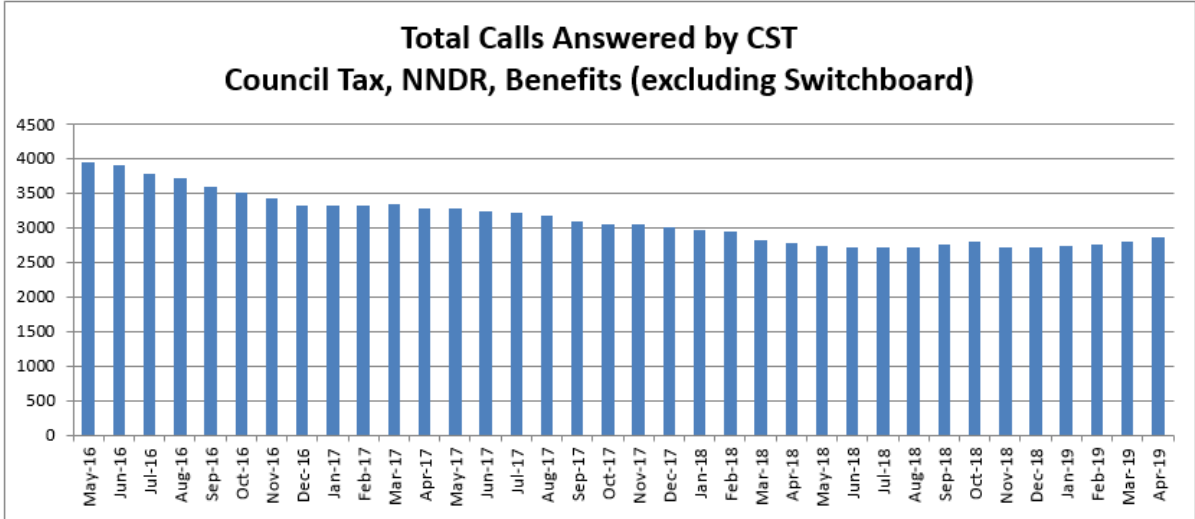
as there have been more referrals from DWP under the Real Time Information initiative. These are up to 500 a month.



As at the end of March 2019, the oldest new claim awaiting processing was 3 days, and change in circumstance was 10 days.

Customer Service Team

The Customer Service Team process Benefits and Revenues calls. Whilst all calls should be to direct dial numbers, there are still an increasing number of calls that are received on the switchboard number. These calls have mostly come through to the Customer Services Team manage these calls on behalf of the Council. It was originally envisaged that these calls would be very few in number. However, they continue to average 200 per week. As the team were not resourced for these calls, these calls were impacting on the overall performance of the team, so reducing their ability to deal with Revenues and Benefits Calls. These calls have recently been shared with the Front-Line/Reception which should assist in this is helping to manage the switchboard calls and the service calls.



Note – November/December 2018 data not available

Accountancy

From 2017/18, the audited Statement of Accounts is due to be published by 31 July, this being 2 months earlier than required in the previous Regulations. For 2017/18 Statement of Accounts this deadline was significantly missed, with the Accounts published in early December. This has been the subject of many reports to Executive and Finance and Audit Scrutiny Committee since last Summer. A plan has been put in place to ensure the deadline is met for 2018/19 Accounts and in future years. Progress on this plan has been reported to each Executive since November 2018. The draft 2018/19 Accounts have been published by the required date of 31 May 2019, and are due to be audited during June/July ahead of being reported to Finance and Audit Scrutiny Committee on 30 July for sign-off by the Committee.

The Accountancy Team has had Major staff changes in the year, with more changes expected in forthcoming years. Additional temporary resources have been employed to assist with the closure of the 2018/19 Accounts. A Project Accountant (3 year post) is being appointed to help support the work required on major projects in forthcoming years.

The contract for the Financial Management System has been extended under an Exemption to the Procurement Code of Practice. Initial soft market testing was undertaken during the year. The Project Manager is being appointed to take the project forward during 2019/20.

Internal Audit and Risk

During the year, all 36 Internal Audits within the Plan for the year were completed. These are reported to Finance & Audit Scrutiny Committee as part of the quarterly audit plan progress reporting.

Procurement

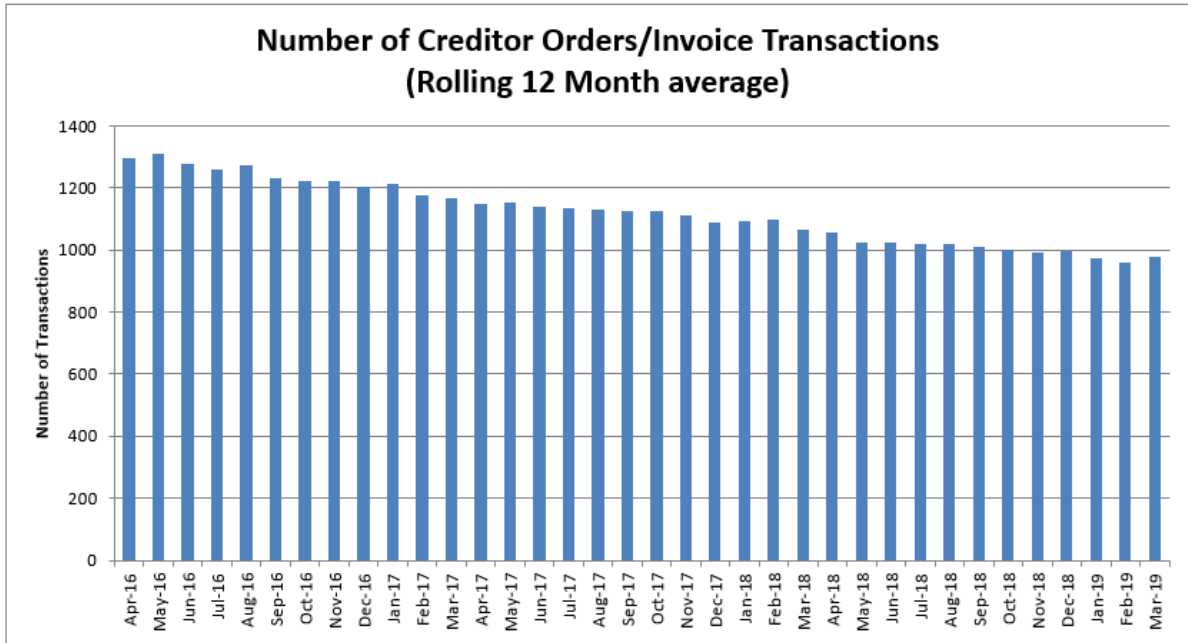
From April 2018, the Council has been in Procurement partnership with Warwickshire County Council. WCC provide strategic support, lead on specific high profile projects, and provide advice on other projects when required. The Council retains two Procurement Business Partners as the main "interface" for Council officers for procurement support. This partnership has worked well over the last year, as was reported to Executive in April 2019, with a further review due in a year.

As part of the support from WCC, a new updated Code of Procurement Practice was produced during 2018 was agreed by members in October 2018. The new Code is far more strategic than the previous version, concentrating on "what" needs to be done, rather than the "how". To assist in the "how" many guides and supporting documents have been produced to support officers in procuring goods and services, which are available on the Council's intranet. In addition, a new procurement strategy developed with the support of WCC and input from both SMT and the members within the Procurement Champions. The new strategy recognises both changes in priorities identified within the National Procurement Strategy 2018, as well as incorporating new environmental objectives such as the new council plastics policy.

As well as improvements to the Procurement service made through the WCC partnership, the internal Procurement team as made great efforts to improve service accessibility and support. By developing various digital solutions to promote self-service for officers (such as a more user friendly and intuitive contract register and interactive procurement guidance questionnaire), they have been able to increase front facing interaction with service areas to promote best practice procurement and facilitate in strategically in projects.

Financial Services Team

The Financial Services Team are responsible for processing the Council's payments and the collection of sundry debts. The numbers of transactions (invoices paid and orders raised) are shown below.



The team continue to introduce efficiencies so as to reduce the numbers of transactions to be processed, as can be seen from the chart. The initiatives include:-

- Consolidated billing
- Annual orders
- Use of procurement cards
- Collaborative procurement and contracts

3. Risks

The Finance Risk Register has continued to be reviewed throughout the year, being considered at Finance Management Team meetings, and the register is also reviewed quarterly in conjunction with the Finance Portfolio Holder. The Register is being presented to Finance & Audit Scrutiny in July, alongside the Contract Register and review of Budget.

Two risks are currently in the “red”:-

“Loss / shortage of staff”. This specifically reflects the staff changes in the Accountancy Team which has seen significant change over the last year from retirements and staff leaving.

“Qualified opinions; Late accounts; Late Government Returns”. This risk moved into the red as a consequence of the delays to the 2017/18 Accounts. Based on progress to date on the 2018/19 Accounts, it is anticipated that it will be able to remove the likelihood of this risk when the Register is next formally reviewed in September.

4. Workforce Planning

A staffing review involving changes to the Exchequer and Benefits functions was reported to Employment Committee in January 2018. This sought to provide greater resilience to the teams, especially in view of the increasing number of properties across the district, but also with impending changes such as Universal Credit.

Two of the Principal Accountants retired within the last two years. Despite the workforce plans in place, and the recruitment processes, this has undoubtedly put a strain on the Accountancy Section and contributing to the closure problems for 2017/18. With the help of additional temporary resources in the short term, and greater sharing of responsibilities, there is greater confidence within the team moving forward. There is due to be a further review of Accountancy staff resources in the Autumn.

The Finance service is seeking to develop resources from within. The Benefits Team was the first in the Council to recruit apprentices. Within Finance apprentices now additionally exist within Revenues, the Financial Services Team, Customer Services Team, and an is apprentice currently being recruited for Accountancy.

5. Budget

Details of the Finance Budget is shown within Appendix 3 of the report to Finance and Audit Scrutiny Committee. This includes the 2018/19 outturn and the 2019/20 Budget.

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. The Medium Term Financial Strategy (MTFS) is an intrinsic part of the Council's overall planning. Since 2010, the Council has seen reductions of over £7m to its external financial support (primarily Revenue Support Grant), but has been able to maintain services in this period, whilst holding the level of council tax at the same for many years. The MTFS (as updated within the July 2019 Service Area Plan/FFF Executive Report), show that further savings of £500k need to be made by 2024/25. Outside of the agreed Budget and MTFS, the Council faces additional costs in maintaining its assets in the future so as to maintain its services into the future; many of these costs still need to be funded. The team constantly monitors the savings required, and the profile behind it, utilising internal and external income. With significant uncertainty over the future of New Homes Bonus, and proposed changes to Business Rate Retention, it is vital that prudent assumptions are maintained, whilst the Council endeavours to build up reserves for any future volatility.

In recent years, there has continued to be tighter monitoring 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. Whilst the 2018/19 surplus was greatly reduced, monitoring of specific budgets needs to be refined further, with accountants and budget managers working closely together to ensure the correct level of core income is reflected in the Medium Term Financial Strategy.

Finance Service Plan 2018/19

Planned Changes, Major Work streams and Projects

Change/Project	Milestones
Investigate feasibility of using of Meta Training for improving employee awareness of risk management.	Risk Management awareness training provided to all staff.
Customer Service Team – review telephony enhancements to improve customer service.	Enhancements made in terms of management of switchboard calls
Universal Credit – prepare for October 2018 rollout to new working age housing benefits claimants.	No new working-age HB claims now being taken. Front Line supporting UC claimants.
Customer service team/ face to face. Review service delivery.	Front Line/Reception taking Switchboard calls. Consideration of arrangement for reception on-going.
Review Discretionary Housing Payments policy in view of new Homelessness legislation.	New policy drafted. To be reported to Executive in July 2019.
Review options for Council Tax Reduction Banded Scheme	Banded scheme produced, agreed by Executive for consultation. Following consultation further changes proposed by Council requiring fundamental changes to enable the new scheme to be in place for 1 April 2019.
Visiting Team – improve efficiency and effectiveness of working practices.	New admin post appointed to, actively working with data streams from across LA. Team now able to work more pro-actively and effectively.
Auto-matching for Creditor invoices – implement across Council	Live from Spring 2018, in use across the Council.
Explore local discount/relief schemes for council tax and business	Supported Development Services in drafting proposals for Executive. Proposals agreed by Executive for consultation.

Change/Project	Milestones
rates.	
Council Tax "Self Serve" (Open Channel) module	Being used internally. Need to replace Open Access with Open Portal prior to forms able to be for external use. Other priorities, ie banded scheme and year end, have pushed this back slightly. Project carried forward to 2019/20 to complete.
Production of Spend Analysis	Spend Analysis generated internally. Presented to SMT 27/3/2019. SMT analysing data and discussing with Procurement. To be reported back to SMT in June. Spend Analysis of 2018/19 data planned for 2019/20.
WDC/WCC Procurement Partnership – progress new arrangements. Review of success to Executive	New Code of Procurement Practice and Procurement Strategy agreed by members. Partnership reviewed by Executive in April 2019.
Contract Register – review with ICT format held, how shared and accessed.	New Contract Register on SharePoint now in use across Council.
Early Closure of Accounts – for 2017/18 inc improved electronic WPs, planning for 2018/19 closedown.	Early closure not achieved (see text in body of report). Plans in place to ensure dates are adhered to for 2018/19 and thereafter.
New Financial Management System	Some soft market testing discussions. Project Manager post currently being recruited.
Budget Review – increase accuracy of process and year end projections.	Accountants/Budget Managers workings reviewed in detail, notably for year end closure preparations. Delays/problems with budget managers greatly reduced as part of 2018/19 closedown.