

Mid-Year Performance Report Finance Division – Corporate Services

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Introduction

The Head of Finance report is produced on a half yearly 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 Finance Division is made up of four service areas - Corporate Finance, Revenues and Benefits, Internal Audit and Clwyd Pension Fund.

In relation to Improvement Priorities, Service Plan monitoring and Internal and External Regulatory reports this report refers to the performance of the Corporate Finance and Revenues & Benefits service areas of the Division. The performance of Internal Audit is reported to the Audit Committee on a quarterly basis and the performance of the Clwyd Pension Fund is reported to the Clwyd Pension Panel whose reports are published on a quarterly basis and can be found at www.clwydpensionfund.org.uk. For completeness, the position for the whole Division is given for corporate reporting.

This is an exception based report summarise key information that Members should be made aware of, including both good and poor performance. The report is split into three distinct sections as detailed below.

1. Improvement Priorities & Service Plan Monitoring – this section is used to discuss the progress being made towards the Improvement Priorities which do not have an in year focus and therefore are not included within the quarterly progress report on the Improvement Plan. It is also used to highlight good news and key issues (including operational risks and the actions necessary to control them) arising from monitoring the progress being made towards delivering the service plan.

2. Internal and External Regulatory Reports – this section summarises regulatory work reported in the half year and its outcomes and intended actions arising from recommendations.

3. Corporate Reporting – this section summaries the performance in relation to issues which are important to divisional management and for which there is a corporate reporting requirement to give a whole authority view e.g. sickness absence, appraisals, complaints, data protection training.

Appendix 1- NSI & Improvement Target Performance Indicators – summary table of the performance for the NSI and Improvement Targets. Commentary is included in section 1 for those indicators shown with a red RAG status.

1. Improvement Priorities & Service Plan Monitoring

Report highlights for the half year are as follows: -

Corporate Finance

Completion of specific improvement actions within the Corporate Finance Service Plan is progressing, along with significant contributions and support to major areas of corporate working.

The Medium Term Financial Plan (MTFP) has been updated in two planned revisions during 2013/14. The first revision set out the position as at 31st May and the second the position as at 30th September. Further revisions to the financial forecasts within the MTFP will be reported throughout the 2014/15 budget process.

Finance officers are fully engaged in and integral to the work of Directors and Heads of Service in identifying efficiencies to meet the financial targets set out in the organisational change strategy.

Alongside work on revenue, significant input is being provided to the development of the Council's asset strategy and capital programme management.

Corporate Finance has undertaken the financial modelling which underpins the collective agreement on Single Status agreed by members at Council on 29 October and the Council's equal pay strategy.

Budget monitoring processes have been updated to strengthen financial management and were reflected within the revised Financial Procedure Rules adopted in September. Capital monitoring reporting has been revised to provide greater simplicity and clarity to reporting.

The Statement of Accounts for 2012/13 were finalised in accordance with the statutory timetable and reported to Audit Committee and Council in September. The Accounts received an 'unqualified' opinion by the Wales Audit Office.

A review of the School Funding formula has been undertaken and consultation on the principles has commenced with implementation of the newly agreed formula planned for 2014.

The service is working with departments across the Council in relation to the corporate performance target for the percentage of undisputed invoices paid within 30 days. Performance across the Council continues to be below target and remains a concern. A number of solutions to achieve improvement are being pursued. Further details are shown in Appendix 1.

Revenues and Benefits

Revenues and Benefits implemented the structure agreed under the Finance Review during the period and permanent appointments to the senior management structure have been concluded.

Completion of specific improvement actions within the Revenues & Benefits Service Plan is progressing. 2013/14 has seen a significant change for Revenues & Benefits arising from the incremental impacts of Welfare Reform and, in particular, the introduction of the Council Tax Reduction Scheme (CTRS).

Whilst the overall caseload for CTRS and Housing Benefit has remained in line with previous years, the service has been managing an increased workload in the first half of the year through the introduction of the Single Room Supplement, increased applications for Discretionary Housing Payments, Benefit Cap and other aspects of preparation for Universal Credit along with a raised level of general enquiries about changes in benefits and entitlement. This increase in workload is reflected in the performance shown in Appendix 1 for the processing of new benefit claims and changes of events.

The service is closely monitoring the impacts of Welfare Reform to ensure continuity of service delivery and seeking to maintaining high levels of customer service and the achievement of performance targets. The service is also working jointly with other council departments and Local Service Board partners through the Advice Management Board in a collaborative and supportive approach.

The collection rate for Council tax is being maintained at 99% in line with previous years.

New and revised procedures and protocols across are being implemented across the service, along with the development of performance monitoring and management information to support workload prioritisation and resource deployment with positive outcomes in performance being noted.

The Corporate Debt Policy has been fully implemented with improvements made in recovery processes, in particular through early intervention by pro-active telephone debt recovery.

E-billing for Council Tax / NDR is being introduced as a choice for customers and will be extended to include benefit notifications later in the year. The move to electronic billing and notifications will increase customer choice, improve efficiency, reduce cost and supports the council's priority to achieve channel shift.

The service has taken a proactive approach to partnership working with other North Wales Councils through a collaborative contract for cash in transit and is seeking out other similar opportunities to achieve efficiencies and joint working.

2. Internal and External Regulatory Reports

Internal Audit

Prior year - a report to the Audit Committee in early October set out the position regarding the implementation of recommendations from prior years. This was at the request of the Audit Committee. In total there were seven reports with a combined total of 27 outstanding recommendations which were beyond the originally agreed implementation date. The revised implementation dates for the recommendations are from September 2013 to March 2014 and the report gave information on how the risks are being managed prior to implementation. This assurance was accepted by the Audit Committee.

For the half year April – September 2013 seven reports have been reported to the Audit Committee, with the assurance levels as shown in the table below.

Project Reference	Project Description	Level of Assurance	Recommendations		
			High	Med	Low
FD0040S1	Taxation	Amber +	0	0	7
FD0081S1	Petty Cash Imprest Accounts	Amber -	0	4	1
FD0270S1	Council Tax & NDR	Green	0	0	2
FD6150S1	Housing Benefits	Amber +	0	3	2
CD0220S1	Corporate Grants	Red	3	5	1
FD0083S1	Accounts Receivable	Amber -	0	5	4
FD0160T1	Treasury Management	Green	0	2	0

Ongoing Monitoring of Audit Recommendations

The implementation of audit recommendations for all of the Finance Division is now incorporated into the routine monthly and quarterly monitoring arrangements for the Division as part of monitoring of service plans.

External Audit / Regulation

Financial

The annual Statement of Accounts for 2013/14 received an unqualified opinion from the Wales Audit Office (WAO).

Improvement

The WAO continue to keep under review the improvements which the Council is making to its medium term financial planning and quantification of efficiencies to meet funding gaps identified in its Medium Term Financial Plan and will report on progress in 2013.

3. Corporate Reporting

Complaints / Compliments

The Corporate Complaints and Compliments system is in place. For the half year, 16 complaints were received and responded to within the 10 day response target. One complaint response did not meet the 10 day target, the reason for the delay has been investigated, and lessons learnt and revised procedures put in place.

A system in Internal Audit has been developed for recording customer satisfaction levels. For the Clwyd Pension Fund, a complaints procedure is in place and there is adherence with the statutory Internal Dispute Procedure (IDRP)

Sickness Absence

Procedures are in place to monitor absences and where appropriate steps are taken to improve attendance using the Attendance Management Policy. To support this, verification of the information held within I Trent is being undertaken. Subject to this verification, the absence rate across the Division in the first 6 months of the year is 2.43%, being 2.8 days lost per FTE, with just over 50% of the total being as a result of long term absence.

Employee Turnover

In Revenues and Benefits there have been six new starters and three leavers, with vacancy control pending for four posts. In the Clwyd Pension Fund there has been six new starters on temporary fixed term contracts to address the backlog of work and one leaver on a fixed term contract. There have been internal transfers of employees in Corporate Finance and Internal Audit.

Staff Appraisals

Internal Audit, Clwyd Pension Fund and Revenues and Benefits are all 100% complete. In Corporate Finance, appraisals for the senior officers are complete with the remainder scheduled for Quarter 3 to meet the target of 100% by year end.

Equality Monitoring

Initial Equality Impact Assessments (EIAs) have been completed around the impacts of the first wave of Welfare Reform changes. This work will continue and develop.

Welsh Language Monitoring

The Welsh Language Scheme Action Plan is in place with a review to take place in Q3.

Data Protection Training

98% complete.

Appendix 1 - NSI & Improvement Target Performance Indicators

Key

R	Target missed
A	Target missed but within an acceptable level
G	Target achieved or exceeded

The RAG status of the indicators for the half year position are summarised as follows:



Graphs and commentary are included in section 1 for those indicators shown with a red RAG status.

Note 1 – NSI = National Statutory Indicator Imp T = Improvement Target

Note 2 – Change (Improved / Downturned) is based on comparison with the previous quarter. Where it is more appropriate to compare performance with the same period in the previous year this should be stated in the commentary.

Indicator	NSI / Imp T (Note 1)	Annual Target 2013/14	2012/13 Q2 Outturn	2013/14 Q1 Outturn	2013/14 Q2 Outturn	2013/14 Q2 Target	RAG	Change e.g. Improved / Downturned (Note 2)	Commentary
DWP1L - Time taken to process Housing Benefit (HB) and Council Tax Reduction Scheme (CTRS) new claims	IMP T	17.5 days	18 days	16.2	23.4	17.5 days	R	Downturned	<p>17.5 days is an annual target. Average performance in the first 6 months is 19.8 days.</p> <p>Whilst the overall caseload for CTRS and Housing Benefit has remained in line with previous years, there has been increased workload in the first 6 months arising from Welfare Reform. The profile for processing claims in any year is that the annual target is unlikely to be met in the early quarters.</p> <p>Staff resource has been lower in 2013/14 compared to previous years with the phasing out of agency staff and overtime</p>

Indicator	NSI / Imp T (Note 1)	Annual Target 2013/14	2012/13 Q2 Outturn	2013/14 Q1 Outturn	2013/14 Q2 Outturn	2013/14 Q2 Target	RAG	Change e.g. Improved / Downturned (Note 2)	Commentary
									working. This has been a positive step to the introduction of the new structure but has impacted on performance. The further impact of posts currently being held vacant is being monitored very closely and will need to take account of potential financial penalties from DWP if performance thresholds are not met. New management and reporting structures are providing more robust data which will assist in profile targets in future years.
DWP2L - Time taken to process Housing Benefit (HB) and Council Tax Reduction Scheme (CTRS) change events	IMP T	9 days	9 days	13.4	11.4	9 days	A	Improved	9 days is an annual target. Average performance in the first 6 months is 12.4 days. The commentary in relation to this indicator is as above for new claims
CFH/006 - The percentage of undisputed invoices which were paid within 30 days	NSI	95%	95%	89.6%	89%	95%	R	Downturned	Performance against this indicator is a measurement of performance across the Council. Performance has reduced further since quarter one and remains an area of concern. Solutions which are being pursued to make improvement in this area include: <ul style="list-style-type: none"> Identifying blockages in the approval processes and addressing how these can be overcome to speed up processing. Review of resource availability. The workgroup which processes invoices

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									<p>is currently 1.5fte below establishment.</p> <ul style="list-style-type: none"> • Process changes through Purchase to Pay (P2) • A communication is being sent out in November with the launch of the new P2P dashboards which will remind officers of all Accounts Payable responsibilities and KPI commitments.