

ROCHDALE METROPOLITAN BOROUGH COUNCIL

SERVICE PLANNING 2010/11

Service... Finance.....

SERVICE PLAN UPDATE

Brief Description of the Service

Finance Services provides a range of finance, risk and business support to meet the needs of the Council, its members and the 17 service groups across which its services are delivered. We do this through three areas of service:

- **Central Finance Services**
- **Finance Support Services**
- **Business Services**

Central Finance: Delivering a range of financial services to the Council and its members, including financial strategy, financial planning and management and consolidation for budgeting and closedown. Specialist functions include accountable body services, taxation and treasury and technical financial services incorporating the financial system and payments.

Support Services Finance: Delivering financial support to Council Services in managing resources effectively through financial planning, forecasting and monitoring of service budgets. Ensuring the corporate financial responsibilities of the Council are met through the provision of service based financial information for statutory returns and statement of accounts.

Business Services: Delivering a range of business services to the Council, members and services, including Internal Audit, Value for Money & Business Development Activity, Risk Management, Strategic Procurement and Education Brokerage (client side).

Broad Service Objectives

- Customers: To operate in a way that supports the agreed priorities of the Council and its Services
- Staff: To encourage and support all staff to achieve their potential
- Value for Money: To continually improve the way we deliver our services to provide and demonstrate value for money
- Culture: To be positive and proactive, working together with dignity and respect and acting as ambassadors for the service and the Council
- Service Delivery: to provide a framework of support and guidance and ensure that the council's financial affairs are managed in line with statutory responsibilities and beacons of good practice.

PART A Review of the Year

Achievements and Headlines 2009/10

The Service achieved a Level 3 performance, performing well, for managing finances as part of the Audit Commission's new Use of Resources assessment. We also achieved a Level 3 score for the areas of internal control and risk that are assessed as part of "Managing the Business". The assessment covers all areas of service performance and the score reflects the hard work from staff within the Service to deliver good quality financial services.

The annual customer survey showed an improvement in the level of satisfaction from our clients. 100% of customers are satisfied with the "overall support and arrangements for finance services" 83% scored the service in the top two categories as good or very good and 100% said we were improving well.

Support Services have achieved financial close on Building Schools for the Future. This involved significant support from Finance Services to contribute to a major project to transform secondary education. A number of staff within the Service have been nominated for Customer Service Awards.

The Business Services division of the team currently covers Internal Audit, Risk Management, Resilience, Business Support and Business Development. Key achievements during 2009/10 has included the implementation of the new corporate risk register system in conjunction with performance development, restructure and launch of the Risk Management Group including creation of Risk Champions for all service areas and a refresh of the Risk Management Strategy. Other achievements include the review of the Contract Procedure Rules which is an element of the Council's constitution, progressing the risk of fraud agenda, involvement in a number of high profile cross cutting projects, design and creation of a new corporate whole life costing toolkit and involvement of business analyst and project management staff in the Cross Cutting Review programme.

Financial Processing staff improved performance with the support of Services on paying invoices within 30 days. This is an Audit Commission reviewed activity as part of the Use of Resources Assessment. Year to date performance is above 95% compared to 88% in 2008/09. The Service also successfully closed down its accounts for the first time on the new financial system, introduced on line invoice scanning and budget upload to support the quality of financial information available to Services in managing their budgets.

A working group has been established for the changes to the accounts required due to the introduction of International Financial Reporting Standards. Improvements have been made in how we hold financial information on our assets where these are funded by grants.

PART B Key Changes to Service Plan proposed for 2010/11

Aiming High 2007 – 2010

The Service does not have responsibility for delivering services that directly impact on Aiming High targets but actively supports front line services in their achievement of targets.

Stepping Up

Workforce Planning & Development:

The Service is continuing to roll out a programme of training around Investment in Excellence and Coaching Skills. The aim is for all staff who are Managers to have achieved a Certificate in Coaching Practice whilst Investment in Excellence seeks to ensure we maximise the potential of our people and build confidence and motivation.

Following successful pilots in 2009/10 the Service encourages all teams to undertake a community team building activity as part of their development. Activities in 2009/10 included helping to build a dry stone wall at Watergrove Reservoir, volunteering to help Springhill Hospice to improve their gardens and landscape and supporting conservation works in Healey Dell Nature Reserve.

The Service also supports staff undertaking professional qualifications including Institute of Accounting Technicians and Chartered Institute of Public Finance and Accountancy.

National benchmarking of the Service against our statistical neighbours has identified that we perform in the top quartile for the training and development of our staff. We provide an average of just under 7 days training per fte compared to the average in other Authorities of 4.8 days. Our performance on staff retention is also in the top quartile at an average of 4.3% turnover compared to 9.7% nationally.

Customer Focus

The Service has plans to re-design the budget process to make changes to how Services and Members engage in decision making. Consultation will take place with key members of the Policy Overview Committee and Heads of Service.

The Service is also working towards statutory requirements for participatory budgeting that will consider mechanisms to encourage a higher level of debate with members of the public.

Annual discussions take place with Services about the support they receive and improvements that could be made. We also undertake an annual customer survey.

Services will be consulted on arrangements for restructuring Financial Support Services. The restructure aims to take account of the changes to the Council's Corporate structure to ensure Support Services is configured effectively to provide services to others.

Value for Money

The Service takes part in national benchmarking for the costs of finance services carried out by the Chartered Institute of Public Finance and Accountancy. Costs across the three main areas of the Service covered by benchmarking (Audit, Accountancy, Creditors) are all at or below average cost. The Service is on target to deliver efficiency savings in 2010/11 of £500k. In 2009/10 the Service expects to operate within budget and deliver savings targets of £242k.

Performance Management 2010-2011

The Service scorecard is being updated to reflect the changes from CPA to CAA under the Use of Resources. The Service does not have responsibility for Aiming High targets

Township Devolution

The Finance Service provides budget setting and monitoring support to Townships. Township plans and how they link to corporate priorities and objectives are included within the medium term financial strategy.

Financial Planning and Budget Update

FINANCE SERVICES

2009/10 REVISED ESTIMATE £' 000		2010/11 ORIGINAL ESTIMATE £' 000	2011/12 ORIGINAL ESTIMATE £' 000	2012/13 ORIGINAL ESTIMATE £' 000
	<u>Budget by Service Area</u>			
	Management			
5	<i>Expenditure</i>	-27	-29	-30
0	<i>Income</i>	0	0	0
-25	<i>Net effect of Internal service recharges</i>	28	30	31
2	<i>Contribution to/-from a reserve</i>	-3,598	2	2
-18	Total	-3,597	3	3
	Central Services			
2,355	<i>Expenditure</i>	2,184	2,229	2,256
-177	<i>Income</i>	-190	-191	-193
-2,197	<i>Net effect of Internal service recharges</i>	-1,995	-2,039	-2,064
-19	Total	-1	-1	-1
	Business Services			
1,178	<i>Expenditure</i>	921	997	1,008
-84	<i>Income</i>	-85	-86	-86
-1,169	<i>Net effect of Internal service recharges</i>	-718	-793	-803
-75	Total	118	118	119
	Support Services			
2,410	<i>Expenditure</i>	2,388	2,358	2,393
-313	<i>Income</i>	-313	-296	-296
-2,332	<i>Net effect of Internal service recharges</i>	-2,075	-2,062	-2,097
-235	Total	0	0	0
	Other Management			
2,355	<i>Expenditure</i>	2,369	2,406	2,455
-290	<i>Income</i>	-290	-290	-290
5,075	<i>Net effect of Internal service recharges</i>	4,918	4,778	4,812
7,140	Total	6,997	6,894	6,977
6,793	Net cost of providing services to the Public	3,517	7,014	7,098

FINANCE SERVICES

2009/10 REVISED ESTIMATE £' 000		2010/11 ORIGINAL ESTIMATE £' 000	2011/12 ORIGINAL ESTIMATE £' 000	2012/13 ORIGINAL ESTIMATE £' 000
	<u>Budget by Expenditure Tyoe</u>			
7,349	Employees and related expenses	6,868	6,802	6,903
0	Premises related expenses	0	0	0
23	Transport related expenses	23	23	23
651	Supplies and services	725	909	924
266	Agency and contracted services	205	213	218
14	Depreciation	14	14	14
0	Management redistribution costs	0	0	0
8,303	Total Service Expenditure	7,835	7,961	8,082
7,440	Central departmental and support services	6,566	6,469	6,524
-8,088	Less internal service departmental recharges	-6,408	-6,555	-6,645
-648	Net effect of internal service recharges	158	-86	-121
7,655	Total Service Expenditure net of Internal Service Recharges	7,993	7,875	7,961
	<u>Income</u>			
-864	Rents, Fees & Charges	-878	-863	-865
	<u>Grants</u>			
0	Dedicated Schools Grant	0	0	0
0	Other Grants	0	0	0
-864	Total Income	-878	-863	-865
2	Contribution to/-from a reserve	-3,598	2	2
6,793	Net cost of providing services to the Public	3,517	7,014	7,098

Improving Health and Well Being and Tackling Health Inequalities

The majority of staff within the Finance Service live and work locally. We support a healthy workforce in a number of ways. These include:

- Providing financial support to the Link4Life healthy workforce officer and publicising healthy workforce activities and initiatives within the service
- Funding health screening for staff within the service through the healthy workforce initiative
- Promoting and funding annual flu vaccinations and bi-annual eye tests for VDU users

Tackling Deprivation

Finance Services does not directly provide services to the public. The work we do to support front line services helps in the achievement of activities to target deprived communities.

Collaborative Working

The Service support client side activities to ensure we maximise value for money from our partnerships with Impact and Link 4 Life. The Service also works with RDA to support regeneration and development activity.

The Single Equality Bill

The Service has a well developed structure and framework for managing equality and diversity. This includes an equality and diversity strategy and plan.

Legislative Changes

There are a number of regulatory changes that take place annually and impact on the production of the statement of accounts. The Service undertakes an annual risk assessment for the accounts of areas where accounting treatment has changed or where there are significant technical requirements. A training and communication plan is then agreed and implemented to ensure the changes are accurately made and all staff are clear on the requirements. The most significant of these for 2010/11 is the adoption of international financial reporting standards.

There are also changes in requirements for how Council's consult on their budget and engage the community in decision making on financial issues. The Service is currently working alongside the Performance and Development service to plan for the budget process that will operate in 2010/11 with a view to developing the way we engage with the community.

Key Improvement Activity 2010/11

The service will be making a significant contribution to the Council's cross cutting review process with a number of staff forming part of the review teams. This work will involve a significant amount of cost analysis and financial benchmarking. This aims to establish the extent to which efficiency savings can be generated to support the budget between 2010/11 and 2013/14.

During 2009/10 preparation work has commenced to re-state the opening balance sheet financial information requirements in line with International Financial Reporting Standards. From 2010/11 the Council's accounts will need to fully comply with the standard. There are significant additional requirements around accounting for assets and preparatory work is on-going to establish systems and processes to ensure the Council achieves full compliance.

Work is on-going with the Performance and Development service to improve the integration of performance and financial information. Consideration will be given to the use of unit cost/activity cost data arising from the cross cutting reviews within financial monitoring reports. Work will also focus on the process for reviewing the corporate plan and medium term financial strategy to ensure stronger integration between resource allocations and outcomes.

The service will continue to work on new ways to develop staff and improve succession planning. This includes extending coaching training and investment in excellence courses. We also aim to build on a number of successful pilots for community team building activities that took place in 2009/10. These have proved rewarding for the staff involved, have been successful in terms of community impact and have strengthened relationships within teams.

Asset Management

Finance Services is currently located within Telegraph House and the Municipal Offices. The service will be accommodated in the New Municipal Building as part of the Council's medium term plans for accommodation. This will provide the opportunity to bring all staff together as a single service and improve the way the different teams within the service integrate and work together.

Consultation is currently underway on proposals to integrate strategic asset management within the Finance Service. This will improve the alignment of Section 151 officer responsibilities and strengthen financial input into the direction for Asset Management.

The service corporately supports the Council's asset strategy by working as part of the Town Centre Executive Board and Developer Selection Working Group. The service is also part of the Transformation Board governing the process for moving to the New Municipal Buildings.

Sustainable Development

Living within environmental limits is one of the key drivers of sustainable development.

The UK sustainable development principles identify that respecting the limits of the planet's environment, resources and biodiversity are necessary to improve our environment and ensure that natural resources needed

for life are unimpaired and remain so for future generations.
The Council is committed to the above principles and therefore all services will ensure that when making decisions about spending and service delivery, they consider the effects purchases and service delivery have on the environment and the depletion of natural resources. There is also an intention to reduce services' reliance on carbon based products e.g. electricity, gas, fuel and oil and make progress in reducing the carbon footprint in line with the Carbon Reduction Commitment

Approved by Portfolio Holder
Opposition Member
Opposition Member
Head of Service

Cllr Couzens.....
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Cllr Robert Clegg.....
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