

Financial Services Division

Business Plan 2016/17

<u>Head of Service:</u>	David Rees
<u>Area of Responsibility:</u>	Financial Services
<u>Sponsor (Cabinet Member):</u>	Councillor Arwyn Woolcock

Introduction

This business plan covers the financial year 1st April 2016 to 31st March 2017 for the Financial Services Division which has a budget for the year of £3.580m and covers the following services:

- Accountancy Technical – Corporate and Risk Management
- Accountancy Capital and Systems/Projects
- Accountancy Financial Services
- Court Deputy Service
- Internal Audit
- Exchequer Payroll
- Exchequer Payments
- Miscellaneous Income
- Cashiering Service
- Business Rates

- Council Tax Administration
- Housing Benefit Administration
- Financial Assessments

Delivery of Priorities in 2015/16

Service Priority	Achievement
To accurately monitor directorate budgets, highlighting any pressures at an early stage, and by working closely with directorates, to ensure suitable actions are put in place to mitigate the risks of not delivering overall spend within budget guidelines. This involved further development of the new budget monitoring process implemented during 2014/15.	Budget monitoring reports were produced monthly for managers and quarterly for members. This enabled both managers and members to closely monitor the Council's spend which contributed to the Council achieving a significant underspend at year end.
To work with directorates to produce a balanced budget for 2016/17 and updated Forward Financial Plan (FFP) in line with the timetable required by the Chief Executive.	A balanced budget and updated Forward Financial Plan (FFP) was approved by members on the 10 th March 2016.
To produce a Statement of Accounts that accurately reflects the Council's transactions for the financial year 2014/15, within the statutory timescales and to meet statutory requirements.	An unqualified Statement of Accounts was produced in line with the statutory timescales.
To maximise the collection of council tax and other income due to the Council.	A collection rate of 97.9% was achieved which was again on increase on the previous year.
To ensure that all who are entitled to benefits, receive the right amount and in a timely manner.	The various performance statistics in benefits evidence that this on-going priority is being successfully

	managed.
To help those entitled to Universal Credit to make claims effectively and manage their budget accordingly.	This continues to be managed through the 'Universal Credit – Customer Support Agreement'. An analysis of Partnership work with the Third Sector is identifying areas where further work needs to be commissioned.
To deliver an agreed and detailed programme of work on finance based projects that will assist in the requirement to provide further reductions in expenditure over the next three to four years.	A number of projects are being worked on including grants management, support service recharges and income generation.
To ensure that assurance can be given to the Audit Committee regarding the adequacy of internal controls existing within the systems and processes operated by the Council and to further develop the role of the Audit Committee.	The quarterly reports to Audit Committee have provided members with the relevant level of assurance. The role of Audit Committee has been expanded to include work on risk management.
To improve the effectiveness of the debtors IT system and to develop the debt recovery processes in order to reduce the value of outstanding debts.	Significant changes have been put in place in particular with regard to the processing of Social Services debts. The year-end figure for debts less than 6 months old has been reduced by £2.6m from the previous year.
To manage the significant reduction in the staffing level of the Financial Assessments team in order to maintain a high level of service provision.	Not only has the high level of service provision been maintained but significant efficiency improvements have also been put in place.
To manage the reduction of staffing hours available to the Cashiering Service in order to maintain a high level of service provision.	The reduction in staffing hours has been achieved by reducing the opening hours of the cash office. The efficiency of the team in operating to the new staffing levels has been such that only one complaint on the reduced opening hours has been received.

Priorities to be achieved during 2016/17

Priority	Actions to deliver priority	Officer(s) responsible	Timescale	Evidence to indicate achievement e.g. outcomes
<p>P1.To accurately monitor directorate budgets, highlighting any pressures at an early stage, and by working closely with directorates, to ensure suitable actions are put in place to mitigate the risks of not delivering overall spend within budget guidelines.</p>	<p>Budget monitoring process in place.</p>	<p>S. Gorman</p>	<p>From May 2016 through to financial year end.</p>	<p>CDG and Cabinet reports.</p>
<p>P2.To work with directorates to produce a balanced budget for 2017/18 and updated Forward Financial Plan (FFP) in line with the timetable required by the Chief Executive.</p>	<p>A series of meetings with managers and members, plus budget setting timetable for Finance staff.</p>	<p>D. Rees S. Gorman</p>	<p>Balanced budget prepared by February 2017.</p>	<p>Balanced budget approved by Council.</p>

<p>P3.To produce a Statement of Accounts that accurately reflects the Council's transactions for the financial year 2015/16, to meet statutory requirements, and to begin the process of bringing forward the timescales for accounts closure.</p>	<p>Statement of Accounts timetable in place.</p>	<p>J. North</p>	<p>Statement of Accounts signed off by Audit Committee by September 2016.</p>	<p>An audited and unqualified Statement of Accounts produced earlier than in previous years.</p>
<p>P4.To maximise the collection of council tax due to the Council, plus Business Rates.</p>	<p>Continue with current Council Tax processes and recovery procedures.</p>	<p>A.Hinder</p>	<p>Throughout the year.</p>	<p>Council Tax and Business Rates recovery rates compared with previous years.</p>
<p>P5.To ensure that all who are entitled to benefits, receive the right amount and in a timely manner.</p>	<p>Continue with current Benefit processes and recovery procedures.</p>	<p>K. Davies</p>	<p>Throughout the year.</p>	<p>Benefit performance indicators.</p>
<p>P6.To help those entitled to Universal Credit to make claims effectively and manage their budget accordingly.</p>	<p>Universal Credit Customer Support Scheme. Maintain the level of in-house benefit training for</p>	<p>K. Davies</p>	<p>Throughout the year.</p>	<p>Monitoring of the take up of Universal Credit.</p>

	benefit staff.			
P7. Ensure the Council maximises efficiency in its Treasury Management function whilst minimising and managing all risks involved.	Treasury Management Practices and monitoring reports.	H. Jones	Throughout the year.	Treasury Management indicators.
P8. To continue to provide assurance to the Audit Committee regarding the adequacy of internal controls existing within the systems and processes operated by the Authority.	Audit Plan 2016/17	A.M. O'Donnell	Quarterly Audit Committee meetings.	Annual Audit Report.
P9. To agree an alternative to the current debtors IT system and to further develop the debt recovery processes in order to continue to collect income as efficiently as possible and reduce the value of outstanding debts.	Working group in place.	J. North	March 2017.	Alternative to current system agreed. Reduced 'debtors o/s' figure at year end.

P10. To achieve the target budget reductions for the Finance Division for the 2017/18 budget.	Plan in place for achieving savings including meetings with Section Heads	D. Rees	February 2017.	Budget guideline.

Priority Measures Table:

Priority Measures (2016/17)	2014/15 Performance	2015/16 Performance	2016/17 Performance Target
P1. To accurately monitor directorate budgets, highlighting any pressures at an early stage, and by working closely with directorates, to ensure suitable actions are put in place to mitigate the risks of not delivering overall spend within budget guidelines.	Monthly monitoring reports provided for CDG and quarterly reports for members. The Council achieved an underspend against its budget of £743k.	Monthly monitoring reports provided for CDG and quarterly reports for members. The Council's projected underspend against its budget as at end of February amounts to £1,846k.	To produce monthly reports for CDG and quarterly reports for members; for expenditure for the Council for the year to be contained within the overall budget.
P2. To work with directorates to produce a balanced budget for 2017/18 and updated	A balanced budget and updated FFP was produced.	A balanced budget and updated FFP was produced.	A balanced budget and updated FFP to be produced.

Forward Financial Plan (FFP) in line with the timetable required by the Chief Executive.			
P3. To produce a Statement of Accounts that accurately reflects the Council's transactions for the financial year 2015/16, to meet statutory requirements, and to begin the process of bringing forward the timescales for accounts closure.	An unqualified Statement of Accounts was prepared within the statutory timescales.	An unqualified Statement of Accounts was prepared within the statutory timescales.	An unqualified Statement of Accounts to be prepared within the proposed new timescales.
P4. To maximise the collection of council tax due to the Council, plus Business Rates.	Council Tax collection rate – 97.5% Business Rates collection rate – 98.2%	Council Tax collection rate – 97.9% Business Rates collection rate – 98%	To maintain the collection rates at the levels of the last two years.
P5. To ensure that all who are entitled to benefits, receive the right amount and in a timely manner.	Accuracy of claims processed – 100% Turnaround Time – 6.86 days	Accuracy of claims processed – 100% Turnaround Time – 6.18 days	Accuracy of claims processed – 100% Turnaround Time – Less than 7 days
P6. To help those entitled to Universal Credit (UC) to make claims effectively and manage their budget	N/A	UC Advice provided to 62 people	Maintain the level of advice provided in 15/16

accordingly.			
P7. Ensure the Council maximises efficiency in its Treasury Management function whilst minimising and managing all risks involved.	Compliance with Treasury Management Practices Statement	Compliance with Treasury Management Practices Statement	Compliance with Treasury Management Practices Statement
P8. To continue to provide assurance to the Audit Committee regarding the adequacy of internal controls existing within the systems and processes operated by the Authority.	Reports produced for the four quarterly meetings plus the annual report.	Reports produced for the four quarterly meetings plus the annual report.	Reports to be produced for the four quarterly meetings plus the annual report.
P9. To agree an alternative to the current debtors IT system and to further develop the debt recovery processes in order to continue to reduce the value of outstanding debts.	Not applicable	The focus to date has been on reducing the debts of less than 6 months old. The year-end figure for these debts has been reduced by £2.6m from the previous year.	Agreement reached on an alternative to the current debtors system. Further reduction in the year end debts outstanding figures.
P10. To achieve the target budget reductions for the Finance Division for the 2017/18 budget.	Target budget reductions achieved.	Target budget reductions achieved.	Target budget reductions to be achieved.

Mandatory Corporate Measures Table

Mandatory Corporate Measures (2016/17)	2014/15 Performance	2015/16 Performance	2016/17 Performance Target
CM01 Number of transactional services: a) Fully web enabled b) Partially web enabled	N/A N/A	Nil Three	One Two
CM02 % of revenue expenditure within budget	100%	100%	100%
CM03 Amount of FFP savings at risk	Nil	Nil	Nil
CM04 Average FTE days lost due to sickness	N/A	5.6	Maintain sickness at no greater than 15/16 level
CM05 % (No.) of staff performance appraisals to be completed during 2016/17	N/A	N/A	100%
CM06 Number of employees who left due to unplanned departures	N/A	N/A	The suggested target of nil cannot be included as this indicator is outside the control of the Head of Service.
CM07 Total number of complaints: Internal External	N/A	Stage 1 – 9 Stage 2 – 3	Not to exceed number received in 15/16.

CM08 Total number of compliments: Internal External	N/A	None	It is not possible to set a meaningful target for this measure.
CM09 % (No) of services measuring customer satisfaction	7% (1)	7% (1)	7% (1)
CM10 % (No) of service report cards to be produced by 31.3.17	N/A	(100%) Six	(100%) Six

Why are these priorities?

Priority Measures (2016/17)	Reasons why the measure is a priority
P1. To accurately monitor directorate budgets, highlighting any pressures at an early stage, and by working closely with directorates, to ensure suitable actions are put in place to mitigate the risks of not delivering overall spend within budget guidelines.	To ensure that the Authority maintains its expenditure and income levels within budget and doesn't require the use of reserves.
P2. To work with directorates to produce a balanced budget for 2017/18 and updated Forward Financial Plan (FFP) in line with the timetable required by the Chief Executive.	To satisfy statutory requirements regarding budget setting.
P3. To produce a Statement of Accounts that accurately	To satisfy statutory requirements regarding the

reflects the Council's transactions for the financial year 2015/16, to meet statutory requirements, and to begin the process of bringing forward the timescales for accounts closure.	production of a Statement of Accounts and to bring forward the timetable for doing so.
P4. To maximise the collection of council tax due to the Council, plus Business Rates.	To maximise the income due to the Council from Council Tax and to maximise efficiency in the collection of Business Rates.
P5. To ensure that all who are entitled to benefits, receive the right amount and in a timely manner.	To ensure that citizens who are in receipt of benefits receive the best possible service and are not disadvantaged financially.
P6. To help those entitled to Universal Credit to make claims effectively and manage their budget accordingly.	To ensure that citizens receive the best possible support and advice in the transition to Universal Credit.
P7. Ensure the Council maximises efficiency in its Treasury Management function whilst minimising and managing all risks involved.	To meet statutory and professional requirements and to minimise risk to the Council.
P8. To continue to provide assurance to the Audit Committee regarding the adequacy of internal controls existing within the systems and processes operated by the Authority.	To minimise the risk of fraud and/or errors occurring within the systems operated by the Authority that could damage its financial and/or reputational standing.
P9. To agree an alternative to the current debtors IT system and to further develop the debt recovery processes in order to continue to reduce the value of outstanding debts.	To maximise the income received by the Council.
P10. To achieve the target budget reductions for the Finance Division for the 2017/18 budget.	To ensure that the FFP savings are fully realised and that the Finance Division expenditure is contained

	within budget.
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How are you going to secure the achievement of these priorities?

Primarily, the services to secure these achievements will be provided in-house. Some elements of service or advice however will be commissioned externally. Examples of these are in debt recovery arrangements and treasury management strategy advice.

Workforce Planning

What are the key workforce challenges for this service?	The key workforce challenge facing the division is one of capacity. The various teams are made up of dedicated, experienced and hard working staff. However, the budget cuts that have been experienced in recent years along with those that are likely in the future mean that there is significantly less capacity to continue to deliver the priorities to the current standards of performance. In delivering further staff reductions through the voluntary redundancy (VR) process the challenges will be to: <ul style="list-style-type: none">• Ensure that staffing structures are adjusted appropriately to continue to deliver the priorities.• Review and where appropriate re-design work practices and procedures to enable work to be carried out to an acceptable standard with fewer staff.
What are the longer term workforce	In most cases the tasks required of/services provided by the

<p>challenges for this service?</p>	<p>various sections in the division cannot be stopped. Indeed in some areas they not only have to continue but have to do so with increased requirements/responsibilities. All this has to be done with a workforce which will be cut further in the coming years. Not only have these cuts resulted in fewer staff numbers but also in loss of experience and knowledge. The challenge therefore is to continue to motivate staff and ensure that they are sufficiently trained and supported while they gain the necessary experience.</p>
<p>What actions are we going to take to address these challenges?</p>	<p>The following are some of the actions that will be required to address the challenges detailed above:</p> <ul style="list-style-type: none"> • Review of working practices and procedures • Review of job roles and team structures • Targeted training opportunities • Succession planning • Recognition and acknowledgement of the high quality hard work produced by staff throughout the division.

Property Management

<p>What are the property consequences of delivering the priorities you have outlined in</p>	<p>There are no property consequences of delivering the priorities outlined in the business plan. However, there are some issues</p>
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your business plan?	which if resolved would help staff morale and efficiency: <ul style="list-style-type: none"> • Staff 'kitchen' facilities in Port Talbot Civic Centre • Meeting room availability in both main civic centres
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Property Table:

Property Name	Required Change	Why?	Impact
Port Talbot Civic Centre	Staff 'Kitchen' facilities	Provide working conditions that are the equivalent of those in the other main civic offices.	Improved staff morale
Port Talbot and Neath Civic Centres	Increased access to meeting rooms	Currently difficult to access meeting rooms when required	Improved efficiency

How will any risks be mitigated?

Risk Table:

Ref	Risk Description	Likelihood Score	Impact Score	Total Score	Proximity	Mitigating Action	Target Date	Risk Owner
R1	Service and financial pressures through the year will not allow elements of the FFP to be achieved and/or will	3	3	9	1	This will be mitigated through the budget monitoring process the aim of which is to highlight pressures at	On-Going	DR

	put pressure on other budget heads					the earliest possible stage and require managers to find solutions to those pressures and therefore retain net spending within the budget guidelines		
R2	A balanced budget is not produced in time that is sufficiently robust to meet the requirements of external audit scrutiny	1	5	5	1	This is mitigated by a rigid and robust process involving at a minimum, Directors, Heads of Service and Members. The process is timetabled with clear deadlines and required outcomes	Feb 17	SG
R3	The Statement of Accounts will not be produced in line with the statutory deadlines, and will have an unacceptable number of audit qualifications	2	4	8	1	This is partly mitigated by detailed staff training which has taken place in the requirements of the process and in lessons learnt from previous years. Furthermore, a detailed closure programme has been	Sept 16	JN

						produced which outlines all the requirements of the process along with appropriate timescales and deadlines. Finally, detailed monitoring of the process is in place which includes regular meetings with the Wales Audit Office (WAO)		
R4	The Council Tax collection rate will fall below the average of the previous five years, particularly given the fact that the required budget reductions have meant a reduction in staffing levels	2	4	8	1	This will be mitigated by regular monitoring of the council tax collection rate and immediate remedial action being taken by the experienced Council Tax staff. In addition, the new Council Tax Recovery Policy which is now fully operational should assist significantly with the recovery process	On-going	AH
R5	There is a drop in	2	3	6	1	This risk is mitigated by	On-	KD

	performance in terms of the time taken to process benefits and in terms of the number of write offs required due to authority error					the regular training that all benefits' staff receive particularly with regard to changes in the rules and regulations surrounding benefits	going	
R6	Citizens in receipt of benefits do not receive their full entitlement	2	4	8	1	This will be mitigated in part by the training referred to in R5 above but also by working collaboratively with the third sector to ensure that citizens are fully aware of what they are entitled to	On-going	KD
R7	The WAO cannot give assurance regarding the quality of audit work	2	4	8	1	This is mitigated via a number of methods. Firstly, an annual audit plan is produced by the section which is approved by Audit Committee and agreed by the WAO. Secondly, all audit work is reviewed by a senior auditor/audit manager.	Sept 16	AMOD

						All Internal Audit work is reported to Audit Committee on a quarterly basis, and finally the work of Internal Audit is subject to an annual review by WAO		
R8	The level of service provided will be affected in areas where significant staff reductions have taken place	3	3	9	1	This will be mitigated by reviewing and where appropriate re-designing the service provided and on-going monitoring of the effects of the reductions in staff	On-going	DR
R9	The national/global economy will have an adverse impact on the Treasury Management function of the Council	1	4	4	1	The treasury management practices operated by the Council plus regular monitoring arrangements are mitigating measures currently in place	On-going	HJ
R10	A satisfactory alternative solution cannot be identified in	2	4	8	1	Arrangements have been made to visit a neighbouring authority	March 17	JN

	the year to the current Debtors system					and to explore other alternative options		
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