

# Year End Head of Service Performance Report Finance Division – Corporate Services

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## Introduction

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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. Following the introduction of the revised organisational model, future reporting of each service area will be within each of the new Chief Officer functional groupings

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](http://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 year end 2013/14 are as follows: -

## **Protecting local front line public services by making the best use of our income / Achieving our income targets**

### **Corporate Finance**

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

During 2013/14, Corporate Finance worked collectively with Officer and Members across the Council to develop the Organisational Change Strategy which identified £12m of efficiencies to balance the budget for 2014/15. The Medium Term Financial Plan (MTFP) was revised twice in the year providing the financial forecast against which the change strategy and its efficiency targets were planned. Finance officers engaged fully with Senior Officers to support them in developing budget proposals which identified efficiencies to meet the budget gap and provided resources to invest in priorities.

Alongside work on revenue, significant input was provided in year supporting the development the Council's asset strategy as important background to member consideration of service choices in 2014/15 against the continuing pressure on local authority budgets.

In relation to Housing, the HRA for 2014/15 delivered £1.1m of revenue efficiencies and £0.500m of new investment, with £12m of capital investment in the housing stock. Significant work has been undertaken in preparation for the new Housing Company and for the proposed changes to the HRA financing system in Wales.

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

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.

The review of the School Funding formula was completed in 2013/14 and the new formula implemented from April 2014.

Corporate Finance has undertaken the complex and detailed 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.

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**

Completion of specific improvement actions within the Revenues & Benefits Service Plan has progressed well. 2013/14 has seen significant changes for Revenues & Benefits arising from the incremental impacts of Welfare Reform and, in particular, the introduction of the Council Tax Reduction Scheme (CTRS). It is pleasing that, during the year, permanent appointments to the senior management team and the section were concluded bringing stability to the service.

Whilst the overall caseload for CTRS and Housing Benefit has remained in line with previous years, the service has been managing an increased workload throughout 2013/14 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. Increased workloads have led to a shortfall in achieving targets for the processing of new benefit claims and changes of events as shown in Appendix 1. However, stability in staffing numbers and new internal processes has led to improvements in performance in the latter part of the year and will reflect in reporting for 2014/15.

The service is closely monitoring the impacts of Welfare Reform to ensure continuity of service delivery and seeking to maintain 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 was 97.9% and for Non Domestic Rates (NDR) was 98.5%. This was the highest collection rate, for both Council tax and NDR, in North and Mid Wales. A review of all Council tax discounts, including Single Person Discounts, was undertaken to ensure the integrity of the Tax base and to maximise the Council Tax Fund.

New and revised procedures and protocols 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. A dedicated Housing Benefit overpayment team was established and with the introduction of management information this led to a targeted approach to collection. This was recognised in the Council's Excellence Awards.

The Corporate Debt Policy was fully implemented with improvements made in recovery processes, in particular, through early intervention by pro-active telephone debt recovery. Closer working with 3<sup>rd</sup> sector advice groups was undertaken in support of fair debt policy.

E-billing for Council Tax / NDR has been introduced as a choice for customers and will be extended to include benefit notifications in 2014/15. The move to electronic billing and notifications will increase customer choice, improve efficiency, reduce cost and also supports the Council's priority to achieve channel shift. Self pay kiosks were introduced in support of the migration of the Cash Service into Flintshire Connects with the opening of Flint in 2013/14 and with Connahs Quay and Buckley planned for 2014/15.

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.

The service continues to work closely with other organisations such as Department for Works and Pensions (DWP), as well as establishing new working relationships for example a new working relationship was established with Job Centre Plus (JCP) in preparation for the roll out of Universal Credit in Shotton.

## 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 audit recommendations from prior years across a range of finance services. 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 year April – March 2014** nine 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
FD0082S1	Accounts Payable	Amber -	0	4	6
EN0001T1	Income from Fees & Charges	Red	3	1	1

## 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 it has been reported that the Council has developed a more detailed plan to manage its challenging financial position.

## 3. Corporate Reporting

<b>Complaints / Compliments</b>	
<p>The Corporate Complaints and Compliments system is in place. For the year, 28 complaints were received and responded to within the 10 day response target. Five complaint responses did not meet the 10 day target, the reason for the delays has been investigated, lessons learnt and revised procedures put in place.</p> <p>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)</p>	

<b>Sickness Absence</b>	
<p>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 year is 3.05%, being 6.96 days lost per FTE, with 58% of the total being as a result of long term absence.</p>	
Corporate Finance	676 days lost
Revenues & Benefits	494 days lost
Internal Audit	18 days lost
Clwyd Pension Fund	96 days lost

<b>Employee Turnover</b>	
<p>Employee turnover across the areas of service has been in line with anticipated patterns.</p> <p>In Revenues and Benefits there have been six new starters and four leavers. In the Clwyd Pension Fund there has been six new starters on temporary fixed term contracts to address the backlog of work, two new starters and one leaver on a fixed term contract. Within Internal Audit there have been no new starters and only one leaver. There have been internal transfers of employees within Corporate Finance but no starters or leavers.</p>	

<b>Employee Appraisals</b>	
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In total 82% of appraisals were completed across the Finance Function. The reasons for some of the outstanding appraisals were due to delays in recruiting to managerial positions and also long term employee sickness.	
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<b>Data Protection</b>	
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100% of Finance employees have completed the required data protection training.	
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<b>Freedom of Information Requests</b>	
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During the year 125 Freedom of Information act requests were allocated to Finance. 100 of these were determined within the 20 day response time.	
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## Appendix 1 - NSI & Improvement Target Performance Indicators

### Key

<b>R</b>	Target missed
<b>A</b>	Target missed but within an acceptable level
<b>G</b>	Target achieved or exceeded

The RAG status of the indicators for the year 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 year.

Indicator	NSI / Imp T (Note 1)	Previous Year Annual Outturn 2012/13	Annual Target 2013/14	Current Year Annual Outturn 2013/14	RAG	Change e.g. Improved / Downturned (Note 2)	Commentary
DWP1L - Time taken to process Housing Benefit (HB) and Council Tax Reduction Scheme (CTRS) <b>new claims</b>	IMP T	16.47 days	17.5 days	<b>20 days</b>		I Downturned	<p><b>The Benefits Department has been subject to major changes during 2013/14 with</b></p> <ol style="list-style-type: none"> <li><b>1. Increased workloads / commitments due to Welfare Reform</b></li> <li><b>2. New Management Team being implemented</b></li> <li><b>3. Significant delays in recruitment to vacant posts.</b></li> <li><b>4. Significant reductions in the use of agency staff.</b></li> </ol> <p><b>Whilst performance for the year is below target, there an improvement on that reported at the half year stage.</b></p>

Indicator	NSI / Imp T (Note 1)	Previous Year Annual Outturn 2012/13	Annual Target 2013/14	Current Year Annual Outturn 2013/14	RAG	Change e.g. Improved / Downturned (Note 2)	Commentary
DWP2L - Time taken to process Housing Benefit (HB) and Council Tax Reduction Scheme (CTRS) <b>change</b> events	IMP T	6.78 days	9 days	<b>9 days</b>		IDownturned	<p>The Benefits Department has been subject to major changes during 2013/14 with</p> <ol style="list-style-type: none"> <li>5. Increased workloads / commitments due to Welfare Reform</li> <li>6. New Management Team being implemented</li> <li>7. Significant delays in recruitment to vacant posts.</li> <li>8. Significant reductions in the use of agency staff.</li> </ol> <p>Whilst performance for the year is below target, there is an improvement on that reported at the half year stage.</p>
CFH/006 - The percentage of undisputed invoices which were paid within 30 days	NSI	85.80%	95%	<b>91.3</b>		<b>Improved</b>	<p>Whilst performance for the year is below target, there is improvement on last year. The AP function is, in the main, devolved and so overall performance depends on the performance in departments. A report is sent to Heads/Directors on a monthly basis highlighting where the delays are and seeking their support for improvement. A new 'dash board' feature has been introduced within P2P which will immediately show managers where the back logs are within their area of responsibility.</p>



## WELSH LANGUAGE

<p>Welsh Language Skills Audit: Percentage complete</p>	<p>70%</p>
<p>Please give narrative updates on the following questions:</p>	
<p>What is your capacity to deliver the following bilingual services?</p> <ul style="list-style-type: none"> <li>• Electronic Signatures bilingual?</li> <li>• Out of Office Messages bilingual?</li> <li>• Letters bilingual or in preferred language (preferred language recorded)</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic Signatures bilingual There is a facility on the Infonet which assists employees to comply with the standard bilingual signature. Finance employees have been made aware of this facility. A recent sample of 60 finance employees shows that 80% currently have a bilingual electronic signature.</li> <li>• Out of Office Messages bilingual Instructions on how to create a bilingual out of office message has been forwarded to all Finance employees.</li> <li>• Letters bilingual or in preferred language (preferred language recorded) The relevant section of the Welsh Language Scheme has been forwarded to all Finance employees.</li> </ul> <p>Senior Managers within the department are asked to ensure that staff within their sections comply with these requirements</p>
<p>Update on progress with ensuring that guidance e.g. email, bilingual answering of telephone calls, auto-signatures, disclaimers and out of office replies.</p>	<p>Reminder emails on the requirement to ensure that electronic email signatures are bilingual have been sent. Employees have also been informed to ensure 'out of office replies' are bilingual.</p>

<p>What has been done to identify opportunities to encourage and support others to adopt practices which promote equality between the Welsh and English languages and develop action plans?</p>	<p>Where possible forms are bilingual.</p> <p>The Revenues and Benefits section has a dedicated Welsh telephone line.</p>
<p>How is the Welsh Language Scheme integrated into your service planning?</p>	<p>The Finance section aims to comply with Council standards</p> <p>Service Plans for each Section contain a section on Equalities and Welsh Language which state that a baseline assessment of our adherence to the Welsh Language Scheme has been undertaken.</p>

**EQUALITY – please give narrative update – short paragraph only**

<p>What has been undertaken to meet the Strategic Equalities plan?</p>	<p>The Finance Division aims to comply with the Council’s Equality and Diversity Policy.</p> <p>Equality Impact Assessments have been carried out whenever appropriate.</p>
<p>Please list E impact assessments’ undertaken and dates completed.</p> <p>Were any actions undertaken to reduce impact as a result of the EIA?</p>	<p>An Equality Impact Assessment was carried out on the 2014/15 annual budget setting process.</p> <p>The overall assessment on the 2014/15 budget setting is itself informed by a number of other Equality Impact Assessments on specific proposals. An initial screening of these has been undertaken and 1 was screened as having a high impact and 8 were screened as having a medium impact. Individual Equality Impact Assessments will be undertaken on these specific proposals which will identify further opportunities to promote equality and good relations and reduce negative impact.</p> <p>Initial Equality Impact Assessments have also been completed around the impacts of the first wave of Welfare Reform changes.</p>

<p>Please list the systems in place in your area to monitor the diversity of customers.</p> <p>Please give an example of how monitoring data has been used to improve services or identify and reduce barriers to accessing services within your area of responsibility.</p> <p>Have you put in place any initiatives to capture equal monitoring data so that you are able to better understand the profile of your customers?</p>	<p>For the Clwyd Pension Fund employees are automatically contractually enrolled by each employer and should reflect the diversity of the customers.</p> <p>General feedback is requested from all members on each annual benefit statement sent out to home addresses. Opportunities to give feedback are also available at all presentations.</p> <p>The age profile for Clwyd Pension Fund members is reported publicly in the Fund's annual report. The section also insists that our employer's obligations in enrolling eligible employees are followed.</p>
<p>Please give an example of how the Translation and Interpretation facilities for different languages and formats have been promoted to customers within you area of responsibility.</p>	<p>All literature is bilingual and states 'This information is available in alternative formats for example Braille, large print, BSL DVD, audio tape and other languages on request.'</p>
<p>Do you have any examples of initiative to promote equality, eliminate discrimination and promote good community relations?</p>	<p>For the whole of Finance, Equality Awareness training will be provided to identified team members. The Clwyd Pension Fund has direct telephone numbers which are publicly available and on all correspondence, to promote an open door policy without automated services or call screening. Clwyd Pension Fund strive to supply the right level of information in the most appropriate format according to the categories of members. i.e. active defers and pensioners. Individual requests are encouraged and accommodated wherever possible.</p>