
REPORT TO:	CORPORATE SCRUTINY COMMITTEE	AGENDA ITEM: 5(A)
DATE OF MEETING:	29 APRIL 2002	CATEGORY: RECOMMENDED
REPORT FROM:	CHIEF FINANCE OFFICER	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811) CHRIS SWAIN (595812)	DOC: c/ks/myfiles/bestvalue/baseline committeereport
SUBJECT:	BEST VALUE REVIEW: FINANCIAL SERVICES – DRAFT BASELINE ASSESSMENT	REF: KS/JHM
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM13

1. Recommendations

1.1 That the draft baseline assessment and the next stages of the review are noted.

2. Purpose of Report

2.1 Is to provide the draft baseline assessment report, summarise the issues to-date arising from it, and to set out the next stages to progress the review.

3. Detail

3.1 The review of Finance Services covers the following activities:

- Revenues and Benefits
- Accountancy and Exchequer Services
- Internal Audit

3.2 The report is effectively detailed in the following appendices,

- Appendix 1 – summarises the issues arising from the draft baseline assessment for Accountancy, Exchequer and Internal Audit services.
- Appendix 2 – sets out the actual text of the draft baseline in detail for Accountancy, Exchequer and Internal Audit.
- Appendix 3 - sets out the actual text of the draft baseline in detail for Revenues and Benefits, including the issues currently arising.

3.3 The draft baseline is divided between Revenue/Benefits Services and Finance (FS) Services, which consists of Accountancy, Exchequer and Internal Audit. As regards FS, the current issues have been drawn out from benchmarking data, feedback from

focus groups and liaison with neighboring authorities. The main overriding issues currently arising from the draft baseline is highlighted below.

Finance Services (FS)

- 3.4 Legislation, rules and procedures largely govern the services. Delivering these services within regular deadlines is a key requirement. Almost without exception, the major targets for payroll and payment runs, closing accounts and annual budget production, etc. are met. In essence, the statutory services and "have to do" tasks are being delivered.
- 3.5 However, it is clear from the performance indicators and feedback from the focus groups that the way in which this is being delivered could be undertaken in a more efficient and effective manner. In addition, the interaction with, and support services provided to internal users is an issue, as evidenced from the focus groups, i.e. how does/can FS contribute more to the running of the "business."
- 3.6 The issues currently contained in Appendix 1 will help to address the above, i.e. reviewing working practices, consulting more with internal users and comparing the services at other authorities and with other service providers.
- 3.7 It should be noted that one of the objectives approved in the scope of the review, was "can better use be made of new technology to deliver the services." In addition, it is clear from the baseline that current I.T. is seen as a current weakness in delivering FS. However, this has not been separately identified as an issue in Appendix 1, as action is already underway to deal with this.
- 3.8 A separate project with its own terms of reference has commenced, to replace the Council's core financial systems, with a target implementation date of 1st October 2003. The project will continue to run concurrently with this best value review.
- 3.9 The issues currently highlighted in the baseline such as real time integration, flexibility and user friendliness will be addressed by the implementation of a new FMS, as these are some of the prime pre-requisites of the replacement system.

Revenue and Benefits

- 3.10 Work has continued on the Revenue and Benefit part of the Review, the main area of work being carried out in the securing of funding from the Invest to Save Bid.
- 3.11 A full report of the issues surrounding this part of the Review was submitted to this Committee on 22 October 2001.
- 3.12 The draft Baseline Assessment has been developed and the latest version is at Appendix 3. Members will note that there are some areas, which require expansion, and this will be carried out when the results of the following focus groups have been analysed.
 - The Staff Focus Group held on 17 April, 2002
 - The Customer Focus Groups which are due to be held during the latter part of May, 2002
- 3.13 Furthermore, the results of the above focus groups will be fed into the Key Issues portion of the Baseline Assessment. The Focus Groups will provide a reality check

on those key issues identified so far and will provide an opportunity for other issues to be identified.

The Next Stage

- 3.14 The formal review team will now be convened to review and test the draft baseline and the issues currently arising, adding/amending where necessary. It is envisaged that the Team will then need to formulate the key issues and devise an action plan to consider options to address these issues. This should include setting targets for improving performance.
- 3.15 This will be done in accordance with the agreed timetable for the review, which sets a target date for a final report in December 2002. It is anticipated that an interim report will be provided around August/September 2002 to chart progress.

4. Financial Implications

- 4.1 There are no financial implications at this point in time, although clearly they will be assessed as part of the best value review.

5. Corporate Implications

- 5.1 Financial Services impacts upon almost every service area across the Council, and the outcome of this review should therefore, benefit the Authority overall.

6. Community Implications

- 6.1 None directly.

7. Background Papers

None

