

NORTH LINCOLNSHIRE COUNCIL

**CORPORATE SERVICES
CABINET MEMBER**

FINANCE SERVICE PLAN 2008/11

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To seek approval for the Finance service plan 2008/11.
- 1.2 To provide an update on achievements and successes of the Finance service during 2007/8

2. BACKGROUND INFORMATION

- 2.1 The attached service plan sets out the priorities, targets and areas of development for the Finance service over the next three years. It identifies the Finance service's contribution to the council's priorities and how the service aligns with the ambitions of the council.
- 2.2 The attached demonstrates how priorities will be achieved and how performance will be measured. The plan details key outcomes to show what the service aims to achieve for the council. Progress against priorities and outcomes will be reviewed at monthly Finance Management Team meetings and through the Finance quarterly performance review.
- 2.3 The plan in Appendix 2 of the service plan details actions and developments planned by the Finance service over the next three years.
- 2.4 The attached Annual Improvement Summary shows progress against key priorities, outcomes achieved, performance and successes of the Finance service during 2007/8.

3. OPTIONS FOR CONSIDERATION

- 3.1 The proposed Finance service plan sets the direction for both the service and the council on Finance issues. The plan shows clear links between Finance service priorities and the council's ambitions.
- 3.2 Delivery of the service plan will assist in providing a professional and efficient finance service to the council. Amendments to its content can be considered if required.

4. ANALYSIS OF OPTIONS

- 4.1 The proposed service plan meets the requirements of the council's service planning framework and is essential to ensuring that Finance continues to develop and contribute to the achievement of the council's ambitions.
- 4.2 Amendments to the plan can be considered if the Cabinet Member so wishes.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial

The proposed service plan has been developed to be delivered within current budgets. All resource implications are set out in the plan.

5.2 Staffing

The proposed service plan sets out how Finance employees will contribute to the service and the council. All other staffing implications are detailed in the workforce plan in Appendix 3.

5.3 Property and IT

All asset management implications are detailed within the proposed service plan.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 –CRIME AND DISORDER, RISK AND OTHER)

- 6.1 All related implications are detailed within the proposed service plan.

7. OUTCOMES OF CONSULTATION

- 7.1 Appropriate Finance employees have been involved in the preparation of the Service Plan.
- 7.2 The trade unions have been consulted and any comments will be reported to the meeting.

8. RECOMMENDATIONS

- 8.1 That the 2008/2011 Finance Service Plan be approved and adopted.
- 8.2 That the achievements of the Finance Service during 2007/8 be noted.

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Background Papers used in the preparation of this report:
None



Going Forward Together →

FINANCE SERVICE
SERVICE PLAN 2008-2011

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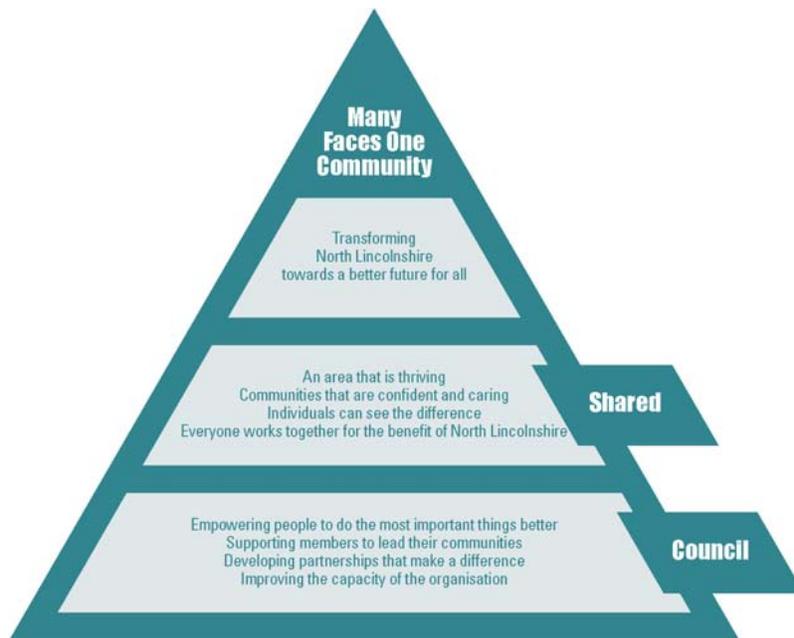
Introduction

This is the 2008 – 2011 service plan for the Finance Service. It forms a key part of the council’s overall strategic plan “Going Forward Together” by contributing towards the agreed overall vision that the council has for the North Lincolnshire area. It sets out how the service will deliver the council’s major strategic priorities. It makes the council’s strategic plan operational and allows teams and individuals to focus their work on the council’s priorities.

The council’s vision

The council’s vision is made up of two parts. The diagram below summarises the overall vision.

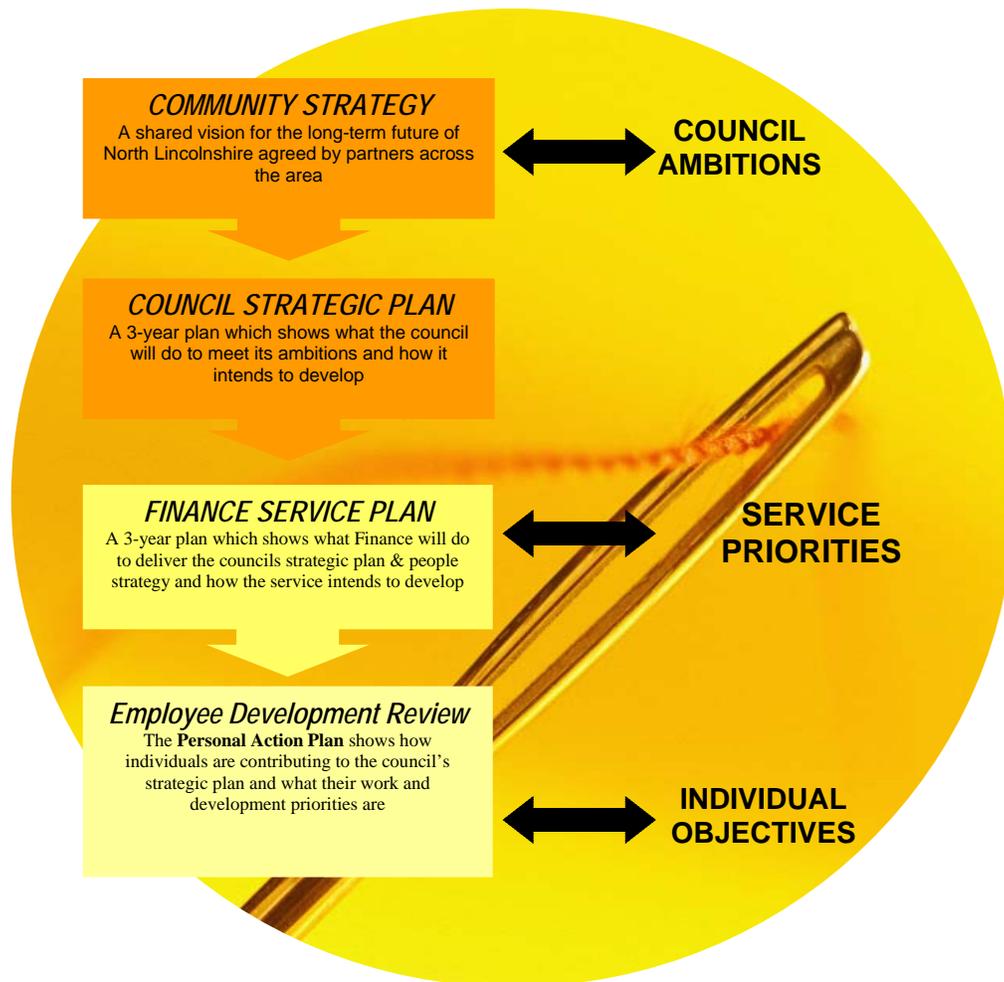
The first part shows the ambitions that the council and its partners intend to achieve for the area. These are known as the shared ambitions. These aim to transform the area, our communities and the lives of individuals who live and work here. The second part is the internal ambitions that the council has and shows the priorities for development.



The Planning Framework

The service plan forms a key part of the overall planning framework, which is shown below. It explains what the service is responsible for, how it supports the council's ambitions and where and how improvements to the service need to be made. It ensures that service developments are in line with corporate priorities and aligns resources to them. It also plays a key part in delivering a shared vision, which will be used by the council and its partners to drive the North Lincolnshire Community Strategy. The employee development process supports this by ensuring that staff understand their own role in terms of achieving the council's ambitions and the services development and improvement priorities, as well as identifying any associated training and development needs.

The way in which it will do this is shown below:



Service Functions

The Finance Service is split into four main areas

- Financial Services including Corporate Finance and Exchequer
- Audit and Risk Management
- Strategic Procurement & Value for Money (vfm) and
- Local Taxation and Benefits

All provide support for the Service Director Finance to enable him to discharge his statutory duties and also deal with the following specific functions

Financial Services including Corporate Finance and Exchequer

- Management of financial services, and miscellaneous revenues
- Corporate accounting and budgeting procedures and advice to service heads
- Corporate finance advice and research, including specialist areas such as tax, VAT and grant claim co-ordination
- Long term and short term borrowing and leasing, investment of surplus cash
- Payment of creditors, staff salaries and expenses

Audit and Risk management

- Internal audit service
- Corporate governance, risk management and insurance advice to meet statutory and other liabilities
- SLA based finance support services to schools

Strategic Procurement and Value for Money (vfm)

- Strategically lead and advise on the procurement of supplies, services and construction
- Champion and lead the value for money and efficiency agendas for the council.

Local Taxation and Benefits

- Full council tax, and NNDR assessment, billing and recovery services
- Assessment and payment of Housing Benefits and Council tax Benefits including awareness, detection and prevention of fraud
- Service wide support team for staffing, communication, cultural and development issues.

Our Customers

General public and service users including local residents, customers & citizens and members of the local business community

- There are 71,000 domestic properties in North Lincolnshire and the Finance Service deals with all of these by way of the annual council tax bill and associated information sent about the council's finances.
- We also have contact with all businesses by collecting business rate income (NNDR) from the 5,200 business properties in the area.
- The average number of benefit claimants in 2007-8 was around 14,500 but we have contact with many more. Payment of Benefits assists the most vulnerable people in the area with their housing and council tax costs
- Strategic Procurement Unit has regular contact with local businesses and third sector organisations

Council Members (including the Audit Committee).

As a statutory service Finance has many links with council members. We report to and have meetings with the Audit Committee, the Corporate Affairs cabinet member and the cabinet member for Housing and Strategic Planning. This supports them in the council's internal ambitions "supporting members to lead their communities". We also provide key advice to Council and Cabinet on corporate financial issues.



Staff within the finance service

There are 197.4fte employees in the Finance Service and as major stakeholders in the service they are an important element of it. We take account of views and opinions by the annual Points of view surveys. We consult when undertaking service changes and for diversity impact assessments. Effective management is provided by the use of the management charter and adherence to the IIP standards.

EMT and other Service Directors

The Service Director Finance is a member of the Council Management Team (CMT) and attends regular meetings with Executive Management Team (EMT) providing advice and guidance to all about the council's finances. The Service contributes widely to all of the Council's internal ambitions.

Other council service managers and staff



The finance teams and corporate finance provide detailed financial and budgetary advice to all service managers across the council. All staff are paid by the payroll section and Local Taxation and Benefits has many links to other services such as Children's, and adult services and housing.

The Strategic Procurement Unit provides advice council-wide regarding procurement of supplies, services and works as well as leading the value for money and efficiency agendas.

Internal audit provide advice on financial and governance issues to all service managers across the council.

Insurance and risk management provide insurance advice and leads on the council's risk management work.

Our Partnerships

- External Audit
- A range of media organisations
- Voluntary & community organisations, including Voluntary Action North Lincs
- Suppliers
- Central Government associated agencies (DWP, CLG, HMRC) and inspection bodies.
- Purchasers, commissioners and contract managers
- Professional Bodies
- Service suppliers e.g. insurers, broker, IT companies
- North East Lincolnshire Council – Joint working for procurement (Procurement Alliance North & North East Lincolnshire) and NNDR
- Regional Improvement and Efficiency Partnership
- East Riding of Yorkshire Council (procurement and payroll)



Involvement of Customers and Partners

- Benefits satisfaction surveys are completed every three years; the last one was undertaken in 2006-7 and produced an overall satisfaction rate of 80%.
- We have undertaken some consultation surveys for council taxpayers in the past, and annually consult the business community regarding the Council's spending proposals.
- A Simalto budget consultation exercise was completed and summarised findings reported to Council on 20 February 2008 and a report to scrutiny panel.
- Staff are consulted via Points of view, on changes to procedures and structure and unions are formally consulted via the Corporate Consultative Committee
- The Strategic Procurement Unit undertakes an annual supplier satisfaction survey – 68% satisfaction level with support from the council. A satisfaction survey of procurement clients is carried out quarterly.
- Questionnaires are sent with all audit reports; 100% of those returned expressed satisfaction with the service they received. Insurance and risk management also



survey staff each year – 78% of those who responded rated the service they received as good, very good, or excellent.

- Finance undertakes some internal consultation.
- Regular meetings are held with our major suppliers such as those who provide our IT systems.
- We also have regular meetings with other internal service managers, representatives from the various government bodies, external audit etc.
- The benefits service has regular involvement with the many and varied advice agencies and other council sections assisting with prevention of homelessness and alleviation of poverty.

Service Standards



- Financial services that are judged to be of high quality by internal and external audit, and reach CPA Use of Resources level 3 (above minimum requirements).
- Financial accounts that are completed on time, comply with SORP and BVACOP requirements, and receive an unqualified audit opinion
- Use and maximise the advice and guidance of the following professional bodies
 - Chartered Institute of Public Finance and Accountancy (CIPFA)
 - Institute of Rating, Revenues and Valuation (IRRV)
 - Association of Local Authority Risk Managers (ALARM)
 - Insurance Brokers (JLT)
 - Chartered Institute of Purchasing and Supply.
 - Society of Procurement Officers in Local Government.
- External accreditation and recognition e.g. procurement awards and IIP
- Achievement of at least £1m of cashable procurement savings annually
- All staff within the finance service will comply with the council's code of conduct
- A management charter that is fully utilised and understood by all staff.
- To continue to be compliant with Investors in People standards
- Compliant with the CIPFA code of practice for internal audit in Local Government in the UK
- Compliant with Auditing Practices Board guidelines
- Recognised best practice e.g. CPA
- Adherence to government's procurement policy as laid down by the Office of Government Commerce.
- All staff in local taxation and benefits use the on-line procedures manuals
- All staff in the service to comply with council and service specific policies and procedures.
- Adherence to a high level of customer care in accordance with our customer service standards
- National SME friendly Concordat
- Benefits service that is working towards meeting the KLOEs required for an audit commission inspection.
- Compliance with CIPFA SOLACE Code of Governance

Section 3 How are we doing?

Current Performance (2007/8)

Monitoring performance is a key part of our performance management framework. It allows us to identify areas of good practice as well as areas that aren't performing to the required standard. It is through monitoring performance that we are able to identify key drivers for improvement within the service.

Service Wide

Indicator	Target 2007/8	Actual 2007/8	Direction of Travel
Percentage of EDRs completed within previous 12 months	100%	80%	
Average number of working days lost due to staff sickness	Under 8.8 days	7.74 days	
Percentage of workforce attending training and development activities	100%	61.43%	
Percentage of new managers completing corporate induction	100%	50%	

Financial Services

Indicator	Target 2007/8	Actual 2007/8	Direction of Travel
Average interest rate on cash flow	0.1% below base rate	5.8%, 0.26% above average base rate	
Capital financing cost as % of net revenue stream	Less than 6%	4.14%	
Cost of accountancy service per £000 gross revenue turnover	Below unitary average	5% above average	
Offer training in financial processes to non-finance managers	20 sessions	33 sessions	
Finance restructure Deliver target saving	£80k	Achieved	
BV8 Percentage of invoices paid in accordance with payment terms	90%	79.6%	
Average number of debtor days	70 days	62 days	
% of invoices paid by electronic payment rather than by cheque	90%	90.1%	

Audit and Risk management

Indicator	Target 2007/8	Actual 2007/8	Direction of Travel
Audit – Percentage of agreed actions implemented	60%	65%	
Service divisions with effective operational risk registers	100%	100%	
Percentage of Woolf claims that fail due to non compliance with Woolf protocols	2%	0%	

Procurement & VFM

Indicator	Target 2007/8	Actual 2007/8	Direction of Travel
% of corporate spend through e-Procurement monthly	25%	15.82%	N/A New Measure
% of corporate spend through electronic orders Monthly	10%	9.14%	N/A New Measure
% of National Procurement Strategy milestones completed Standard yearly with quarterly interims	100%	90%	
Cashable savings made by procurement unit Standard yearly with quarterly interims	£600K	£1.38m	
% of VFM reviews completed on-time Standard yearly with quarterly interims	100%	61%	N/A New Measure
Value of efficiencies identified through completed VFM reviews Standard yearly with quarterly interims	N/A	£0.78m	N/A New Measure

Local Taxation and Benefits

Indicator	Target 2007/8	Actual 2007/8	Direction of Travel
Percentage of telephone calls offered that are answered in the Local Taxation & Benefits call centre.	89%	87%	
BV78a Average time for processing new benefit claims.	29 days	29. days	
% of new claims outstanding over 50 days	5%	2.48%	
% of new claims decided within 14 days of receipt of all information	92%	90%	
% of RA claims paid on time or within 7 days of decision being made	95%	92.5%	
BV78b Average time for processing notification of changes of circumstance	10 days	9.77 days	

Indicator	Target 2007/8	Actual 2007/8	Direction of Travel
BV79a Accuracy of claims	99%	97.0%	
BV79 b(i) Amount of HB overpayments recovered during the period as a % of the total amount of HB overpayments identified during the period	65%	75.74%	
BV79 b(ii) HB overpayments recovered as percentage of total overpayment debt outstanding	28%	24.88%	
BV79b (iii) Housing Benefit (HB) overpayments written off	6%	5.42%	
Number of reductions in benefit entitlement		Not available due to data transfer restrictions	N/A
%of data matches resolved within 2 months	100%	100%	
Percentage of applications for reconsideration or revision actioned and notified in 4 weeks	65%	83.7%	
Percentage of appeals submitted to the appeals service in 4 weeks.	65%	82.29%	
% of appeals submitted to tribunal service in 3 months	95%	100%	
BV76a The number of benefit claimants visited per 1,000 caseload	250	307.22	
The number of fraud investigations per 1,000 Caseload	62	53.48	
The number of prosecutions and sanctions per 1,000 caseload	6.5	6.91	
Percentage of Council Taxpayers and Business ratepayers paying by Direct Debit	Council tax 65% NNDR 60%	Council Tax 63.99% NNDR 55.17%	
BV9 Percentage of Council Tax collected	97.6%	97.1%	
BV10 The percentage of non-domestic rates collected	99%	99.3%	

Improvements that have been made -

Service Wide

- Implemented the finance service action plan for 2007 'Points of View' survey and contributed to council wide action plan.
- Contributed to the council wide cultural framework and ensured developed in Finance Service
- Implemented skills development programme

- Invested in staff through learning and development opportunities and application of the finance management charter
- Participation in the council's approved performance reporting framework and QPR
- Service restructured to incorporate effects of Housing Stock Transfer.
- New support and development partner procured. Contract started 14 Nov 2007 with McFarlane Leadership Ltd
- Numbers of staff working from home and hot desking increased
- Capacity of the service developed as part of service development days 'Stop and Think'. Relaunch of culture improvement teams under FACT banner (April 08).
- Implemented Finance Diversity Working group, which meets 6 weekly.
- Produced and Implemented Diversity Action plan
- Active regular attendance at the council wide Diversity Steering Group.
- 86% of Finance managers have attended the managing Diversity training this last year.
- Diversity monitoring started with Benefits Assessments, currently working on the rest of Finance
- Currently looking at how each team in finance is accessible to external and internal customers

Financial Services including Corporate Finance and Exchequer

- IIP arrangements accredited for CPD with AAT.
- Work started on introducing direct debits as method of payment for sundry debts.
- Rollout of e-claims progressing
- Build finance capacity - A range of projects were needed to develop the new finance service and its interface with the organisation, Service Level Statement Work completed to reflect structure changes.
- Assisted Implementation of External Financing Strategy
- Sundry debts reduced the number of debtor days with more proactive liaison with user departments to resolve disputes
- Payroll system successfully retendered and new contract effective from 1 April 2008
- Annual balance sheet review completed
- Secured formal notification to close the HRA
- Reviewed and implemented revised arrangements for authorised signatories in most service areas
- Grants protocol redrafted and published on intralinc in the March 2008 version of the Finance Manual. Tracking procedures in place to notify auditor and s151 officer of claims progress
- Finance manual revised and updated
- Implementation of phase 1 of the Collaborative Planning module for efinancials

Audit and Risk management

- FMSiS: Supported schools to attain financial management standard Phase 1 secondaries
- Developed work of the Audit Committee and evaluated its effectiveness
- Work started with Lincs Risk Management Forum to develop a suite of performance measures.
- Improved governance arrangements through the work of the audit committee

- Insurance policies retendered – extended cover and reduced premiums
- Established effective monitoring and control for the LAA.
- Improve efficiency in service delivery e.g. risk based auditing, better use of technology, Risk based auditing has been promoted for several years. Audit software has been purchased which include electronic working papers, performance management information and an integrated risk management package. Hot desking piloted in Audit.
- Recognised and improved the links between audit and performance by Collaborative working with performance (PI and data quality audit).
- Developed the LACHS insurance system to provide relevant and regular information to managers for appropriate action to be taken

Strategic Procurement & Value for Money (vfm)

- Rollout of SCMS system progressing well.
- Roll out of e-procurement progressing well.
- Work started on establishing a strategic partnering arrangement for the delivery of the council's capital programme
- Updated procurement strategy produced for 2008-11
- A two-year VfM Programme has been determined. Steady progress is now being made with almost all projects live and active. Progress reports are now submitted to CMT
- Procurement Alliance with NELC improving. VFM agenda and restructuring is also an example on internal joint working.
- Savings through smarter procurement continue to exceed £1m pa. (£4m to-date)

Local Taxation and Benefits

- Payment of Benefits by BACS introduced successfully
- Introduced Local Housing Allowance on time in accordance with new legislation
- Work undertaken on the business process reengineering between local links and LT & B
- The opportunities for joint-working and shared services with NELC were investigated for Local Taxation and Benefits. Feasibility report near completion.
- Introduced the NNDR shared service whereby we are processing work for NELC.
- Achieved increase in business rate collection levels
- Produced and successfully implemented action plan to improve performance for new claims and change in circumstance processing times in benefits.
- Produced and successfully implemented action plan to improve benefit quality PI.
- Electronic and over the phone payments for Council Tax, Overpayments, Debtors etc
- New Printer contracts for the application form enables us to amend the HB/CTB application form regularly after feedback from the public and staff. This was not possible before.

Satisfaction results

Points of View

The annual corporate staff survey “Points of View” was undertaken in autumn 2007. The Finance service achieved their best ever 'response rate' to this survey this year with 87.11% of staff completing the questionnaire (the 5th best response rate of the 15 services across the council).



Of the five culture categories, the Finance service recorded improvements in 'Effective Leadership', 'Fair reward and recognition' and 'Healthy worklife balance'. There were slight reductions in the 'Listening & learning organisation' (0.01%) and 'Mutual respect' (0.02%) categories. However, in all five categories and the 'overall index', the Finance service recorded scores that were higher than the council average.

Only three teams in the Finance Service recorded 'Red' issues (i.e. requiring urgent action). This represented 1% of the total issues in the Finance service - no change from the previous year. 'Amber' issues (requiring some action) were 24% (26% in the previous year) and 'Green' issues (requiring no action) were 75% (73% in the previous year).

Benefits

For BVPI purposes benefits satisfaction surveys were completed every three years, the last one was undertaken in 2006-7 and produced an overall satisfaction rate of 80% which was mid quartile (top quartile being 82%)

Strategic Procurement & VfM Unit

Annual supplier satisfaction survey – 68% satisfaction level with support from the council

Procurement client satisfaction survey (quarterly) 100% at time of award and 100% 2 years on from contract award

Audit

100% of those who responded to audit questionnaire expressed satisfaction with the service they received

Insurance

The insurance service consults annually with schools as they are regular customers, not only for claims, but also for all aspects of cover, general advice etc.

In 2006/7 The response rate for the return of questionnaires was 54%, slightly down from previous year's 60%. The satisfaction rates were 30% excellent, 49% very good, 13% good, 1% average, 0% poor.

In 2007/8 the Questionnaire was issued by e-mail. Disappointing response – 19% response rate (54% last year). The feedback was very good: 0% poor, 1% average, 21% good, 46% very good, 28% excellent. 4% did not use query service.

Inspections & reviews

Inspection and Review Summary	Grant Claims and Returns July 2007 and 2006-7 (Dec)
Strengths identified	Key challenges identified
<p>The Council has formal arrangements in place to ensure the timely and accurate submission of grant claims.</p> <p>A significant reduction in the number of claims requiring qualification.</p> <p>An improvement in the number of audited claims submitted within the certification deadline.</p>	<p>Timeliness of claim forms submitted for audit. Some were late</p> <p>Accuracy of claim forms submitted for audit. The Council's performance in preparing accurate claim forms has deteriorated slightly over the year.</p> <p>Asset registers for grant funded assets. A number of grants are issued to the Council for capital expenditure. A number of these schemes were audited and it was found that the completeness and accuracy of asset registers varied significantly.</p>

Inspection and Review Summary	CPA Use of Resources Dec 2007
Strengths identified	Key challenges identified
<p>Maintained level 3 in all five themes – “consistently above the minimum requirements, performing well”</p> <p>Evaluated as meeting best practice across all themes with some areas demonstrated as areas of excellence</p> <p>2006/07 accounts were presented in accordance with statutory requirements and agreed timescales, and were supported by a good quality set of audit working papers.</p> <p>The Council continues to meet all statutory reporting requirements and has made key documents available to the public through the Council website on a timely basis.</p> <p>The Council has improved its external accountability in year through the production of an Annual Report.</p> <p>The Council continues to have in place robust budget setting and monitoring arrangements,</p> <p>The Council continues to operate consistently within</p>	<p>The Council should build on the progress it has made in producing an annual report and consider the benefits of producing it in a variety of formats.</p> <p>The Council can further improve arrangements through strengthening the role of partnerships within financial plans, strategies and the Council's objectives, and fully embedding procedures for the management of assets.</p> <p>The Council can further improve arrangements through ensuring continuity in membership and attendance at the Audit Committee</p> <p>Introducing formal procedures for updating and assessing performance of partnerships.</p>

<p>the budget that it sets.</p> <p>Asset management arrangements have been strengthened in the year</p> <p>The Council has maintained consistent levels of performance within its financial standing.</p> <p>The Council continues to operate a sound system of internal control, which has improved.</p> <p>The Council continues to achieve good Value for Money from its activities and is in the lower to mid quartile for overall expenditure whilst delivering good overall performance.</p> <p>Improvements made to developing a strategic approach to seeking external funding were completed in 2007/08.</p> <p>Improvements were made to the structure of the Council and development of the Strategic Regeneration Team, which took effect from 1 April 2007.</p>	
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Inspection and Review Summary	Annual Audit & Inspection Letter 2006-7
Strengths identified	Key challenges identified
<p>Continued improvement in many priority areas.</p> <p>Continued to deliver its plans together with its partners whilst meeting and dealing successfully with the flooding in the summer of 2007.</p> <p>Financially strong and achieved good value for money.</p> <p>Achieved an increase in its performance rating under the Audit Commission's Comprehensive Performance Assessment and now a four star council which is improving adequately.</p> <p>The council and its partners were ambitious for the area</p>	<p>More to do in all the shared priority areas to achieve the planned improvements in the lives of the people the Council serves.</p> <p>There needed to be more consistent and rapid improvement in performance to enable these plans to have their fullest impact.</p> <p>Ensure that the areas for improvement identified in the corporate assessment were incorporated into the council's plans, these include:</p> <ul style="list-style-type: none"> • communicating its vision for the area in a more effective way; • adding capacity within the council to provide additional leadership and impetus to partnership working; • providing additional support to councillors in their community and strategic leadership roles; and, • enhancing the work of scrutiny within the council; <p>Ensuring that actions to address the auditor's findings on the use of resources were happening and delivering improvements in:</p> <ul style="list-style-type: none"> • producing an annual report in a variety of formats; • Integrating financial and performance management arrangements more closely for partnerships in which

	the council was engaged. Improving the timeliness and accuracy of grant claims submitted for audit.
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Inspection and Review Summary	Audit of Accounts 2006-07 – Annual report to those charged with Governance Sept 2007
Strengths identified	Key challenges identified
<p>The council demonstrates good corporate governance through its policies and procedures. No aspects of the framework are entirely unmet</p> <p>The revised framework has an increased emphasis on partnerships working. Governance arrangements for partnerships are currently under review and until conclusion of this work requirements in this area are not fully met.</p> <p>Initial evaluation of the performance management framework concludes that the system is operating well but a full evaluation cannot be carried out until the new procedures become embedded. No aspects of the framework are entirely unmet.</p> <p>The council adopted a Local Code of Corporate Governance in 2002. It has been reviewed and updated regularly. The Code has been expanded to include details of the council's commitment to good corporate governance. This includes lots of examples of good practise,</p> <p>The closedown of the accounts for 2006-7 has once again worked well, with some improvement in quality, whilst meeting the necessary statutory deadlines</p>	<p>Member/officer relations are detailed in the constitution, the revised framework requires a protocol for effective communication between the two.</p> <p>Consideration should be given to making this explicit in the constitution or establishing such a protocol introducing a review.</p> <p>The council continues to engage with the community and consult widely, the database designed to record such consultation is still not operational. Consideration to be given to implementing a database to record consultation and track outcomes and promote feedback should be considered</p> <p>A number of adjustments are recommended to the accounts</p>

Inspection and Review Summary	Review of effectiveness of Audit Committee
Strengths identified	Key challenges identified
<p>There were clear terms of reference</p> <p>It had appropriate authority</p> <p>The committee could demonstrate sufficient independence of the executive function</p> <p>Some training had been provided</p> <p>Meetings took place with sufficient regularity to meet</p>	<p>Better evaluation of training received</p> <p>Improved continuity of membership at meetings (highlighted in the Use of Resources 2007 report)</p> <p>Managing the Risk of Fraud self-assessment to be carried out and reported to the committee</p> <p>Strategic Risk Register review (an evaluation of the adequacy of strategic controls was nearing completion)</p>

<p>the council's business, financial and governance needs</p> <p>The committee received appropriate reports on internal control, financial reporting and governance issues</p> <p>Internal and External Audit reported to the committee on key aspects of their work.</p> <p>Democratic Services officers provided appropriate support to the committee and papers were circulated in advance to allow adequate preparation by committee members</p>	<p>and would be reported to the Audit Committee in the June 2008).</p>
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<p>Inspection and Review Summary</p>	<p>Audit Commission review of National Fraud Initiative</p>
<p>Strengths identified</p>	<p>Key challenges identified</p>
<p>Committed to the prevention and detection of fraud, theft and corruption and promoted the use of all possible measures to minimise the risk of occurrence.</p> <p>The inspector had concluded that the coverage of the NFI exercise was satisfactory and suitable progress had been made in most areas.</p>	

<p>Inspection and Review Summary</p>	<p>Annual Internal Audit Report to members</p>
<p>Strengths identified</p>	<p>Key challenges identified</p>
<p>Fundamental financial systems were generally sound and reasonable assurance on the adequacy of most internal controls was given</p> <p>Corporate governance and Risk management arrangements generally comply with best practice</p> <p>All FMSIS self-assessments due from secondary schools have been received.</p> <p>The audit plan was reprioritised due to the disruption caused by the storm damage to Pittwood House and business continuity arrangements were evaluated.</p> <p>The Anti fraud, Theft & Corruption strategy was reviewed and promoted through posters, leaflets and a newsletter article. A number of fraud and irregularity assignments were carried out. The Audit Commission concluded that the coverage of the NFI</p>	<p>Personnel and payroll systems had not been fully reconciled and authorised signatory lists had not been fully reviewed at the time of the audit – although these are now nearly completed</p> <p>There was a slow response to several audit reports on IT controls. Urgent management action is now being taken and progress is being closely monitored.</p>

<p>(data matching) exercise was satisfactory and suitable progress had been made in most areas.</p> <p>Performance management and benchmarking results indicate there is a good level of performance.</p>	
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Inspection and Review Summary	CPA - Benefits
Strengths identified	Key challenges identified
<p>Achieved a rating of excellent against 9 of the 13 performance measures scored by the DWP and met 60 of the 65 enablers.</p> <p>The council maintained its Excellent performance overall for the third consecutive year.</p> <p>Work on diversity issues was undertaken and a diversity action plan had been put in place. Working with IT to develop information on the usage of customer service centres. The council had also analysed indices of multiple deprivation to identify areas for future benefit take up campaigns.</p>	<p>Develop an overpayments policy, supported by comprehensive overpayment procedures.</p> <p>Introduce a process to record the reason for the overpayment and the decision on recoverability Set performance targets for the recovery of new and old debt and monitor progress against these targets.</p> <p>Develop a formal written benefits take-up strategy evaluate the results of its targeted campaigns review obligations under Race Relations Acts (1976 and 2000) and Disability Discrimination Act (1995).</p>

Section 4

Where do we need to go?

Strategic actions we are leading on

We do not lead on any specific actions in the strategic plan but contribute to many of them with links to the Council's internal ambitions as detailed below.

Strategic actions we contribute to

The Finance Service as a whole underpins all the Council's activities and contributes extensively to the Council's internal ambitions in particular as follows:

<p>Empowering people to do the most important things better</p>	<p>We ensure that we maintain the Investors in people standards and that all our staff are well supported in learning and development activities. We are also committed to ensuring that the service attracts and retains a diverse, skilled and motivated work force. Links to Finance Service Priority 1- Investing in People</p>
<p>Supporting members to lead their communities</p>	<p>The Finance service has the lead role in the council's annual budget process and three-year financial plan, which bring together the revenue and capital requirements of all council service. This underpins the full range of council activity. Links to Finance Service priority 3 - Leading strong & effective financial management throughout the Council</p> <p>The service ensures that the council's excellent governance arrangements are sustained; we lead on anti- fraud and corruption strategies and risk management. Members are supported to ensure that the finances of the council are aligned with priorities.</p> <p>The service will also take the lead role in changes required for the Comprehensive Area Assessment /Use of Resources changes from 2008/9. Links to Finance Service priority 4 - Promoting good governance</p>
<p>Developing partnerships that make a difference</p>	<p>The service will be key in reviewing the governance arrangements for partnerships</p> <p>The Finance service will provide support and be the NLC lead role in financial matters for the changes that relate to the whole area. i.e. the new partnerships/Local Strategic Partnership, budgeting, monitoring, governance arrangements etc. We will also ensure that the appropriate financial monitoring and arrangements exist for partnerships such as the Children's Trust. We also continue to develop partnerships relating to the Finance Service, e.g. procurement alliance and NNDR shared services with NELC. Links to Finance Service priority 5 – Supporting partnerships</p>
<p>Improving the capacity of the organisation</p>	<p>The service will continue to investigate strategic partnering and procurement solutions for delivery of council services</p> <p>Value for money – the VFM strategy, program and team has been refocused to achieve more significant gains and to help develop and embed the role of VFM across all council services.</p>

	<p>We will play a key role in ensuring that the council meets its performance for the new National Indicator 179 – Value for money. Links to Finance Service Priority 6 - Improving procurement, value for money and efficiency throughout the council</p> <p>The Strategic Procurement & VFM unit will lead on council-wide VFM/transformation issues, producing and achieving a VFM business plan and delivery of a three-year procurement business plan.</p> <p>We will play a leading role in modernisation of working practices, maximising use of systems, accommodation etc</p> <p>The Local Taxation and Benefits service will play a lead role in developing how our customers interact with the service and the council as a whole. -Channel migration: telephone and internet benefits applications, e-billing, role of Local Links etc. Links to Finance Service Priority 7 - Developing capacity and capability to do more</p>
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We also contribute to the shared ambitions as follows:

<p>Individuals can see the difference</p>	<p>Due to the amount of money paid out and the number of claimants involved the Benefits service plays a key role in assisting the local economy. In particular the service will contribute to the following National Indicators that are contained in the Local Area Agreement</p> <ul style="list-style-type: none"> • NI 153 – working age people claiming out of work benefits in the worst performing neighbourhoods. • NI 116 – proportion of children in poverty • NI 141 – Number of vulnerable people achieving independent living <p>We also play a key role in improving the service to customers by working closely with the local links. We ensure that we make the best use of our technology to keep the service up to date with legislative changes, and to improve the service whilst achieving efficiencies. The Finance service is also committed to ensuring that the diversity of our customers is addressed in our policies and procedures. Links to Finance Service Priority 8 - Top quality services for the public</p>
<p>Everyone works together for the benefit of North Lincolnshire</p>	<p>The Finance Service will contribute to this ambition by ensuring that we consult with our customers, and take account of their views where possible. We will also try to communicate with them in an effective way that helps them to understand the services that we are providing. Links to service priority 2 – Effective communication and consultation</p>

Finance service priorities

Our priorities for the next three years are listed in full on page 25 and are summarised as follows:

1. Investing in people
2. Effective communication and consultation
3. Leading strong and effective financial management throughout the council
4. Promoting good governance
5. Supporting Partnerships.
6. Improving Procurement Value for Money and efficiency throughout the council
7. Developing capacity and capability to do more
8. Top quality Services for the public

Service Improvements

Service Wide

- Review service structure to ensure that it properly reflects the new responsibilities arising from Local Strategic Partnership /partnerships/Comprehensive Area Assessment developments and has the capacity to deal with the additional demands
- Ensure the service meets the requirements of the corporate communications campaigns on value for money and benefit take up.
- Review and update the consultation strategy across the service, ensuring that the service is accessible and responsive to all internal and external customer needs.
- Ensure the diverse populations of North Lincolnshire have fair and equal access to our services and that no group is disadvantaged by the way we publicise our services or by the way we respond to their queries
- Improved measures of attitudes and satisfaction levels of all employees in the service. Deliver the POV action plan and improve the main issues raised in the POV survey for Finance. Ensure the service is ready for next IIP inspection.
- Improve use of office space and efficiency in service delivery by review of storage requirements, homeworking electronic solutions, hotdesking etc

Financial Services including Corporate Finance and Exchequer

- Develop appropriate financial reporting/monitoring processes for the Local Area Agreement /Local Strategic Partnership
- Improve the timeliness and accuracy of grant claims submitted for audit. Roll out protocol and training
- Explore and, if feasible, implement alternative delivery option for the payroll contract
- To review lease car agreement periodically with a view to renegotiations of individual leases to minimise cost.
- To introduce direct debits as a method of payment for sundry debtor accounts by March 2009
- To roll out e-claims to all sections
- To encourage and develop the use of e-forms and embrace Business Process Reengineering work as part of the VFM exercise

Audit and Risk management

- Determine council wide approach to Comprehensive Area Assessment and allocate responsibilities for implementation
- Develop the Internal Audit service in the light of changing service delivery options and government initiatives. To provide assurance on Local Area Agreement etc.
- Ensure QPR process includes proper consideration of Risk Management issues
- Review governance arrangements for partnerships including risk management, constitutional issues and strategy approval

Strategic Procurement & Value for Money (vfm)

- Support the establishment of a strategic procurement solution for the delivery of the council's capital programme
- Determine a 3 yr. business plan of joint projects and developments with North East Lincolnshire Council to deliver the required outcomes of the procurement alliance
- Complete council-wide implementation of eProcurement and SCMS and develop increased use of eAuctions
- Deliver the new VFM program and achieve efficiency and savings targets
- Implement an electronic "procure to pay" solution

Local Taxation and Benefits

- Implement changes to face-to-face enquiries in Scunthorpe North. (Church Sq.)
- Combine annual Benefit letters and council tax bills into single postage/print to generate better customer service and reduce numbers of enquiries
- Undertake self assessment against new KLOEs (for potential audit commission inspection)and produce action plan
- Develop the strategy and implement benefits take up campaign using GIS and MOSAIC technology to ensure that the diverse population of the council is identified and targeted accordingly

- Develop strategy for electronic services and channel migration including how services are delivered at front line, reflecting customer needs and service efficiencies
- Improve efficiency in service delivery by exploring joint working opportunities including examining the results of the NLC/NELC feasibility study and implementing the action plans to increase productivity and reduce costs in council tax and benefits.

Our key priorities for the next three years

- The Finance service will provide support and be the NLC lead role in financial matters for the changes that relate to whole area. i.e. the new partnerships/LSP: budgeting, monitoring, governance etc.
- Lead role in changes required for the Comprehensive Area Assessment /Use of Resources changes from 2008/9
- Participatory budgeting developments
- The Strategic Procurement & VFM unit will lead on council wide VFM/transformation issues, producing and achieving a VFM business plan.
- Delivery of the three-year procurement business plan allied to the procurement strategy
- Lead role in developing how our customers interact with the service -Channel migration: telephone and internet benefits applications, e-billing, role of Local Links etc
- Complete roll-out of e-systems e.g. e-procurement, SCMS, carplan, sundry debtors, etc
- Maintaining IIP accreditation
- Succession planning as the workforce ages – Develop action plan in consultation with HR
- A leading role in modernisation of working practices, maximising use of systems, accommodation etc
- Professional training to maintain skills levels
- Consultation and satisfaction levels
- Delivery of a three-year procurement business plan
- Delivery of a three-year VfM development program
- Maintenance of the excellence rating for benefits.
- Undertaking the benefits take up strategy in conjunction with the council's communication priorities.
- Improved collection of council tax.
- Adapt and maintain the high performance of the service whilst dealing effectively with the current economic situation.

Our Non-Priorities

As most of the services provided by Finance are statutory, services there are no strategic areas that can be classed as non-priority.

We have identified the following that are operational:

- Involvement in low value/low risk procurement where no value is added by the team
- Support to small scale VFM reviews
- Routine processing, particularly where it can be handled electronically at source by services.
- Provision of “hands-on” procurement support which is wasteful in terms of time and resources
- Non value adding regional initiatives
- Low Risk audit work

The 'Building Capacity' program in the financial services will identify some activities which are non-priorities for the future so that we can continue to deliver an effective service.

Section 5 How will we know we are succeeding?

Key Outcomes

- To produce annual accounts which are unqualified and on time
- Achievement of milestones in the National Procurement Strategy for Local Government
- Positive rating and improved scoring under the Use of Resources element under CPA
- Standing in national award schemes for procurement
- Positive endorsement of internal audit & risk management work by external audit
- Woolf protocol requirements met
- Positive outcomes for benefits in the event of an inspection by the audit commission
- Positive External Audit opinion
- Positive CPA and inspection results
- Maintenance of IIP award
- Positive Points of View results
- Accurate budget monitoring.
- Predicted budget outturn – within budget
- Procurement savings of £1m
- Performance Indicators that are above average
- Achievement of awards
- Value for money savings of £0.5m achieved
- Council tax increases in line with government and public expectations.

Key Indicator and Targets

Service Wide	2008-9	2009-10	2010-11
Percentage of EDRs completed within previous 12 months	90%	90%	90%
Average number of working days lost due to staff sickness	8.8 days	8.8 days	8.8 days
Percentage of workforce attending learning and development activities	90%	90%	90%
Percentage of new managers completing corporate induction	100%	100%	All

Financial Services	2008-9	2009-10	2010-11
Use of resources			
Accounts	3/4		
External accountability	3/4		
Medium term financial strategy and budget setting	3/4		

Financial Services continued	2008-9	2009-10	2010-11
Budget monitoring and management	3/4		
Asset management	3/4		
Financial standing	3/4		
Achievement of value for money	3/4		
Arrangements for improving value for money	3/4		
Other measures			
Average interest rate on cash flow	0.1% above average base rate	0.1% above average base rate	Equal to base rate (as markets stabilise)
Capital financing cost as % of net revenue stream	<6.0%	<6.0%	<6.0%
Cost of accountancy service per £000 gross revenue turnover	Below unitary average	Below unitary average	Below unitary average
Member training	4 half day events offered	2 half day events offered	2 half day events offered
Non-finance officer training	9 courses offered	12 courses	12 courses
FMSiS % of primary schools trained	100%	n/a	n/a
Percentage of invoices paid electronically by value in accordance with payment terms	90%	92%	95%
Average number of debtor days	60 days	60 days	60 days
% of sundry debtor invoices paid electronically	90%	91%	92%
% of electronic payments (cashiers)	26%	28%	30%
Payroll payments paid on time	100%	100%	100%
Payroll- Reduction of number of cheque payments caused by service areas.	2.5%	2.5%	2.5%

Audit and Risk Management	2008-9	2009-10	2010-11
Completion of internal audit plan	80% But adequate coverage of all high risk areas	80% But adequate coverage of all high risk areas	80% But adequate coverage of all high risk areas
Number of recommendations agreed and implemented	60% of those tested	60% of those tested	60% of those tested
Adherence to professional standards	Positive annual review	Positive annual review	Positive annual review
Satisfaction with internal audit	80%	80%	80%
Percentage of Woolf claims that are successfully defended due to compliance with Woolf protocols.	98%	98%	98%
Council wide % of operational risk registers prepared by service division managers	70%	75%	80%
Number of strategic risk position statements reviewed	100%	100%	100%

Internal Control			
Risk Management	3/4		
Internal Control continued	2008-9	2009-10	2010-11
Systems of internal control	3/4		
Conduct & anti-fraud and corruption	3/4		

Strategic Procurement and Value for money (VFM) unit	2008-9	2009-10	2010-11
% of corporate spend through eprocurement module	15%	17.5%	20%
% orders raised electronically by email	7.5%	10%	15%
% of invoices received and processed electronically	3%	5%	7%
% of National Procurement strategy milestones completed	100%	100%	100%
Cashable savings identified through completed VfM projects	£500k	£500k	£500k
% of VfM projects completed v overall programme	67% (14 out of 21 projects)	70%	75%
Cashable savings identified through smarter procurement (annualised)	£1m	£1.5m	£2m

Local Taxation and Benefits	2008-9	2009-10	2010-11
Percentage of telephone calls offered that are answered in the local taxation & Benefits call centre.	90%	92%	93%
NI 180 The number of changes of circumstance which affect customers' HB/CTB entitlement	843 per thousand claimants	850 per thousand claimants	860 per thousand claimants
NI 181 Time taken to process Housing benefit/Council Tax Benefits new claims and change events	15 days	14 days	13 days
Average time for processing new benefit claims.	25 days	22 days	20 days
Average time for processing notification of change events	10 days	9 days	8 days
Accuracy of claims – Internal quality check based on 4% check	99% paid accurately	99% paid accurately	99% paid accurately
The number of prosecutions and sanctions per 1,000 caseload	6.5	6.6	6.7
Percentage of Council Tax collected	97.5%	97.6%	97.7%
The percentage of non-domestic rates collected	99%	99.1%	99.2%

Section 6 How do we get there?

Financial resources

3 year finance settlement

	2008/09	2009/10	2010/11
	£000	£000	£000
Net Revenue Budget	4,221	4,138	4,026
Capital investment programme (see appendix 1)	Nil	Nil	Nil
Efficiency target	157	136	165
Net Revenue Budgets by Division			
Finance Management	216	217	218
Financial Services	956	961	966
Corporate Finance	1,219	1,173	1,127
Audit and Risk Management	553	555	558
Procurement and vfm	179	181	183
Local Taxation and Benefits	1,097	1,050	975
External funding			
Benefits subsidy	34,293		
Benefits Administration grant	£1,275		
Local Housing Allowance grant	£70k (2008-9 only)		
Employment Support Allowance grant	£46k (2008-9 only)		
NNDR cost of collection allowance	£244k		

Staffing

The Finance Service has 197.4 fte employees and is committed to the continuing professional development of all of them. This is documented through a workforce plan. The plan looks at a number of issues that relate to all aspects of recruitment, selection and retention of employees. The full workforce plan is attached as Appendix 3. The main issues arising from it are:



- In the past year there have been 4 posts with limited response to adverts. These were all in Local Taxation and Benefits
- Annual employee turnover within the service is low and is not currently a cause for concern. The average turnover has dropped in the last year. It is therefore not anticipated that the level of turnover will rise significantly within the next year.
- 86% of employees within Finance agreed that they have enough flexibility in their hours/job to help balance home and work life. (Points of View Survey, 2007)
- Finance sickness absence levels are currently below the Council average. Between April 2007 and Mar 2008, an average of 7.94 days per employee was lost due to sickness absence.

- Stress, depression, anxiety and mental health were statistically the most common reasons given for sickness absence. It is believed that the majority of this is non-work related but work needs to be done on analysis.
- The service as a whole is female dominated compared to both local population and organisation as a whole, however the Finance Management Team has more males than females
- Proportion of BME employees within Finance service falls below local population and those of the organisation.
- Although disabled employees are under-represented in comparison to local population, the service figure is higher than the organisation as a whole.
- Within 10 years, 12 employees will retire based on normal retirement age of 65. This equates to 5% of the workforce. Overall, the age profile and future retirement is within manageable levels. However the fact that over one third of employees in the service will be over 50 within the next three years means that some succession planning is needed
- The age profile of Finance workforce is younger compared to local population with a greater concentration of employees between ages of 25 and 54.

Asset Management



Key Assets

The Finance Service occupies office accommodation in Pittwood House and Church Square House in Scunthorpe and Hewson House, and The Angel in Brigg.

Key issues

Finance has the lead role in the Council for achieving Value for Money and efficiencies. A key issue in this is the corporate “worksmart” initiative, which the service will be able to support and facilitate.

Due to the introduction of the joint procurement unit with NorthEast Lincolnshire there are potential opportunities for sharing assets them in the future. This could include accommodation if it was agreed that the team is relocated.

The benefit service is working closely with adult service (IAC) and DWP to develop joint visiting teams; this could potentially impact on requirements for offices but would be minimal.

Nine staff from Local Taxation and Benefits work permanently from home and the intention is to increase this number and extend across the whole of the finance service where possible. In the long term if we could persuade more staff to work from home then potentially the needs for office accommodation could be reduced.

Some staff such as audit occasionally work from home and in order to reduce office accommodation requirements hotdesking is encouraged in suitable areas

such as local taxation and benefits and audit. This links to the corporate “worksmart” initiative.

Local taxation and Benefits are also working closely with the Local Link service regarding provision of front line customer service in Scunthorpe North. It is envisaged that we develop a “centre of excellence” where staff from Local Taxation and Benefits are situated on the front line. This could mean the transfer of approximately four staff from Hewson House in Brigg to the local link at Scunthorpe.

In connection with the above if the Local Link moves from Church Square then it is envisaged that the existing cashiers function will also be transferred.

The Finance service has not identified any potential capital schemes or major maintenance works required to any of our key assets.

Information technology



Current IT usage

The service currently uses the following major IT systems.

- Northgate Information systems (NIS) – Council Tax, Benefits and NNDR
- Civica (Comino) Document management system (URB2) – Council Tax, Benefits and NNDR
- Cedardata – efinancials and eprocurement, Sundry Debtors
- Capita – epayments
- Spectrum – Cash Receipting
- Bottomline Technologies Ltd. – BACS transfers for both creditors and collections. Allocation of bank payments
- Allpay – Payment by swipe cards for council tax and NNDR
- East Riding/Avarto – payroll
- DWP CIS system – benefits link for information checking
- Links to bailiffs
- Interfaces
- Puma – e-claims for travel expenses.
- Lachs- Insurance claims handling system
- Time recording system – Audit
- Alito Supplier & Contract Management System – electronic procurement work flow, e-Tendering and contracts management

In addition all staff have access to email and intralinc. Some have access to other systems such as the internet, on-line procedure manuals and various Microsoft office products.

All sections have access to resources required to undertake their duties such as IT equipment, office machinery, stationery and furniture.

In addition flexibility of working is encouraged via homeworking, hotdesking and the introduction of mobile technology in Local Taxation and Benefits.

Anticipated IT Project List

The IT strategy for the service is drawn up and reviewed annually in conjunction with the account manager. Projects currently included in the strategy are

- LT & B Mobile working – expected to be live summer 2008.
- Income returns – e payments
- LT & B NIS - Version 6 upgrade and PMQA
- Changes to cheque printing stationary and process.
- Epayments – EOD Processing
- Civica - General filing modules
- Efinancials and eprocurement development for emails
- Sundry debtors by direct debit
- Potential changes to income management – Paye.net
- Sundry debtors and payments interfaces
- Cash receipting interfaces
- NLC/NELC procurement system access to facilitate cross site working

Within LT & B There are various national e-products under development by the IT companies that are suggested for future developments. These include eBenefits, electronic billing for council tax etc.

We have received notification from DWP that in order to continue to access benefits data from 1 April 2009 the service need to implement Government Connect. This is a major project that relates to sharing of data with Government Departments and will ultimately affect the whole council

We are also working closely with the local link service regarding the provision of the front line enquiry service to the customers.

IT Constraints and Risks

- IT developments are constrained by the availability of resources both within the Finance service and IT service
- Risks are controlled by the IT business continuity plans.
- We have Escrow agreements that cover Northgate and Civica so that in the event of failure of the company we would have access to the core data.

Legislative Considerations

The Finance Service is governed by detailed regulations and legislation and as such the IT systems must comply with the law. In particular there are constant changes to the legislation for Local Taxation and Benefits, requiring major software updates each year, and which require careful planning for testing and live implementation with minimal disruption to users.

Future known changes include

- October 2008 – major changes to benefits for Employment support allowance, handling of claims by the Pension Service and changes to benefits for lone parents.
- October 2009 – Major changes to benefits for families with children. (disregard of child benefits)
- April 2010 – Revaluation of business rates

Key Contracts Register & Procurement Plan

Contract Title	Contract Start Date	Contract End Date	Ext. Option (if any)	Finite End Date	Start Date to take Procurement Action	Anticipated Contract Value £ 2008 / 2009	Contract Manager
Payroll Services	1-Apr-08	31-Mar-13	2 Year	31Mar 2015	1 Apr 2014	£50,000	Kevin Coyle
Insurance	1-Oct-07	30-Sep-10	30-Sept-12 (3 + 2yr LTA option taken)	30 Sep 2012	01 Jul 2011	£1,167,000	Rob Walters
Development contract for the finance service	12-Nov-07	11-Nov-11	Reviewed annually	11 Nov 2011	01 Sep 2010	£57,200	Carol Johnson
Document Management System (Provision of)	1-Jul-99	Ongoing	-	to be confirmed		£34,000	Carol Johnson
Swipe cards for payment of council tax and nndr	14- Jul-04	14-Jul-09	-	14 –Jul-09	01-Oct-08	£60,000	Carol Johnson

Value for Money Profile

Service Function	VFM Profiling Outcome		Overall VfM Position	Importance to Strategic Plan	Direction of Travel	Evidence Source
	Cost	Performance				
Insurance	Not yet analysed			Low		
Creditors	Med - High	Med	Fair	Low	↔	CIPFA Benchmarking 2007
Cashiers	Low– Med	High	Strong	Low	↔	CIPFA Benchmarking 2007
Payroll	Low	High	Strong	Low	↔	CIPFA Benchmarking 2007
Debtors	High	Low	Poor	Low	↔	CIPFA Benchmarking 2007
Treasury Management	Not yet analysed			Med		
Debt Management	Not yet analysed			Med		
Internal Audit	Not yet analysed			Med		
Council Tax	High	High	Fair	Med	↔	CIPFA Benchmarking 2007
Benefits	Med	High	Fair	Med	↔	CIPFA Benchmarking 2007
Strategic Procurement & VfM	Not yet analysed			Med		
Financial Services	Low	Med	Strong	High	↔	CIPFA Benchmarking 2007

Value for Money Improvement Actions

Service Function	Key Action	Responsibility
Insurance	To be reviewed July 2009	JW
Creditors	<p>Actions to reduce costs:</p> <ul style="list-style-type: none"> Reduce cheque runs and increase BACS runs. Consider emailing bacs remittances. <p>Actions to increase performance:</p> <ul style="list-style-type: none"> Promote logging of invoices by services Monitor the percentage of invoices paid on time by services through QPR's. Implement e invoicing. Consider electronic document management for invoices. 	<p>MK / MEI MK / MEI</p> <p>MK / MEI</p> <p>JW/PF MK / MEI</p>
Cashiers	<p>Actions to increase performance:</p> <ul style="list-style-type: none"> Consider / implement automatic uploads between cash receipting and efinancials to reduce duplicate inputs. Consider / implement telephone and internet payment link between capita system and cash receipting. 	<p>MK / MEI</p> <p>MK / MEI</p>
Payroll	<p>Actions to increase performance and reduce costs:</p> <ul style="list-style-type: none"> The service will consider greater resilience and cost savings through the revised working arrangements with Avarto. 	MK / MEI
Debtors	<p>Actions to reduce costs:</p> <ul style="list-style-type: none"> In depth comparison with other authorities to understand why NLC cost is high in comparison to others. <p>Actions to increase performance:</p> <ul style="list-style-type: none"> Analysis of debtor days by debt type to be carried out on a regular basis to highlight key areas of underperformance. Consider change from standing order to direct debit for Homecare payments Explore the higher than average charge for IT services, central charges and cashiers through benchmarking network meetings <p>The cashiers, creditors, debtors and payroll functions will be included in the scope of the VfM project to review admin and exchequer functions. The Finance VfM Group will monitor the progress against this project.</p>	<p>MK / MEI / JW</p> <p>MK / MEI</p> <p>KC</p> <p>MEI</p> <p>JW</p>
Council Tax	<p>Actions to increase performance and reduce costs:</p> <ul style="list-style-type: none"> A project to further analyse cost and performance is underway with NELC and is included in the VfM Programme <p>The Finance VfM Group will monitor the progress against this project.</p>	JW / MEr

Benefits	<p>Actions to increase performance and reduce costs:</p> <ul style="list-style-type: none"> A project to further analyse cost and performance is underway with NELC and is included in the VfM Programme <p>The Finance VfM Group will monitor the progress against this project.</p>	JW / MEr
Financial Services	To ensure that the benchmarking return for 2008 is completed correctly to enable VfM Profiling to be carried out for each finance team.	PF
Treasury Management	<p>Given the current financial climate, the treasury function will avoid any risky investments to protect council funds. The approved lending list has been reduced and extra control checks have been added into the Treasury system to monitor share prices of banks and building societies. This position is to be subject to ongoing review.</p> <p>A project to improve the council's cashflow is included in the VfM Programme, the Capital & Treasury Accountant will assist in this project to ensure maximum funds are available for investment. The project will include a review of the income / return rate targets.</p> <p>The Finance VfM Group will monitor the progress against this project.</p>	PF PF / DL / JW
Debt Management	To carry out profiling exercise	JW
Internal Audit	To carry out profiling exercise	JW
Strategic Procurement & VfM	To carry out profiling exercise	JW

Changes we need to make

Budget efficiencies

The three-year resource statement has been agreed as part of the budget process and reflects efficiencies of £458k that need to be implemented across the service in the next 3 years as follows:

2008/09	£157k
2009/10	£136k
2010/11	£165k

Staffing

- There will be structural changes required as a result of the involvement in Comprehensive Area Assessment and Partnerships
- Potential structural changes in Local Taxation and Benefits as a result of the costing and efficiency review and the changes to working methods. Other changes may be needed as a result of changing Government legislation.
- Structural changes are also needed to meet the above budget efficiencies
- Actions that need to be taken as outlined in the workforce plan at Appendix 3

Diversity



The Service is committed to the Diversity agenda and contributes to the council wide and statutory requirements for diversity in the following ways.

- A Finance Diversity Working group meets six weekly.
- Diversity issues are a standing item on the agenda of Finance management Team meetings
- We have a diversity action plan in place
- A member of the Service development team regularly attends the Diversity Steering Group.
- Electronic and over the phone payments for Council Tax, Overpayments, Debtors etc
- 86% of Finance managers have attended the managing Diversity training this last year.
- Diversity monitoring has started with Benefits Assessments, currently working on the rest of Finance. We are currently looking at how each team in finance is accessible to external and internal customers. We will ensure we meet the statutory equality duties and promote and use best practice outcomes in terms of service design and delivery to meet the needs of the local population.
- Work on the Points of View results shows that we are committed to diverse needs of staff.
- Homeworkers across LT&B and flexible working across Finance.
- New Printer contracts for the application form enables us to amend the HB/CTB application form regularly after feedback from the public and staff. This was not possible before.
- Diversity & equalities issues in procurement are monitored through IDEA performance indicator LIB/P31 - currently the council's self-assessed score is 67% compliance, improving from 48% 12 months ago.
- Diversity impact assessments are completed for any major change in the service; for example they have been completed for the introduction of payment of benefit by BACS and for the introduction of the Local Housing Allowance. These will continue for future changes.
- The Finance Service is committed to working towards the Investors in Diversity Standards.
- Within the service we will promote the understanding of the reasons why we monitor diversity strands and take appropriate action of the analysis of the workforce profile data.

Biodiversity and Sustainable Communities Act



The importance of Biodiversity and sustainability are recognised in the council's procurement strategy. Work is underway via the procurement business plan to effectively integrate sustainable procurement into day-to-day procurement activity. Work has begun to measure the carbon impacts of the council's suppliers.

Police and Justice Act 2006 Section 17



In order to contribute to the minimising of crime and disorder the Finance Service will

- Ensure that crime and disorder issues are embedded into the risk management process
- Ensure appropriate fraud procedures are in place within the internal and external finance system.
- The Finance Service has contributed to the Corporate parenting pledge and is committed to supporting Young people in the care of the Local Authority to enable them to stay safe from harm of substance misuse, anti social behaviour and crime.
- Cooperate with the Safer Neighbourhoods Action Programme and support and contribute to the Neighbourhood Action Teams and Safer Neighbourhood Area Teams as required.
- Encourage reporting of crime and anti social behaviour.

Contribute to the Joint Strategic Intelligence Assessment, Joint Strategic Needs Analysis and any other strategic level analysis, including provision of data, information, intelligence and analysis as appropriate.

Section 7

Barriers to success

Key Risks

Risk assessment is an integral part of strategic planning. All developments in the service plan have been assessed against likelihood and impact. This ensures that risk is considered as part of the forward planning process. The analysis produces a risk assessment score. Actions with high scores are considered the greatest risk and will be monitored as part of the quarterly performance monitoring process. They are cross-referenced with the service risk register.

Any new risks or changes that occur during the year will be updated on the service register and used to inform the planning process for the following years

Risks	Controls	Actions
Failure of Contractor (Corporate Contracts Portfolio) <ul style="list-style-type: none"> Performance Financial Value for Money 	Contracts professionally let and managed. Financial appraisals undertaken annually for service critical contracts. Most corporate contracts are commodity based - alternative suppliers available in many cases	Review all corporate contracts to check whether any have "service critical" status
Provision of inappropriate or incorrect advice and/or breach of Contract Procedure Rules resulting in project delays or legal challenge from aggrieved suppliers	Officers professionally qualified to MCIPS standard. CPD undertaken. Local training on CPRs provided. Supervision in place. 1:1s	Complete workforce planning. Ensure training plan is kept up-to-date. Ensure 1:1s are carried out monthly
Operational procurement risks	Project management and cross-functional project teams	Ensure appropriate project management arrangements are in place
Breach of EU or other law or regulatory requirement	EDRs and training plan. Corporate in-house training plan Supervision	Continuous Professional Development
Recruitment & retention of quality staff	Good & flexible working conditions Council's reputation FMT Charter, liP requirements	Monitor market on salaries and conditions, market council as good employer. Review finance structure to maintain capacity
Lack of adequately trained staff	Workforce planning, EDRS & training needs assessment, adequate budgeting, liP requirements	Complete workforce planning, Achieve liP
IT failure resulting in loss of a major system	IT Business Continuity Plan	None
Failure to meet statutory or significant performance standards	Procedures, Performance monitoring, Internal Audit, Efficiency Reviews	Improve performance monitoring through QPR and identify and monitor all key targets

Failure or breakdown of relationship with NELC resulting in the termination or adverse performance of the joint procurement unit	Joint management board established. Statement of Principles agreed.	Ensure program of joint management board meetings is established. Sign Statement of Principles. Prompt resolution of issues. Maintain partnering spirit.
Capacity to meet changes to service delivery resulting from local or national policy changes	Service planning and prioritisation, performance management, flexible working	Complete finance BPR and restructure
Failure of BACS system for making payments to creditors or benefit claimants	Ability in an emergency to make payments using "Bankline " link.	None
Council wide strategic risks for which the service is responsible		
Available resources inadequate to meet identified needs	Funding expertise Efficiency reviews Budget monitoring Treasury guidelines Anti fraud & corruption strategy	Review external funding group.
Failure of major supplier e.g. partner, supplier contractor or other public sector body	CPRs, Procurement Manual, Advice, Training, Financial safeguards and remedies, Contingency Arrangements	Review governance arrangements in partnerships, review of contingency arrangements for key suppliers, development of business case approach & gateway reviews.
Breakdown of Prudent Financial Management including Treasury Risks	Financial Regulations, Standing Orders and Constitution, Finance Manual, Internal Audit, SRMG, Anti fraud & corruption strategy, experience, training, treasury guidelines, budget monitoring, well defined collection & monitoring	Review authorisation levels, review and publicise finance training (including Risk & Procurement)
Other significant risk		
Lack of adequately trained staff	EDRs and training plan. Corporate in-house training plan	None (cross – cutting risk)
Recruitment and retention of quality staff	Standards in recruitment policy. Interview process. Flexible working. 1 to 1 and section meetings, training & development.	None (cross – cutting risk)
Loss & Fraud	Corporate Governance Framework, Anti fraud & corruption strategy, financial regs, Finance Manual, Internal Audit, Budget monitoring	None (cross – cutting risk)

Appendix 1 Capital Schemes

There are no capital schemes proposed for the finance service

Key Priority



Investing in people

No	Key actions	Lead	Target date	Milestones	Outcome
1	Implement the finance service action plan for 2007 'Points of View' survey.	Michael Erwin	31-Oct-08	15.6.08 Action plan 31.8.08 Review actions	POV actions completed and all staff aware
2	Contribute to the council wide points of view action plan.	Michael Erwin	31-Oct-08		
3	Continuing and supporting the work of the two Service Improvement teams with membership that is representative of all parts of the service	Michael Erwin /Paula Kirman	31-Mar-09	31.3.08 Agree FACT terms of ref. Quarterly meetings between 2 group	Actions taken by FACT to improve service and culture
4	Develop and ensure delivery of corporate finance training programme for 2008/09 including procurement of external support	Peter Fijalkowski /Christine Wilkinson	31-Mar-09		
5	Deliver minimum 2 development days for finance staff	Peter Fijalkowski	31-Mar-09		
6	Achieve CIPFA CPD accreditation to IIP standards	Kevin Coyle	31-Mar-09		
7	Adherence to and development of IIP standards.	Michael Erwin /Paula Kirman	31-Mar-09	31.9.08 Interim report	
8	Rollout across finance of management competencies	Lead - Paula Kirman, All finance managers	31-Dec-08	30.6.08 All managers attended workshops. 31.8.08 Review of rollout	Increase in management skills

Key Priority



Investing in people

No	Key actions	Lead	Target date	Milestones	Outcome
9	Implement the IRRV Euclidian Pro benefits training package	Chrissy Dyer	30-Sep-08	15.6.08 Test system and train staff	Higher accuracy of service
10	Succession planning - determine an appropriate action plan in consultation with Human Resource.	Michael Erwin	31-Mar-09	30.10.08 Agree terms of ref and action	Workforce equipped for future challenges and changes
11	Professional Qualification Training - Determine a strategy for the finance service regarding numbers of staff who hold a professional qualification or who are or who are undergoing training leading to the qualification.	Michael Erwin/ Paula Kirman	31-Oct-08	31.8.08 Review current position 31.10.08 Agree action plan	Workforce equipped for future challenges and changes
12	Implement the actions contained in the workforce plan.	Finance Management Team	31-Mar-09		Workforce equipped for future challenges and changes

Key Priority



Effective communication & consultation

No	Key actions	Lead	Target date	Milestones	Outcome
13	Ensure the service meets the requirements of the Corporate Communications	Carol Johnson	31-Mar-09		
14	Produce an annual report in a variety of formats	Mark Kitching	31-Dec-08		Better informed stakeholders
15	Develop channels to communicate VFM; commission series of articles for Direct	Peter Fijalkowski/ Adrian Capon	31-Mar-09		Better informed stakeholders
16	Build on Simalto model to develop consultation on finance matters with community and other key stakeholders	Kevin Coyle	31-Mar-09		Better informed decisions
17	Review and update the consultation strategy across the service, ensuring that the service is accessible and responsive to all internal and external customer needs	Michael Erwin	31-Mar-09	31.10.08 Action plan 31.12.08 First consultations	Increase consultation, review service in light of results, meet diversity and KLOE requirements
18	Implement the consultation strategy produced above	Michael Erwin	31-Mar-10		

Key Priority



Leading strong & effective financial management throughout the Council

No	Key actions	Lead	Target date	Milestones	Outcome
19	Staged implementation of International Accounting standards to meet CIPFA and legislative requirements	Mark Kitching	31-Mar-11		Accounts compliant
20	Improve the timeliness and accuracy of grant claims submitted for audit. Roll out protocol and training	Steve Cowlbeck	31-Mar-09		Fewer errors and more timely returns
21	Implement internal audit recommendations from audits on fundamental system <ul style="list-style-type: none"> • Corporate finance and exchequer • Local taxation and benefits 	Kevin Coyle & Carol Johnson	31-Mar-09		Effective internal controls
22	Embed arrangements for monitoring of schools financial position	Tracey Elliot	31-Mar-09		Integration with council's monitoring process; effective action planning
23	Establish separate accounting and monitoring arrangements for Scunthorpe Special Expenses	Steve Cowlbeck/ Nick Doust	30-Sep-08		Effective budget management
24	Produce a manager's guide to the closedown process	Sarah Milburn	31-Jan-09		Good quality accounts
25	Update and Review Finance Manual and integrate with pocket guides	Heather Graham	31-Mar-09		Effective internal controls

Key Priority



Leading strong & effective financial management throughout the Council

No	Key actions	Lead	Target date	Milestones	Outcome
26	Participatory Budgeting - Maintain watching brief on national developments and advise on actions as necessary	Peter Fijalkowski	31-Mar-09		Maintain environmental intelligence
27	Continue to develop the quality of working papers for 2007/08 accounts. Ensure accounts unqualified	Mark Kitching/ Sarah Milburn	30-Sep-08		CPA KLOE 1.1. Submit accounts with linked electronic working papers.
28	Documenting Subsidy procedures	Jayne Burman & Marj Prendergast	30-Sep-08	15.8.08 review meeting	Reduce risk of non completion of return
29	Commissioning and roll-out of e-returns	Sarah Milburn /Paul Winters	31-Mar-09		Service Efficiency Target 2008/11
30	Development of phase 2 of Collaborative Planning	Sarah Milburn/ Paul Winters	31-Mar-09		Deliver effective budgeting and planning module
31	Personalisation of social care- develop resource allocation system	Richard Andrews	31-Mar-09		A robust system for the allocation of personal budgets

Key Priority



Promoting good governance

No	Key actions	Lead	Target date	Milestones	Outcome
32	Evaluate the effectiveness of the Audit committee	Carol Andrews	30-Jun-08		Deliver action plan and comply with best practice
33	Complete CPA Use of Resources Self Assessment sections 1-4	Carol Andrews	31-Jul-08		
34	Develop Internal Audit / External Audit protocol and collaborative working arrangements	Carol Andrews	30- Jun-08		Effective use of total audit resource
35	Develop protocols with other Internal Auditors or review bodies to determine adequate source of assurance	Carol Andrews	31 –Mar –09		
36	Lead on the completion of the council's Governance Statement	Carol Andrews	31-May-08		
37	Implement the Audit Management system	Carol Andrews	31-Mar-09		
38	Self assess the council's counter fraud arrangements against CIPFA Best Practice	Carol Andrews	31-Jul-08		Identify opportunities to improve counter fraud arrangements
39	Lead and promote the revised anti fraud and corruption strategy and ensure council's arrangements meet best practice	Carol Andrews	31-Mar-09		Improved counter fraud arrangements and greater awareness throughout the council

Key Priority



Promoting good governance

No	Key actions	Lead	Target date	Milestones	Outcome
40	Implement the council's response to money laundering legislation	Carol Andrews	31-Mar-09		Improved counter fraud arrangements and comply with best practice guidance
41	Develop collaborative work with performance	Carol Andrews	31-Mar-09		
42	Deliver the risk management strategy	Carol Andrews/ Rob Walters	31-Mar-09		
43	Develop risk management performance and outcome measures	Carol Andrews/	31-Mar-09		
44	Develop proactive risk management reviews based on the LACHS reports and target high frequency /value claims for appropriate action to be taken by managers	Rob Walters/ Maureen Lyons	31-Mar-09		
45	Aligning schools audits to meet FMSiS requirements e.g. timing, key actions and documentation.	Helen Asher	31-Mar-09		
46	Ensure QPR process includes proper consideration of Risk Management issues	Carol Andrews/ Rob Walters	31-Mar-09		
47	Contribute to the Corporate training programme for Council members including evaluation	Peter Fijalkowski	31-Mar-09		Effective members
48	Undertake self assessment against new KLOEs (for potential audit commission inspection)and produce action plan	Lead - Carol Johnson Michael Erwin and benefit managers	31-Mar-09	31.8.08 Agree joint approach with NELC	Prepared for audit inspection, opportunity to rectify any weaknesses

Key Priority



Promoting good governance

No	Key actions	Lead	Target date	Milestones	Outcome
49	Determine council wide approach to comprehensive area assessment (CAA) and allocate responsibilities for implementation	Carol Andrews/ Caroline Barkley/ Peter Fijalkowski	30-Sep-08		
50	Develop the Internal Audit service in the light of changing service delivery options and government initiatives. To provide assurance on LAA etc.	Carol Andrews	31-Mar-09		
51	Review governance arrangements for the Local Area Agreement /Local Strategic Partnership /Partnerships and recommend improvements as necessary	Carol Andrews/ Caroline Barkley	30-Sep-08		
52	Review governance arrangements for partnerships including risk management, constitutional issues and strategy approval	Carol Andrews	31-Mar-09		
53	Review financial aspects of the constitution re partnership working	Peter Fijalkowski	31-Mar-09		Effective resource management
54	Evaluate Risk management IT system	Rob Walters	30-Jun-08		
55	Put in place arrangements for new Use of Resources assessment	Peter Fijalkowski /Carol Andrews	31-Mar-09		Deliver good quality services recognised by the public

Key Priority



Supporting partnerships

No	Key actions	Lead	Target date	Milestones	Outcome
56	Review service structure to ensure that it properly reflects the new responsibilities arising from Local Strategic Partnership / partnerships / Comprehensive Area assessments developments and has the capacity to deal with the additional demands	Mike Wedgewood	30-Sep-08		
57	Support the establishment of a strategic procurement solution for the delivery of the council's capital programme	Jason Whaler	31-Mar-09		
58	Develop appropriate financial reporting/ monitoring processes for the Local Area Agreement /Local Strategic Partnership	Peter Fijalkowski	31-Mar-08		Effective resource management
59	Develop financial and monitoring arrangements for the Children's Trust and ensure fit for purpose for working with our partners	Kevin Coyle	31-Mar-09		Effective resource management

Key Priority



Improving procurement value for money & efficiency throughout the council

No	Key actions	Lead	Target date	Milestones	Outcome
60	Deliver the PANNEL Business Plan 2008-2011 first year	Jason Whaler	31-May-09		
61	Implement the regional Supplier & Contractor Management System (Alito SCMS) in Transport, Asset Management, EPT, Supporting People and Children's Services	Jason Whaler	31-Mar-09		
62	Implement P2P system across the council in accordance with the agreed roll-out plan for 2008/9	Jason Whaler	31-Mar-09		
63	Implement eInvoicing on a pilot basis with the support of Corporate Finance and Payments teams	Jason Whaler	31-Jun-08		
64	Determine a new VFM programme for 2008/10	Jason Whaler	31-May-08		
65	Deliver the VFM programme for 2008-10	Jason Whaler	31-May-09		
66	Effective tracking and reporting on efficiency target in 2008/09 budget (NI 179 Value for money)	Mike Pollard	31-Mar-09		Effective tracking of vfm delivery
67	Update the procurement strategy for 2008 - 2011	Jason Whaler	31-Jul-08		

Key Priority



Improving procurement value for money & efficiency throughout the council

No	Key actions	Lead	Target date	Milestones	Outcome
68	Successfully procure solutions for key council projects including: waste disposal, sports academy, decriminalisation of parking, Baths Hall	Jason Whaler	In accordance with project timetable		
69	Building Schools for the Future: provide support for procurement through to creation of LEP	Pete Briggs	31-Mar-09		LEP operational
70	Provide support to the Waste Procurement process	Pete Briggs	31-Mar-11		
71	Complete VFM self-assessment for CPA 2008	Peter Fijalkowski/ Mike Pollard	31-Jul-08		Document fit-for-purpose
71 a	Ensure the value for money action plan is implemented	FMT members	31 Mar 09		Achievement of value for money requirements

Key Priority



Developing capacity and capability to do more

No	Key actions	Lead	Target date	Milestones	Outcome
72	Follow up the staffing review of the finance teams to ensure that most efficient working practises are embedded. e.g. hot desking, use of technology.	Kevin Coyle	31-Mar-09		Through service development days provided under contract by Macfarlane leadership Ltd and FACT
73	Consider the outcomes of the process maps from Local link BPR process and action changes if necessary	Lead Michael Erwin, Carol Johnson, Chrissy Dyer & Geoff Twidale	31-Mar-09		Leaner processes and improved performance measures
74	Implement Wireless/Remote Working Project for local taxation and Bens to improve customer services , generate efficiencies	Lead - Liz Kelly - Geoff Twidale, Neil Scrimshaw	31-May-08		Improved performance and better customer service
75	Implement the Comino General Filing module to reduce storage needs. Outcomes to be used as pilot to feed into possible council wide corporate solutions.	Lead - Liz Kelly, Neil Scrimshaw	31-Oct-08	30.9.08 Testing software	Reduced storage needs
76	Implement Comino Email module to enable direct interface	Liz Kelly	31-Mar-09	28.2.09 Testing 15.3.09 Training	Speed of processing
77	NIS and DWP interfaces for 3rd party payments to improve processing of payments deducted from claimants benefits	Liz Kelly	31-Oct-08	30.9.08 Testing 15.1.08 Training	Improved overpayment collection

Key Priority



Developing capacity and capability to do more

No	Key actions	Lead	Target date	Milestones	Outcome
78	Implement Civica version 13 software release to ensure making best use of technology	Lead - Liz Kelly - all managers	31-Mar-09	28.2.09 Testing	Improved process and performance. IT Supplier requirement
79	Involvement and support to council wide project for introduction of Government connect.	Liz Kelly	31-Mar-09	28.2.09Tetsing 31.3.09 Training	DWP requirement – more secure data transfer
80	As a result of the NLC/NELC feasibility study ,implement action plan to increase productivity in council tax and benefits assessments	Lead - Carol Johnson, Michael Erwin	31-Mar-09	31.8.08 Capacity and review workshop 30.9.08 Action plan and targets	Improved productivity
81	Review and extend the numbers of staff working from home	Finance Management Team	31-Mar-09		Increased productivity and efficiencies in accommodation
82	Internal audit - Lead on efficiencies in service delivery e.g. risk based auditing, joint working opportunities, better use of technology (electronic working papers), hotdesking	Carol Andrews	ONGOING		
83	Explore and, if feasible, implement alternative delivery option for the payroll contract	Kevin Coyle/ Mark Kitching/ Mike Ellis	31-Mar-09		Service Efficiency Target 2008/11

Key Priority



Developing capacity and capability to do more

No	Key actions	Lead	Target date	Milestones	Outcome
84	Develop programme for devolution of payment of invoices	Mark Kitching/ Mike Ellis	31-Mar-10		Service Efficiency Target 2008/11
85	Develop programme for devolution of debtor invoices	Mark Kitching/ Mike Ellis	31-Mar-10		Service Efficiency Target 2008/11
86	Northgate - Implement and use Performance Management and Quality Assurance (PMQA) module.	Lead - Liz Kelly - all managers	31-Dec-08	30.9.08 software. 15.12.08 Training for managers	Increase in output and improved quality of service
87	Implement action plan for achievement of the budgeted savings for Local Taxation and Benefits for the 3 year plan period	Lead Carol Johnson, Michael Erwin	31-Mar-09		Service Efficiency Target 2008/11
88	As a result of the NLC/NELC feasibility study – carry out detailed benchmarking and implement cost reductions as necessary	Lead - Carol Johnson, Michael Erwin	31-Mar-09	30.6.08 Agree differences summary 31.8.08 identify savings	Service Efficiency Target 2008/11
89	Examine benchmarking data ensuring expenditure allocated correctly and VFM achieved throughout LT& B Service	Lead - Carol Johnson, Michael Erwin	31-Mar-09		Service Efficiency Target 2008/11
90	Develop strategy for electronic services and channel migration including how services are delivered at front line, reflecting customer needs and service efficiencies	Michael Erwin	30-Sep-08	30.9.08 Action plan	Change in customer demand towards more efficient channels
91	Develop strategy for reducing amounts and numbers of payments made by cash/cheque for council tax and business rates	Lead - Carol Johnson, Michael Erwin	31-Mar-09	31.8.08 Agree strategy 30.10.08 review of progress	Reduction in amounts of payments made by cash/cheque, transfer to cheaper methods

Key Priority



Top quality services for the public

No	Key actions	Lead	Target date	Milestones	Outcome
92	Contribute to council wide measurement of NI 14 -Avoidable contact	Michael Erwin	31-Mar-09	Corporate action plan	Meet NI14 target and use data to reduce unavoidable contact so improve efficiencies
93	Set up new accuracy measure – Produce and implement action plan to monitor performance	Chrissy Dyer	31-Mar-09	31.8.08 Agree actions	Improved accuracy of benefits
94	Implement, monitor and evaluate local link pilot at Epworth	Lead - Carol Johnson, Michael Erwin, Lorraine Thorpe/Claire Spindley	31-Jul-08		Improved customer service, More efficient working local links and LT &B
95	Combine annual Benefit letters and council tax bills into single postage/print to generate better customer service and reduce numbers of enquiries	Lead -Liz Kelly, Geoff Twidale, Chrissy Dyer	28-Feb-09	31.1.09 test run	Improved customer satisfaction and reduced inquiries
96	Develop the strategy and implement benefits take up campaign using GIS and MOSAIC technology to ensure that the diverse population of the council is identified and targeted accordingly	Lead - Michael Erwin, Carol Johnson, Paula Kirman	31-Mar-09	30.9.08 Action plan 31.10.08 First benefit take up action	Increased take up , clearer understanding of diversity of population
97	Review service delivery to ensure that no group is disadvantaged by the way we publicise our services or by the way we respond to their queries	Carol Johnson	31-Mar-09		

Key Priority



Top quality services for the public

No	Key actions	Lead	Target date	Milestones	Outcome
98	Implement and develop Single housing benefit extract (SHBE)	Lead - Liz Kelly Jayne Burman/ Marj Prendergast, Neil Scrimshaw	30-Jun-08		Ability to report and monitor benefits performance to DWP requirements
99	Plan for changes in Enforcement Courts and Tribunals Act including staffing requirements	Geoff Twidale	31-Mar-09	31.12.08 Action Plan 15.1.09 Review staff	Comply with legislation
100	Whole area single resident discount review using Experian	Geoff Twidale	31-Dec-08	31.10.08 Action Plan 15.12.08 Review resources required	More accurate data, less fraud, increased income.
101	New overpayment performance measure as required by DWP	Jayne Burman & Marj Prendergast	31-Mar-09	31.1.09 Processes for collection of data in place	Compliance with DWP requirements
102	New fraud performance measure as required by DWP	Neil Scrimshaw	31-Mar-09	31.1.09 Processes for collection of data in place	Compliance with DWP requirements
103	Implement changes to benefits for Employment support Allowances (ESA)	Chrissy Dyer	30-Sep-08	31.7.08 Action plan and resource requirements identified	Compliance with legislation
104	Implement Changes to benefits for pensioners on pension credit	Chrissy Dyer	30-Sep-08	31.8.08 Action plan	Compliance with legislation

Key Priority



Top quality services for the public

No	Key actions	Lead	Target date	Milestones	Outcome
105	New National Indicators for benefits NI 180 and NI 181 produce and implement action plan to monitor performance	Lead - Chrissy Dyer, Marj Prendergast, Jayne Burman, Neil Scrimshaw	31-Jul-08	30.6.08 Update meeting	Compliance with new performance measures as required by DWP
106	Interface Northgate IS and bailiff software - notification of new and cancelled cases, if appropriate following new Act	Geoff Twidale	31-Mar-09	31.12.08 Action plan	Improved performance
107	Establish interface & joined up working with valuation office Council tax and NNDR	Geoff Twidale	30-Sep-08	31.7.08 Agree timetable	Improved processes and output
108	Monitor impact of Local Housing Allowance on benefit resources and performance	Chrissy Dyer	30-Sep-08	31.8.08 Review meeting	Correct resource for service, Monitor diversity compliance
109	Implement Northgate Version 6 (replacement for iWorld)	Lead - Liz Kelly - all managers	31-Dec-08	30.10.08 Software 31.11.08 Testing 31.12.08 Training and review	Improved process and performance. IT Supplier requirement
110	Oracle 10G install	Liz Kelly	30-Sep-08		IT supplier requirement

Key Priority



Top quality services for the public

No	Key actions	Lead	Target date	Milestones	Outcome
111	Implement new NIS debtors system for benefit overpayments	Lead Jayne Burman & Marj Prendergast, Liz Kelly , Chrissy Dyer	31-Dec-08	31.10.08 Testing 15.12.08 Training	Increased collection of overpayments
112	Implement changes to face to face enquiries in Scunthorpe North. (church Square)	Lead Carol Johnson , Michael Erwin, Lorraine Thorpe Claire Spindley	31-Dec-08		Improved customer service, More efficient working local links and Local Taxation and Benefits
113	Ensure council wide improvement plan to improve payment of invoices within 30 days is implemented (previously BV8)	Mike Ellis	31 Mar 09		
114	Prepare for and implement the NNDR revaluation	Geoff Twidale	31 Mar 10		Compliance with legislation

Finance Workforce Plan 2008/2009



Recruitment Summary: all advertised posts with closing date between 1 April 2007 and 31 March 2008

Vacant post	Number of advertised posts	Number of applicants	Appointment made?
Accountancy Assistant	16	16	Yes
Auditor	1	9	Yes
Finance Clerk	2	35	Yes
Senior Accountant	4	27	Yes
Overpayments Officer	1	1	Yes
NNDR Officer	3	18	Yes
Council Tax Officer	3	55	Yes
Trainee Clerical assistant	1	9	Yes
Control & Reconciliation officer	1	2	Yes

Vacant post	Number of advertised posts	Number of applicants	Appointment made?
Assessment Officer	7	56	Yes
Peripatetic School business manager	7	15	Yes
Senior Auditor	1	9	Yes
Senior benefits officer	1	1	Yes
Service Development Officer	1	4	Yes
Assistant Admin Officer	1	9	Yes

Total number of advertised posts	50
Total number of applicants	266
Percentage of posts resulting in appointment	100%
Average number of applicants for all advertised posts	17.7



What are your current recruitment and retention issues?

1 Do you have any posts that are difficult to recruit to?

The following posts have had limited response rates when advertised within the previous year (5 applicants or less):

- Overpayments Officer
- Control & Reconciliation Officer
- Senior Benefits officer
- Service Development Officer

These posts were difficult due to the specialist skills required and some posts were advertised internally only

2 Where will the largest change in employee numbers be required?

None at present

3 What is the impact of recruitment problems on the service?

- Extra pressure on existing finance employees
- Continuity of service
- Cost of agency and back filling of posts

4 What specific skills are being lost?

Professional skills – Council Tax and benefits legislation

5 What work is currently ongoing to address recruitment and retention issues?

- | | |
|--|---|
| # Work on flexible benefits | # Leadership and management development framework |
| # Career progression | # Diversity |
| # Organisational Culture / Points of View feedback | # Code of Conduct |
| # Protection arrangements | # Comply with HR policies |
| # Internal Communication | # Monitoring of sickness |
| # Homeworking | |
| # Training and Development | |
| # Continuing professional development | |



What are your current recruitment and retention issues?

6 Where posts cannot be filled, can the work be covered in a different way?

- Honorarium payments may be used for lower-graded employees to take on some duties of higher graded posts on short term basis
- Rotation of existing employees between teams on an informal basis may be utilised to cover work demands
- Use of agency staff on a short term basis
- Consideration of outsourcing for discrete areas of service provision
- Consider integration of like for like posts through shared services with NELC

7 Why do people leave your service?

Annual employee turnover within the service is low and is not currently a cause for concern. The average turnover has dropped in the last year. It is therefore not anticipated that the level of turnover will rise significantly within the next year.

(a) Promotion, (b) Geographical, (c) Personal / social reasons - See “employees leaving the service”

Action Required

-  Continue to develop our employees to ensure ability to compete equally for higher graded posts and retention of talent within the service.
-  Develop equitable succession planning processes
-  Review level of service provision and ensure adequate budgets to cover possible agency costs
-  Develop succession planning to ensure transfer of knowledge
-  Consider job rotation and generic skills
-  Analysis of reasons for leaving through leavers review process to identify potential negative areas
-  Ongoing monitoring of turnover through Performance and exit review process
-  Regular 1:1s and EDRs



Employees leaving the service

2007/2008 Leaver Overview

Post	Number of leavers	Post	Number of leavers
Accountancy Assistant	11	Assessment Officer	4
Assistant administration officer	4	Committals Officer	4
Finance Assistant	3	Council Tax Officer	5
Investigations Officer	1	Fraud and VF Admin Officer	3
Payroll clerk	4	Visiting Officer	1
Telephone & Clerical officer	1	Senior Accountant	5
Exchequer and collection manager	1	NNDR Officer	3
Finance manager	3	Finance Officer	3
Finance Officer	1	Insurance Officer	1
NVQ trainee	2	Finance clerk	2

7 Are there any current pay issues in your service?

Job evaluation processes are in place to ensure that Finance employees are remunerated fairly compared to other employees within the organisation

8 Is work life balance embedded in your service to ensure staff retention?

86% of employees within Finance agreed that they have enough flexibility in their hours / job to help balance home and work life (Points of View survey, 2007)

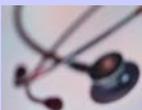
Informal and formal flexible working arrangements are available to all Finance employees within the needs of the service:

- All posts are eligible to be considered for job share
- Home working is available both as a formal arrangement and as and when required
- All Finance employees are able to work flexitime within the needs of the service

Action Required



To ensure that work is prioritised and delegated appropriately



Sickness Absence

9 What is the current rate of sickness absence?



2007/2008 Sickness Absence summary



9 What is the current rate of sickness absence?

Finance sickness absence levels are currently below the council average. Between April 2007 and March 2008, an average of 7.94 days per employee was lost due to sickness absence.

From statistics it is clear that the Environmental and Technical services finance team has the highest level of sickness an average of 14.18 days per person. Absence due to a family bereavement impacted greatly on this figure.

10 What are the reasons and problem areas?

The reasons for absence are detailed below in order by number of days lost:

1. Stress & depression (30%)
2. Stomach & digestion (25%)
3. Infections (14%)
4. Musculo-skeletal (8%)
5. Ears, nose & throat (8%)
6. Neurological (6%)
7. Chest & respiratory (4%)
8. Back problems (2%)
9. Pregnancy related (2%)
10. Genito-urinary (1%)
11. Heart, blood etc (0.06%)
12. Disability related (0.01%)

Action Required



Continue flexible and supportive approach to rehabilitation back to work

Time management training



Stress awareness and management workshops for Finance employees

Ensure consistent application of the sickness policy



Monitor reasons for sickness and identify areas of concern on an ongoing basis



Future workforce requirements

11 Will your service experience changes in level of workload, demand or customer funding requirements?

There will be an impact on Finance as a result of:

- Impact of e-government initiatives i.e. BPR processes
- Budgetary shortfalls / Gershon – requirement for extra savings
- Possible deductions due to efficiency agenda

12 Will there be any new models of service delivery?

Finance would be interested in providing services to any areas that move outside of the council and to other councils; Excellence in procurement

- Joint training initiatives
- Joint working with the Department of Work and Pensions (DWP) / Pension Service
- Shared services with North East Lincolnshire Council (NELC)
- Service structure needs to reflect new responsibilities arising from LSP and CAA etc

13 What is the short, medium and long-term impact of any planned service changes?

Short term (1 year) – Staff working from home

Medium term (2 years) – Changes to affect efficiency agenda

Long term (3 – 5 years) – Changes to national policies

14 Will the structure of your service need to change? What will be the impact of any planned service changes on employee numbers?

The changes facing other service area mentioned above will inevitably result in the service restructuring to ensure that it continues to meet needs of its customers.

There is a possibility there will be reductions in staff

15 Are all key stakeholders/partners being consulted on service changes?

Yes



Future workforce requirements

16 Are employees able to progress within the service? Are there any blockage areas?

Low turnover can impact upon ability of employees to progress within the service

Action Required

-  Vacancy management
-  Restructuring Finance in response to future service demands
-  Review requirements to fill vacant posts
-  Close working with HR
-  Consider joint working / partnerships for culture changing
-  Undertake regular customer surveys to identify strengths and areas for development in Finance service delivery
-  Ensure key stakeholders / partners are consulted on any future service changes
-  Ensure development posts are considered in all future restructures of Finance service
-  Ensure training and development to existing employees



New skills & knowledge required

- 17** **What gaps have you identified in your managers' leadership and management skills ?**
Skill gap analysis currently being undertaken against Leadership and Management Competency Framework
- 18** **Have you identified the minimum level of competence / qualification / experience required for each post? Have you identified whether your employees have this?**
See specific skills matrices produced for workforce plan
- 19** **Do you have any groups of employees who would benefit from skills for life (basic skills) development?**
No
- 20** **What changes in legislation/working practices require any employees to have different skills and knowledge?**
- URB2 (Computer Systems)
 - Civil Partnerships
 - Gershon knowledge
 - E-Procurement

Action Required

-  Complete skills gap analysis
-  Incorporate changes into training plan



Workforce Profile

21 How closely does our workforce profile represent the community profile?



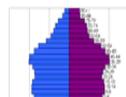
Finance Management		Finance Workforce		North Lincolnshire	
Male	65%	Male	22%	Male	49%
Female	35%	Female	78%	Female	51%



Finance Management		Finance Workforce		North Lincolnshire	
Disabled	1.5%	Disabled	2.24%	Disabled	15%



Finance Management		Finance Workforce		North Lincolnshire	
BME	1%	BME	2.24%	BME	2.5%



Within 10 years, 12 employees will retire based on normal retirement age of 65. This equates to 5% of the workforce. Overall, the age profile and future retirement are within manageable levels and do not present a cause for concern requiring further action at this point.

The age profile of Finance workforce is younger compared to local population with a greater concentration of employees between ages of 25 and 54.



Workforce Profile

Action Required

-  Develop management skills of employees to ensure ability to compete equally for management posts as future vacancies occur
-  Commitment to internal and external advertising of posts in line with Recruitment and Selection policy
-  Benchmark gender profile of Finance against national profiles for Finance profession
-  Monitor applicant profiles for Finance employees and applicants through QPR process to identify potential areas for further action
-  Target long term succession planning required for?
-  Consider team by team where there are potential “hot spots” for retirement.



Training and Development implications

22 Which groups of employees are affected by the workforce profile changes?

All levels of employees will be affected

23 What service specific skills shortages have been identified as a result of these changes?

To be identified through skills matrix

24 What generic skills are required?

To be identified through skills matrix

Action Required



Complete skills gap analysis



Going Forward Together →

FINANCE SERVICE
Annual Improvement Summary 2007/08



Progress Report For 2007/8	
Formal Inspection Reports	
CPA Use of Resources	Score 3 out of 4
Benefits CPA	Score 4 out of 4
Improvement Reviews	
	<ul style="list-style-type: none"> • External Audit Reports • Grant Claims and Returns 2005-6 (July 2007) and 2006-7 (Dec) • Use of Resources Dec 2007 • Audit & Inspection Plan 2007-08 • Annual Audit & Inspection Letter 2006-7 • Audit of Accounts 2006-07 – Annual report to those charged with Governance Sept 2007 • Internal Audit Reviews • Corporate Governance • Fundamental Financial Systems: Payroll, E Financials, Creditors, Council Tax & NNDR, Benefits, Sundry Debtors, Rents, Treasury Management, Cashiers, Asset Management Planning • Governance Statement • Risk Management • Annual Internal Audit Report to members • CPA - Benefits September 2007
Priority	
1. Investing in people	<ul style="list-style-type: none"> • Training day for finance staff Sept07 (40 attended). Strategy for CIPFA training reviewed. IIP arrangements accredited for CPD with AAT. • Implemented the finance service action plan for 2007 'Points of View' survey and contributed to council wide action plan. • Continued to support the work of the two Service Improvement teams with membership that is representative of all parts of the service



	<ul style="list-style-type: none"> • Contributed to the council wide cultural framework and ensured developed in Finance Service • Implemented skills development programme • Invested in staff through learning and development opportunities and application of the finance management charter
<p>2. Improving customer care</p>	<ul style="list-style-type: none"> • Simalto budget consultation exercise completed. Summarised findings produced for Council on 20 February and report to Scrutiny Panel. Consultation also undertaken with business ratepayers, Unions (through Corporate Consultative Committee) and Parish/Town Councils via the Liaison Meeting. • Work started on introducing direct debits as method of payment for sundry debts. • Rollout of eclaims progressing • Payment of Benefits by BACS introduced successfully • Introduced Local Housing Allowance on time in accordance with new legislation • The hotline referrals in respect of fraud and corruption were dealt with successfully
<p>3. Leading strong & effective financial management throughout the council</p>	<ul style="list-style-type: none"> • Achieved level 3 in CPA Use of Resources assessment • Participation in the council's approved performance reporting framework and QPR • Rollout of SCMS system completed for Children's Services. A number of live projects have successfully been piloted end to end. Rollout will be developed across Supporting People and Transport early 2008. • Roll out of e-procurement and lead on supplier adoption • Build finance capacity - A range of projects were needed to develop the new finance service and its interface with the organisation, Service Level Statement Work completed to reflect structure changes. • Service restructured to incorporate effects of Housing Stock Transfer. • New support and development partner procured. Contract started 14 Nov 2007 with McFarlane & Leadership Ltd • Work started on establishing a strategic partnering arrangement (Construction Alliance) for the delivery of the council's capital



	<p>programme</p> <ul style="list-style-type: none"> • Bellwin Claim submitted and grant of £70k received in respect of the floods in June 2007. • Lead role in costing effects of floods, such as insurance claims and in identification and delivery of the £250 payments to people affected. • Assisted Implementation of External Financing Strategy • Implemented changes to budget for council restructure (in phases) • Building Schools for the Future: provide support for the programme • FMSiS: Supported schools to attain financial management standard Phase 1 secondaries • Payroll system successfully retendered and new contract effective from 1 April 2008. • Work undertaken on the business process reengineering between local links and LT & B • Sundry debts reduced the number of debtor days with more proactive liaison with user departments to resolve disputes
<p>4. Promoting good governance</p>	<ul style="list-style-type: none"> • Improved governance arrangements through the work of the audit committee, and developed work of the Audit Committee • Updated the risk management strategy. • Full program of Audit work complete. Actions agreed and followed up every year. • Updated procurement strategy produced for 2007-9. • Revised anti fraud and corruption strategy approved by the Audit Committee on 18 January 2007. Posters and leaflets have been distributed • Work started with Lincolnshire Risk Management Forum to develop a suite of performance measures. • Delivered the risk management strategy, Ensured QPR process includes proper consideration of Risk Management issues • Completed CPA Use of Resources Self Assessment – assessed overall at level 3 • Completed self-assessments of benefits service for CPA –



	<p>assessed at level 4.</p> <ul style="list-style-type: none"> • Researched and developed the council's approach to meet the demands of new CPA Use of Resources requirements. Members and Senior Officers have been alerted to the expected changes to the CPA criteria through reports to the Audit Committee and Council Management team. • Insurance policies retendered and considerable savings achieved • Annual balance sheet review completed • Secured formal notification to close the Housing Revenue Account • Reviewed and implemented revised arrangements for authorised signatories in most service areas • Established effective monitoring and control for the Local Area Agreement • Grants protocol redrafted and published on intralinc in the March 2008 version of the Finance Manual. Tracking procedures in place to notify auditor and s151 officer of claims progress • Finance manual revised and updated • Final accounts produced on time by 30 June 2007. • Annual review of Corporate Governance framework undertaken and refresh of the code of Corporate Governance
<p>5. Improving Value for Money & efficiency</p>	<ul style="list-style-type: none"> • Lead the council's response to the 'Gershon' efficiency agenda and provide appropriate returns to the government • A two-year vim Programme has been determined. Steady progress is now being made with almost all projects live and active. Progress reports are now submitted to CMT. • Completed VFM self-assessment for CPA 2007 • Critically examined sundry debtors to see why it is costly compared to others, but not achieving targets. • The opportunities for joint-working and shared services with NELC were investigated for Local Taxation and Benefits. Feasibility report near completion. • Introduced the NNDR shared service whereby we are processing work for NELC.



	<ul style="list-style-type: none"> • Joint Procurement Unit established and improving. VFM agenda and restructuring is also an example on internal joint working. • Numbers of staff working from home and hotdesking increased • Achieved increase in business rate collection levels. • Marketing the Council resulted in considerable savings for insurance premiums.
6. Developing capacity and capability to do more	<ul style="list-style-type: none"> • Introducing Audit time recording/management system including electronic working papers. • Work started on introduction of Collaborative Planning module for efinancials • Capacity of the service developed as part of service development days 'Stop and Think'. Relaunch of improvement teams under FACT banner (April 08). • Analyse budget for Local Taxation and Benefits central support cost centre (FI710) and allocated correctly for benchmarking purposes
7. Top quality Services	<ul style="list-style-type: none"> • Recognised and improved the links between audit and performance by Collaborative working with performance (PI and data quality audit). • Developed the LACHS insurance system to provide relevant and regular information to managers for appropriate action to be taken • Implemented changes needed for new PM 10 measure in benefits • Produced and successfully implemented action plan to improve performance for new claims and change in circumstance processing times in benefits. • Produced and successfully implemented action plan to improve benefit quality PI.
Outcomes Achieved	
Outcome Measure	
<ul style="list-style-type: none"> • Positive External Audit opinion 	<p>Achieved and confirm that we deliver value for money</p> <p>The use of resources self-assessment and final accounts were unqualified with few recommendations for improvements.</p>

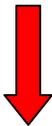
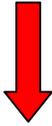
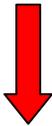
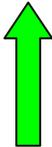
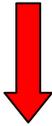
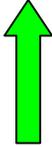


	<p>The Annual audit and inspection letter was favorable</p> <p>The Audit Commission gave favorable feedback on our approach to NFI.</p> <p>Some issues were raised with regard to grant claims audit.</p>
<ul style="list-style-type: none"> • Positive CPA and inspection results 	<p>Achieved Use of resources 3 out of 4. Benefits 4 out of 4.</p>
<ul style="list-style-type: none"> • Maintenance of IIP award 	<p>Achieved IIP status March 2007</p>
<ul style="list-style-type: none"> • Positive Points of View results 	<p>Achieved. Good results with no overall red areas although a few in specific areas of the service. Action plan produced.</p>
<ul style="list-style-type: none"> • Accurate budget monitoring. 	<p>Achieved</p>
<ul style="list-style-type: none"> • Predicted budget outturn – within budget • 	<p>Achieved Budget £80K underspent</p>
<ul style="list-style-type: none"> • Procurement savings of £600k • 	<p>Achieved Savings of £1,003,187</p>
<ul style="list-style-type: none"> • Final accounts that are unqualified • 	<p>Achieved</p>
<ul style="list-style-type: none"> • Best value Performance Indicators that are above average 	<p>There are 13 BVPIs of which 12 relate to Local Taxation and Benefits. Of these we achieved above average (median quartile) results in 9. Those that were not are</p> <p>BV8 – Invoices pd on time. BV9 – Council tax collection BV79a – Accuracy of benefit claims BV79bii – Total overpayments collected</p>



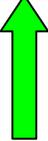
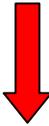
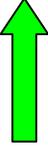
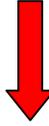
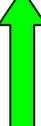
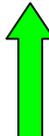
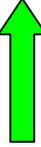
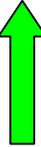
<ul style="list-style-type: none"> • Achievement of awards 	<p>The NLC/NELC procurement team was delighted to receive a trophy from the Society of Procurement Officers (SOPO) for its achievements in 2006/7, despite being pipped as overall winners by Firebuy.</p> <p>The team was also short-listed for the LGC Procurement Award 2007. Awards and this and received positive coverage in the Scunthorpe Telegraph. They have also been short-listed for the MJ Awards 2008 for the Best Use of Resources category.</p> <p>The Strategic Procurement Unit jointly working with Highways and Transport submitted a successful entry for the GO Sustainable Procurement Awards 2007 to recognise the successful outcomes arising out of Waters Edge and the Highways Alliance. This is a tremendous result considering the caliber of the competition and also the nature of the category.</p>
<ul style="list-style-type: none"> • Value for money savings achieved 	<p>Whole council savings of £6.5m vfm for 2008-11</p> <p>The VFM team has identified £744K of savings and £0.5m insurance savings were achieved.</p> <p>Benchmarking results for insurance indicate a low cost high performing section.</p> <p>The national ICT Auction 8 concluded on 29 November. The event delivered overall savings of 38%. Clugstons and their partners are considering an eAuction within the Highways Alliance supply chain.</p> <p>Twenty-six vfm project briefs have now been produced and have been issued for approval by service directors.</p>
<ul style="list-style-type: none"> • Council tax increases in line with government and public expectations. 	<p>Achieved 3.9% increase in council tax which is average across the country</p>



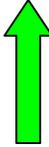
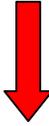
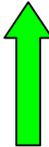
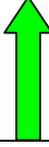
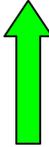
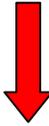
Key Performance Indicators			
Indicator	Performance	Target	Direction
Percentage of EDRs completed within previous 12 months	80%	100%	
Average number of working days lost due to staff sickness	7.74 days	Under 8.8 days	
Percentage of workforce attending training and development activities	61.43%	100%	
Percentage of new managers completing corporate induction	50%	100%	
Audit - Percentage of agreed actions implemented	65%	60%	
Service divisions with effective operational risk registers	100%	100%	
Percentage of Woolf claims that fail due to non compliance with Woolf protocols	0%	2%	
Average interest rate on cash flow	5.8%	0.1% below base rate	

Going Forward Together



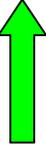
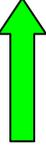
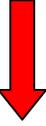
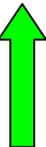
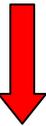
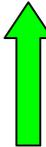
Capital financing cost as % of net revenue stream	4.14%	Less than 6%	
Cost of accountancy service per £000 gross revenue turnover	5% above average	Below unitary average	
Offer training in financial processes to non-finance managers	33 Courses and 49 one to one sessions	20 sessions	
Finance restructure Deliver target saving	Target achieved	£80k	
BV8 Percentage of invoices paid in accordance with payment terms	79.6%	90%	
Average number of debtor days	62	70 days	
% of invoices paid electronically	90.1%	90%	
Percentage of telephone calls offered that are answered in the Local Taxation & Benefits call centre.	87%	89%	
BV78a Average time for processing new benefit claims.	29. days	29 days	



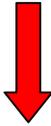
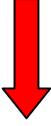
% of new claims outstanding over 50 days	2.48%	5%	
% of new claims decided within 14 days of receipt of all information	90%	92%	
% of RA claims paid on time or within 7 days of decision being made	92.5%	95%	
BV78b Average time for processing notification of changes of circumstance	9.77 days	10 days	
BV79a Accuracy of claims	97.0%	99%	
BV79 bi Amount of HB overpayments recovered during the period as a % of the total amount of HB overpayments identified during the period	75.74%	65%	
BV79 bii HB overpayments recovered as percentage of total overpayment debt outstanding	24.88%	28%	

Going Forward Together



BV79b iii Housing Benefit (HB) overpayments written off	5.42%	6%	
Number of reductions in benefit entitlement	Not available due to data transfer restrictions		N/A
%of data matches resolved within 2 months	100%	100%	
Percentage of applications for reconsideration or revision actioned and notified in 4 weeks	83.7%	65%	
Percentage of appeals submitted to the appeals service in 4 weeks.	82.29%	65%	
% of appeals submitted to tribunal service in 3 months	100%	95%	
BV76a The number of benefit claimants visited per 1,000 caseload	307.22	250	
The number of fraud investigations per 1,000 Caseload	53.48	62	
The number of prosecutions and sanctions per 1,000 caseload	6.91	6.5	



Percentage of Council Taxpayers and Business ratepayers paying by Direct Debit	Council Tax 63.99% NNDR 55.17%	Council tax 65% NNDR 60%	
BV9 Percentage of Council Tax collected	97.1%	97.6%	
BV10 The percentage of non-domestic rates collected	99.3%	99%	
% of corporate spend through e-Procurement monthly	15.82%	25%	N/A
% of corporate spend through electronic orders monthly	9.14%	10%	N/A
% of National Procurement Strategy milestones completed Standard yearly with quarterly interims	90%	100%	
Cashable savings made by procurement unit Standard yearly with quarterly interims	£1,38m	£600K	
% of VFM reviews completed on-time Standard yearly with quarterly interims	61%	100%	N/A



Value of efficiencies identified through completed VFM reviews Standard yearly with quarterly interims	£784,911	N/A	N/A
Additional Achievements or Progress			
<p>Considering the effects of the flood and the resulting disruption to systems and to resources generally plus the issues surrounding lost data from central Government sources and the introduction of a new telephone system, performance has been good this year throughout the service.</p> <p>The budgeted outturn was on target despite the additional costs of the floods.</p> <p>Both areas of the CPA were maintained with benefits being the only council service to achieve a score of 4 and improvements made to the use of resources. There was a positive report from the external auditors view of the accounts which were produced on time.</p> <p>The service contributes much to the council wide priorities and leads on major items such as roll out of eprocurement and supplier adoption. Major contributions have also been made to other areas such as performance management system, accommodation review and diversity action plans.</p> <p>The finance pages of intralinc and the website have been reviewed and are maintained up to date and user friendly.</p> <p>The two service improvement teams have worked well in the past and developed changes to service delivery. However they have lost some of the previous impetus and are to be relaunched in 2008-9. The service received very good scores in the points of view staff survey with very few red areas being identified.</p> <p>Scrutiny Panel received a presentation on how small businesses within North Lincolnshire are being supported through the delivery of the council's procurement strategy and how the business rate section administers and promotes the small business rate relief scheme.</p> <p>A very successful member straining day was held in March 2008 and more are to be arranged in 2008-9.</p> <p>Extensive work has been undertaken regarding the relationship and closer working of</p>			



the local taxation and benefits service with the local link service. This will be developed further in 2008-9.

Considerable work has been undertaken with regard to the transfer of external audit from Robson Rhodes to the audit commission.

Outturn Against Approved Budget

Budget was overall underspent by £80K

Efficiency Savings

Council wide Procurement savings of £1,003,187 were achieved