

# CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

## ***Committee Report***

Public

Date of  
Meeting:

13 June 2002

Title:

FINANCIAL SERVICES DIVISION - SERVICE PLAN  
2002/03

Report of:

The City Treasurer

Report  
reference:

Financial Memo 2002/03 No 2

Summary:

- 1.1 The draft Service Plan for the Financial Services Division for the year 2002/03 is appended.
2. The Plan is in draft form at present, pending the completion of the Authority's Corporate Plan for the Year 2002/03, as some of the detailed performance indicators and action may require some amendment in order to reflect the new objectives of the Corporate Plan.
3. In addition, information will shortly be received regarding the Comprehensive Performance Assessment criteria which it is anticipated will have implications for the prioritisation of work and objectives within the Division.

1.4 There are several key issues which are due to emerge during the course of the year, which will undoubtedly affect the operation and performance of the unit, not least being the Organisational Structure and the workload connected with the externalisation of the Housing Stock, Leisuretime and DSO.

Recommendations:

Members are requested to consider and approve the details of the Service Plan.

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**Introduction**

1. This document describes the work of the Council's Financial Services Division and identifies the actions to be implemented and measured for the period 2002/03 to assist in achieving the Council's Vision and Corporate Objectives.
  2. The Council's Corporate Vision is currently based upon the Mission Statement, organisational values and key objectives that evolved during the 1990s and were agreed and consulted upon externally in 1998.
3. The present Key Objectives are:
- Reduce Crime & Disorder
  - Promote Sustainable Transport
  - Improve Social Well-being, Health and Education
  - Protect and Improve Our Environment
  - Develop Employment and Training opportunities
  - Satisfy Housing Need
  - Advance Carlisle as a Regional and Cultural Capital
  - Spend the Community's Money Wisely
4. The Financial Services Division has an important role in assisting the Authority to achieve these objectives and this is the basis for our Service Plan. The objectives will be revisited to reflect the emerging City Vision that will outline the Vision for Carlisle over the next ten years. The revised Corporate Vision will need to demonstrate what the Council's role will be in delivering this City Vision.

The City Vision

The City Vision statement is:

*Carlisle is an attractive, vibrant and historic city which is well placed to advance as a regional centre.*

Our vision is to ensure a high quality of life for all in both our urban and rural communities. To do this we will build on the best of our heritage and develop a diverse sustainable economy in an active, safe and inviting city.

We will do this by:

- Working in representative partnerships, which make best use of the skills and resources available.
- Encouraging innovation and positive changes, which lead to a prosperous and confident future.
- Nurturing a sustainable environment, in which all people can flourish and enjoy a good quality of life.
- Involving local people in the development of their City Vision

City Vision Themes

A number of draft themes have been developed and will provide the basis of the City Vision objectives. They are:

- Communities
- Economic Prosperity
- Health & Well-being
- Infrastructure, Environment, and Transport
- Celebrating Carlisle

Portfolios

Following the constitutional reform of the Council, the Cabinet has been arranged using the following portfolios:

- Finance and Resources
- Corporate Resources
- Strategy and Performance
- Community Activities
- Infrastructure, Environment and Transport
- Health & Well-being
- Economic Prosperity
- Promoting Carlisle

The Financial Services Division is encompassed within the Finance and Resources Portfolio.

- Now that the City Vision Strategy has multi-agency agreement, the Council's Corporate Plan will be amended to reflect the City Vision Objectives. At this point, this Service Plan will also be amended to reflect the new Corporate Vision Objectives and the new political portfolios.

Manager & Budget Holder

Manager - Angela Brown - Head of Financial Services

Overall Budget Holder: - Angela Brown

Summary of Services (see Annex A for details)

The Division delivers a range of services, which are set out in detail in the individual Service Plans for the four sections within the Financial Services Division, namely:

- Internal Audit Services
- Corporate Support:
  - Including - Insurance and Risk Management
- Accountancy
  - Including - Treasury Management
- Payments and Administration
  - Payroll and Creditors
  - Secretarial and Administration

In addition to the individual service plans, the main service areas for the Division as a whole are:

- To provide accurate and timely information and advice to Members and Managers to maximise and secure the most effective and efficient use of the Council's financial resources in accordance with statutory requirements.
- To provide appropriate financial representation and comments on reports presented to the Executive or Committees.
- The development of good fiduciary practice throughout the authority.

Links to Council's Objectives

The Division has greatest input into the 'Spend the Community's Money Wisely' objective. However, it has input to each of the Council's other objectives through the advice and support role it undertakes and will directly support managers in achieving those objectives.

Strategies

The strategy for which the Division is responsible is the overall budget strategy, as well as the following Strategies and Plans:

Insurance and Risk Management Strategy

Corporate Charging Policy

Capital Strategy

Medium Term Financial Plan

Treasury Policy Statement

Strategic Audit Plan

Big Issues Facing the Division

For 2002 / 2003 the following are anticipated as the major issues:

General

- The Government’s modernising agenda for Local Government including in particular the white paper on Local Government and the effect that this will have on the services provided by the Authority, particularly the financial impact.
- The ongoing review of the Best Value regime especially reflecting the move to a more thematic approach. The review of action plans arising from the fundamental performance reviews and learning from national, regional and local experience and in particular the outcomes of the Best Value Inspectorate.
- The introduction of the Comprehensive Performance Assessment Regime.
- Potential organisational change (consequent upon possible LSVT, leisure trusts etc.).
- The capacity of the organisation in general and the Division in particular to deliver a very demanding change agenda.

Specific

- To assist in the development of a 3 year financial strategy for the authority and seek to identify and reduce areas of regular over-budgeting.
- To investigate and implement a change to the financial ledger to provide more flexible financial information by 1<sup>st</sup> April 2004.
- To satisfactorily address the demanding policy agenda
- Concerns over adequacy of resources for Best Value
- To meet growing demand for research and information
- To promote improvements to performance management systems

Customer Consultation

- To ensure we are fulfilling the requirements of our customers – i.e. the Chief Executive; Chief Officers; Staff; Members and District Audit, we will plan to carry out and evaluate a Customer Satisfaction survey to the recipients of the Division’s services asking for views on the services that we provide and compare to 2001/2002 where applicable.

Benchmarking

- The Financial Services division has previously carried out a benchmarking exercise as part of the CIPFA Northern Districts benchmarking group. In common with many other benchmarking exercises, comparisons were difficult to quantify, however process benchmarking is continuing in a number of areas. During 2002/2003, we shall continue to attempt to compare ourselves against others using common indicators and methods of performance measurement. Where there are no suitable performance indicators for particular areas of our work, we shall continue to attempt to develop new ones in conjunction with other providers of similar services.

We have re-joined the CIPFA Benchmarking Club for Financial Services in preparation for our Best Value Review.

Implications of Best Value

- The Division will be part of the review of Corporate Support Services, which will be undertaken during the years 2002/03 and 2003/04. It is not known yet what the scope of the review will be, or how the Division will be able to resource the review.

Service Standards

Our standards of service are set out in the City Treasury 2002/2003 Service Specification, which is agreed annually with departmental managers.

Staffing Structure & Budgets

Annex B details the full budget. For reference, the total budget, both controllable and non-controllable, amounts to £849,590.

The Division, which reports to the City Treasurer, comprises 34.12 Full Time Equivalents. The following page shows the divisional structure currently in place. For the detailed structure below this level, refer to the individual service plans.

Location

The Financial Services Division is located in various offices on the Ground Floor of the Civic Centre.

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Action Plan 2002/2003

1. Divisional Aim

- The Division aims to encapsulate our core role, which is: -
- To be statutorily responsible for the proper administration of the City Council’s financial affairs in accordance with the provisions of Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Act 1988 and to manage information systems in support of this objective.

2. Divisional Objectives

The key objectives of the Division are: -

- i. To interpret and advise on the financial and control implications of new legislation, Council policies and professional initiatives with the minimum of delay.
- ii. To monitor all internal and external influences on the Council’s financial resources and advise Members and Management accordingly.

- iii. To ensure economic, efficient and effective use of the council's financial resources in accordance with statutory requirements.
- iv. To oversee the implementation of new departmental policies and initiatives affecting the Division to meet changing circumstances.
- v. To ensure that the management of the Division is undertaken as efficiently and effectively as possible:-
- vi. To provide an efficient service that meets all clients' needs.

3. Delivery of Divisional Objectives

The Action Plan shown on page 10 and following covers our predicted work commitments and targets for the period 2002/2003.

**Objective 1:** To interpret and advise on the financial and control implications of new legislation, Council policies and professional initiatives with the minimum of delay.

Corporate Objectives: All

**Portfolio: Finance and Resources**

Indicator	Performance (2001/02)	Target (2001/02)	Target (2002/03)	Reporting process	Monitoring & evaluation comments Lead Officer
Impact of Modernisation Agenda	Continuous	Continuous	Keep under review	CMT/Executive	AB
Impact of LSVT	Continuous	Continuous	December 2002	CMT/Executive	CT (DS)
DSO Externalisation	Continuous	Continuous	2003/04	CMT/Executive	SM
Impact of Leisuretime Externalisation	Continuous	Continuous	December 2002	CMT/Executive	SM
Corporate and Organisational implications of externalisation programme	Continuous	Continuous	December 2002	CMT/Executive	SM
Impact of Best Value Improvement Plans	NA		Ongoing - Feed into MTFP	CMT/Executive	AB (SM)
To organise and administer the Council's Risk Management Policy <ul style="list-style-type: none"><li>Insurance</li><li>Corporate</li></ul>		Bi-monthly and on-going	Best Value Review July 2002  BV Review	Various computerised programmes.	BL (AB)  AB/BL

**Objective 2:** To monitor all internal and external influences on the Council's financial resources and advise Members and Management accordingly.

Corporate Objectives: All

**Portfolio: Finance and Resources**

Indicator	Performance (2001/02)	Target (2001/02)	Target (2002/03)	Reporting process	Monitoring & evaluation comments Lead Officer
Representation on relevant Committees and Working Groups	Representation provided as required.		As required	Minutes	Relevant Manager
Representation on BV Service Review Teams.	N/A	When required	When required	Overview & Scrutiny	

<ul style="list-style-type: none"><li>Organisational Review</li><li>Risk Management</li><li>Others as required</li></ul>					SM AB As required
Monitoring Government Initiatives particularly the financial effects of the white paper.	N/A	On-going	July 2002.	Minutes/Member comments	CT (AB)
Ensure Members' Allowances Scheme is maintained.	September 2001	May 2001	May 2002	Executive/Council/ O/S?	AB/KT
Preparation of audit plans:  - 4 year-strategic plan  - annual plan  - annual one-off reviews  <ul style="list-style-type: none"><li>follow-up audit recommendations</li></ul>		31/12/01  February 2002	February 2003  February 2003  As and when  Monthly	Report to O & S (Corporate Resources)	IB
Ensure all departments are aware of and comply with Standing Orders and other Financial Procedure Rules	Revised September 2001	Ongoing	Ongoing	Reports to Members on exceptions/non-compliance	AB
Ensure the Council's budget holders and portfolio holders are continually advised of the overall financial position.	Monthly FIS Quarterly SMS	Monthly FIS Quarterly SMS	Monthly	FIS reports and SMS's	AT
Provide an effective financial consultancy service to departments to promote efficient and effective delivery of services.	As required	Monthly	Monthly/Ongoing	Departmental Meetings/Liaisons	Managers (as required)

**Objective 3:** To ensure economic, efficient and effective use of the Council's financial resources in accordance with statutory requirements.

Corporate Objectives: All

Portfolio: Finance and Resources

Indicator	Performance (2000/01)	Target (2001/02)	Target (2002/03)	Reporting process	Monitoring & evaluation comments  Lead Officer
Ensure accurate and timely closure of the City Council's financial accounts to 31 March each year and that proper accounting policies are followed in the preparation of these accounts.	September 2001  Achieved relevant dates	30 September 2001 (statement)  (Detailed timetable from April-September 2001)	08 July 2002 (Outturn)  29 July 2002 (Statement)	Reports to Executive/Council	AB (DS/AT and all accountancy staff).
To be responsible for the preparation of the City Council's annual and three year revenue and capital budgets in accordance with statutory requirements.	February 2002  (Relevant dates achieved)	February 2002  (Detailed timetable from April 2001 – February 2002)	Feb 2003  (detailed timetable from August 2002 to February 2003)	Reports to Executive/Council	AB (DS/AT and all accountancy staff).
Control operation of cash limited budget process		Continuous	Continuous	FIS reports/Budget process	AT (AB)
Provide support and Budget Holders Manuals to	Update not achieved during 2001/02.	31March 2002	31 March 2003	Public Folder/Electronic Version (launch)	SM (AB)

Managers (on-line)					
Maintain, control, review and provide training of the Financial Information System.		Daily/weekly	Daily/weekly	Corporate Support Local PI's Monitoring	MP (BF)
To organise and administer the Council's insurance to maximise the Council's protection against loss.		Continuous	Continuous	Corporate Support Local PI's Monitoring	BL
Ensure accurate and prompt payment of all salaries, wages and members' payments.  Reconcile payments made.	Achieved all targets.	By 15 <sup>th</sup> of each month  Each Friday of every week	By 15 <sup>th</sup> of each month  Each Friday of every week	Reports  Control sheets	NM (KT)
Process, balance and payment of external payroll.	Achieved all targets.	By 15 <sup>th</sup> of the month	By 15 <sup>th</sup> of the month	Reports/control sheets	NM
Ensure prompt and accurate payment of all transactions relating to the creditors purchase ledger:-  Payment of Invoices Bank reconciliation Maintenance of computer system.	All targets achieved.	Weekly	Weekly	Various reports	JC (BR)
Organise and administer the City Council's Treasury Management function in accordance with the aims and practices of the CIPFA Code of Practice on Treasury Management in the Public Sector.	Daily  Reporting mechanism achieved.	Daily	Daily	Weekly investment reports to certain officers.  Regular programme of reports to members including performance indicators,	DS (AT)
Provide adequate training for officers and members on financial issues					AB (AT/DS)
Ensure all Council expenditure is properly authorised and recorded. Ensure all income is properly received and recorded.	Continuous	Ongoing	Ongoing	Exception reporting	DS
Ensure year-end payroll returns etc are processed correctly and paid over within the correct legislation timescales.	Year-end returns sent 15/4 P60's issued 15/4 P11D's issued 6/6	19 <sup>th</sup> May 31 <sup>st</sup> May 6 <sup>th</sup> July	19 <sup>th</sup> May 31 <sup>st</sup> May 6 <sup>th</sup> July	P35/P14's etc	NM (KT)
Develop and monitor arrangements for good fiduciary practice throughout the authority.	Continuous.	Financial Regulations updated during 2001/02.	Revise guidelines in the light of CPA guidance.	Exception reporting.	AB
To support service departments by the provision of accurate financial information and to assist in the integration of budgeting with service planning.	Continuous.	Continuous.	Revise guidelines in the light of CPA guidance.  Review replacement of Financial Ledger.	By exception.	AB.

**Objective 4:** To oversee the implementation of new policies and initiatives affecting the division to meet changing circumstances.



Corporate Objectives: All

Portfolio: Finance and Resources

Indicator	Performance (2000/01)	Target (2001/02)	Target (2002/03)	Reporting process	Monitoring & evaluation comments  Lead Officer
Implementation of BVACOP		31/12/01 Meetings – fortnightly	Maintain Meetings - fortnightly	Audit requirements	SM (MP)
Planning of the implementation of the Euro	Kept under review.	Under constant review	Under constant review	DMT	AB (SM)
Development and implementation of electronic procurement system (Orbit) and strategies.	Not implemented 2001/02.	31/03/02	May 2003	CMT	MP (SM)
Ensure systems are maintained to enable them to function within the Data Protection Act		On-going	On-going	Corporate Support PI Monitoring	MP
Development and review of computer, contract, VFM/Performance and Best Value audit with completed planned audits carried out within timescales.	Kept under review.	Ongoing	Ongoing (As required)	Annual Report	IB
Promote and maintain use of IT incl.:-  IT Strategy via ITSG  Develop, control, administer and train on Eureka.  Produce reports for SLA's		Bi-monthly meetings   Continuous  30/09/01	Bi-monthly meetings  Continuous  30/09/02	ITSG  ¼ performance stats  committee	SM (MP)  MP  MP

**Objective 5:** To ensure that the management of the division as a whole is undertaken as efficiently and effectively as possible.

Corporate Objectives: All

Portfolio: Finance and Resources

Indicator	Performance (2001/02)	Target (2001/02)	Target (2002/03)	Reporting process	Monitoring & evaluation comments  Lead Officers
Provide Departmental Performance Management and Evaluation information:-  - Service Plans  - Monitor indicators and act accordingly  - Benchmarking	Produced Quarterly.    Not actioned	On-going  Monitor performance indicators against Plan & Review - monthly	On-going  Monitor performance indicators against Plan & Review - monthly	Meetings  PI Information CT DMT	SM (All Managers)
To provide an efficient secretarial and typing service.		Various depending on task	Various depending on task		CH (CD/EL)
PDI	Interviews November 2001	Interview – October2001 Review – April 2002	Interview – October2002 Review – April 2003	DMT IIP WG	SM (All Managers)
IIP WG  Renewed Accreditation	CT Rep – Bi-monthly.	CT Rep – Bi- Monthly September 2001	CT Rep – Bi- Monthly September 2002	CT WG  Relevant Committee	SM  SM

Corporate Objectives: All

## Portfolio: Finance and Resources

Indicator	Performance (2001/02)	Target (2001/02)	Target (2002/03)	Reporting process	Monitoring & evaluation comments  Lead Officers
Respond to requests for advice and information.  Ensure all telephone calls are dealt with promptly and calls returned.	Continuous	Continuous	On-going	Performance Indicators.	All
To provide an efficient service to all clients		Letters – 3 days  Telephone calls – 10 rings	Letters – 3 days  Telephone calls – 10 rings		ALL
Obtain customer feedback on services	Not achieved	Not achieved.	31/03/03		SM
To ensure the Health & Safety and welfare of employees at work is adhered to.  Inspections  Report on accidents  Training	Continuous    Monthly	Continuous  Monthly  As required  November 2001	Continuous  Monthly  As required  November 2002	Reporting procedures	Monitored by Secretarial  All Managers

5. SCHEDULE OF PERFORMANCE INDICATORS 2002/2003							
The Division is responsible for the following BVPP indicators:							
Best Value Performance Plan	Lead	Top	Actual	Actual	Actual	Actual	Target
Reference & Indicator	Officer	25%	1998/99	1999/00	2000/01	2001/02	2002/03
<b>Spend the Community's Money Wisely</b>							
LP86	Are the City Council's financial affairs administered in accordance with s.151 of LGA 1972 & s.114 of LGFA 1988?	AB	N/A	Yes	Yes	Yes	Yes
LP87	Are annual accounts available for audit by 30 September & certified without qualification by 31 December?	AB	N/A	Yes	Yes	Yes	Yes
LP129	Does the Authority maintain an adequate and effective Internal Audit function in accordance with the Accounts and Audit Regulations 1996 and can reliance be placed on the coverage and reliance of their work?	AB/IB	N/A	Yes	Yes	Yes	Yes
BV8	% of invoices for commercial goods and services which were paid by the authority within 30 days of receipt.	MP/KT	71.0%	73.0%	95.0%	97.52%	100%
Best Value Performance Plan	Lead	Top	Actual	Actual	Actual	Projected	Target
Reference & Indicator	Officer	25%	1998/99	1999/00	2000/01	2001/02	2002/03
LP130	Total net spending per head of population	AT	£96.75 ave	£112.00	£113.90	£115.50	£121.40
LP90	% variation between budgeted and actual expenditure (exc. Slippage)	AT		-4.9%	-2.1%	+/- 2%	+/- 2%
LP88	Uncommitted GF Reserves as % of net revenue expenditure	AB/AT			£1m Plus 18.5%	£1m Plus 21.5%	£1m Plus 19.7%



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Total Indirect Costs 177,150 6,210- 123,390 24,330 84,300

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Total Costs 849,590 117,440 361,600 96,820 273,730

Recharged to Services 851,010- 117,370- 361,500- 96,880- 275,260-

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Net Budget 1,420- 70 100 60- 1,530-

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