

Finance

Service Area Plan Performance 2017/18

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 63,500 and 5,200 respective properties (as at March 2018). 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 2017/18.

Internal customers

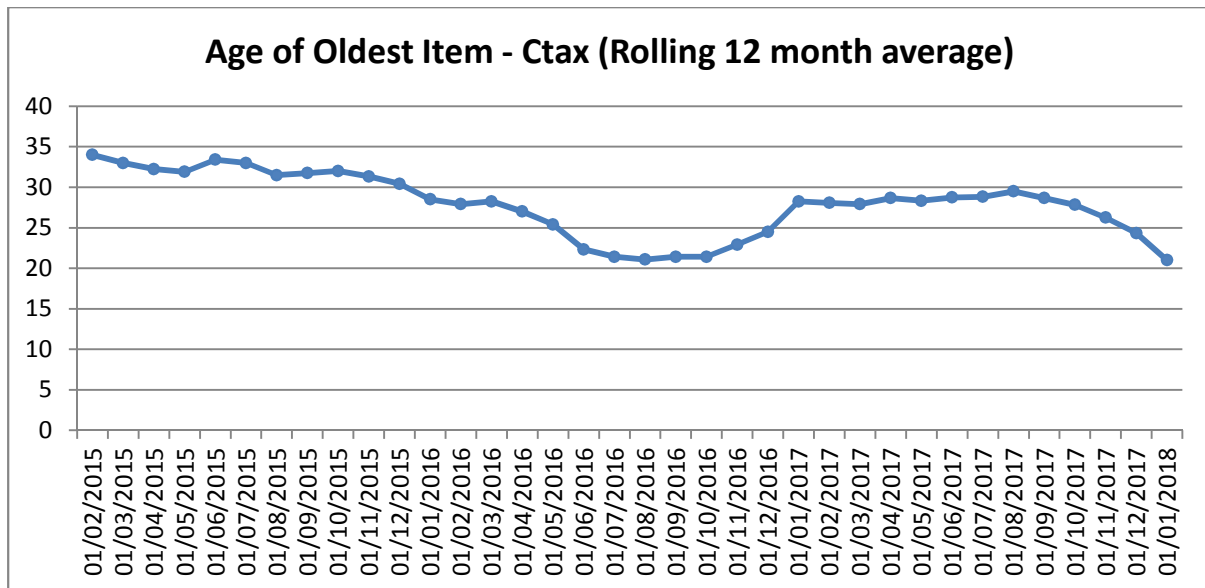
Much of Finance is a support service, primarily providing services to the Council's officers and councillors. The services here include:-

- Accountancy (including Budgetting 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 28 days in March 2017 to 21 for January 2018 (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:-



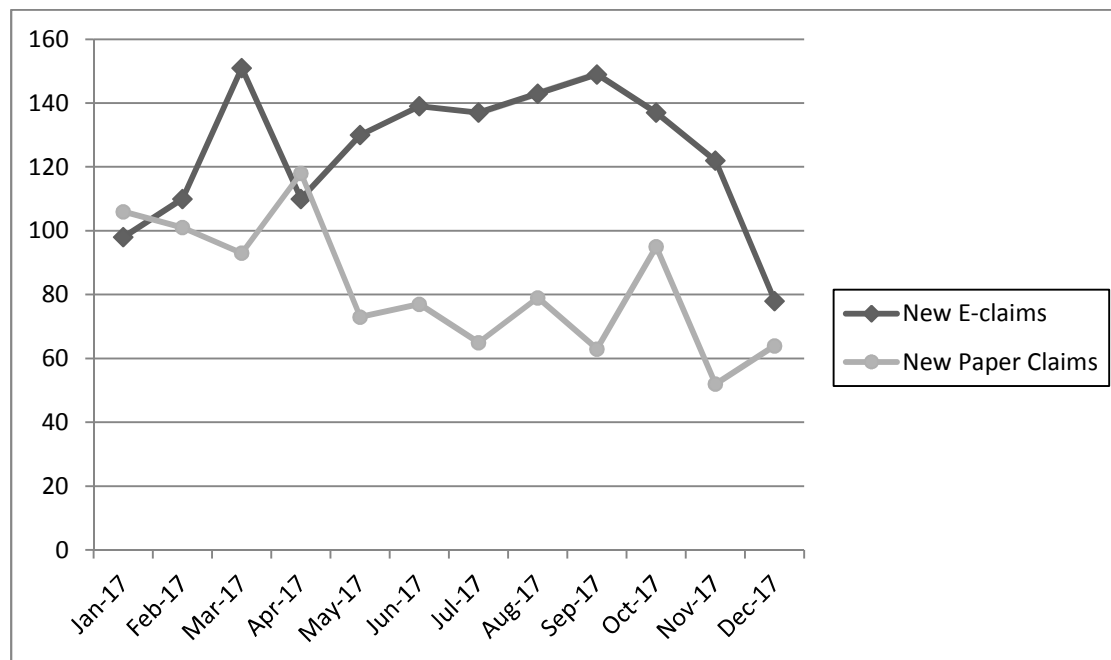
The improvement reflects the dedication of the team and the many initiatives. These include:-

- 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

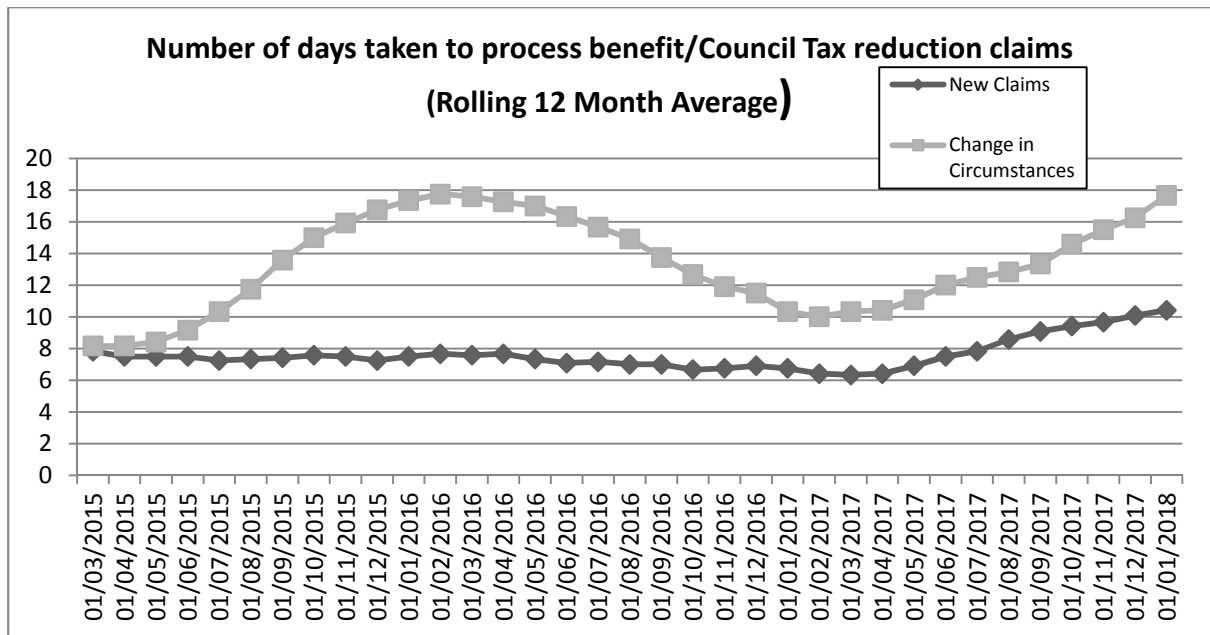


There are many benefits associated with the process, for the customer and the Council:-

- 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 planned, 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, now scheduled locally from October 2018.

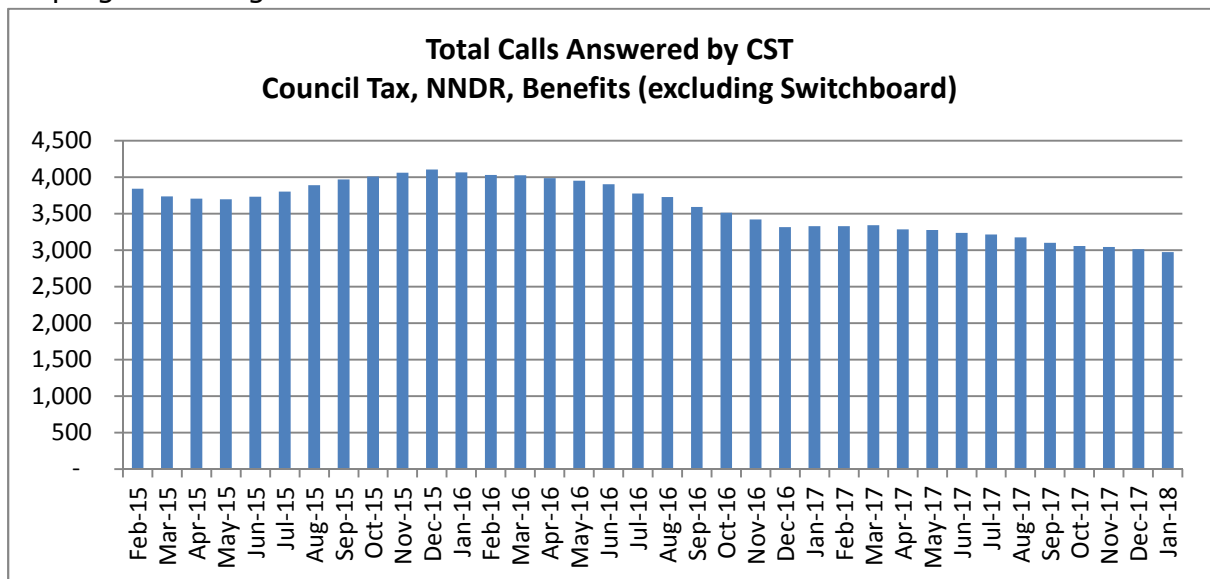
The time taken to process benefits claims is actively monitored as shown below. The recent increases in processing time have again resulted from staff turnover. Following a recruitment campaign, several new appointments have been made, with these new members of staff undergoing an intensive training 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.

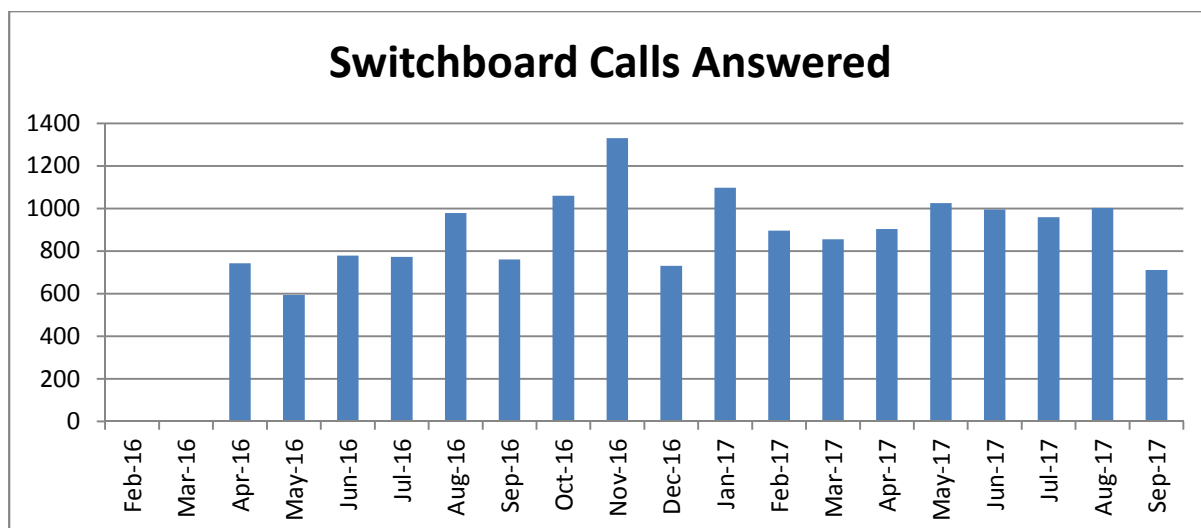


As at the middle of February 2018, the oldest new claim awaiting processing was 8 days, and change in circumstance was 13 days.

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. 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. A trial is on-going for selected other services areas to help with the switchboard calls. The initial feedback is this is helping to manage the switchboard calls and the service calls.





Accountancy

The 2016/17 Statement of Accounts was signed off by the external auditor in August. This was one month earlier than previously. From 2017/18, the accounts must be signed off by 31 July. The intention was to pilot early closure in 2017 so as to meet that date. Whilst the end of July target was missed, the auditors would have been ready to sign off in early August. Following the review of the 2016/17 closedown, including discussions with the external auditors, a project is now in place for the 217/18 closedown, following a detailed timetable.

The Contract for the Financial Management System has been extended under an Exemption to the Procurement Code of Practice. Whilst not incorporated into the 2017/18 Service Plan, initial scoping work was undertaken in the year. This is now a project commencing from 2018/19.

Internal Audit and Risk

By the end of December 2017 18 reviews had been completed by Internal Audit, against a target completion of 21. These are reported to Finance & Audit Scrutiny Committee as part of the quarterly audit plan progress reporting. The team are confident of being able to complete all the Audit Plan by 31 March 2018.

Following on from the external review of Internal Audit to comply with the Public Sector Internal Audit Standards, the action plan of improvements was reported to Finance & Audit Scrutiny Committee in June 2016. In addition a review of Risk Management across the organisation was undertaken by Zurich Insurance. With regard to the former all actions have been completed, substantially in 2016/17, whilst in the case of the latter two actions remain for 2017/18 which are due to be completed by 31 March 2018.

Procurement

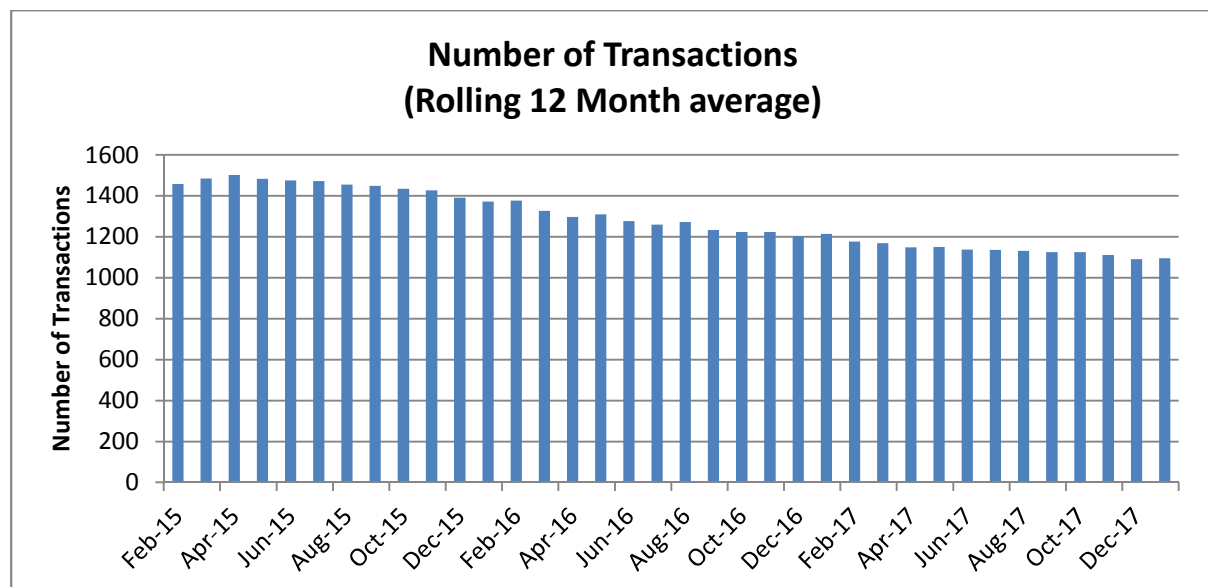
The new Procurement Team has continued to strive to embed good procurement practices across the authority whilst providing support to procurement projects. The updated Code of Procurement Practice was agreed by members in April 2017. Many guides and supporting documents have been produced to support officers in procuring goods and services, which are available on the Council's intranet.

With the retirement of the forthcoming retirement of the Procurement Manager, a review has been undertaken of the best way to resource the function so as to maintain the quality of the service and ensure resilience. Following on from this, reports were presented to the Executive and Employment Committee in January 2018 to seek agreement of a trial WDC/WCC Procurement Partnership from April 2018.

The Procurement Team won a national award from the Federation of Small Businesses for having the best "Small Business Friendly" Procurement Policy. The team continue to work with small and local business to seek to support them in tendering for contracts with the Council.

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, and is due to be presented to Finance & Audit Scrutiny in 2018, alongside the Contract Register and review of Budget, this being the inaugural review of this nature by Finance and Audit Scrutiny Committee. There are no risks that score in the "red". Risks are regularly considered at Finance Management Team meetings, and the register is also reviewed quarterly in conjunction with the Finance Portfolio Holder.

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.

One of the Principal Accountants retired last July, with a further one retiring in May 2018. In the short/medium term this undoubtedly putting a strain on the Accountancy Section, with use being made of temporary resources pending the appointment of permanent replacements.

Some functions within Finance have been subject to substantial staff turnover in recent years, whilst others have continued to have a very stable workforce. In all cases workforce planning is a priority so as to seek to ensure staff are trained and able to progress as opportunities arise. In doing so, we seek to ensure continued quality service provision and enable staff to progress. This includes seeking to develop existing staff and also to appoint apprentices.

5. Budget

The Finance budget for 2017/18 included the Council-wide 1% reduction to discretionary budgets. There was also an assumed £50,000 additional investment interest included from the use of alternative investment vehicles.

In view of the continuing low investment interest returns, the 2016/17 Treasury Management Strategy included Equity Funds as a new investment instrument with the aim of getting an increased return on some of the Council's investment portfolio whilst protecting the Council's investment. Following an appointment, two fund managers were appointed in March 2017, with £3m paid into each fund in April. These investments need to be regarded as long term investments since the returns may be somewhat erratic in the short term. A review of the

performance on these funds is planned to Finance and Audit Scrutiny Committee.

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 reported to Executive in February 2018), and the assumptions behind it, show that further savings of £700k need to be made by 2022/23. 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.

Following on from the 2015/16 surplus, 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 surplus was greatly reduced, monitoring of these budgets is continuing to be refined, 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 2017/18

Planned Changes, Major Workstreams and Projects

| Change/Project | Milestones |
|---|--|
| Early Closure of Accounts – for 2016/17 inc de-cluttering, improved electronic WPs, planning for 2017/18 closedown. | Audited Statement of Accounts approved by Finance and Audit Scrutiny Committee 30th August 2017. Post Mortem Meeting with External Audit 30th October 2017. 2017/18 closedown timetable and project now in place. |
| Re-write HRA Business Plan Model | Established that this is not required |
| Budget Review – increase engagement across all Services | Ongoing each month – improved reporting Comparison to Final Accounts |
| Revenues Visiting Officer mobilisation | As the focus of the Visiting team has dramatically changed so that the majority of work undertaken is revenues based, particularly given the level of new build in the area, the team now reports to the exchequer Manager. Active consideration is being given to using office based information gathering via known contacts at major sites and information already available through other services within the Council e.g. Planning, Street Naming and Numbering. It is also intended to trail mobile working using the web forms on the website and designing extra ones which when completed out in the field will directly integrate with Civica. Once testing of this initiative has been completed it will be possible to review if and how the project proceeds. |
| Universal Credit – prepare for June 2018 rollout to new working age housing benefits claimants. | The recent restructure of the Benefits service should make the service more responsive to the changed requirements. One Stop Shops and Reception responsibility now under Benefits and Fraud Manager which should further help support UC roll out. |
| Auto-matching for Creditor invoices – implement across Council | Soft launch of system in live for Housing invoices, to be live across Council from May 2018. |
| Council Tax “Self Serve” (Open Channel) module | From February first form being used “in house” for people moving into the District ahead of formal rollout on website. Further forms to follow in 2018/19. |
| Total (Financial Management System) Upgrade | Upgrade Oct 2017 |

| Change/Project | Milestones |
|--|--|
| Progress actions from January 2016 Risk Management Review | <p>All actions that were scheduled for 2016/17 have been completed.</p> <p>The two remaining ones, scheduled for 2017/18, are as follows:</p> <p>Consider whether some of the principles applied to contract risk management can be applied equally to partnerships – by March 2018</p> <p>Review the criteria for evaluating project risks to make it more specific to time, cost and quality of delivery – by March 2018</p> |
| Progress actions from April 2016 Internal Audit Review | Completed, mostly in 2016/17. |
| Review of Procurement function. | Reports presented to Executive and Employment Committee January 2018. New Procurement Partnership with WCC to commence April 2018. |
| Enhance use being made of Intend system for reports etc to assist procurement process. | Currently revisiting Intend system capability to make it fit for purpose with regarding to: low value quoting self-service, contract storage and online mandatory questions and scoring. |
| Updated Code of Procurement Practice and Procurement Strategy – rollout across organisation. | <p>Updated Code of Procurement Practice- agreed by Council April 2017. Code being reviewed in light of WDC/WCC Procurement Partnership with a view to alignment of documents where appropriate.</p> <p>Procurement Strategy – to be presented to April 2018 Finance and Audit Scrutiny Committee.</p> |
| Review Contract storage | Electronic copies of documents referenced within Contract Register. Further advice on use of electronic documents sought from WCC Lawyers. and ICT. Potential to utilise Intend for this process in the future as currently under development. |
| Contract Register – review with ICT format held, how shared and accessed. | This project has now been integrated into the ICT overall project plan, in place of the staff resources previously allocated to this project. Awaiting to be advised of the ICT lead and planned completion date. |
| Review Support Service provision to make savings from Service in line with Medium Term Financial Strategy. | Savings mostly achieved, as to be reported as part of Base Budget in November. Some savings will not be achievable, primarily in respect of Internal Audit where the original figures were overstated. |

