

# **Financial Services**

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## **Service Action Plan**

**2012/13**

This plan is an active document that will be reported against every six months via the Service Delivery Programme performance report. All staff that are part of the Service should have an opportunity to contribute to its creation and any new staff joining the Service should be made aware of this document as part of their induction.

## Introduction

Divisional Director	Tim Richens
Lead Portfolio Holder	Cllr David Bellotti
Staffing Establishment (2012/13)	110.8 FTE

### Scope of Service (size, proportions and activities)

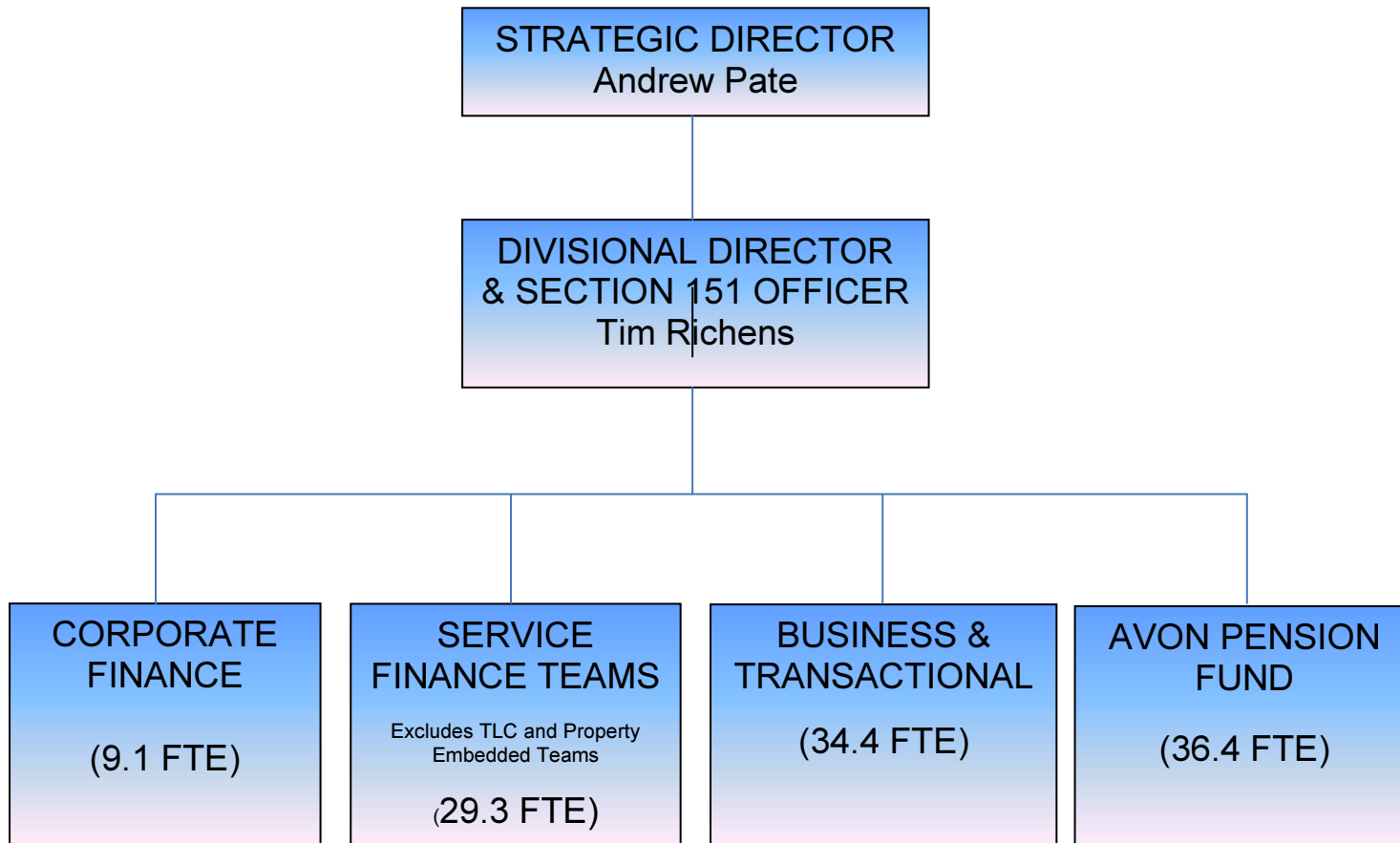
#### Key Objectives of Service :

- Develop the **medium term financial plan** for the Council
- Establish and coordinate the **annual revenue and capital budget**
- Produce the **Statement of Accounts** and other statutory reporting requirements
- **Coordinate and advise** on revenue and capital budget management and monitoring
- Manage and account for all **financial transactions**
- Advise on **financial management** and decision making
- Administer the **Avon Pension fund**

## Key Facts and Figures :

- Annual gross revenue budgets in excess of **£350m**
- **A£200m** approved 5-year capital programme
- Investment of up to **£100m** of cash balances
- Manage over **£110m** of borrowing
- Manage pension fund assets of **£2,700m** (*as of 31/3/11*)
- We have **26,000** pensioners **27,000** deferred pensioners and **35,000** contributors to the pension fund
- Operate **406 bank accounts**(including schools & Adult care client accounts) processing an estimated **11 million transactions** per annum
- Paid over **50,000** supplier invoices
- Processed 60,000 BACS/cheque payments to a value of **£282m**
- Independent audit indicated **99.99 %** accuracy
- Consistently pay over **94%** of invoices within 30 days
- We have **60,000** customers
- Collected **£36m** of income from debtors
- Raised **34,500** debtors invoices
- **99%** of our debts are collected

**Management Structure of Service**



## Customer Profile

**Outline who your main customers are, e.g., service users, residents, other council services, officers, members, partners etc**

- All Council Services
- All Councillors
- Council Cabinet Members
- Council Strategic Directors
- Council Senior Management Teams
- Council Delegated Budget Holders
- Government Departments
- Audit Commission
- Contributors and Pensioners of the Avon Pension Fund
- Sirona Care & Health
- Primary Care Trust (PCT)
- Parish Councils
- Schools
- Community Health and Social Care – Personal Budget Holders

**Are there any specific customer needs that require your service to change?**

- Council Members and Officers – to reflect financial challenges facing the Council
- PCT & Sirona - Changing nature of Community Health and Social Care
- Schools/LEA – Changing nature of relationship with Schools through Academy expansion

## Service Delivery

### Planned improvements to service delivery in 2012/13

- Continue to develop a model of service delivery for finance based around the principles of Centralise, Standardise and Simplify.
- Develop the efficiency and effectiveness of the finance service within the overall context of reducing resources and the changing shape of council services.
- Develop appropriate financial advice and support to the Council Change programme both corporately and to the individual projects within the programme.
- Develop the system of timely and accurate revenue and capital financial reporting and budget monitoring.
- Continued roll out of Procure to Pay programme.
- Working with schools to provide appropriate financial support services in light of the ongoing development of Academies.
- Ongoing development of engagement with stakeholders, particularly employers within the Avon Pension Fund.

**Areas of the Service that are to be stopped or reduced in 2012/13 (due to budget pressures / change in focus etc)**

- Prioritised budget reporting to target available resources at volatile, commercial and higher risk budget areas for regular budget reviews, with more routine budgets being reviewed less frequently.

**External influences / pressures that could impact on service delivery during 2012/13 (excluding budget pressures)**

- Central Government- financial reporting requirements, legislative and funding system changes.
- World Economy - wider economic pressures, including impacts on treasury and investment activity.
- Accounting Bodies - changes to Accounting Standards.
- Audit Commission / Central Government – changes to External Audit arrangements.

## Service Costs

### Explanation of Service costs (including areas of high spend and growth / investment)

Key areas of growth represent service borrowing costs for Procure to Pay system improvements and a technical adjustment in 12/13 to recognise accounting requirements in respect of finance officer time spent supporting capital projects.

### Value for Money improvements - planned efficiencies / savings to be made during 2012/13

Efficiency savings during 2012/2013 amounting to £115K result from continued implementation of centralised, simplified and standardise approach to finance service delivery.

### Summary from Medium Term Service & Resource Plan

MTS&RP Items	2011/12 (for comparison) £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Opening Budget	1401	1496	1644	1552
Removal of one-offs	0	0		
Service Proposed Base Reductions to Balance Budgets	-138	-115	-126	-98
Service Proposed Growth	36	262	34	34
Proposed Base Budget	1299	1644	1552	1488
Target Budget	1129			
Deficit / (Surplus)	170			
Additional Stretch Reductions	-43			
In Year Adjustments	240			
Proposed Overall Budget	1496	1644	1552	1488



## Workforce Planning

It is important that the Council continues to maintain and develop the workforce necessary to meet its future needs both in terms of the numbers employed and skills & competency required of those employees. To inform the forward Organisational Development and Workforce Planning Strategy, please complete the section below with details of actions you have taken or plan to address your service needs. The list of questions is neither exclusive or exhaustive but intended to assist you in considering the broader issues which may relate to either your service or Change Programme Workstreams.

Please also outline any identified needs that you cannot address/think will be more difficult to address.

Alternatively, if you service has developed a specific workforce plan, attach as an appendix to this Service Plan.

### Organisational Development: Implementation of 'future organisational model':

- *How are you developing new workforce structures/ways of working to support the 'future council' organisational model?*
- *What alternative service delivery arrangements are planned/anticipated?*

*Are you considering job redesign? If so how/what*

The finance service is currently undergoing significant change as a result of restructuring to deliver challenging savings targets and a service which meets the future organisational model. Phase One of the restructuring is now being implemented with Phase Two currently being consulted upon.

The restructuring of the finance service is based around the principles of Centralise, Standardise and Simplify. It is envisaged that the revised structure will further enable the ability to interchange skills and produce working practises that are common across the finance function.

### Leadership and Management Development:

- *What plans do you have for developing leaders in the new context?*
- *Do you have a programme to assess and develop manager competency and meet gaps?*

*Have you identified new manager skills that will be necessary in the 'future council'*

The revised structure recognises the importance of the Finance Manager and Team Leader roles within the service. There will need to be greater delegation and empowerment at these levels supported and encouraged by line managers. They will be able to access appropriate support and training as identified for their changing roles.

<p><b>Skills &amp; Competencies</b></p> <ul style="list-style-type: none"> <li>• <i>Have you identified new skills/competencies that will be necessary for success in the new working environment/context?</i></li> <li>• <i>Do you think you have a significant skills gap, if so what and how might it be addressed?</i></li> <li>• <i>Have you identified that these skills might be missing/in short supply in the workforce as a whole?</i></li> </ul>	<p>The principles supporting the restructure of the finance service provides for more joined up and multidisciplinary teams. This will help provide increased skills coverage for key roles for example, Statutory Accounting and Capital Finance were specifically identified in this regard within phase one.</p> <p>The service will also continue to support for key professional qualifications and bespoke training events as required.</p> <p>Where it is not possible or appropriate to develop specialist in-house skills, the service will seek to utilise external advisers to provide appropriate professional advice and support for the range of projects and changes facing the Council.</p>
<p><b>Recruitment &amp; Retention</b></p> <ul style="list-style-type: none"> <li>• <i>Do you anticipate any recruitment difficulties in the current financial climate?</i></li> <li>• <i>Are you undertaking any activity with partner organisations etc to address current/future skills shortages</i></li> </ul> <p><i>Is removal of the default retirement age likely to impact on you workforce?</i></p>	<p>The restructuring process considers opportunities for part time working, together with voluntary redundancy and redeployment. Any arising vacancies are challenged and reviewed before a decision is made on any form of recruitment.</p> <p>It is anticipated that key areas of potential skills shortage e.g. Statutory Accounts, Capital etc. are covered to some extent by the new structure, with shared knowledge across a number of roles, although this would have to be supplemented with specialist external support.</p> <p>Other roles do not appear at present to provide a specific skills shortage although this will be considered further as part of the phase two restructure.</p> <p>The use of external professional advisers on a project by project basis is considered as appropriate.</p>

## Equalities

We are committed to the Council's core value of ensuring there is equality of opportunity through employment and service delivery. We are committed to promoting equality and eliminating discrimination on the grounds of age, disability, faith/religion or belief, gender including transgender, marital / civil partnership status, race, colour, ethnic or national origin and sexual orientation. Equality Impact Assessments (EIA) are carried out on all service changes and actions to mitigate impacts.

### **The Finance EIA is attached here:**



EIA - financial plan -  
template - revised DE

## Key Service Priorities 2012/13

It is important to show how each service priority links to the new Corporate Plan, in particular the four strategic objectives and high level outcomes set out in the table below. At the end of each priority, services **must** indicate whether it will contribute to an objective and add the reference letter for each outcome it will help to deliver.

Objectives	Outcomes	Ref
<b>1. Promoting independence and positive lives for everyone</b>	Children and young people enjoy their childhood and are prepared for adult life.	A
	Schools develop and extend their role in the local community	B
	Youth Service works with the community to provide opportunities to support and develop young people	C
	Older people are supported to live independently.	D
	The people most in need are supported to live full active lives.	E
<b>2. Creating neighbourhoods where people are proud to live</b>	Where people feel safe	A
	There are decent affordable homes in private and social sector	B
	Clean streets and open spaces	C
	Where people are able to travel easily with reduced traffic congestion and pollution	D
	Where local people actively lead the delivery of improvements in their community	E
	Where there are opportunities to participate in sports, leisure and cultural activities	F
<b>3. Building a stronger economy</b>	With a broad range of job and employment opportunities	A
	With a strong local business sector, tourism, and local shopping	B
	Key development sites are delivered to increase the number of local businesses.	C
	A diverse economy with growth in the low carbon, knowledge creative, and ICT industries	D
<b>4. Developing resilient communities</b>	Where local people have developed their skills and use them to improve their community	A
	Where decisions are made as locally as possible	B
	Where there is easy access to public services and local amenities.	C
	Communities have adapted to changes in our climate and are not dependent on high carbon energy	D
	Recycling and reduction in waste continues to be extended	E

## Priority 1:

<b>Details of Service Priority</b>	<b>Finance Restructuring Phase 2</b>	
<b>Impact on local community</b>	Effective Use of Resources	
<b>Groups of service users affected</b>	All Council Services	
<b>Key Activities (add more lines as appropriate)</b>	<b>Timescales</b>	<b>Performance Measures</b>
<b>Consider responses to Informal Consultation Process</b>	<b>Feb 2012</b>	Revised Structure
<b>Produce Formal Consultation</b>	<b>Feb / Mar 2012</b>	Formal Procedure
<b>Implementation of Revised Structure</b>	<b>July 2012</b>	Savings Delivered
<b>Contribution to Strategic Objectives – please indicate which of the Corporate Plan objectives and outcomes this priority will contribute to:</b>		
<b>Strategic Objective</b>	<b>Contributes – Y/N?</b>	<b>Relevant Outcomes</b>
<b>1. Promoting independence and positive lives for everyone</b>	Y	All
<b>2. Creating neighbourhoods where people are proud to live</b>	Y	All
<b>3. Building a stronger economy</b>	Y	All
<b>4. Developing resilient communities</b>	Y	All

## Priority 2:

<b>Details of Service Priority</b>	<b>Responding to Significant Government Change Agenda, particularly Local Government Resource Review</b>		
<b>Impact on local community</b>	Effective Use of Resources		
<b>Groups of service users affected</b>	All Council Services		
<b>Key Activities</b>	<b>Timescales</b>	<b>Performance Measures</b>	
<b>Review / Analysis Of Government Proposals</b>	Spring 2012	<b>Report to Council Leadership</b>	
<b>Baseline Set / Modelling of Potential Impacts / Resourcing Impacts</b>	Summer 2012	<b>Report to Council Leadership</b>	
<b>Analyse Council Resourcing Implications of New Funding System for 2013/2014 Budget</b>	Dec 2012	<b>Report to Council Leadership</b>	
<b>Implement Administration and Accounting Changes as Required</b>	Dec 2012 to Mar 2013	<b>New System Operative</b>	
<b>Contribution to Strategic Objectives – please indicate which of the Corporate Plan objectives and outcomes this priority will contribute to:</b>			
<b>Strategic Objective</b>	<b>Contributes – Y/N?</b>	<b>Relevant Outcomes</b>	
1. Promoting independence and positive lives for everyone	Y	All	
2. Creating neighbourhoods where people are proud to live	Y	All	
3. Building a stronger economy	Y	All	
4. Developing resilient communities	Y	All	

