

Quarterly Performance Report – Finance

Report Author	Head of Finance
Report Date	January 2013
Report Period	Quarter 3 1 st October 2012 to 31 st December 2012

Introduction

The report is produced on a quarterly basis and provided to Cabinet members for review and assurance and will be available for Overview and Scrutiny Committees as part of their Forward Work Programmes.

The report consists of an overview of the key messages to highlight across all work streams in Finance, which is followed by highlights from each service area. Parts 2 and 3 of the report include an assessment of performance over the year from the following sources:

- Improvement Plan Monitoring
- Strategic Assessment of Risks and Challenges
- Performance Indicators and Outcome Measures
- Improvement Target Action Plan Monitoring
- Key Actions from Service Plan Monitoring
- Internal and external regulatory reports
- Customer satisfaction and feedback
- Awards and accreditations
- Resource Management (HR, ICT, Finance, Assets)

1. Foreword

Work continues across the Finance Division to modernise processes, develop systems and improve performance. Overall, performance in quarter 3 has been pleasing; good progress has been made in a number of key areas, and where performance has fallen below target actions are in place to secure improvements going forward.

Report highlights for this quarter are the following items:

Performance	3 key performance indicators over which Finance has complete control have all met the target for the quarter, with a green RAG status.
Flintshire Futures	<p>The Finance work stream of Flintshire Futures has been set up with four goals / milestones:</p> <ul style="list-style-type: none"> • New ways of funding key capital priorities • Improving the efficiency and cost effectiveness of internal processes • Stretching the existing finance programmes, Invest to save, Income maximisation, Corporate Debt • Developing a Value For Money approach <p>During the quarter work begun in assessing and planning the work that needs to be done to achieve these goals / milestones.</p>
Finance Function Review	<p>The Review has been in the final phase for some time with employees assimilated to posts (subject to job evaluation) having been completed some months ago. During the quarter job evaluation scores and grades were released to employees and the final assimilation meetings took place and were completed by 23 October. The implementation date has been agreed as 1 January 2013.</p>

Other highlights by service area are as follows: -

Corporate Finance	<p>Attention during the quarter turned towards developing and updating the Medium Term Financial Plan 2013/14 – 2017/18, and preparations continued for balancing and setting the 2013/14 revenue and capital budgets. Notification of funding from Welsh Government was received in Q3 through the Welsh Local Government Settlement and initial budget proposals for 2013/14 were presented to Cabinet in December.</p> <p>Following consideration by Overview and Scrutiny Committees in January, final budget proposals will be considered by Cabinet on 19 February prior to recommending to County Council on 1 March.</p> <p>Following consideration by Audit Committee, the Treasury Management Mid-Year report for 2012/13 was reported to Cabinet and Council 16th October and 13th November respectively. The Policy and Strategy statement for 2013/14 will be considered by Audit Committee in January and February.</p> <p>Corporate Finance continues to provide significant support to the Single Status and Equal Pay Project through financial modelling of data and advising on the affordability strategy.</p>
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Revenues & Benefits	<p>The Revenues and Benefits Service are maintaining performance. During quarter 1 and quarter 2 the Revenues Service has been piloting Agile and Home working which has proved to be effective. There have been some issues relating to secure access to government websites which has meant that the service has had to invest in hardware to overcome this problem. This has been done as an 'Invest to Save' initiative because there are efficiency advantages and also with a full 'Agile' working solution the service can make reductions in office accommodation. This part of the pilot has commenced in Q3 and will be monitored to measure its effectiveness.</p> <p>Following the end of the quarter, notification was received that the planned change to Council Tax Support schemes which would have required Council Tax payers in receipt of support to pay 10% of the bill was changed to give 100% support for a further year. This is being followed through from a budget and service planning perspective.</p> <p>The Revenues Service is continuing to work on improvements to the Council's Cash Receipting System. This will ensure that the authority complies with banking standards and will enable payments to be taken through 'Service Pay' which also enables payment in advance for goods and services over the web. Once this stage of the project is completed, the next stage will enable Life Long Learning to introduce a facility for Schools to offer payments for pupils, such as school meals, tuition and school trips over the web. This stage of the project is on track to be completed by March 2013.</p>
Internal Audit	<p>The performance of Internal Audit is reported to the Audit Committee on a quarterly basis.</p>
Clwyd Pension Fund	<p>The performance of the Clwyd Pension Fund is reported to the Pension Panel, consisting of elected members from Flintshire CC, Denbighshire CC and Wrexham CBC and staff/union observers, on a quarterly basis and can be found at www.clwydpensionfund.org.uk</p>

2. Performance Summary

2.1 Improvement Plan Monitoring

The following table summarises the progress made to date and progress against the desired outcome of the Council Improvement Priorities on which the Finance Division lead.

KEYS









Progress RAG

R	Limited Progress - delay in scheduled activity; not on track
A	Satisfactory Progress - some delay in scheduled activity, but broadly on track
G	Good Progress - activities completed on schedule, on track

Outcome RAG

R	Low - lower level of confidence in the achievement of outcome(s)
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A Medium - uncertain level of confidence in the achievement of the outcome(s)
G High - full confidence in the achievement of the outcome(s)

Council Priority	Target Date	Progress RAG	Outcome RAG	Commentary
1. To be a modern, efficient and cost effective public organisation through our four resource strategies - the Medium Term Financial Strategy, the People Strategy, the Asset Management Strategy and the ICT Strategy - whilst ensuring our local taxes and fees and charges are fair and affordable				
1.2 To adopt an accurate forecasting model for finances and costs for the medium term.	Sept 2011			Completed but subject to on-going refinement and development
1.3 To reduce asset costs and maximise income and receipts	December 2016			On track, for a more general overview of progress please see the Assets and Transportation Q3 Performance Report
1.4 To adopt a corporate fees and charges / income maximisation policy and undertake a review of fees and charges and maximise income	March 2013			See section 3.1
6. To protect and grow the local and regional economy, to be a prosperous County and to provide help and support for those vulnerable to poverty.				
6.11 Develop a strategy to manage the impacts of Welfare Reform	October 2013			See section 3.2

2.2 Strategic Assessment of Risks and Challenges (SARC)







The table below summarises the position of SARCS at the end of the reporting period.

KEY

R High Risk
A Medium Risk
G Low Risk




Commentary is included in section 3 for those SARCS: -

- that are showing a Red RAG status
- where the RAG status has changed since the last reporting period
- where the Green Predictive Date has changed since the last reporting period
- where there has been considerable change or additions of secondary risks and activity

SARC	Previous RAG Status	Current RAG Status	Green Predictive	Commentary
CG06 Medium Term Financial Strategy			TBC	
CG07 Financial Management & Control			TBC	
CD38 Welfare Reform			2016/17	See section 3.2

2.3.1 Performance Indicators and Outcome Measures





Key


	Target missed
	Target missed but within an acceptable level
	Target achieved or exceeded

The status of the indicators are summarised for this quarter below:



Graphs and commentary are included section 3 for those indicators shown with a RAG status of either Amber or Red. An asterisk (*) indicates that the indicator is an *improvement* target.

Indicator	Annual Target	Previous Quarter Outturn	Current Quarter Target	Current Quarter Outturn	RAG	Change e.g. Improved / Downturned
DWP1L* Time taken to process new housing / council tax benefit claims	18 days	17.05 days	18 days	16.03 days		Improved from previous quarter
DWP2L* Time taken to process housing / council tax benefit changes of circs	9 days	8.03 days	9 days	6.6 days		Improved from previous quarter
CFH/007 Percentage of 2012/13 Council Tax collected in year (cumulative)	97.6%	58.26%	86.40%	86.45%		Not Applicable
CFH/008 Percentage of 2012/13 Business Rates collected in	99.0%	62.32%	88.80%	88.72%		Not Applicable (See section 3.2)

year (cumulative)						
CFH/006* Percentage of undisputed invoices paid on time (30 days)	95.0%	78.80%	95%	90.80%		Improved (see section 3.1)

2.3.2 Improvement Target Action Plan Monitoring

Key - ✓ on track, ✘ behind schedule, C completed

Ref	Action & Planned Completion date	Progress
DWP1L*	Turnaround times are monitored weekly and resources allocated to achieve the annual target	✓
DWPL2*	Turnaround times are monitored weekly and resources allocated to achieve the annual target	✓
CFH/006*	See section 3.1	✓

2.4 Key Actions from Service Plan Monitoring

Key - ✓ on track, ✘ behind schedule, C completed

Improvement Area	On-track?	Commentary
Corporate Finance:		
Technology Forge	✓	On track See section 3.1
Review usage and functionality of corporate grants register	✓	On track See section 3.1
Collaborative Planning Software Project	✘	Delayed See section 3.1
Revenues & Benefits:		
Universal Credit and Council Tax Replacement Scheme	✘	See section 3.2
Corporate Debt Review including Corporate Debt Policy	✓	See section 3.2
Develop and implement technologies to deliver efficiencies and to support the Corporate Web Development Programme.	✓	See section 3.2

2.5 Internal & External Regulatory Reports

The following internal or external audit/regulatory work has been completed during the quarter and the outcome of the work can be summarised as follows.

Undertaken By	Title & Date Report Received	Overall Report Status
Wales Audit Office	Audit of Housing Benefit and Council Tax Benefit claim for the year ended March 2012 30 November 2012	Qualification Letter with direction from DWP to carry out additional work

3. Exception Reporting

3.1 Corporate Finance

Improvement Plan Monitoring

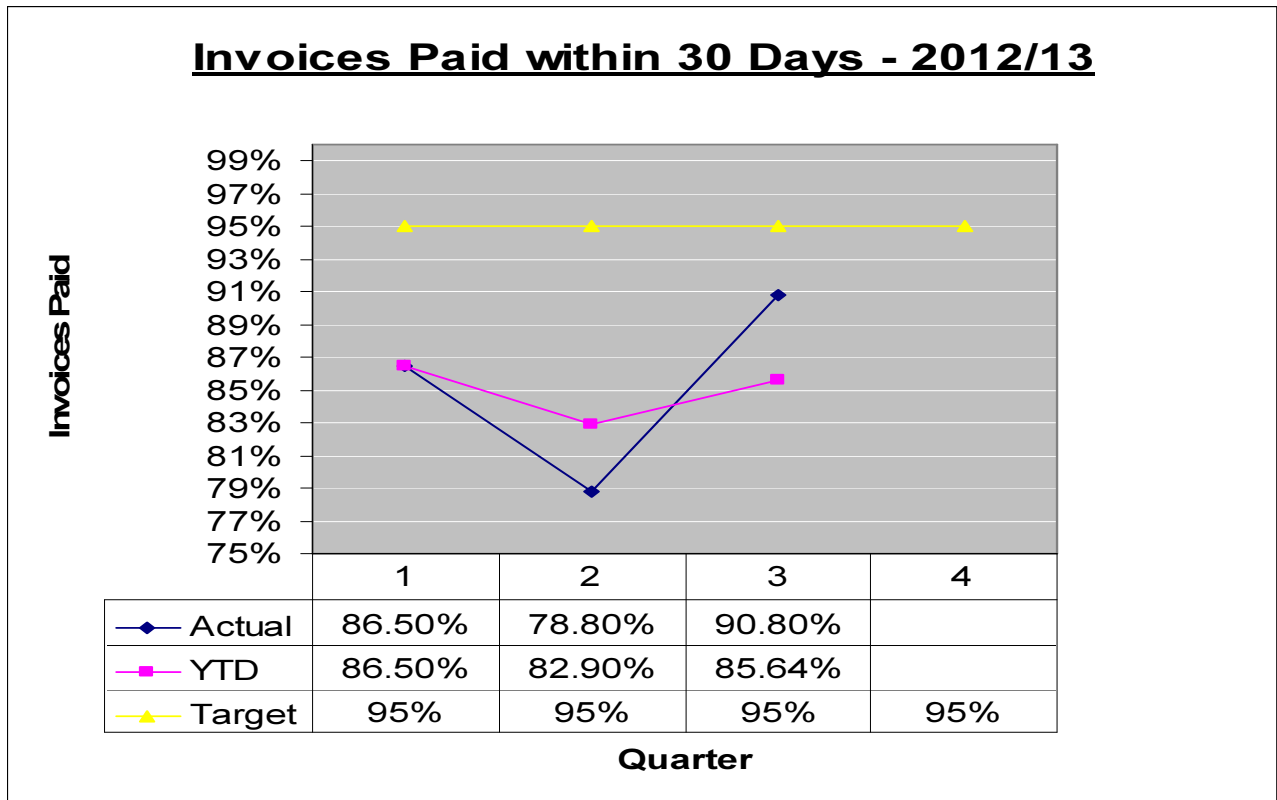
Adopt a corporate fees and charges / income maximisation policy and review fees and charges and maximise income

Deloittes were commissioned to assist with this work, building on a Pan Wales study of income generation opportunities. Members agreed not to pursue this work immediately as part of the 2012/13 budget strategy.

As part of the 2013/14 budget strategy the Deloittes work has been revisited and a number of proposals included in the 2013/14 budget considerations. Work on a corporate charging policy is scheduled to be progressed in the early part of 2013/14.

Performance Indicator and Outcome Measures

CFH/006 – Undisputed invoices paid on time



The processing of invoices is a devolved function that is reported on by the central Accounts Payable team who continue to work with directorates to drive up performance.

At 90.8%, quarter 3 performance is a substantial improvement from quarter 2. Although this is largely due to the rectification of the problems with external feeder files that had adversely affected quarter 2 performance, there is also an underlying improvement as can be seen by the improved performance when compared to quarter 1. It is hoped that the implementation of the Finance Function Review and initiatives relating to the new Purchase 2 Pay system and will help to continue this underlying improvement.

Service Plan Monitoring

Technology Forge

The move to the Technology Forge Asset Management system from the spreadsheet based summary asset register was completed during quarter 1. The on-going benefits from the implementation of the new system will be demonstrated in future final accounts activity. During quarter 2 a post implementation system review took place to build on progress made to date. Training from the software provider was undertaken in November.

Review of Corporate Grants Register

Internal Audit have reviewed the Corporate Grants Register during quarter 2. Work has now commenced in Quarter 3 to plan to implement any necessary changes and make improvements to the system.

Collaborative Planning Software

The delay in implementing the Finance Function Review has meant it has not been possible to begin work on this project. Completion of the project requires that staff are working in the

new structure, post Finance Function Review. Now that the new structure will be implemented with effect from January 2013 it is intended that the project will be revisited in latter part of 2012/13 and form part of the Corporate Finance service plan 2013/14.

3.2 Revenues & Benefits

Improvement Monitoring and Strategic Assessment of Risks and Challenges (SARC)

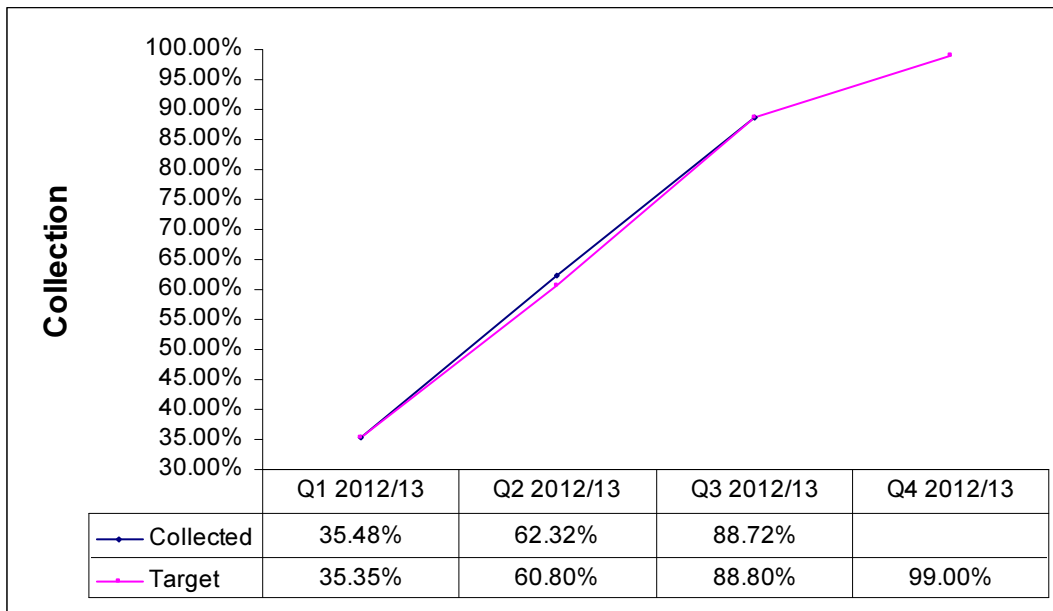
Welfare Reform

Board meetings have continued to take place which involve elected members and representatives from a wide range of partner organisations to ensure that there is a collaborative approach locally, to this work. The SARC has been revised to reflect emerging risks in the project. The recruitment of 2 officers whose roles will involve making contact with individuals affected by the changes in the benefit system has taken place internally, with one successful appointment. Since Quarter 2, Wales Government have provided financial support to match fund this work, which means that three positions can now be recruited to externally in Q4. This will greatly assist the work needed to support those residents who will be affected by the changes introduced by Welfare Reform

Performance Indicator and Outcome Measures

Collection of Business Rates is on track and the collection rate figures includes cases where empty rates have been levied and are in dispute as reported previously. If these cases were collected or identified as being valid reasons for non-collection the outcome would be an increase of 0.39% making the collection rate 89.11%, well above target. One of these cases is being tested in Court, the next hearing being in May. We will then be able to pursue the debt or apply an exemption as directed.

CFH 008 - Percentage of 2012/13 Business Rates collected in year (cumulative)



Service Action Plan Monitoring

Council Tax Support scheme

Whilst the task is broadly on track the risks to the service still remain high. The scheme details are very late when considering that our systems need to be amended to ensure we deliver the new benefit system on time. Consultation on discretions to the new scheme took place during the last weeks of December and first part of January. In January new regulations were laid by Welsh Government increasing support to 100% for 2013/14. Funding has been provided for the additional 10% support. Despite this, the risks remain because the budget is still finite and the funding does not take account of Council Tax rises in 2013/14 or fluctuations in caseload. There is still the impact of other Welfare Reform changes to come, which could affect the ability of people to pay.

Corporate Debt Review

The Corporate Debt Policy has now been approved by Cabinet in December and is ready for use as an operational document. A Fair Debt Policy has been drafted to determine our process of working with individuals with debt problems. This will be submitted for approval in Q4.

Work continues on the Corporate Debt project and it is pleasing to report positive results in chasing outstanding debts.

Funding has also been approved to procure a new Corporate Debt System. This is a positive step because the introduction of a new and efficient system will ensure that debt is collected in the most efficient way. It is likely that this will be introduced in mid 2013/14.

Collaborative Working

As part of the Welfare Reform project there continues to be active collaborative working in Wales amongst Benefit Managers to provide Wales Government and the Department of Works and Pensions with data to make decisions on the revised Council Tax Benefit Replacement Scheme and Universal Credit.