

Finance

Service Area Plan Performance 2016/17

1. Background

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

External

These customers include all those responsible for the payment of council tax and business rates, for which there are 62,300 and 4,800 respective properties (as at 31 March 2017). Housing Benefit claimants currently total 6,000 (value £30.3m pa), with there being 6,800 (value £5.91m pa) households in receipt of Council Tax Reduction (previously council tax benefit).

Finance also administers the Rural and Urban Capital Initiative Scheme for which 11 grants totalling £114,000 were agreed by Executive in 2016/17. The scheme was amended from April 2016 which has enabled projects of up to £10,000 to receive 80% funding from the District Council. In addition, outside the RUCIS scheme, significant grants to St Chads in Bishops Tachbrook and Barford Playing Field were also administered.

Rate Relief was awarded for 2016/17 as follows:-

	Number	Value £
Mandatory charitable relief	346	4,151,224
Discretionary charitable relief	83	154,653
Small Business rate relief	1848	3,044,032

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

2. Performance

Council Tax/Business Rates

The processing time for council tax correspondence has continued to be a concern during to 2016/17. The numbers of properties across the district has increased by over 1,000 in the last 18 months. This has generated more correspondence, as has the continuing increase in private sector rentals. The average processing time (as measured by the age of the oldest item of correspondence) has remained at 29 days in 2016/17 (based on figures to 31 January 2017), the same as for 2015/16. However in the last quarter, processing time has disappointingly increased above this average. This is despite the many initiatives put in place to seek to accommodate the increasing

workload as the number of properties continues to increase across the District. The move towards more generic working within Council Tax/Business Rates has helped to reduce processing times, along with staff doing some weekend working. Unfortunately, throughout the year there have been staff vacancies and sickness. The new Customer Service arrangements have helped with improved quality of information being given out, and the new team able to undertake processing during quiet times. During 2017/18, as part of the Digital Work Programme, more "self-serve" facilities are to be introduced which should provide a more streamlined service. An additional Revenues Officer was agreed to be appointed as part of the 2017/18 Budget in February.

The Council Tax collection rate for 2016/17, to 31 January was 94.6% (2015/16 95.0%) and 92.0% (2015/16 91.1%) for Business Rates. These reductions, whilst not significant, are disappointing. Whilst it is not possible to pinpoint any one cause, the processing delay is likely to have impacted upon this.

Housing Benefits/Council Tax Reduction

The average time to process new housing benefit and council tax reduction claims reduced from 8 days in 2015/16 to 7 days for 216/17. Average processing times for change in circumstances also showed an overall reduction despite there being an increase mid year; however this is as a result of it being peak holiday season and there is little that can be done to mitigate this.

E forms are being used for new benefits claims and for change in circumstances. This presents a better customer service and provides more resilience for the service with a reduced workforce.

The Benefits section took responsibility for the new Benefits/Revenues Customer Service Team from February 2016, with calls being returned from the County Council Call Centre. The Team also manage the Switchboard call for the whole of the Council. Overall the service quality has greatly improved with more calls dealt with at first point of contact. However average waiting times and abandoned calls are still in excess of acceptable levels. One reason for this is the number of Switchboard calls have continued to increase, this being an area of work that the team have not been resourced to provide. The on-going performance is continuing to be closely monitored, with consideration of the total staff resources needed into the future.

In February 2017 the section entered into a partnership with Oxford City Council to provide a corporate fraud service. This service is concentrating on potential council tax, business rates and housing fraud.

Accountancy

The Accountancy Team have had specific challenges during the year, with unfortunate absences of 2 members of staff. Despite this, the Team have completed their key functions, ranging from preparation of Budgets, Budget monitoring, through to completion of Final Accounts. In addition, they have progressed various initiatives, including the "On-Line Returns" for income processing which is now live.

From 2017/18, the accounts must be closed, audited, agreed by members and published by 31 July 2018. As with many authorities, the accounts for 2016/17

are being closed early in line with the future deadlines. This early closedown is a substantial project in itself, something the team have been actively working and preparing for during 2016/17.

Internal Audit and Risk

The Internal Audit Plan for the year is on schedule to be substantially completed, with just one audit likely to be omitted. This is due to a large amount of investigation time required to be spent on the Electrical Maintenance Contract early on in the year. There have been some late changes to the Audit Plan by virtue of two audits in Housing and Property Services being postponed at the behest of the Deputy Chief Executive (BH). The Energy Management and Warwick Plant Maintenance audits have been replaced by audits of Lettings & Void Control and Planning Policy.

The review of Internal Audit in accordance with the Public Sector Internal Audit Standards took place in April 2016. This is the first of these compliance reviews which in future need to be carried out every 5 years. The review provided valuable feedback, details of which were reported to Finance & Audit Scrutiny Committee, along with the Action Plan.

Risk Management advice was provided to officers and members throughout the year. The review of Risk Management undertaken by Zurich early in 2016 proposed various recommendations which have formed the basis of the Risk Management action plan for 2016/17 and 2017/18. Coming out of the Action Plan, the Senior Management Team and key members have reviewed the Council's Risk Appetite. This has helped everyone's understanding of risk, especially with regard to the risks that the Council cannot eliminate and so seeks to have controls and mitigations in place.

Procurement

Despite the staff shortages, procurement advice and support has been provided across the Council, with full details of the work undertaken by the Procurement Team reported to Finance and Audit Scrutiny Committee. The Team has continued to work to ensure good procurement practice is embedded and understood by all officers, with continuing formal and informal training and assistance. Updated Procurement documents (Code of Procurement Practice, Procurement Strategy and supporting documents) in line with the National Procurement Strategy for Local Government 2014 have been drafted for approval by members.

Risks

The Risk Register has continued to be reviewed throughout the year on at least a quarterly basis by the Finance Management Team and the Finance Portfolio Holder. The register was presented to Finance & Audit in April 2016. There are currently no high level risks that score in the "red".

3. Workforce Planning

A new Housing Principal Accountant started in May 2016. Consideration is continuing to be given to potential forthcoming retirements of Accountancy team

members to ensure service continuity with the potential loss of substantial knowledge and experience.

There has been a further change to the Procurement Team in the year with the Procurement Officer resigning. This has led to the commissioning of consultants to review of how the Procurement function operates and what other methods of service delivery would be able to provide the council with a suitable resilient service. The results of this review should be available early in the new financial year.

The Exchequer Team (Council Tax, Business Rates, Payments/Sundry Debtors), have carried vacancies during the year. These vacancies have contributed to the backlog in processing. In addition, sickness (including one employee on long term sickness) has compounded the problem. Many officers are now working more "generically", covering different aspects of work which has helped to manage the workload. Further changes to make all revenues officers "generic" are planned for 2017/18.

Future working age housing benefit claimants are due to apply to DWP for Universal Credit from June 2018. The Council will retain responsibility for pensioner housing benefits and all council tax reduction cases. With the uncertainty this presents, it has proved difficult to retain and appoint new Benefits staff. However, there has been much success with the use of apprentices to support the service where the Section has been the vanguard for the Council. The 18 months apprenticeships have given young workers a valuable opportunity, whilst providing some resilience to the service.

4. Budget

Finance achieved the 5% saving on discretionary budgets in 2016/17, and has identified the required further 1% saving for 2017/18.

Finance - Planned Changes, Major Workstreams and Projects

Change/Project	Progress during year
Review of Concurrent Services and parish support	Reduction in funding agreed by members November 2016, funding being phased out over 3 years.
On-line Returns - Live roll-out to RSC and Leisure Centres. Investigate use of OLR for other services.	Being actively used by RSC. Leisure Centres data being processed centrally. Consideration of use by other services, e.g. Parking, still required.
Arrange investment in Equity Funds in line with 2016/17 Investment Strategy	Equity Fund managers being selected to enable deposits to be placed April 2017.
Plan for Early Closure of Accounts – inc. 2015/16 de-cluttering, improved electronic WPs, planning for 2017/18 closedown.	Project on-going throughout year.
Support Service budget and allocations review as a result of Leisure Centre operational management changes	Some support service savings factored into the Medium Term Financial Strategy. Services to plan for these savings during 2017/18 ahead of 2018/19 Budget setting.
Re-write HRA Business Plan Model	The Business Plan is currently being updated and is due to be reported to the Executive in April 2017. There have been some delays due to the Housing and Planning Act, the management changes within Housing and Property Services and the finalisation of the Stock Condition Survey.
Budget Review – increase corporate subjective monitoring	Detailed income monitoring of significant income budgets included in all Budget Review reports. Expenditure subjective monitoring reported to SMT.
Review of Council Tax Reduction Scheme in light of Universal Credit	Changes agreed to scheme by Council January 2017.
Review of development monitoring by Visiting Officers	This has been difficult due to the long term sickness of the senior visiting officer from a team of two. However improvements have been made with greater sharing of new property details across the Council. Progress should now move quite swiftly and should provide efficiencies, enabling more frequent visiting of properties within the District.
Auto-matching for Creditor invoices	Project progressing. Due to be

Change/Project	Progress during year
- implement across Council	completed 2017 following income system refund module project.
Council Tax "Self-Serve" (Open Channel) module business case	Business case agreed. Project to be progressed 2017/18.
Cost Audit by third party of selected corporate supplies	Project commenced with phones and BT contract. Progressed slowly due to inactivity from BT in recognising our overpayments. However recent pressure means some savings should materialise shortly.
Progress actions from January 2016 Risk Management Review	Actions progressing. Some for 2017/18.
Progress actions from April 2016 Internal Audit Review	All recommended actions addressed. Some suggested actions outstanding.
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.	Training provided on Intend for Procurement Team. Greater use of system functionality being made.
Social Value – agree corporate approach and priorities for Social Value	Policy agreed by members to include SV questions in tenders.
Procurement Training for officers across the Council	Formal and informal training on-going, including "tailored bite-sized chunks".
Procurement Strategy Action Plan	Actions have progressed throughout the year and were reported to Finances and Audit Scrutiny Committee in March 2017.