

Service Plan 2018/19

Strategic Finance

1. Service Scope

What does the service unit do?

Strategic Finance is responsible for delivering a wide ranging and diverse portfolio of professional support services which it manages alongside its strategic responsibilities for corporate management and control of the Council's financial resources.

Strategic Finance is responsible for delivering key areas including:

- working in partnership with Council services to deliver a balanced budget;
- providing regular and timely monitoring of the agreed budget;
- ensuring that the Council's Financial Regulations are fit for purpose and that the organisation follows them;
- supporting the Council's key projects in delivering its strategic ambitions;
- supporting the Council's commercial activities including the Council's subsidiary companies; and
- providing fundamental support to the Council in its pan Dorset arrangements including the MRF, Tricuro and Better Together.

The service unit plays a crucial role in terms of service delivery of audit, risk, insurance, resilience & safety, counter fraud, procurement, contract management, financial systems and finance to ensure the effective and efficient delivery of public services to:

- other Service Units;
- the Strategic Directorate;
- partner organisations; and
- Council's Members

Strategic Finance supports the Chief Financial Officer (Section 151 Officer) in their responsibilities set out in Statute, which includes responsibility for providing assurance to those charged with the good governance, the lawfulness, probity and propriety of all Council expenditure / income and for protecting the fiduciary interests of both current and future taxpayers in the Borough.

Key Functions:

- 1 **Audit & Management Assurance** – The Audit & Management Service brings together Internal Audit, Risk Management, Insurance services, Corporate Fraud, Emergency Planning, Business Continuity, Health & Safety and Fire Safety. This allows the organisation to achieve an efficient and effective approach to Audit & Management Assurance services and makes best use of scarce resources to support the common agenda.

The Service is pivotal to the good governance of the organisation, providing independent assurance to management, Members, the public, external auditors and other stakeholders as to the adequacy and operation of the organisation's control framework, systems and procedures, risk management arrangements, value for money and efficiency, protecting

staff and the public from harm and being able to help the community in the event of emergencies.

The team also provides ad-hoc advice on systems design, implementation and operation, as well as leading investigations in the prevention and detection of fraud and corruption.

Revenues & Benefits - The Service is responsible for the collection of Council Tax from 94,000 taxpayers, totalling around £95m per annum, and collection of Non-Domestic Rate from 7,000 ratepayers totalling around £65m per annum. It makes payment of approximately £93m to Council and Private Tenants of Housing Benefit and £14m in discounts through the Council Tax Reduction Scheme each year. It has approximately 17,000 live cases at any one time, generating in excess of 100,000 changes of circumstances each year.

It is also responsible for collecting miscellaneous income due to the council for approximately 29,000 invoices on behalf of other council departments issued annually, and payment of 58,000 invoices for goods and services received totalling around £50m per annum. In addition, it administers income collection for the two Business Improvement Districts and issues rent notices for 5000 Council tenants.

- 2 **Accountancy Services** – Accountancy Services supports the Chief Financial Officer (Section 151 Officer) to discharge statutory responsibilities for the financial administration and good stewardship of the Authority under Section 151 of the Local Government Act 1972. In simple terms, it provides fundamental support across the Council to all services, providing advice, information and assistance on all financial matters in order for services to carry out their functions as efficiently and effectively as possible.

Accountancy Services are responsible for delivering the statutory financial accounts of the Council in a successful and timely manner, producing the medium term financial plan and supporting Service Managers across the Council to deliver quality services within the constrained financial resources available.

Accountancy Services are also responsible for providing the financial management functions for the Council's commercial agenda in order for the Council to deliver its commercial ambitions.

Co-ordination of balanced capital programme, treasury management, taxation, banking & monitoring of Council's financial systems.

- 3 **Procurement, Creditors & Corporate Contracts Team** – The Procurement team supports the Council and Service Units, in helping them with innovative procurement solutions whilst ensuring compliant, lawful and efficient procurement processes in line with public procurement requirements as set out by UK Public Contracts Regulations and EU Procurement Directives and the Council Financial Regulations.

Strategic Procurement is the process of procuring goods, works, services and concessions from both third parties and in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a works or services contract or the end of the useful life of an asset.

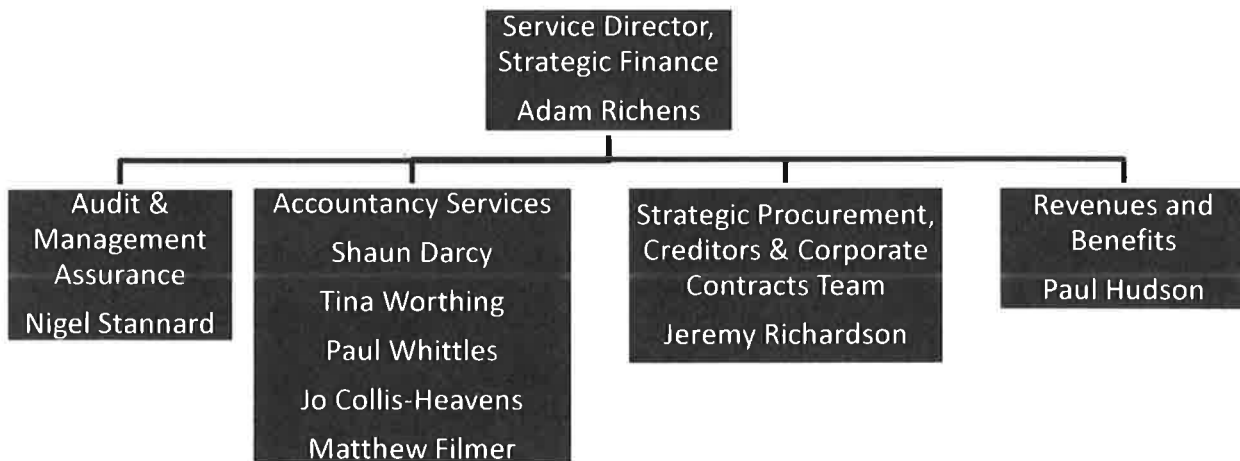
The Procurement Team plays a crucial role in helping the Council and Service Units to optimise its strategic procurement potential, drive change and deliver substantial savings across all parts of the organisation ensuring the Council seeks value for money.

Procurement also includes The procurement systems team who operate the electronic tendering system, the Councils online contract register, the Councils Purchase to Pay (P2P) system, credit cards (issue and financial management), first stage financial vetting for all tenders and publishing monthly payments to suppliers over £500 data is published and that all systems conform to UK Public Contracts Regulation, EU Procurement Directives, Council Financial Regulations and the governments best practice guidance

The Creditors team now sit within Procurement which means the complete P2P process is managed within a single section. They are responsible for processing payments to suppliers and individuals within statutory deadlines and complying with necessary guidance.

How are we organised?

High level structure chart is below: -



What are our key risks and assumptions?

SF Risk Register

Principal Risks & Emerging Issues:

- a. Strategic Finance fails to identify where savings and efficiencies as per Service Directorate Savings are not being achieved
- b. There is a failure in Information Governance within Strategic Finance
- c. Strategic Finance fails to retain the highest performing staff across Strategic Finance and does not deliver robust workforce planning
- d. Strategic Finance fails to protect staff and service users from injury & harm (Health & Safety including Fire Safety)
- e. Strategic Finance fails to meet statutory requirements to publish audited accounts within deadline (as deadline has been brought forward from 30th September to 31st July)
- f. Strategic Finance fails to account for financial implications of changes in legislation, government policy, best practice and any reduction in income as a result of changes to fees and charges within the Council's overall financial strategy

- g. Strategic Finance fails to deliver a robust MTFP for medium to long term planning services and therefore does not address financial shortfalls
- h. Strategic Finance fails to have effective Business Continuity arrangements
- i. Difficulty in collecting Council Tax, Business Rates and Sundry Income
- j. Fails to achieve statutory deadlines for making payments within 30 days
- k. Universal Credit impact to customers, housing benefit overpayments and rent collection

What were our key achievements last year?

- 1 Supported the Council in the delivery of its commercial endeavours and pan Dorset arrangements
- 2 The successful completion and approval of the 2016/17 statutory accounts obtaining an unqualified audit opinion
- 3 Delivered a balanced budget for 2018/19 and the medium term financial plan (MTFP) which pulls together the whole of the Council's revenue and capital aims and ambitions to enable the Council to deliver its front-line services effectively
- 4 Starting the process of joining up services between Bournemouth and Poole within all areas of Strategic Finance as and when opportunities arise.
- 5 Supported the implementation of the Council's Asset Investment Strategy
- 6 Successful delivery of a risk based Internal Audit Plan for 2017/18 and agreement of the 2018/19 Internal Audit Plan
- 7 Delivered an integrated Risk and Audit Software to enable robust risk management across the Council
- 8 Supporting customers through the introduction of Universal Credit Full Service
- 9 Producing a Business Case for shared Revenues and Benefit Services with SVPP
- 10 Implemented new Business Rate Relief Schemes
- 11 Negotiated terms for a further duration of BID's

Customer and stakeholder analysis

Principal Customer and Stakeholder Groups:

- Council Members
- Service Users including other Service Units and Departments of the Council
- The Council's Corporate Management Team
- Strategic Finance Team Members
- Charity Commission
- Council Tax and Business Rate Payers
- Benefits Claimants & Landlords
- Council's subsidiary companies
- External Auditors
- External Inspectors and the Local Government Ombudsman
- External Partners including the emergency services
- External Suppliers and Customers
- Professional Bodies and Government Departments including the Chartered Institute of Public Finance & Accountancy, Department for Communities and Local Government, Department of Transport, Department of Education, Department for Work and Pensions, Homes & Communities Agency, Her Majesties Revenue & Customs, Department for Environment, Public Health, Food & Rural Affairs, Crown Commercial Services, Valuation Office and the Environment Agency.
- Regulators, eg the Financial Conduct Authority, Prudential Regulation Authority, and the Cabinet Office.

Engagement with Principal Customer and Stakeholder Groups

- 1 Engagement with Service Units and Members on the audit plan and other assurance work which is approved at Audit & Governance Committee.
- 2 Engagement with appropriate Officers in the formulation of the Council's Risk Management Strategy.
- 3 Engagement with Service Units, Members and partner organisations such as the Local Resilience Forum and the Flood Advisory Group to further develop the Business Continuity and Emergency Planning arrangements of the Council.
- 4 Proactive meetings with Service Directors for their feedback on the support they receive from Accountancy Services to include business partnering arrangements.
- 5 Ongoing consultation with Strategic Procurement customers resulting in continuing improvement.
- 6 Engagement with principle internal customers of the Financial Management System via a Fusion User Group.

Equality and diversity

The Council is committed to equality and diversity. Each service unit is obliged to produce an Equality Action Plan. Our action plan is available here:

E&D Action Plan

Strategic Finance directly supports the achievement of several of the Council's seven equality objectives as set out in Equality for All. During 2016/17 we achieved several objectives and will continue to improve through the Equality Action plan for 2017/18. Examples of our achievements –

Performance Area 1 – Knowing your Communities – Strategic Finance have undertaken Equality Impact Needs Assessments and have identified actions required to improve services by understanding the needs of our users in more detail and acted upon this as necessary.

Performance Area 5 – A Skilled and Committed Workforce – During the year the Service Equality Champions have attended service management team meetings and also presented a dedicated session to the Audit and Management away day to promote and develop the skill needed to understand Equality & Diversity issues and support the service in identifying where improvements can be made.

Employee Engagement

Employee Engagement Action Plan

Appraisal Conversations

The Appraisal Conversation Policy sets out that Annual Appraisal Conversations will take place within a two-month window defined by Service Directors. Interim reviews take place six months later.

1st September – 31st October & 6-month review 1st March – 30th April

2. What are our key activities in 2018/19?

What are the business as usual activities we deliver?

Table A

Key activity/action	Council priority outcome / objective / driver	Associated performance measure and 2018/19 Performance Target	Senior Responsible Officer	Other key service dependencies
To deliver a medium term financial plan and balanced annual budget	EC3	Approved medium term financial plan and balanced annual budget, meeting deadlines within the Council's democratic process.	Shaun Darcy	
Timely and accurate service unit monthly monitoring of the budget including forecast outturn and subject to regular approval	EC3	Monthly budget monitoring is accurate and completed within the Democratic timetable	Shaun Darcy	
To ensure all Grant claims are duly authorised and submitted accurately and within the deadline set by the relevant body	EC3	Achieved within agreed timetable Submitted and agreed within timescale without amendment or penalty Grants submitted and accepted without amendment by deadline	Shaun Darcy	
The annual accounts closure within legislative timescales and in accordance with proper accounting practices	EC3	Accounts closed within timescale and subject to unqualified external audit opinion	Shaun Darcy	
To ensure effective and efficient delivery of the Revenue & Benefits service to the prescribed standard	EC3	To achieve the Council's Revenue & Benefits approved performance targets (Quality of service and appropriate service delivery) Suite of PI's in place and being monitored to demonstrate achievement of target	Paul Hudson	

Key activity/action	Council priority outcome / objective / driver	Associated performance measure and 2018/19 Performance Target	Senior Responsible Officer	Other key service dependencies
Delivery of a risk based Audit plan for 2018/19 and future years	EC3	Delivery of the agreed audit plan to the standard required within budget and timescale Suite of PI's in place and being monitored to demonstrate achievement of target	Nigel Stannard	
On-going delivery of Council's Risk Management Plan	EC3 Manage risk effectively	All risks are identified and managed effectively Suite of PI's in place and being monitored to demonstrate achievement of target	Nigel Stannard	
Insurance risks are managed effectively an in line with the performance standards set for the insurance team.	EC3 Manage risk effectively	No additional financial resources required to meet Insurance liabilities Suite of PI's in place and being monitored to demonstrate achievement of target	Nigel Stannard	
Prevent and detect Corporate Fraud across the organisation and to ensure that positive action is taken to address it To ensure the Council has appropriate arrangements in place to address Corporate Business Continuity Issues	EC3 EC1	Suite of PI's to demonstrate achievement of target Robust plans regularly reviewed and positive feedback in event of Business Continuity issue Suite of PI's in place and being monitored to demonstrate achievement of target	Nigel Stannard Nigel Stannard	
To ensure the Council has appropriate arrangements in place to address Emergency Planning Issues	EC1	Robust plans regularly reviewed and positive feedback in event of Emergency Planning issue	Nigel Stannard	

Key activity/action	Council priority outcome / objective / driver	Associated performance measure and 2018/19 Performance Target	Senior Responsible Officer	Other key service dependencies
Health & Safety risks are managed effectively and in line with the performance standards set for the team to ensure that Council employees and those who could be affected by its undertakings are protected appropriately.	EC3 Manage risk effectively	Suite of PI's in place and being monitored to demonstrate achievement of target That the Council meets its statutory requirements Suite of PI's in place and being monitored to demonstrate achievement of target	Nigel Stannard	
Fire Safety risks are managed effectively and in line with the performance standards set for the team to ensure that Council employees and those who could be affected by its undertakings are protected appropriately.	EC3 Manage risk effectively	That the Council meets its statutory requirements Suite of PI's in place and being monitored to demonstrate achievement of target	Nigel Stannard	
To support Service Units, helping them with innovative procurement solutions whilst ensuring compliance with UK Public Contracts Regulations and EU Procurement Directives and the Council Financial Regulations	EC3	A tender process is undertaken and achieved within approved budget levels and agreed Procurement timetable Achieve project timelines and external deadlines	Jeremy Richardson	
Embedding of the P2P system and Electronic Tendering ensuring compliance with UK Public Contracts Regulations and EU Procurement Directives and the Council's Financial Regulations	EC3	The aim is to maximise Procurement tenders and orders for goods & services that are within scope and meet the Council's financial regulations within the next 24 months. Positive feedback from customers using the systems.	Jeremy Richardson	

Key activity/action	Council priority outcome / objective / driver	Associated performance measure and 2018/19 Performance Target	Senior Responsible Officer	Other key service dependencies
Integration and Development of the Creditors Service within the P2P process ensuring this is compliant with the Council's statutory duties for payments to suppliers and individuals are delivered.	EC3	Maximise payments to suppliers are made within the statutory timeframe.	Jeremy Richardson	

Revenues and Benefits Performance Measures

Key activity/action	Council priority outcome / objective / driver	Associated performance measure and 2018/19 Performance Target
Process new claims to Housing Benefit (HB) and the Local Council Tax Reduction Scheme (LCTRS)	EC3/IE2	17 days
Process changes of circumstances for ongoing HB and LCTRS claims	EC3/IE2	8 days
Recovered housing benefit overpayments in year (as a percent of overpayments raised)	EC3	73% in year
Council Tax in year collection	EC3	96.9%
Council tax arrears	EC3	Eventual collection rate of 98.7% in line with MTFP assumptions
Business Rates in year collection	EC3	98.7%
Business rates arrears	EC3	Eventual collection rate of 99% in line with MTFP assumptions
Billing and collection of Business Improvement District levies for the Town Centre and Coastal BID companies.	EC3	95% in year
Sundry income debt collection	EC3	To assess overall debt position and devise appropriate measures and set targets.

Key activity/action	Council priority outcome / objective / driver	Associated performance measure and 2018/19 Performance Target
Collection of Housing Benefit overpayments	EC3	Collect £1.2m per annum of overpayments net of any provisions required to meet MTFP requirement.
Customer satisfaction	EC3	93%

What service development will we undertake in 2018/19?
Table B

Key activity/action	Council priority outcome / objective / driver	Associated performance measure and 2018/19 Performance Target	Senior Responsible Officer	Other key service dependencies
Pro-active management and on-going development of the Financial Management system	EC3	New suite of KPIs and PIs are being developed to monitor and maintain performance targets.	Shaun Darcy / Jeremy Richardson	Oracle system providers
Effective training of core groups/teams in the use of the Council's new Financial Management system and electronic procurement systems.	EC3	Feedback from trainees / new suite of KPIs and PIs are being developed to monitor effective use of systems	Shaun Darcy / Jeremy Richardson	
Train and update core groups/team in changes UK Public Contracts Regulations and EU Procurement Directives and the Council's Financial Regulations.	EC3	To track and record all changes to Financial Regulations in line with UK Public Contracts Regulations and EU Procurement Directives modernisation by the required timelines issued by central government	Jeremy Richardson	
Deliver greater requirements set by the Governments transparency agenda.	Statutory Requirement	Government's targets met	Adam Richens	
Complete a full revision of the Council's Financial Regulations.	Statutory Requirement	Statutory policies adhered to.	Nigel Stannard	

Key activity/action	Council priority outcome / objective / driver	Associated performance measure and 2018/19 Performance Target	Senior Responsible Officer	Other key service dependencies
Align collection policies where possible with Poole/SVP including Civil Penalties and Empty Property Exemptions.	EC3	Consistency between Poole and Bournemouth	Paul Hudson	
Maximise Income collected including sundry income, Council Tax, NNDR as well as reducing single person discounts and local council tax support scheme.	EC3	New KPI's agreed and to be monitored and ensure successful implementation of the new corporate debt policy.	Paul Hudson	
Ensure ongoing legislative changes (including Universal Credit) are implemented with associated public awareness, systems implementation and staff training.	EC3	Statutory deadlines are met and returns and processes are compliant	Paul Hudson	
<p>Improve electronic service delivery by: Setting targets and processes for improvements in:</p> <ul style="list-style-type: none"> • Direct Debit take-up • On line HB claims (99%) • Open access • E-bills for CT and NNDR <p>Also, maximise new technology to improve efficiency and customer service.</p>	TE2/EC1/EC4	Improved use of system and positive customer feedback	Paul Hudson	
Creation of a Joint service of Strategic Finance teams across Bournemouth and Poole to deliver 20% savings towards the MTFP and deliver an efficient and aligned service	EC3 Efficient Council	Greater resilience to address Council needs, meet statutory requirements and ensure KPIs / PIs are met and ensure performance delivery against statutory targets and requirements.	Adam Richens	Borough of Poole Council

What service transformation will we undertake in 2019/20?
Table C

Key activity/action	Council priority outcome / objective / driver	Associated performance measure and 2018/19 Performance Target	Senior Responsible Officer	Other key service dependencies
Responding to Corporate entrepreneurial ambitions and provide services to support Bournemouth Companies and pan Dorset arrangements	Commercial Council	Positive feedback / Resources used are fairly charged out to company / partner receiving the service.	Adam Richens	

New activities in 2019/20 and 2020/21

What services/activities will we be stopping?

Table D

Activity that will be stopped during 2018/19	Reason for stopping activity
None	

Activities likely to stop in 2019/20 and 2020/21

If all Schools convert to Academies, then the Schools Finance Support function can be ceased.

Fees and Charges Proposals 2018/19

Table E

Description of Fees/Charges	Proposed change from 2017/18 to 2018/19 either a % or £ variation	Reasons for applying non-inflationary changes – including freezing charges
None		

3. Financial Resources – Strategic Finance				
Expenditure description	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Direct salary costs	3,343	5,853	2,911	2,841
Other employee costs	1,038	929	894	894
Premises costs	2	2,014	2,067	2,079
Transportation costs	16	9	9	9
Supplies and services	12,511	1,082	992	950
Internal recharges – expenditure	9,837	1,616	1,616	1,616
Other direct costs	94,903	95,258	97,684	97,684
Service expenditure	121,649	106,761	106,173	106,073
Fees, charges and rents	(2,783)	(2,061)	(2,061)	(2,061)
Grants and contributions	(96,414)	(96,814)	(96,700)	(96,645)
Internal recharges – income	(19,691)	(6,385)	(6,385)	(6,385)
Other income	0	(20)	(20)	(20)
Service income	(118,888)	(105,280)	(105,165)	(105,111)
Total net budget	2,761	1,481	1,008	962

Explanation of year on year variances

The main change in the budget from 2017/18 to 2018/19 is that Strategic Finance has been joined up across Bournemouth and Poole and is hosted by Poole so on top of the savings delivered through this process the staffing budget has decreased and the other direct costs budget has increased for the staff recharge from Poole.

Staffing Resources – Strategic Finance				
Grade description	2016/17		2017/18	
	FTEs	No. of employees	FTEs	No. of employees
Service Directors	0.50	1	0.00	0
Heads of Service / Service Managers	7.00	7	0.50	1
Managers/Professional (grades 11 – 14)	21.00	21	3.00	3
Operational (grades 8 – 10)	32.95	34	23.34	24
Admin/Service (grades 5 – 6)	68.18	78	44.69	53
Admin/Service (below grade 5)	31.57	34	28.26	30
Total	161.20	175	99.79	111
Average Recorded sickness rate (latest rolling 12 months)				
% of available staffing resource				

Explanation of year on year variances
The majority of Strategic Finance staff Tupe'd to Borough of Poole in the year, with a small resilience and safety team and the Revenues & Benefits team remaining employed by Bournemouth Borough Council

Savings and Efficiencies – Strategic Finance				
	Already achieved £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Audit & Management Assurance	407	94		
Procurement	99	118		
Accountancy	185	258		
Revenues & Benefits	554	57	90	110
Audit Fees	75		26	
Partnership	3,793			
Joint Services Review		50	18	
Risk Management & Insurance	212			
Other items		193		
In Year Total	5,325	770	134	110
Cumulative Total	5,325	6,095	6,229	6,339

Budget Pressures – Strategic Finance					
	2018/19 Base £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	FTE Impact
Insurance pressures	53	53	12		
Reduction in Government Grant	114	114	55	55	
<i>In Year Total</i>	167	167	67	55	
<i>Cumulative Total</i>	167	167	234	289	

Capital bids- for new projects to be considered for inclusion in Capital Programme

Proposed project	Why is the project required?
Scheme 1-	

Project Finance	Council Priorities ¹	2018/19 (£'000)	2019/20 (£'000)	2020/21 (£'000)	Total (£'000)
Proposed Cost					
Project Costs Total					
Identified Funding					
Funding Total					
Funding to be identified					

Revenue Impact of Capital Proposals (e.g. Borrowing repayments, change in running costs such as maintenance)	2018/19 (£'000)	2019/20 (£'000)	2020/21 (£'000)	Total (£'000)

Service plan sign off

This service plan has been agreed for operation from 1 April 2018 by:

Portfolio Holder:	Cllr John Beesley	Date: 31 st March 2018
Executive Director:	Julian Osgathorpe	Date: 31 st March 2018
Service Director:	Adam Richens	Date: 31 st March 2018