



**South
Derbyshire**
District Council

South Derbyshire District Council

**'Making South
Derbyshire a better place
to live, work and visit'**

**FINANCE and
CORPORATE
SERVICES**

**Service Plan
2014-2015**

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1.0 Introduction

This Service Plan brings together our priorities in relation to the Council’s Corporate Plan for 2014/15. Our key priority outcomes in the Corporate Plan are:

- **To ensure that the Council remains financially resilient by maintaining a sustainable financial base.**
- **To lead the Council’s on-going efficiency programme to achieve budget savings whilst maintaining and improving service provision.**
- **To provide strong corporate governance, in particular to financial services, across the Council.**
- **To improve the experience of customers and other stakeholders who contact the Council.**

The Finance and Corporate Services Division will:

- positively contribute towards Council policies and procedures in the delivery of services
- deliver continuous improvements in the performance of the Council
- ensure compliance with relevant legislation
- have a ‘customer focus’ in what we do
- ensure a widespread understanding of the Council’s core values, key aims, priorities and relevant performance measures, and encourage participation in their development
- ensure that data quality principles are applied in order to conduct its business effectively
- Support the Council’s Equality and Fairness Programme
- Encourage a positive health and safety culture

Kevin Stackhouse – Director of Finance and Corporate Services

2.0 Background

2.1 Overview of the Service

Following a Council restructure which was implemented on 1st May 2013, a new Finance and Corporate Services Department was established. This was very much based on the previous Corporate Services Directorate with the main change being the transfer of the Legal and Democratic Services functions to the Chief Executive’s Department.

The Department is responsible for:

- Financial Services - accounting, budgets and medium term financial planning
- Internal Audit
- Asset and Estate Management
- Contract Management for out-sourced Corporate Services
- The Strategic Corporate Services Partnership
- Detecting and Investigating Fraud
- Data Protection and Freedom of Information
- Co-ordinating the resolution of Complaints against the Council
- Secretarial Support

The Department has overall responsibility for monitoring service performance within the Corporate Services Strategic Partnership. The main aims of the Partnership are job growth through a Regional Business Centre, together with investment in services, capacity and resilience.

As part of the arrangement, the Council transferred a range of back office support services to the private sector partner in August 2010.

Under the responsibility of the Director of Finance and in accordance with statutory requirements, the Department is also responsible for Internal Audit. Since January 2012, this has been delivered through the Central Midlands Audit Partnership, of which the Council was a founding Member.

Corporate Services Strategic Partnership (CSSP)

The Council signed a contract with Northgate Public Services (NPS) on 1st August 2010 to deliver a range of back office, support and professional services. This includes

- Organisational Development, including HR, Policy and Communications
- Payroll
- ICT
- Procurement
- Revenues and Benefits
- Customer Services

Direct service provision is the responsibility of NPS and performance is monitored through a series of Key Performance Indicators. The services provided feed into the overall outcomes for Corporate Services.

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Overall strategy and policy in these areas, such as workforce development, ICT, procurement and corporate planning remains the responsibility of the Council; these are co-ordinated within the Department and NPS’ role is to support this.

Through the Director of Finance, the Council is responsible for setting and monitoring budgets, reviewing and advising on the Council’s medium term spending plans and its financial strategy.

Main function of the Department

The Department effectively plays a key role and lead on the Council’s strategic objective of Value for Money.

This is not just about finance but encompasses other resources such as staff and property, together with ensuring that the Council undertakes its activities and responsibilities in a proper manner through good corporate governance.

Although many of the services provide professional support and advice across all council functions, many others deal direct with the local community and residents contacting the Council, for example in Revenues and Benefits.

Operational requirements are largely undertaken in accordance with statute – financial management and internal audit for example, are carried out within specific points of law, together with standards contained in Codes of Practice.

The Department consists of a number of small, discrete service areas, although joint working and synergy exists between the individual areas. Specific units are as follows:

Client Services

The Unit is responsible for monitoring the service delivery of NPS. In addition, it undertakes the statutory quality assurance checks and the exercise of discretionary functions on behalf of the Council in respect of benefits processing, together with Council Tax and debt collection.

The Unit represents the Council where enforcement action is required in matters of Council Tax and debt recovery. The Council’s fraud team is also part of the Unit.

The Unit contributes to the priority outcome of “financial resilience” by maximising income due to the Council by:

- Improving collection of Council Tax and Business Rates
- Reducing empty properties to maximise New Homes Bonus allocations from Central Government
- Minimising losses in Housing Benefit Subsidy through accurate processing of benefit claims.

In addition, the Unit has a key role in improving the experience of people who contact the Council through Customer Services, together with securing improvements in the time taken for processing benefit applications.

Secretarial Support and Corporate Administration

The Director of Finance and Corporate Services is the Council’s Data Protection (DP) and Freedom of Information (FOI) Officer. In accordance with this responsibility, this unit co-ordinates day to day activity associated with requests for information under DP and FOI regulations and monitors the corporate framework to ensure all services comply correctly and handle data properly.

The unit also provide a range of administrative functions including secretarial support and co-ordinating complaints made against the Council.

DP and FOI are considered to be important factors in public authorities demonstrating openness and transparency. This is highlighted in the Council’s Local Code of Corporate Governance.

Internal Audit

Through the Central Midlands Audit Partnership (CMAP) internal audit is the primary assurance that the Council maintains a sound system of internal control and this feeds into the priority outcome of strong corporate governance. Working under the terms of reference of the Council’s Audit Sub Committee, CMAP undertake audits on the main systems and processes that underpin service delivery.

Land Charges

This unit deals with all enquiries and requests for property and land searches, both commercial and residential. The unit provides both a statutory function and direct service within a commercial market.

The financial aim of the service is to “break even” including the cost of overheads. The income generated by the service is approximately £100,000 per year and is an important income stream for the Council’s Medium-Term Financial Plan to cover the costs of providing the service.

The unit reports to the Corporate Asset Manager and is part of the Property Services function.

Property Services

This unit is responsible for the overall strategic management of the Council’s operational land and property holdings under the Asset Management Plan. This includes identifying and making recommendations regarding assets deemed “surplus to requirements.”

The unit has a key role in major development/regeneration projects, in particular where the Council has a property/land interest in the project. This is to ensure that the Council maximises the use of its assets to enable service provision and through disposal, to generate capital receipts or to improve local community facilities.

The unit is also responsible for managing the Council’s investment (property) portfolio and for land conveyancing. This includes shops, industrial units and a factory which generates income of approximately £400,000 per year.

Financial Services

This Unit is responsible for maintaining the accounts of the Council and assisting the Director on strategic financial issues. The operational aspects of the Unit are split into:

- **Management Accounting** – provides day to day support to Council services on managing budgets and maintaining accounts; this involves monthly reporting of financial performance.
- **Financial Accounting** – ensuring the Council complies with accounting standards and statutory financial reporting requirements. It also includes Treasury Management, Insurance, Taxation and Banking, together with the payment of invoices and the raising of sundry debtors.
- **Payroll** - The Council's Payroll Service, currently provided by an external company, is currently being transferred back into the Council and will be managed by Financial Services.

2.2 Workforce Information

The number of full time equivalent (FTE) staff in each Unit is currently as follows:

Unit	Headcount	FTE
Client Services and Fraud	5	4.5
Secretarial Support	3	2.0
Land Charges	2	1.5
Property Services	4	4.0
Financial Services	9	9.0
TOTAL	22	21.0

During 2013/14, actual staff turnover was very low, with one replacement and a voluntary redundancy following a review and restructure of the Land Charges Unit.

Sickness absence was higher during 2013/14 compared to previous years where it has been relatively low; this included 3 instances of long term sickness absence. The days lost per employee were 10 compared to the Council average of 12.

Analysis of Staff Turnover	New Starters 2013/14	Leavers 2013/14	Sickness 2013/14 (FTE days lost)
Finance and Corporate Services	1	2	10

Workforce priorities for 2014/15

Following the restructure of Land Charges, some training and sharing of knowledge will need to take place to ensure service resilience. Apart from that, all staff will undertake any specific training relevant to their job, including some mandatory training internally, to cover health and safety, recruitment and absent management.

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2.3 Financial Information

A summary of the costs of the services is shown in the following tables.

	Budget 2013/14 £	Actual 2013/14 £	Budget 2014/15 £
Corporate Services			
Expenditure (<i>note 1 below</i>)	2,996,827	3,172,974	2,999,429
Benefits Administration Grant	-419,575	-419,575	-369,226
Net Cost	2,577,252	2,753,399	2,630,203

Other Services - Expenditure			
Property Services	183,645	177,491	181,965
Internal Audit	150,000	150,000	150,000
Financial Services	402,699	408,516	393,811
Net Cost	736,344	736,007	725,776

Land Charges			
Expenditure (<i>note 2 below</i>)	103,721	145,606	102,955
Less - Fee Income	-88,000	-121,288	-100,000
Net Cost	15,721	24,318	2,955

Note 1 – the increase in expenditure on Corporate Services in 2013/14 was mainly due to the cost of computer system changes required to implement the Local Council Tax Support Scheme and Welfare Reform. The additional cost of £160,000 was financed from Government Grant.

Note 2 – the increase in Land Charges expenditure in 2013/14 was due to voluntary redundancy costs associated with a service restructure.

Capital Investment

Property Services are responsible for managing the Planned Maintenance Capital Budget for Public Buildings. A total of approximately £75,000 remains as a contingency for emergency repairs together with improvements for certain community facilities as identified in the Council’s Asset Management Plan.

2.4 Summary of Assets Held

The Department is responsible for managing the following assets.

Asset	Number	Estimated Value
Investment Properties		
Commercial Units	28	£2.00m
Industrial Units (on 2 sites)	41	£0.58m
Factory	1	£1.50m

3.0 Service Performance

3.1 Key Achievements 2013/14

Housing Benefit Subsidy

The amount of audited losses in final claims was reduced from £170,000 in 2010/11 to £3,000 in 2011/12.

Detection of Fraud

During 2013/14, 338 cases of potential fraud and corruption were referred, of which 270 led to an official investigation. Of these investigations, 221 were completed.

Of the 221 completions, 12 led to cautions, 18 led to prosecutions and 89 were identified as overpayments. In total, the value of these cases was approximately £1/4m.

Generating Efficiencies

The Department co-ordinates the generation of cost savings across the Council through service and budget reviews, together with procurement. Savings achieved across the Council in 2013/14 amounted to £430,000, including £73,000 achieved in the Corporate Services Department.

Medium Term Financial Plan (MTFP)

The Department continued to play a key part to ensure a balanced budget was set and that financial planning takes place over the medium term. This helped to ensure that the Council continued to be financially resilient, as judged by the Council’s External Auditors.

Maximising Grant Income

Working alongside other Council Departments, to identify empty properties and bring them into use, generated additional New Homes Bonus for 2014/15 of £80,000.

Statutory Statement of Accounts

The Council’s accounts were produced in a timely manner and following audit, were published with no material changes. Processes and working papers were of a high standard as reported by the External Auditor in September 2013.

Asset Management

Property Services continued to advance and support major regeneration projects by making better use of surplus assets. During 2013/14, the redevelopment of a major site was approved; this includes the relocation of the Council’s work depot into a more modern facility at no (capital) cost to the Council.

In addition, 2 projects were approved to redevelop recreational land and improve leisure facilities in targeted wards of the District.

3.2 Challenges and Areas for Improvement

A key aim of the Department will be to ensure that the Council remains financially resilient and adheres to financial reporting standards.

In addition, the Department will continue to support key economic development and housing projects in order to secure resources through growth, together with making the best use of Council assets.

The impact of the Single Fraud Investigation Service for local government is currently being considered; whilst this may mean a change in workload for the Fraud Unit, it will also allow opportunities for more resources to be focused on corporate fraud.

The Government’s Welfare Reform programme is expected to increase during 2014/15 as the introduction of Universal Credit is expanded. The impact on Council resources for benefits administration in particular, will need to be addressed when further details are known.

Detailed proposals to centralise the Land Charges function under the Land Registry Agency have recently been released. The Council will be consulted on these proposals during 2014/15 and will need to address any implications arising.

3.3 Corporate Action Plan

The Action Plan details the Department’s key actions for the year. Actions are broken down into financial quarter period, in order to monitor and manage performance.

The actions are those that directly contribute to priorities identified in the Corporate Plan; they are monitored in accordance with a set of performance measures that are formed both from a National Indicator Set and locally agreed indicators.

The Department’s key performance measures against Corporate Plan priorities are detailed in **Appendix B (Section 1)**. This includes the key projects that will help deliver these priorities. Further details about each indicator and how they are compiled and monitored is shown in **Appendix B (Section 2)**.

3.4 Operational Action Plan

A key part of service delivery for the Department is the performance of NPS. The partnership with NPS is monitored through a series of Key Performance Indicators. Progress against key projects and targets is reported to the monthly Operational Board with reports to the Council’s Finance and Management Committee.

In addition, the performance of the Council’s property (rate of return on investment properties, energy efficiency and maintenance liability, etc) is monitored and reported in the Asset Management Plan.

The Audit Partnership is subject to a separate set of performance indicators which are monitored by the Council’s Audit Sub Committee. These are designed to measure performance against the approved Audit Plan to deliver the necessary assurance for internal control purposes.

Local Performance Indicators

Besides the key performance measures identified for the Corporate Plan, the Department also uses several operational indicators. In particular, these relate to the efficiency of Financial Services with requirements to produce financial information in a timely manner to satisfy both statutory and internal reporting requirements.

4.0 Partnerships

Further details of the NPS and CMAP Partnerships are detailed in **Appendix C**. This includes reference to how they fit into the Council’s priorities and how they are governed, etc. This is in accordance with the Council’s Corporate Partnership Policy.

5.0 Consultation & Communication

On behalf of the Council, the Department leads on 2 annual pieces of consultation and communication, i.e. on the main Corporate Plan priorities and Budget proposals.

In addition, internal consultation is regularly undertaken on functions, with separate surveys undertaken on the IT service. Details are provided in **Appendix D**.

Customer satisfaction for people contacting the Council is measured on an on-going basis through a monthly performance indicator (VM 06) as detailed in **Appendix B**.

Partnership Information Group

This is an internal working group consisting of officers of retained council services and NPS. It is a forum to discuss proposed changes in working practices and to gauge feedback on the day to day service delivery of NPS as it affects Council services.

Provision of information

A function of the Department is to provide and report information to demonstrate how the Council’s resources are used. The main publications are:

Medium-Term Financial Plan

http://www.south-derbys.gov.uk/council_and_democracy/council_budgets_spending/budget_and_financial_strategy/default.asp

Annual Accounts and Financial Statements

http://www.south-derbys.gov.uk/Images/SDDC%20Accounts%20Published_tcm21-232388.pdf

Monthly report of spending over £250

http://www.south-derbys.gov.uk/our_website/open_data/spend_over_500/default.asp

Asset Management Plan

http://www.south-derbys.gov.uk/Images/ASSET%20MANAGEMENT%20PLAN%202010-15%20draft_tcm21-159074.pdf

6.0 Service Review/Transformation Programme

All units within the Department have been subject to a service review since 2010/11. This has led to significant transformation and the creation of new service delivery frameworks through the Strategic Partnership with NPS, together with the implementation of the Audit Partnership.

In addition, the new Council structure implemented in May 2013, brought about changes in the Client Services and Secretarial Support Units

In February 2014, a revised structure was implemented in the Land Charges Unit.

The structure of the Fraud Unit is currently being considered as part of the Single Fraud Investigation Service for England and Wales.

7.0 Managing Risks

The process set out in Council’s Risk Management Strategy, which was approved in December 2012 has been followed. The risk register for the Department is detailed in **Appendix F**. The 2 main risks are:

- Operational Resilience
- Reliance on Partnerships

8.0 Monitoring and Review

This plan will be monitored quarterly as part of the performance management framework and will be used throughout the year to manage service delivery.