
Quarterly Performance Report – Finance

Report Author Head of Finance
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Report Period Quarter 4 / Year End 2012/13

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

Report highlights for this quarter are the following items:

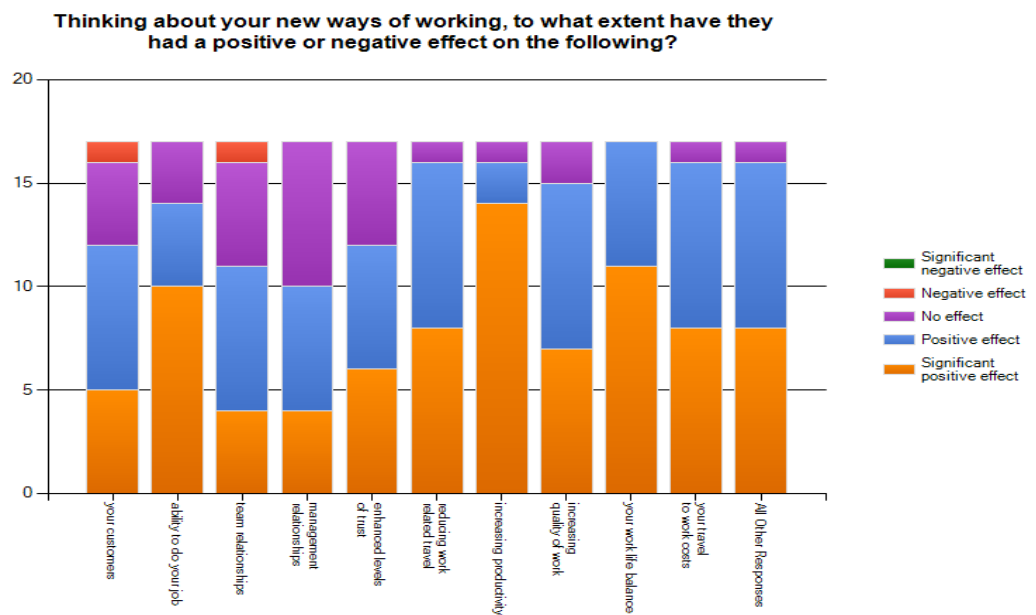
Performance	The three key performance indicators over which Finance has complete control of are on target.
Flintshire Futures	<p>In the year the Finance work stream of Flintshire Futures was set up with four goals / milestones:</p> <ul style="list-style-type: none"> • New ways of funding key capital 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 last quarter work begun in assessing and planning the work that needs to be done to achieve these goals / milestones.</p>
Finance Function Review	<ul style="list-style-type: none"> • The Implementation of the review was from 1/1/13. • Recruitment has taken place in Q4 of 2012/13 to fill vacant posts and will be finalised in Q1 of the new financial year. • Recruitment is enabling a number of temporary and interim arrangements to come to a close. • A permanent R&B Manager will commence on 24 June which will bring the long term senior interim arrangement in R&B to an end. • A further minor revision to the R&B structure (at Team Leader and below) is being progressed to respond to the changing needs of the service. • Resource is now in place to take forward Divisional planning and monitoring co-ordination and financial strategy / research for which there has been a long term gap.

Other highlights by service area are as follows: -

Corporate Finance	<ul style="list-style-type: none"> • The 2013/14 Budget and Capital Programme approved on 1 March by the Council • The Treasury Management Policy and Strategy for 2013/14 was approved on 1 March • Ongoing work is being carried out on financial/affordability modelling for Single Status/Equal Pay to support the corporate project. • Preparation for the 2012/13 final accounts is planned and in progress • The Accounts and AGS for the NWRWTP have been agreed and reported to the Joint Committee • Corporate Finance are leading work across North Wales Councils on the approach to the MMI scheme of arrangement and the accounting requirements for Joint Committees • Work is underway on MTFP development and its linkages to Council Priorities
Revenues & Benefits	<ul style="list-style-type: none"> • The Revenues Service is maintaining sound performance but for the growing problem of a number of commercial rate avoidance schemes. In the public interest we continue to challenge the lawfulness of such

schemes through the courts and have adopted a leading role in Wales to combat this growing problem. The High Courts of Justice are set to make a judgement on the lawfulness of one such scheme in Q1 of 2013-14.

- The 'in-year' collection rate for Council Tax saw 97.8% of all balances being collected by 31st March and work continues to collect remaining balances over the coming years. The collection of 97.8% was achieved despite many customers facing payment difficulties and was 0.2% ahead of target.
- During the year the Revenues Service has been successfully piloting Agile and Home working which has proved to be very effective in helping to improve work productivity and the level of service we provide to customers. 100% of the Council Tax and Business Rate team now participate in this way of working and during the latter part of the year the team moved to desk sharing arrangements, which will now help the service to reduce the level of office accommodation. A comprehensive staff questionnaire was also completed during the year to assess the impact and benefits to date of the agile working pilot. A snapshot of the survey results is as follows :-



- During the year, the Revenues service led on the migration and move to a hosted software solution for cash/payment receipting which is deployed across the Council. The move to a hosted solution allows the Council to comply with the increasing level of the Payment Card Industry Data Security Standards (PCIDSS), widely accepted as the standards that are required to optimise the security of credit, debit and cash card transactions and protect cardholders against misuse of their personal information.
- The software upgrade also allows the Council, for the first time, to take payment up front for many services that have relied upon providing the service first then invoiced later. Going forward, this is seen as a more

	<p>effective way of paying for services and should reduce the need and cost of sending out invoices and then collecting. The new system should, in time, also reduce level of unpaid corporate debt.</p> <ul style="list-style-type: none"> The Revenues and Benefits service successfully completed the annual billing process to 67,000 households in Flintshire; this included the implementation of the new Council Tax Reduction Scheme. All cases for Council Tax Benefit were successfully migrated to the new scheme and the bills were issued with the reduction on them. The Benefits service has had a challenging year dealing with the many changes and preparations required for Welfare Reform; in spite of this the performance has stayed within target.
Internal Audit	The performance of Internal Audit is reported to the Audit Committee on a quarterly basis
Clwyd Pension Fund	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

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)
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	Dec 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	Mar 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.


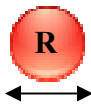
KEY

	High Risk
	Medium Risk
	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
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2.3.1 Performance Indicators and Outcome Measures





Key


R	Target missed
A	Target missed but within an acceptable level
G	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 Year End Outturn	Current Quarter Outturn	Current Year End Outturn	RAG (Year End)	Change e.g. Improved / Downturned (since previous year end)
DWP1L* Time taken to process new housing / council tax benefit claims	18 days	17.30 days	16.72 days	16.47 days		Improved from previous quarter
DWP2L* Time taken to process housing / council tax benefit changes of circs	9 days	6.44 days	4.89 days	6.78 days		Improved from previous quarter
CFH/007 Percentage of 2012/13 Council Tax collected in year (cumulative)	97.6%	97.81%	97.6%	97.8%		Collection was higher than the annual target and consistent with collection during the previous year
CFH/008 Percentage of 2012/13 Business Rates collected in year (cumulative)	99.0%	98.27%	99.0%	98.45%		Collection was lower than the annual target (see Section 3.2)

						but an improvement of 0.2% was achieved compared to the previous year
CFH/006* Percentage of undisputed invoices paid on time (30 days)	95.0%	87.93%	86.32%	85.80%		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	✓	See Section 3.1
Review usage and functionality of corporate grants register	✓	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

No internal or external audit/regulatory work was completed during the quarter. Below is an update of the work undertaken in the last quarter?

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	Work directed by DWP is now complete and has been resubmitted for action/resolution

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

Deloitte 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 Deloitte work has been revisited and a number of proposals included in the 2013/14 budget. 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. However, Quarter 4 shows a disappointing result to that of Quarter 3 and overall significantly less invoices were paid on time than the target of 95%. This is a reflection on how efficiently invoices are dealt with when they come in and prior to being forwarded onto finance sections for processing. P2P is now being rolled out throughout all directorates except Lifelong Learning therefore we would hope to see improvements during 2013.14.

Service Plan Monitoring

Technology Forge

The move to the Technology Forge Asset Management system from the spreadsheet based summary asset register was completed during the year. The on-going benefits from the implementation of the new system will be demonstrated in future final accounts activity.

Review of Corporate Grants Register

A review of the Corporate Grants Register was completed in the year. Work is on target to update and maintain the register.

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 AMB continues to underpin key areas such as the development of Flintshire Money, Advice & Financial Capability Strategy, and the development and roll out of a county wide case management system. The AMB is critical to partnership and collaborative working operationally.

The SARC has been revised to reflect emerging risks in the project.

There is an aim is to recruit 3 officers whose roles will involve making contact with individuals affected by the changes in the benefit system. There have been 2 successful appointments and WG has provided continued S180 funding from April for an additional post; recruitment for this is taking place. This will greatly assist the proactive and reactive work needed to support those residents who will be affected by the changes introduced by Welfare Reform.

Performance Indicator and Outcome Measures

Business Rates

Collection of Business Rates is generally sound but for the growing problem of a number of commercial rate avoidance/evasion scheme. These schemes are operated by a small number of commercial landlords who enter into arrangements with third parties in an attempt to claim Charitable Rate Relief to avoid payment. The Council, along with other Councils, continue to challenge the lawfulness of such schemes in an effort to bring these schemes to an end. The High Courts of Justice are set to make a judgement on the lawfulness of one such scheme in Q1 of 2013-14.

The 'in-year' collection rate for Business Rates saw 98.5% of all balances being collected by 31st March and work continues to collect remaining balances over the coming years. The collection of 98.5% (0.2% up on the previous year) was achieved despite the growing number of rate avoidance/evasion schemes. The loss of 'in-year' collection whilst the courts adjudicate on these matters is calculated at 0.4% and therefore collection would have been 98.9% but for the existence of these schemes.

Service Action Plan Monitoring

Council Tax Support scheme

Despite various hurdles and challenges in previous quarters, the service successfully implemented the new Council Tax Reduction Scheme and delivered a successful annual billing cycle on time. All cases for the former Council Tax Benefit were successfully migrated to the new scheme and the reduction posted onto the bills. Systems and

processes are now in place to enable effective processing of new scheme cases for the new year. This area, however, does still contain an element of risk the budget is still finite and the funding does not take account of fluctuations in caseload and the wider Welfare Reform changes could still affect the ability of people to pay their Council Tax.

Corporate Debt Review

Following extensive consultation, the Corporate Debt Policy was finally approved by Cabinet in December 2012 and is ready now being embedded across the Council. A Fair Debt Policy has now been finalised to determine our process of working with individuals with debt problems and was approved by cabinet in April 2013.

Work continues on the Corporate Debt project and it is pleasing to report positive results are now being achieved in chasing outstanding debts. A number of cases are also progressing through the County Court to follow up on non payment of invoices.

Funding has also been approved to procure a new Corporate Debt System for implementation during 2014-15. 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.

Collaborative Working

The Revenues service continues to work in collaboration with other Councils and is currently lead authority for the procurement of two key contracts across the region - bailiff services and cash in transit services.

There continues to be active collaboration across Wales amongst Benefit Managers to continue the work with Wales Government and Department of Work and Pensions in relation to decisions about amendments to the Council Tax Reduction Scheme and other Welfare Reform changes.