



DRAFT PORTFOLIO HOLDER DECISION NOTICE

PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE AND RESOURCES

TOPIC – FINANCIAL SERVICES BUSINESS PLAN 2008/09 ONWARDS

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel(s) (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Thursday 10 April 2008.

Contact Officers:

Case Officer: Alexis Garlick, Tel: 01962 848 224, Email: agarlick@winchester.gov.uk

Committee Administrator:

Frances Maloney, Tel: 01962 848 155, Email: fmaloney@winchester.gov.uk

SUMMARY

Approval is sought to the detailed Business Plan for this Division. The Business Plan sets out the key tasks that the Division will undertake over the coming five years, with SMART (Specific, Measurable, Agreed, Resourced and Timed) targets (both through actions and performance indicators) by which progress will be measured and monitored. The Plan also gives additional information about the role of the Division, the resources allocated to it (in terms of both staff and budgets) and the key risks that are being addressed through its work.

Key actions to be undertaken in this Division are as listed in Section 4(A) of the Business Plan appended to this Notice.

The Head of Division is satisfied that the actions put forward in this Business Plan will work towards the Council's corporate objectives, as set out in the Corporate Strategy 2008-13 or otherwise ensure that the Council meets the statutory obligations placed on it by central Government. Other than where indicated, these actions can be achieved within the resources available. Plans are in place, or will be developed, to ensure that targets shown for key performance indicators can be achieved in the timescale shown.

PROPOSED DECISION

That the Business Plan for the Financial Services Division be approved as attached as Appendix A.

REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

Business Plans form an important part of the Council's performance management process as they set out the key actions for the coming year. The Business Plan put forward for adoption sets out the actions that will best help the Council achieve its corporate objectives and meet its statutory obligations within the resources available to it, as far as can be seen in the light of current circumstances. While alternative approaches would be possible in many parts of the Plan, the actions being recommended are believed to give best value to the authority.

FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE

The Resources Scrutiny Panel has been consulted on this Business Plan and raised the following issues:

None.

DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED

None

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

N/A

Approved by: (signature)

Date of Decision

Councillor Frederick Allgood – Portfolio Holder for Finance and Resources

Financial Services Business Plan 2008/09 – 2012/13

1. Brief Description of the Service and its Purpose

Financial Services provides four main functions with the following purposes:

- Accountancy –
 - To ensure that the Council produces timely and accurate statutory accounts, supported by comprehensive working papers
 - To ensure that the Council's medium term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities
 - To ensure that the Council manages performance against budgets and manages its spending within the available resources
 - To provide accountancy services to the South East Employers in accordance with the terms of the contract
 - To provide effective treasury management services for the Council
- Audit –
 - To provide an independent appraisal function of Council activities through the provision of an Internal Audit service
- Insurance & Risk Management –
 - To ensure all Council assets and resources are insured appropriately and to support best practice in the management of Council risks
- Design & Print –
 - To provide cost effective design & print services

2. Links between Council strategic priorities and services

<i>Strategic priority</i>	<i>Divisional responsibility</i>
Economic Prosperity	Support good practice in civil contingency and business continuity
High Quality Environment	Minimise materials usage. Reduce the need for travel by facilitating home working as appropriate and in accordance with the Council's policies.
Safe and Strong Communities	
Efficient & Effective Council	<p>Support to front line services to help them deliver their strategic services within budget.</p> <p>Making sure effective financial controls and procedures are in place to reduce waste, inefficiency and fraud.</p> <p>Promote good practice in the management of risk.</p>

3. Summary of Progress in 2007/08

Key Service Priorities

	Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress update
1.	Legislative requirement	Produce annual Statement of Accounts fully compliant with the accounting guidance and within the timescales legislated.	March to June	Unqualified Accounts and no significant ISA issues. Members receive Accounts in good time and with adequate briefing.	Internal staff resources identified in project plan	Chief Accountant	Achieved.
2.	Effective management of taxpayers' money	Ensure that appropriate monitoring and reporting procedures are in place for the Council to manage performance against budgets effectively.	To be developed during 2007/08	Standard suite of monthly management reports issued in electronic format within 10 working days of the period end, including management summary of key variances.	Resources identified in project plan - including some external resources for development work	Assistant Director of Finance	Monthly suite of reports issued to timescales and supporting management decisions. Electronic format still to be developed

	Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress update
3.	Efficient & Effective Council	Procure and implement replacement core Financial system (including e-procurement)	2007/08 to 2008/09	Completed to time and within budget	Resources identified in project plan. £150k in Capital programme in 2008/09	Assistant Director of Finance	Initial exploratory discussions and site visits have taken place although the planned implementation timescale has been deferred, to allow for the staffing and structure changes to the accounting team to settle.
4.	Efficient & Effective Council	Undertake service review & full review of the Accountancy team structure	April – September 2007	Appropriate team structure for future demands	To be determined	Assistant Director of Finance	Completed.
5.	Effective management of taxpayers' money	Provide financial information and challenge to support service reviews	July – September 2007	Base revenue budgets for 2008/09 fully aligned to corporate priorities and endorsed by Members	Internal staff resources	Assistant Director of Finance	Undertaken.

	Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress update
6.	Effective management of taxpayers' money	Undertake comprehensive review of the capital programme	April – September 2007	Base capital programme fully aligned to corporate priorities and endorsed by Members	Internal staff resources	Assistant Director of Finance	Report to Cabinet September 2007.
7.	Effective management of taxpayers' money	Complete 90% of annual internal audit plan	During 2007/08	Completed on target	Internal staff resources	Internal Audit Manager	90% of internal audit plan achieved.
8.	Efficient & Effective Council	Continued implementation of printer and copier review	April 07 – Sept 07	Efficiencies in paper and maintenance costs of printers	Internal staff resources	Design and Print Manager in conjunction with Head of IMT	New Multi Functional Devices installed and fully operating.
9.	Efficient & Effective Council	Develop standard template for financial appraisals	2007/08	Comprehensive & consistent presentation of financial information in committee reports	Staff resources	Assistant Director of Finance	Some initial development but not fully implemented. Now planned for 2008/09.

Other Tasks and Proposed Developments and Improvements of the Service

	Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress update
1.	Effective use of resources	Review & update capital strategy, financial strategy and treasury management strategy	Annually per the timetable	Strategy fit for purpose	Internal staff resources – 9 days	Asst Director of Finance / Chief Accountant	Completed – with relevant reports to Cabinet.
2.	Effective use of resources	Review of funding and options appraisal for new offices	During 2007/08	New offices built within budget and appropriately funded	Resources to be identified in project plan	Asst Director of Finance	Deferred
3.	Efficient & Effective Council	CIPFA benchmarking for accountancy and treasury Services	Annually in accordance with CIPFA timetables	Completed on target	Staff resources - 6 days	Asst Director of Finance	Treasury Mgt services benchmarking completed – Accountancy deferred – because of changes being made.
4.	Effective use of resources	Ensure the timely and accurate completion of Annual Efficiency Statements	In accordance with the timetable	Timely and accurate submissions – no audit amendments	Staff resources – 15 days	Management Accountant	Support provided for submissions – which were made to time.

	Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress update
5.	To develop effective corporate governance	Take actions to ensure that the assurance framework is fully embedded in the Council's business processes.	By December 2007	External Audit feedback	Internal Staff resources	Internal Audit Manager	Some progress – work ongoing
6.	Support for corporate project	Update the Risk Strategy and migrate data into Covalent	April – June 2007	New Strategy document and successful Covalent data integrity check	£7,500 and internal staff resources	Risk & Insurance Officer	Complete
7.	Efficient & Effective Council	Tender the Insurance Programme April 2008	October 2007	Actuarial Check on Self Insurance Fund and appoint insurer provider	Actuary and Insurance Advice £13,000; internal staff resources	Risk & Insurance Officer	Complete
8.	Efficient & Effective Council	Submit an application for the Charter Mark Award	2007/08	National accreditation for service delivery excellence	Internal staff resources	Internal Audit Manager	Project timescale amended to 2009/10

	Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress update
9.	Efficient & Effective Council	Explore opportunities for partnership working with other local authorities for design and print services	2007/08	Committee decision on most appropriate solution	Internal staff resources	Design and Print Manager	Some progress in the year in exploring options – continuing in 2008/09

4. Service Priorities 2008/09 – 2012/13

A) Key Service Priorities

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?
1.	This is a legislative requirement	Produce annual Statement of Accounts fully compliant with the accounting guidance and within the timescales legislated.	March to June	Unqualified Accounts and no significant ISA issues. Members receive Accounts in good time and with adequate briefing.	Internal staff resources identified in project plan	Principal Financial Accountant
2.	To ensure effective management of taxpayers' money	Ensure that appropriate monitoring and reporting procedures are in place for the Council to manage performance against budgets effectively.	To be further developed during 2008/09	Standard suite of monthly management reports issued in electronic format within 10 working days of the period end, including management summary of key variances.	Resources identified in project plan.	Principal Management Accountant
3.	This relates to one of our corporate objectives: An Efficient & Effective Council	Procure and implement replacement core Financial system (including e-procurement)	2008/09 – 2009/10	Completed to time and within budget	Resources to be identified in project plan. £150k in Capital programme	Head of Finance

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?
4.	This relates to one of our corporate objectives: An Efficient & Effective Council	Following implementation of changed Accountancy team structure – develop & embed new working practices	2008/09	Continued service delivery and improved service in the longer term.	Internal staff time. Some training and team building.	Head of Finance
5.	To ensure the effective management of taxpayers' money	Provide financial information and challenge to support service reviews	2008/09	Base revenue budgets fully aligned to corporate priorities and endorsed by Members	Internal staff resources	Head of Finance
6.	To ensure the effective management of taxpayers' money	Develop monthly monitoring of the capital programme	April – September 2008	Monthly Red /Amber/Green reports with variance explanations	Internal staff resources	Principal Management Accountant
7.	To ensure the effective management of taxpayers' money	Complete 95% of annual internal audit plan	During 2008/09	Completed on target	Internal staff resources	Internal Audit Manager
8.	This relates to one of our corporate objectives: An Efficient & Effective Council	Present proposals for shared working opportunities in Design & Print	April – Sept 08	Report with options assessed and recommendations	Internal staff resources	Design and Print Manager

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?
9.	This relates to one of our corporate objectives: An Efficient & Effective Council	Develop standard template for financial appraisals	2008/09	Comprehensive & consistent presentation of financial information in committee reports	Staff resources	Head of Finance
10	This relates to one of our corporate objectives: An Efficient & Effective Council	Develop "Rolling forecasts" for employee costs	2008/09	Effective paybill management	Staff resources	Principal Management Accountant

Other Tasks and Proposed Developments and Improvements of the Service

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?
1.	Effective use of resources	Review & update capital strategy& financial strategy	Annually per the timetable	Strategy fit for purpose	Internal staff resources – 10 days	Head of Finance / Principal Management Accountant
2.	Effective use of resources	Review & update treasury management strategy	Annually per the timetable	Strategy fit for purpose	Internal staff resources – 8 days	Head of Finance / Principal Financial Accountant
3.	Effective use of resources	Review of funding and options appraisal for new offices	In accordance with the project timetable	New offices built within budget and appropriately funded	Resources to be identified in project plan	Head of Finance
4.	Efficient & Effective Council	CIPFA benchmarking for accountancy and treasury Services	Annually in accordance with CIPFA timetables	Completed on target	Staff resources - 6 days	Head of Finance
5.	Effective use of resources	Ensure the timely and accurate completion of Annual Efficiency Statements	In accordance with the timetable	Timely and accurate submissions	Staff resources – 15 days	Management Accountant

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?
6.	To support effective corporate governance	Take actions to ensure that the assurance framework is fully embedded in the Council's business processes.	By June 2008 and ongoing	External Audit feedback	Internal Staff resources	Internal Audit Manager
7.	Efficient & Effective Council	Submit an application for the Charter Mark Award	2009/10	National accreditation for service delivery excellence	Internal staff resources	Internal Audit Manager
8.	To ensure the effective management of taxpayers' money	Develop rolling forecasts for the capital programme	2008/09	Forecast 5 year capital programme	Internal staff resources	Principal Management Accountant

Resource Implications

A) Financial

2007/08 Revised			Service Activity	2008/09 Estimate			FTEs	Notes
Exp. £000	Income £000	Net £000		Exp. £000	Income £000	Net £000		
653	(653)	0	Accountancy	487	(487)	0	7.6	
198	(198)	0	Audit	188	(188)	0	3.0	
67	(67)	0	Risk & Insurance	62	(77)	(15)	0.8	
69	(40)	29	Treasury Management	55	(41)	14	0.4	
572	(572)	0	Design & Print	536	(541)	(5)	9.0	
1,559	(1,530)	29	Total	1,328	(1,334)	(6)	20.8	

B) Workforce

KEY EXTERNAL DRIVERS	KEY INTERNAL DRIVERS
Efficiencies Government requirements (e.g. accounting standards) Professional requirements (e.g. Codes of Practice) Partnerships Transformation agenda	Corporate initiatives (health and safety; equality and diversity; risk) Flexible working Performance indicators Sickness and absence, including maternity Succession planning Professional training
WORKFORCE IMPLICATIONS	
<p>Efficiencies Continued focus on and drive for efficiencies</p> <p>Government Requirements New SORP requiring presentation of statutory accounts to change in 2007/08 and 2008/09 requires specific understanding and development of procedures</p> <p>Professional Requirements Ongoing training and CPD</p> <p>Partnerships Discussions with others as opportunities arise</p> <p>Corporate Initiatives Limited number of staff available</p> <p>Flexible working Opportunities to be explored</p> <p>Sickness and absence Limited ability to cover for absence to be addressed through review of structures and consideration of job rotation</p> <p>Succession planning New accountancy structure to be embedded will provide for this</p>	

6. Key Performance Indicators

Local Pls

Ref. No.	What does this show?	Who reports this?	Achieved 2004/05	Achieved 2005/06	Estimate 2006/07	Target 2007/08	Target 2008/09	Target 2011/12
1.	Average return on investments to exceed sterling interbank rate	Assistant Accountant	+0.1%	+0.3%	+0.1%	+0.1%	+0.1%	+0.1%
2.	Comprehensive Monthly Management Accounts issued within 10 working days after period end	Principal Financial Accountant	new	new	new	75%	100%	100%
3.	Chargeable internal audit time as % of total productive time	Internal Audit manager	new	new	new	84%	90%	90%
4.	% of D&P work finished and delivered on time	DP Manager	99%	92%	80%	90%	95%	100%

7. Proposals for Consultation

What research or consultation do we intend to carry out?	How will we be doing it?	When will we be doing it?	How will we use the results?
Accountancy customer satisfaction survey	Questionnaire via CIPFA Benchmarking Club	September 2008	To inform and improve service delivery
Internal Audit customer satisfaction survey	Questionnaire sent after every audit completed	Continuous	To inform and improve service delivery
Risk & Insurance Survey	Questionnaire on intranet	June 2008	To inform and improve service delivery
D&P Customer satisfaction survey	Questionnaire on intranet	June 2008	To inform and improve service delivery

8. Key elements of risk management

Area	Risk number	Rating	Cluster and MAP link	Short name	Risk ownership	Cause	Consequence	Note
Corporate	SR0009	Likelihood - certain Impact - medium 4x2=8	Financial	Revenue budget overspend	Stephen Whetnall	(1) Incorrect projections/assumptions. (2) Not achieving savings/efficiencies. (3) Poor financial controls/monitoring arrangements.	Depletion of reserves, higher base expenditure for future years	Mitigation in place
Financial Services	OP0062	Likelihood - Probable Impact – major 3x3=9	Managerial	Failure of core financial system	Alexis Garlick	Existing powersolve system is old, not being developed and support is reducing	Inadequate core financial system, deteriorating performance	Link to Strategic Risk 0003
Financial Services	OP0063	Likelihood - Probable Impact – major 3x3=9	Managerial	Managing capacity / succession planning	Alexis Garlick	Corporate organisational development changes, retirement of key staff, & Accountancy restructure.	Inability to deliver key functions	Link to Strategic Risk 0003