

FINANCE, EFFICIENCY & ASSETS PORTFOLIO

Appendix A

Portfolio Holder: Councillor Terry Richardson

Senior Officers: Financial Services Group Manager, Chief Executive, Director of People, Director of Place, Corporate Services Group Manager

Finance, Efficiency & Assets - Total	2015/16 Approved Budget	2015/16 Revised Estimate	2016/17 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]	Reason for Variance
	[A]	[B]	[C]			
Establishment Costs	£1,574,140	£1,784,196	£1,706,024	£131,884 8.38%	-£78,172 -4.38%	
Other Gross Direct Expenditure	£1,942,162	£1,919,903	£1,811,340	-£130,822 -6.74%	-£108,563 -5.65%	
Direct Income	-£840,375	-£922,786	-£889,525	-£49,150 5.85%	£33,261 -3.60%	
Net Direct Expenditure	£2,675,927	£2,781,313	£2,627,839	-£48,088 -1.80%	-£153,474 -5.52%	
Overall No. of Posts (FTE)	40.58	40.76	41.35	0.77 1.90%	0.59 1.45%	

Financial Services	2015/16 Approved Budget	2015/16 Revised Estimate	2016/17 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]	Reason for Variance
	[A]	[B]	[C]			
Establishment Costs	£461,777	£461,777	£481,878	£20,101 4.35%	£20,101 4.35%	Pay award, contractual increments, increased pension contributions.
Other Gross Direct Expenditure	£887,468	£812,979	£859,171	-£28,297 -3.19%	£46,192 5.68%	Insurance costs expected to rise by approximately £19,000, including an increase in insurance premium tax and provision for the new depot. Loan interest savings in 2015/16 due to internal borrowing.
Direct Income	-£203,700	-£218,800	-£210,156	-£6,456 3.17%	£8,644 -3.95%	Investment interest expected to rise but this is offset by a reduction in the average rate due to the maturity of the first Local Authority Mortgage Scheme deposit.
Net Direct Expenditure	£1,145,545	£1,055,956	£1,130,893	-£14,652 -1.28%	£74,937 7.10%	
Overall No. of Posts (FTE)	11.30	11.30	11.89	0.59 5.22%	0.59 5.22%	Minor changes in working patterns.

Audit & Fraud	2015/16 Approved Budget	2015/16 Revised Estimate	2016/17 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]	Reason for Variance
	[A]	[B]	[C]			
Establishment Costs	£37,758	£37,758	£39,219	£1,461 3.87%	£1,461 3.87%	Pay award, contractual increments, increased pension contributions.
Other Gross Direct Expenditure	£145,904	£131,916	£120,258	-£25,646 -17.58%	-£11,658 -8.84%	Reduction in external audit fees due to new contract and less time expected to be spent on grant claims.
Direct Income	-£765	£0	£0	£765 -100.00%	£0 0.00%	
Net Direct Expenditure	£182,897	£169,674	£159,477	-£23,420 -12.81%	-£10,197 -6.01%	
Overall No. of Posts (FTE)	0.00	0.00	0.00	0.00 0.00	0.00 0.00	

Revenues & Recovery	2015/16 Approved Budget	2015/16 Revised Estimate	2016/17 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]	Reason for Variance
	[A]	[B]	[C]			
Establishment Costs	£391,954	£546,773	£445,047	£53,093 13.55%	-£101,726 -18.60%	Pay award, contractual increments, increased pension contributions. Revised budget 2015/16 includes one off costs associated with Bubble project.
Other Gross Direct Expenditure	£52,823	£78,417	£58,861	£6,038 11.43%	-£19,556 -24.94%	Revised budget includes non recurring expenditure on the Bubble project, and postage costs.
Direct Income	-£221,121	-£279,314	-£267,936	-£46,815 21.17%	£11,378 -4.07%	Increase in income from court action taken to recover outstanding debt. Offset by a reduction in preceptors contribution towards CTS admin costs.
Net Direct Expenditure	£223,656	£345,876	£235,972	£12,316 5.51%	-£109,904 -31.78%	
Overall No. of Posts (FTE)	15.00	16.00	16.00	1.00 6.67%	0.00 0.00%	Overpayments Officer added to establishment - paid for by recovery of overpaid benefits.

Assets	2015/16 Approved Budget	2015/16 Revised Estimate	2016/17 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]	Reason for Variance
	[A]	[B]	[C]			
Establishment Costs	£164,515	£219,752	£223,071	£58,556 35.59%	£3,319 1.51%	Pay award, contractual increments, increased pension contributions. Includes the addition of a temporary Property Services Manager.
Other Gross Direct Expenditure	£587,963	£645,442	£577,141	-£10,822 -1.84%	-£68,301 -10.58%	Savings include rent of Blaby Service Shop which closed on 31st December, and non recurring expenditure on repair and maintenance at various sites.
Direct Income	-£352,789	-£357,172	-£348,933	£3,856 -1.09%	£8,239 -2.31%	EMH Housing expected to vacate the Littlethorpe depot in September 2016.
Net Direct Expenditure	£399,689	£508,022	£451,279	£51,590 12.91%	-£56,743 -11.17%	
Overall No. of Posts (FTE)	5.58	5.34	5.34	-0.24 -4.30%	0.00 0.00%	New post of Property Services Manager approved September 2015. Cleaning budgets moved to agency costs.

Chief Executive & Directors (including Health & Safety)	2015/16 Approved Budget	2015/16 Revised Estimate	2016/17 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]	Reason for Variance
	[A]	[B]	[C]			
Establishment Costs	£439,994	£439,994	£435,123	-£4,871 -1.11%	-£4,871 -1.11%	Pay award, contractual increments, increased pension contributions. Offset by savings in respect of a deleted PA post. Savings of CE retirement have been held centrally until the specific outcomes of all resulting recruitment is known.
Other Gross Direct Expenditure	£46,653	£21,268	£20,928	-£25,725 -55.14%	-£340 -1.60%	Chief Executive's provision budget reduced by £25,000.
Direct Income	-£500	-£500	-£500	£0 0.00%	£0 0.00%	
Net Direct Expenditure	£486,147	£460,762	£455,551	-£30,596 -6.29%	-£5,211 -1.13%	
Overall No. of Posts (FTE)	6.03	5.45	5.45	-0.58 -9.62%	0.00 0.00%	Director's PA post deleted following position becoming vacant.

Electoral Registration	2015/16 Approved Budget	2015/16 Revised Estimate	2016/17 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]	Reason for Variance
	[A]	[B]	[C]			
Establishment Costs	£78,142	£78,142	£81,686	£3,544 4.54%	£3,544 4.54%	Pay award, contractual increments, increased pension contributions.
Other Gross Direct Expenditure	£193,340	£201,870	£146,970	-£46,370 -23.98%	-£54,900 -27.20%	No local election in 2016/17. Ongoing contribution of £30,000 towards cost of future elections.
Direct Income	-£61,500	-£67,000	-£62,000	-£500 0.81%	£5,000 -7.46%	
Net Direct Expenditure	£209,982	£213,012	£166,656	-£43,326 -20.63%	-£46,356 -21.76%	
Overall No. of Posts (FTE)	2.67	2.67	2.67	0.00 0.00%	0.00 0.00%	

Emergency Planning	2015/16 Approved Budget	2015/16 Revised Estimate	2016/17 Proposed Budget	Variance [C] - [A]	Variance [C] - [B]	Reason for Variance
	[A]	[B]	[C]			
Establishment Costs	£0	£0	£0	£0 0.00%	£0 0.00%	
Other Gross Direct Expenditure	£28,011	£28,011	£28,011	£0 0.00%	£0 0.00%	
Direct Income	£0	£0	£0	£0 0.00%	£0 0.00%	
Net Direct Expenditure	£28,011	£28,011	£28,011	£0 0.00%	£0 0.00%	
Overall No. of Posts (FTE)	0.00	0.00	0.00	0.00 0.00%	0.00 0.00%	

Portfolio Priorities

- To lead the Council in delivery of its corporate ambition to ensure that Blaby is a good place in which to live and work
- To ensure that there is effective leadership at all levels and that appropriate governance arrangements are in place
- To lead the Council through the financial challenges in 2016/17 onwards
- To lead and support all members with their ambition to be effective community champions

- Understand costs and deliver a responsive, cost effective and high quality financial service.
- Maintaining the high collection rate of the Revenues Service whilst driving efficiency and improving customer service.
- Maximising the use of the council's assets.
- Instilling principles of good, sustainable procurement.
- Continue a culture of transparency with emphasis on financial control, audit, with regard for the prevention of fraud and management of risk.
- To ensure the Council has robust arrangements in place for responding to emergencies and can fulfil its statutory obligations.

Services

Financial Services

Includes costs of Finance Officers involved in the generation of the Financial Statements and to provide financial information ensuring the financial control of the Council. Officers within the department also process the payroll for both Officers and Members and all supplier invoices are processed through this department.

This segment of the portfolio also includes costs/income for the following:

- External Interest Payable
- Interest Received on Investments
- Procurement costs
- Insurance
- Bank Charges

Revenues and Recoveries

Billing and collection of Council Tax and Non Domestic Rates.

Includes the monitoring and administration of discretionary rate relief.

Recovery of Benefit Overpayments

Assets

Includes costs for the Council Offices and the Depot, both old and new, including the building and the associated grounds maintenance. Also includes costs incurred for Leisure Centre buildings, public conveniences, caravan sites, bus shelters, Whetstone Industrial Estate and costs associated with the administration of property and assets owned by the Council. The team also administers Asset of Community Value applications.

Audit and Fraud

Includes the delivery of fraud initiatives across the Council, as well as external and internal audit fees. Internal Audit Services being provided by North West Leicestershire as part of a shared service.

Management Team

Includes costs for the Chief Executive and Directors' budgets and in addition the costs for Corporate Health and Safety. Corporate Health and Safety is an advisory function providing technical and management support and guidance to all Council services on all aspects of the Council's undertakings.

Emergency Planning

Includes costs associated with the provision for Emergency Planning within the Authority which is delivered in partnership across the Leicester, Leicestershire & Rutland area.

Electoral Services

Includes election costs, and costs associated with the registration of electors.

Key Points

Doing things differently
– plans for the coming
year

Financial Services

- The Accounts and Audit Regulations 2015 require an acceleration in the arrangements for the closedown of the Council's accounts from 2017/18. The Finance team will therefore be preparing for this change by starting to bring forward some of the timescales for the production of the statutory accounts.
- This year sees the transfer of the Council's external audit providers from PriceWaterhouseCoopers to Ernst & Young (EY) who will be auditing the accounts for 2015/16. Officers have already met with EY to make arrangements for audit work to begin.
- Whilst the Medium Term Financial Strategy (MTFS) will be revised in February, members of the finance team will continue to monitor any information released to understand the impact to the Council and to inform Members at the earliest opportunity.

Revenues & Recovery

- The 'Go Live' of 'My Account' where customers will be able to log in to see their accounts on-line will enable the Council Tax bills to be sent electronically if customers sign up for this. In the lead up to 'My Account' being available customers have been encouraged to be notified in order that we can maximise the number of customers that are billed via this mechanism.
- The Bubble project, where officers have been working within one area from both the Revenues and Benefits departments, has helped to inform how officers from both departments can work differently together. This way of working and the structure of those two departments will be formalised in order for this to be rolled out further.
- The use of 'hybrid mail' will be considered and implemented for use initially by the Revenues, Benefits, and Refuse and Recycling departments. These departments print and post the highest level of mail that is sent out from the authority. The use of hybrid mail utilises external providers to print, pack and post mail on behalf of the Council. Providers of this service are able to procure paper, envelopes and postage at cheaper rates given their economies of scale and as such it is expected the Council can make savings sending out mail for those customers that may at first not switch to dealing with the Council through electronic means.

Assets

- The development of a Housing Company will be considered by Council in May 2016. Developing the Business Case and then putting in place the mechanism for this to commence trading is currently being worked upon and will extend into 2016/17.
- Officers of the Asset team will continue to feed into the transformation initiative which is considering how the Council can optimise the use of the building with officers working more flexibly and technology enabling them to do so. Consideration for maximising the use of the building will be planned in conjunction with the refurbishment plans for the Council offices and chamber which will be led by the Property Services Manager, a position for which the recruitment process will commence shortly.
- The new depot is due to be completed in August 2016. The Assets team will assist the refuse and recycling operation to move to the new premises and decommission the existing depot building.

Audit & Fraud

- The Internal Audit Shared Service will continue to comply with the Public Sector Internal Audit Standards. The annual audit plan and individual audit programmes will be developed using a risk based approach. This will ensure that our resources are focussed on the areas of highest risk across the council so that our assurance work adds value.
- In 2016 the fraud function relating to Housing Benefit will pass to the DWP. Some capacity to carry out fraud investigations relating to Council Tax have been retained within the internal audit function, but officers will be considering how corporate fraud investigations will be carried out after the transfer. In addition to the fraud work that is currently undertaken within the Authority the Council also has the opportunity to enhance the fraud activity by working with Leicester City Council which has secured grant funding to facilitate this initiative. Working with the County and Districts across Leicestershire the City Council has developed ways in which data can be shared to combat fraud, develop technology to assist customers to report fraud and also to share knowledge and provide resilience for fraud investigations where needed.

Management Team

- With the retirement of the CE the management team will be ensuring the stability of the Council through this transition whilst assisting the Council to review the optimal management team structure.

	<p><u>Emergency Planning</u></p> <ul style="list-style-type: none"> Partnership agreement extended for the next three years. Delivering a refreshed partnership business plan to include a focus on community responders and community preparedness. <p><u>Corporate Health & Safety</u></p> <ul style="list-style-type: none"> Blueprint review, new depot, delivery of revised approach to corporate health and safety training and departmental audits.
Income generation	<p>Within the Finance, Assets & Efficiency portfolio there is little scope to improve income streams because of the nature of the portfolio.</p> <ul style="list-style-type: none"> The finance department will, however, provide support in assessing investment opportunities open to the Council, including the development of the Housing Company. The utilisation of the Council's assets to obtain revenue or improve usage is an ongoing initiative. The lease of the Council offices to Nottingham Health Trust and the movement of the Citizens Advice Bureau to the offices here at Narborough and the possible future extension of services offered not only bring revenue opportunities but better outcomes for our customers with partners such as these delivering services alongside the Authorities own officers.
Capital plans for the portfolio	<p>There are no new capital projects for this portfolio being put forward for 2016/17. The new depot expenditure authorised by Council in 2015/16 will continue during the year until completion.</p>

Key Performance Indicators

PERFORMANCE INDICATOR – FINANCE, REVENUES & ASSETS	2015 QTR3	2014 QTR3	Full Year 2014	Full Year 2013	COMMENTS
% Council Tax Collected	93.54%	93.53%	98.72%	97.45%	
% Non Domestic Rates Collected (NNDR)	89.08%	89.22%	99.17%	99.13%	
Invoices Paid within 30 days	97.92%	97.37%	97.30%	94.76%	The Council recognises the need to pay invoices promptly. 2015 QTR 3 figures show that 90.48% of invoices are paid within 10 days of receipt.

PERFORMANCE INDICATOR EMERGENCY PLANNING, HEALTH & SAFETY	2014/15 RESULTS	2015/16 YEAR TO DATE	COMMENTS
Testing, exercising, preparation and delivery of agreed emergency work plans.	95%	100%	The Resilience Partnership Board hold quarterly meetings to ensure delivery of agreed work plans
Number of accidents/incidents at work and working days lost to injury.	26 incidents = 19 days lost	25 Incidents = 10.5 days lost	On Track. Note: staff are encouraged to report all incidents and near misses to allow focus on potential problem areas and preventative action.
RoSPA Health & Safety Achievement Award	Gold	Preparing submission for 2016	

Customers

Revenues & Recovery:

Within the Revenues and Recovery department it can be difficult to balance customer expectations/satisfaction whilst trying also to achieve and maintain a high collection rate.

Officers strive to assist customers who are facing financial difficulty to make affordable payment arrangements and invariably those customers that are assisted in this way give extremely positive feedback.

The Bubble project has identified ways in which equipping staff from Council Tax and Benefits with basic knowledge of both departments has enabled us to reduce the number of handoffs between departments and serve the customer more effectively and efficiently. Feedback from customers that have experienced this has been extremely positive:

'Thank you, you have been very helpful. You wouldn't normally get all this done in just one phone call'

For those customers that have less of an intention to pay and default on payments regularly, a firmer stance is taken but always with the intention that they are treated fairly and with respect.

Finance/Assets:

Within the Finance and Assets teams customers are more diverse and include internal customers, residents and Parishes. During this year both teams have undertaken internal user satisfaction surveys to gain feedback on how we are doing and how we can improve our services. Some of the key results are summarised below.

Finance

- 98% of 101 respondents said that they found the Finance team to approachable or very approachable.
- 95% of 101 respondents were satisfied or very satisfied with the payroll service.
- 63% of the 30 respondents who use the Financial Management System found it fairly easy or very easy to use.
- 80% of 30 respondents were satisfied with the level of budgetary and financial advice they received.

- 87% think that the budgetary and financial advice they receive is useful and understandable always or most of the time.

Assets

- 70% of 104 respondents were satisfied or very satisfied with the service provided by asset management/property services
- 65% of 104 respondents were satisfied with the response times to requests, with 30% that were neither satisfied nor dissatisfied.
- 98% of 104 respondents said the asset management/property services team were approachable or very approachable.

Both the Finance and Asset surveys gave some comments regarding areas of improvement that officers are looking to address.

Risks

- **Overall Financial Risk** – The financial risks facing the Council are not necessarily specific to this portfolio however the Finance team’s input into financial issues across many aspects of the Council will continue. Officers work closely with the various departments to monitor budgets but also to provide sound financial input into all decisions that have financial implications.
- **Business Rate Retention** – the introduction of the Business Rate Retention Scheme saw an element of the financial risk of decreases in business rates being borne by the Council. The appeals put forward to the Valuation Office have provided uncertainty for all Councils, but it is hoped that this risk is reducing. Future changes to the Business Rate Retention Scheme, and the potential for a large business property to be made vacant, are both potential financial risks to the Council.
- **Debt** – the economic climate and Welfare Reform continues to affect our customers and debt may increasingly become an issue. The Council continues to provide for debt that has aged or appears likely to become bad to even out the financial impact of debt issues.
- **Health and Safety** - financial, legal, moral, reputational risk - negligence. Control measures managed through advisory service and internal H&S blueprint procedures and departmental audits.
- **Emergency Planning** – reputational risk with partners and customers if appropriate response not available or given.