

Agenda Item	8
Report No	RES/33/15

Finance Service Plan 2015-16

Report by Director of Finance

Summary

This report introduces the Finance Service Plan, updated for 2015/16, which identifies the enabling actions and key performance results which will deliver 'Working together for the Highlands', the Programme of the Highland Council as revised on 27 May 2015. It also outlines the statutory and core functions of the Service including the Single Outcome Agreement.

1. Background

- 1.1 This Service Plan outlines the enabling actions and key performance results which will deliver the commitments of the Programme of the Highland Council as detailed in 'Working together for the Highlands' and the Council's Corporate Plan for 2012-17 as updated May 2015. The Service Plan provides an update for the period 2015-16 and once approved the Plan will be a public document and made available on the Council's website.
- 1.2 Included is a brief review of performance over the last reporting period and a description of the objectives to be met arising from drivers such as the Council's Programme, Single Outcome Agreement and the Service's statutory and core business.

2. Approach

- 2.1 The Service Plan (Appendix 1) sets out the functions performed by the Service and the resources available in terms of staff and budget for 2015-16. The Service Plan describes the objectives to be met derived from:
 - Working together for the Highlands 2012-17
 - The Single Outcome Agreement
 - Other statutory and core business contained in the Corporate Plan
 - The requirements of external scrutiny by regulators
 - Corporate and Service risks identified which require enhanced management action
- 2.2 For each objective set there are performance measures identified and a description of the actions to ensure delivery.

3. Monitoring and Performance Reporting

- 3.1 Progress against the actions is monitored quarterly through the Quarterly Performance Reviews with the Chief Executive and Depute Chief Executive. Service Plans provide information on the operation delivery of the Corporate Plan and progress will therefore also be reported to the Council through the Council's Annual Performance Review each autumn.

3.2 The Service Plan will be reviewed and amended annually and brought back to Committee for consideration each year.

4. Implications

4.1 **Resource and Risk:** As a description of current and planned activity there are no resource implications arising from this report.

4.2 **Legal:** Includes the need to meet statutory requirements for public performance reporting. Service Plans set out the planned objectives and measures which together form the framework for annual public performance reporting. The Council has a legal duty to demonstrate how it will achieve Best Value for public resources. This includes what the Council will prioritise and what it expects to achieve and this is set out in the Service Plan which also reflects the Council Programme and performance framework.

4.3 There are no other specific implications to highlight.

Recommendation

The Resource Committee is asked to approve the Finance Service Plan updated for 2015-16.

Designation: Director of Finance

Date: 7 May 2015

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Finance Service Plan

Plana Seribheis an Ionmhais

The Highland Council

Comhairle na Gàidhealtachd

2012 – 2017

Updated for 2015/16

Air ùrachadh airson 2015/16

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1. Purpose of the Plan, time frame and how it will be monitored

Adhbhar a' Phlana, Frèam-ùine is mar a thèid a sgrùdadh

- 1.1 This Service Plan is a strategic document which outlines how we will contribute to the delivery of the commitments of the Programme of the Highland Council for which the Finance Service has either a lead or supporting role. In addition the plan also details key actions required for the delivery and improvement of the statutory and core functions of the Service and corporate governance priorities. The plan covers the period 2012-2017 (updated for 2015/16) and is supported by a series of specific operational and project plans where appropriate.
- 1.2 It presents an overview of the Service's aims, objectives and resources, how the Service intends to contribute to corporate objectives, current Service issues and priorities, and the main risk factors identified in relation to these matters.
- 1.3 The plan is an active document and will be subject to review on an annual basis with reports being submitted to the Resources Committee for consideration. In addition the plan will be monitored on a quarterly basis through the Chief Executive's Quarterly Performance Review of the Service with the Service Director and Senior Managers.
- 1.4 The Service Plan will be formally updated annually taking into account internal and external influences and actions arising from monitoring activity throughout the year including the development of the Scottish Government's requirements surrounding the Single Outcome Agreement.
- 1.5 The plan will be useful to many people including:
- Staff
 - Customers
 - Elected members
 - Other Council Services
 - All partners or potential partners

2. Main functions, structure

Prìomh fhreuchdan, structair

“We will deliver and demonstrate efficient and effective stewardship of the Council’s funds by providing leadership and excellence in relation to financial issues”.

Our statement of purpose

2.1 Finance Service Goals & Values

Amasan & Luachan Seirbheis an Ionmhais

The Service has agreed the following goals and values:

- **Confident, developed and motivated staff**
- **Recognised excellence in service delivery to our customers**
- **Culture of continuous improvement**
- **Excellent financial resource management founded on first class systems, procedures and processes**

2.2 Main Functions of the Finance Service

Prìomh Dhreuchdan Seirbheis an Ionmhais

Central to the role of the Finance Service is the statutory obligation imposed by the terms of Section 95 of the Local Government (Scotland) Act 1973. Each local authority is bound to make arrangements for the proper administration of its financial affairs and shall ensure that the Proper Officer has responsibility for the administration of those affairs. For The Highland Council, the Director of Finance is the Proper Officer and, as such, has this responsibility. In accordance with this duty, Financial Regulations are compiled and issued, which govern conduct of the Council in financial matters and the Proper Officer has direct jurisdiction over all financial activities taking place in the Council.

The Finance Service currently has 4 distinct sections, each of which has responsibility for a range of functions which they deliver to the Service, the wider Council, external bodies and the Public. Our main activities and functions can be found listed overleaf in section 2.3. The Service employs 613.8FTE staff and has an annual revenue budget of £13.958million. This will be updated to reflect the changes arising from the proposals contained within the report on Finance and Welfare Budgets, which will be presented to Resources Committee in May 2015. **Appendix 1** shows a high level organisational chart for the Finance Service.

Guidance as to how the Service and its officers undertake their roles comes from a variety of professional bodies, such as the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Revenues Rating and Valuation (IRRV). It is essential that we have regard to and, where necessary, act upon what they

produce. There is a current requirement from CIPFA via the Statement of Recommended Practice (SORP) to attach a statement of internal control to the Financial Accounts.

Corporate Finance (97.1FTE)

- Accountancy
- Financial Monitoring
- Development of revenue and capital budgets
- Treasury management
- Pension Fund investment strategy & management
- Taxation
- Insurance - including Tenants Home Contents and Community Schemes
- Payroll and pensions administration
- Payment of creditors

Revenues & Business Support (484.1FTE)

- Council Tax & Non-Domestic Rates
- Scottish Welfare Fund
- Welfare Reform
- Housing Benefit
- Council Tax Reduction
- Discretionary Housing Payments
- Income management & corporate debt recovery
- Customer income maximisation & money advice
- HR administration
- Purchasing & Payment
- Information Management
- Management Support
- Facilities Management
- Finance systems administration
- Training & Development
- Service performance management & planning

Internal Audit & Risk Management (13FTE)

- Internal Audit and Scrutiny service
- Risk management
- Corporate Fraud

Procurement (17.6FTE)

- Contracting for goods and services
- Governance, management and improvement of procurement standards and working methods
- Procurement training and development for businesses and staff
- Sustainability and community benefits through procurement work
- Strategic contract management

3. Resources

Stòrasan

3.1 2015/16 Budget Revenue Budget

Financial Year	Net Revenue Budget (£m)
2015/16	13.958

Breakdown of 2015/16 Budget

By Section

	2015/16
Section	Net Budget (£m)
Corporate Finance	2.657
Revenues & Business Support	9.961
Directorate	0.367
Internal Audit and Risk Management	0.456
Procurement	0.517
Total	13.958

By Staff and Other Costs

	2015/16
Cost	Net Budget (£m)
Staff costs	16.956
Other costs	3.721
Total costs	20.677
Income	(6.719)
Net budget	13.958

3.2 The Finance Service efficiency savings for 2015/16 are shown below:

Agreed Savings (December 2014 Full Council)	2015/16 £m	Revenues & Business Support	Corporate Finance	Internal Audit & Risk Management	Procurement
Reduction in overtime provision	0.150	0.117	0.033		
Management of staff vacancies	0.112	0.080	0.032		
Restructuring and redesign of business processes	0.324	0.324			
Improving collection processes and undertaking reviews to increase Council Tax collections	0.384	0.384			
Implementation of the new Financial Management Information System (FMIS)	0.035				0.035
Partnership working in Welfare Reform	0.090	0.090			
Digital First project savings (eg online applications)	0.225	0.225			
TOTAL	1.320	1.220	0.065	0.00	0.035

3.3 CORPORATE FINANCE

- 3.3.1. With a revenue budget of £2.657m, the **Head of Corporate Finance**, together with his team of 97.1fte are responsible for a range of financial services to the Council including accountancy provision, financial monitoring, treasury & taxation, the development of budgets, payment of creditors, payroll, and the pension fund investment & strategy.
- 3.3.2. Work was undertaken in 2014 to progress the procurement and implementation of a new financial information system, which for all the essential business processes went live in April 2015. This will deliver cash savings from 2016/17 and will help deliver further efficiency savings in future years.
- 3.3.3. The Pension Fund increased its stake in Private Equity in 2014 and a procurement process to appoint a new Property Debt Manager will be concluded in 2015.
- 3.3.4. Work has been and will continue to be done to implement the new Career Average Revalued Earnings (CARE) Local Government Pension Scheme.
- 3.3.5. The Pension Fund triennial valuation and funding strategy statement was completed in February 2015.
- 3.3.6. During 2014/15, 2600 weekly and fortnightly paid employees were successfully migrated to monthly pays. Police and Fire Pension Payrolls were successfully migrated to the Scottish Public Pensions Agency.
- 3.3.7. The statutory Accounts for the Council, the Pension Fund and Joint Boards for 2013/14 were successfully completed on time with no audit qualifications.
- 3.3.8. The Revenue Budget for 2015/16, including savings proposals for the next 3 years, was approved in December 2014.
- 3.3.9. Funding proposals for a 10 year Capital Programme were approved in March 2015.
- 3.3.10 The Treasury Management Strategy Statement and Investment Statement were completed in March 2015.
- 3.3.11 Financial monitoring reports were submitted, throughout the period, to all Strategic Committees and with corporate monitoring going to the Resources Committee.

3.4 REVENUES AND BUSINESS SUPPORT

- 3.4.1. As part of a review of the Finance Management Team, the posts of Head of Exchequer & Revenues and Head of Business Support were deleted and replaced with a single post of Head of Revenues & Business Support. This change took effect from May 2014. All functions merged with the exception of Payroll, Pensions & Creditors moving to the Head of Corporate Finance.
- 3.4.2. This new section is led by the **Head of Revenues & Business Support** who, together with a management team of 12fte, has responsibility for 484.1fte and an annual revenue budget of £9.961m.
- 3.4.3. Savings in Business Support in excess of £2m have been delivered over the four years to March 2015. Members have approved further savings of nearly £2.5m

from April 2015 to March 2019 across Revenues & Business Support. The majority of these savings will be delivered within the Revenues part of the section. The £2.5m savings will be delivered by a reduction in the cost of service delivery by restructuring and business process reviews (£1.75m); and by increasing incomes such as via Single Occupancy Discount Reviews (£0.75m).

- 3.4.4. Building on the Highland Council Quality Award successes in 2014 where Business Support won the category *Working Together for Efficiency and Service Improvement* and Scott Taylor, Team Leader, was awarded Employee of the year; the 2015 awards saw Ashley Handley (Business Support and Learning & Development) awarded *Trainee of the Year* and the section won the *Working Together for Caring Communities* category for the Scottish Welfare Fund Administration. The Scottish Welfare Fund application received a Bronze Award in CoSLA's 2015 Excellence Awards and was runner-up in CIPFA's 2015 performance awards.
- 3.4.5. During 2014/15 the electronic system for submitting online job applications was changed to TalentLink. Customers (95%) now apply online which also means more than 200,000 paper/printed material is avoided.
- 3.4.6. Business Support, working with colleagues in the Corporate Improvement Programme, People & Performance and Payroll, successfully introduced new processes using Microsoft *SharePoint* to manage "HR" forms, such as advising Payroll of new starts/changes.
- 3.4.7. New ways of working were also introduced for purchasing and payment transactions in relation to Small Schools. Customer feedback is that more than 97% are satisfied (52%) / very satisfied (45%) with the services delivered. Across the Council, the payment of invoices within both 30 days and 10 days has improved again on prior year. For 2014/15, performance is 94.4% and 76.6% respectively, compared to targets agreed just 4 years ago of 90% (30 days) and 60% (10 days). Given these improvements, 2015/16 targets have been increased to 95% (30 days) and 77% (10 days).
- 3.4.8. **Benefit Administration**
Universal Credit has now *gone live* across all of Highland Job Centres; for single claimants across all Job Centres; and also for couples and families at Inverness Job Centre. The Council has played a proactive role in working with the Department for Work & Pensions to implement these changes and help to shape and inform national policy about Universal Credit overall, including roll-out. This includes attendance at CoSLA's LA Welfare Reform Advisory Group meetings; speaking at various conferences; and delivering national workshops with the Institute of Revenues Rating & Valuation (IRRV) for other Councils yet to *go live*.
- 3.4.9. Despite uncertainties for staff surrounding the forecast demise of Housing Benefit, performance for New Claims has improved with a reduction from 23 days to 21 days and processing of Change in Circumstances remains at 6 days. The processing of Educational Maintenance Allowance claims is also very positive and is 100% for 2014/15 up from 95% on prior year.

3.4.10 **Income management and recovery**

Processing times for income management continue at two days following the successful implementation of Business Internet Banking and access to electronic information. Further enhancements and development to the Council's Internet Payment site have led to a continued increase in Internet payments of 6.6%. The successful implementation of online forms has contributed to the increase. Paye.net facilities continue to be rolled out to all Services and migration to the Council's Service Centre is due to take place within the next month. This will continue to deliver savings in both staff time and resource costs.

The sundry debt in-year collection figure has increased from 78.71% to 80.67%. Further proactive recovery work has led to income of £702k through increased direct deductions from on-going benefit, reduced borrowings and additional Court income.

3.4.11 The Smith Commission has significant impact on various areas of local government, including via Universal Credit, Housing Benefit and other welfare benefits. The Highland Council is one of 5 Scottish Councils on CoSLA's LA Welfare Reform Advisory Group. The Highland Council is represented by the Director of Finance and Head of Revenues & Business Support and continually seeks to achieve policy decisions that benefit Highland.

3.4.12 The Scottish Government has recently established the Commission for Local Taxation Reform. Its main aim is "*To identify and examine alternative systems of local taxation that would deliver a fairer system of local taxation to support the funding of services delivered by local government*". It is co-chaired by Local Government Minister Marco Biagi and President of CoSLA, Councillor David O'Neill. The Scottish Government advise they are very keen to listen to all stakeholders and Scottish Councils are intent on proactively contributing, through CoSLA and other bodies, such as CIPFA and IRRV. The Director of Finance is one of the advisors to CoSLA, preparing the local government response to the Commission.

3.5. Responses to Economic Downturn and Welfare Challenges

3.5.1 During 2014/15, the Service played a lead role in creating a new Welfare Reform Fund within the Council. This fund is to help mitigate the impact of Welfare Reform.

Bids to this fund are initially considered by the Council's Welfare Reform Officer Group which is chaired by the Head of Policy & Reform. Bids are initially considered by the Welfare Reform Member / Officer Group with decisions taken by Resources Committee.

The fund was created at £1.166m. During 2014/15 bids to the sum of £318k were approved.

3.5.2. The Finance Service also introduced changes to the way in which Welfare-related finance is reported to the Resources Committee. Welfare Reform data updates are now reported as a single section. This shows an overall annual budget of nearly £70m.

3.5.3. The Council also continues to be represented on the Board of a research project looking at improving the Outcomes for Money Advice in Scotland.

3.5.4. During 2014/15 the Customer Income Maximisation Team increased the amount of financial gain to customers to £3.975m. The improved performance arose primarily from a review of business processes and general resource management. It is anticipated that as the cumulative impact of Welfare Reform continues to expand, the complexity of the Team's casework will likely increase. Synergies from close and effective working with the Money Advice Team have meant that 1,330 Money Advice customer contacts (1,275 contacts 2013/14) involving client debt of £5.968m could be dealt with. Responsibility for the management of the Council's CAB contract also now sits with Revenues & Business Support, having transferred from the Head of Policy & Reform during 2014.

3.5.5. Looking forward another area of concern is the replacement of Disability Living Allowances by Personal Independence Payments (PIP). The Government expects a 20% reduction from across the UK in the number of claimants eligible for PIP following the re-assessment process. Based on 2013/14 benefit expenditure it is estimated that this change alone, once fully implemented, could mean Highland families lose in aggregate more than £10.7m.

3.5.6 **Non Domestic Rates & Business Improvement Districts (BIDS)**

The Service continues to administer the Scottish Government's Non Domestic Rates Small Business Bonus Scheme (SBBS) throughout Highland.

In the most recent figures available for Scotland (Sep 2014), the number of businesses receiving SBBS in Highland was 8,991, the highest in Scotland. As at April 2015, the number of business receiving SBBS in Highland has risen to 9,131, an increase of 1.6% on Sep 2014; and 4.8% on Sep 2013 position (8,715).

The Council will also be reviewing its Discretionary Rates Relief Policy during 2015/16 and a report will be taken to Resources Committee for consideration. In 2014/15, the budget was £606k with spend of £690k.

The Service also continues to collect Business Improvement District levies.

3.6 **INTERNAL AUDIT AND RISK MANAGEMENT**

3.6.1. The section is responsible for delivering a plan of audit work agreed annually by the Audit & Scrutiny Committee. In addition the section is also responsible for investigating fraud, auditing grant claims, maintaining the Council's Financial Regulations, supporting scrutiny reviews by the Scrutiny Working Group and providing advice to Services on internal control matters and governance. The section is led by the **Head of Internal Audit & Risk Management** who, together with his team of 13fte, has a revenue budget of £0.456m.

3.6.2. The work of Internal Audit is summarised within the Head of Internal Audit & Risk Management's Annual Statement on Internal Control, which is reported to the Audit & Scrutiny committee each June. This provides an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion is used to inform the Annual Corporate Governance Assurance Statement.

3.6.3. From 1st April 2013, a new common set of mandatory Public Sector Internal Audit Standards (PSIAS) was introduced, replacing the CIPFA Code of Practice for Internal Audit. One of the objectives of the PSIAS is to establish the basis for the

evaluation of internal audit performance and to drive improvement planning. The extent to which the Section complies with the PSIAS needs to be communicated annually to the Audit & Scrutiny Committee. The level of compliance was initially reported to the Audit & Scrutiny Committee in September 2014 as being 76% and by the end of March 2015 this had increased to 96%.

- 3.6.4. With regard to risk management, the Head of Internal Audit & Risk Management is responsible for identifying best practice, providing guidance to the Executive Leadership Team, Services and the Corporate Risk Management Group and taking forward risk management initiatives. During 2014/15 improvements were made to the Council's corporate risk reporting arrangements following consultation with Members and the Executive Leadership Team. The Council has a Risk Management Strategy which will be revised during the course of 2015/16.
- 3.6.5. In August 2015 two members of the Fraud Investigation Team will transfer to Internal Audit & Risk Management in order to form a Corporate Fraud Team. The remaining three will transfer to the DWP as part of the national model to deliver fraud management on welfare benefits. The Finance Service, Corporate Development (HR) and the DWP are working closely together to help manage this change.

3.7 PROCUREMENT

- 3.7.1. The section is led by the **Head of Procurement** who, together with his team of 17.6fte, has a revenue budget of £0.517m. The section has the remit for procurement work relating to all services and supplies with the exception of care services. This equates to an annual Council spend of approximately £200m per year.
- 3.7.2. The Section is focussed on achieving the best results for Highland from the way this sum is spent. This is achieved through influencing Council behaviours with regard to how it identifies, questions, defines, awards, and manages this spend, achieves best value for the people and businesses of Highland, and opens up opportunities for competition. It is also achieved by assisting businesses, voluntary organisations, and social enterprises to develop their skills and abilities in bidding for Council work, and through making opportunities to participate as visible as possible.
- 3.7.3. The Council completed stage 2 of a multi-stage major review of its approach to procurement and has adopted a new five year Procurement Strategy based on implementing the Council's core values via Procurement work and contribute to the achievement of the Europe 2020 agenda. Procurement will be at the forefront of change and improvement in the Council, and will work hard as an important area of operation in delivering the aspirations of the Procurement Reform (Scotland) Act for a fairer, more open, inclusive, more sustainable, and more affluent Highland.
- 3.7.4. Achievements in 2014/15 include an increase in spending with local/small and medium sized enterprises.

The section has instigated a Council-wide adoption of Scottish Standard Pre-Qualification Questionnaire for assessment of bidders.

The section created a standardised and consistent approach to scoring submissions and setting price/quality ratio for tender evaluation.

Training needs analysis was carried out and e-learning in procurement developed.

Analysis on category spend & spend by location has now been compiled by the Procurement Section and will be used to challenge non-contract spend and location of suppliers.

4. **The Programme of the Highland Council, Single Outcome Agreement, Statutory and Corporate Governance priorities** **Prògram Chomhairle na Gàidhealtachd, Aonta na Buile Singilte, Prìomhachasan Riaghlaidh Reachdail is Corporra**

4.1 “Working together for the Highlands”, the Programme of the Highland Council sets out seven main themes which focus on working together, these are:

- *Working together* for **the economy**
- *Working together* for **our children and young people**
- *Working together* for **caring communities**
- *Working together* for **better infrastructure**
- *Working together* for **better housing**
- *Working together* to **empower our communities**
- *Working together* for **strong and safe communities**

There are also three cross-cutting commitments:

- **The Council will commit to the principle of equal respect for the Gaelic and English languages, whilst also recognising the diversity of indigenous language and dialects within the Highland area in relation to the economy;**
- **The Council will maintain its commitment to Scotland’s Climate Change Declaration in relation to the economy;**
- **The Council will implement the Fairer Highland Plan including the general and specific duties of the Equality Act (2010), ensuring that people are treated fairly and with respect in relation to the economy**

The Finance Service has a lead or supporting role in delivering a number of these commitments. Performance information regarding what we will do in 2015/16 to improve service delivery and contribute to the delivery of these commitments is provided in section 7, with an outline of the achievements to date listed in section 5.

4.2 In the current financial environment the Public Sector expects on-going reductions in funding. As a consequence, efficiency improvements in reviewing service priorities will be critical to the Council's longer term financial planning.

The Finance Service will be responding to these priorities in five ways, by:

1. Developing more efficient ways of working within the Finance Service e.g. through maximising the use of technology available
2. Exploring opportunities presented by shared services;
3. Supporting the Council in the monitoring, reporting and delivery of efficiency savings, and in particular, the publication of an Annual Efficiency Statement;
4. Supporting the Council in achieving the objectives of the Transformational Savings Programme.
5. Seeking to draw in to the Highlands any resources by way of grant, subsidy or other income that might be forthcoming from Government or other funding sources.

Flowing from the Concordat between Scottish and Local Government is the Single Outcome Agreement (SOA). The SOA requires the Council to ensure that its financial plans are aligned with both the Council's and the Government priorities.

4.3 The Highland Single Outcome Agreement

The third [Single Outcome Agreement](#) (SOA3) which was approved by the Council in June 2013 reflects the 6 national priorities and 16 national outcomes. The Finance Service will support the Council in its delivery of these outcomes through providing financial support and expertise in the development and monitoring of proposals, ensuring the best use of financial resources, and supporting an assessment of financial options for service delivery. The first full performance report against SOA3 will be published in September 2015.

4.4 Employee Survey

Suirbhidh Luchd-obrach

The sixth Employee Survey was completed in September 2012 with results reported to the Finance, Housing & Resources Committee on 10 April 2013.

Progress against the improvement actions was reported to the Resources Committee in May 2014.

As Business Support was a new section created in 2012 the survey reported on responses from this section separately for the first time. Actions were identified to improve communication, support staff to attend stress management training, undertake Employee Review and Development (ERD) meetings and work with services and staff to remove barriers to cross-boundary and shared working. All of these actions have either been completed during 2014/15 or, by the nature of the activity, continue to be ongoing including 96% of business support staff have had an annual ERD compared to just 42% pre-Business Support review.

For the Finance Service completed actions have been to support staff to attend change management training, document procedures for new ways of working in Welfare Reform and carrying out ERD interviews.

The Council is undertaking its seventh Employee staff Survey during April 2015 with results reported to a future Committee as soon as practicable thereafter.

4.5 Mobile and Flexible Working

Obrachadh Gluasadach agus Sùbailte

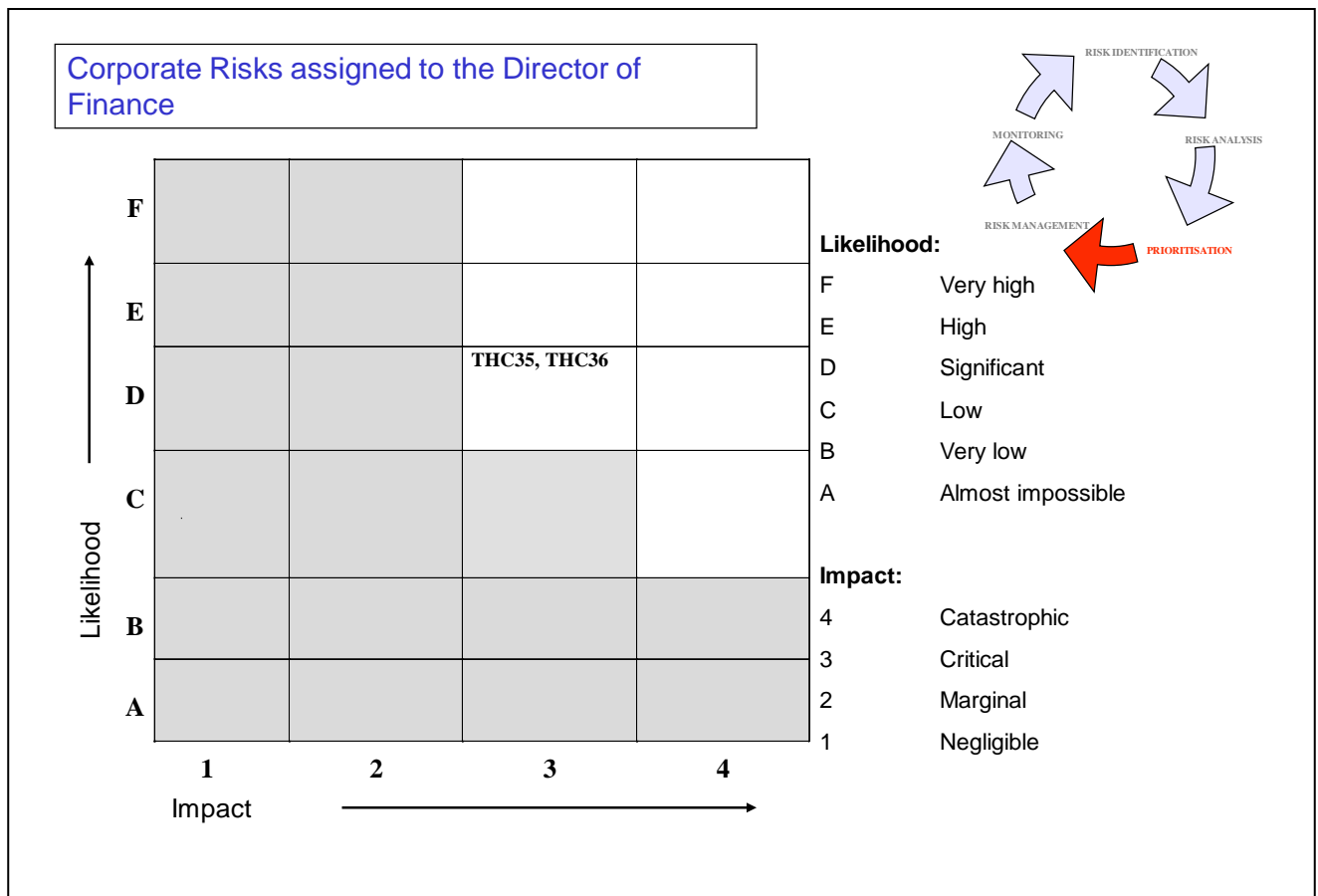
The Finance Service was keen to better understand staff views pertaining to mobile and flexible working, including opportunities for both employees and the Highland Council as their employer. A survey was undertaken and a response rate of nearly 50% (49.4%) was achieved.

The outcome suggests a significant percentage of staff are interested in more flexible ways of working and an action plan is currently being prepared by a working group comprising staff from all sections.

5. Risks
Cunnartan

At present the Corporate Risk Register is under review and once finalised and submitted to Audit & Scrutiny Committee on 18th June 2015 the Service Plan will require amendment to ensure that all Corporate and Service risks are managed through the plan. In addition all identified risks are monitored through Quarterly Performance Review (QPR) meetings and performance is managed through the electronic performance and risk management system (PRMS).

There are two corporate risks where the risk owner is the Director of Finance and details are provided below.



Risk Number	Risk Rating	Description
THC 35	D3	If a short and medium term budget strategy is not developed then the Council will not be able to set a balanced budget by February 2015. (At their meeting of 18 December 2014, the Council agreed the 2015/16 revenue budget which has addressed the short term strategy). Budget planning for 2016/17 onwards is still ongoing.
THC 36	D3	If the Council does not address and manage the impact of changes arising from the Welfare Reform Act this will be to the detriment of our

		communities. Changes include reduction in Council income from DWP subsidy and lower entitlements for claimants leading to hardship for many customers and possible increased rent arrears. In so far as arrears are not mitigated by specific measures (e.g. Discretionary Housing Payments), this will pose a threat to landlords generally and the Council's ability to provide and maintain social housing. The wider consequences will be many millions of pounds taken annually out of the local economy, and increased demands upon local services.
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6. Programme Commitments being led by the Finance Service *Dealasan Prògramm gan stùireadh le Seirbheis an Ionmhais*

6.1 Working together for the economy *Ag obair còmhla airson an eaconamaidh*

Service I.D.	1.1
Programme Commitment	The Council will continue to be transparent in awarding contracts, and fair and efficient in settling our bills.
Council Programme Ref.	1.5
Lead Officer	Head of Procurement and Head of Revenues and Business Support
Resource	Procurement and Business Support Teams
Key Performance Results (Actions & Indicators)	<ul style="list-style-type: none"> 95% of invoices paid within 30 calendar days of receipt 77% of invoices paid within 10 calendar days of receipt Total direct spend with Highland businesses to increase by 5% by 2017 Total direct spend with Highland Small Medium businesses to increase by 5%
Risk	N/A

Enabling actions		Completion Date
1.1.1	Continue to monitor invoice payment performance.	March 2017
1.1.2	Reports drawn from Procurement Hub annually and passed to CEO.	March 2017
1.1.3	Supplier development events run annually with improvement plans to follow.	March 2017
1.1.4	Adoption of fully corporate approach to procurement, and of national, sectoral, and local joint working on procurement is in development. This is likely to be a long term project over the period of the procurement strategy to 2020.	March 2017
1.1.5	Assessment of sustainability/community benefits aspects in procurement takes place annually via Resources Committee	March 2017

Service I.D.	1.2
Programme Commitment	Working with the Scottish Government, the Council will continue to support and provide the Small Business Bonus Scheme.
Council Programme Ref.	1.7
Lead Officer	Head of Revenues and Business Support
Resource	Existing resource within the NDR team.
Key Performance Results (Actions & Indicators)	<ul style="list-style-type: none"> No. of businesses in receipt of Small Business Bonus Scheme Target uplift of 1.5% per annum. At least maintain current levels of performance
Risk	N/A

Enabling actions		Completion Date
1.2.1.	As per standard operating procedures, continue to mailshot customers with potential entitlement.	March 2017

Service I.D.	1.3
Programme Commitment	The Council will review Council procedures, including procurement, to ensure that contracts are drawn up so as to maximise the opportunities for local businesses.
Council Programme Ref.	1.13
Lead Officer	Head of Procurement
Resource	Procurement Team
Key Performance Results (Actions & Indicators)	<ul style="list-style-type: none"> Total direct spend with Highland businesses to increase by 5% by 2017 Total direct spend with Highland Small Medium businesses to increase by 5% Implement the next stage improvements to procurement procedures by April 2016
Risk	N/A

Enabling actions		Completion Date
1.3.1	Annual supplier/business development events	March 2017
1.3.2	Simplification and standardisation of approach across all Services Done with further improvements on the way	April 2016
1.3.3	Development of risk based approach to lotting of contracts Still in development pending the requirements and freedoms offered by the Procurement Reform (Scotland) Act	April 2016

Service I.D.	1.4
Programme Commitment	The Council will work with both Scottish and UK Governments to contribute to local taxation options and review of welfare benefits (arising from Smith Commission)
Council Programme Ref.	1.30
Lead Officer	Director of Finance / Head of Revenues and Business Support
Resource	Director of Finance / Head of Revenues and Business Support
Key Performance Results (Actions & Indicators)	Evidence of participation
Risk	N/A

Enabling actions		Completion Date
1.5.1	Positively contribute to consultations/consideration/lobbying including by professional bodies and CoSLA in relation to Commission on Local Taxation Reform and Smith Commission, and membership of groups include CoSLA's LA Welfare Reform Advisory Group and Settlement Distribution Group.	March 2017

Service I.D.	1.5
Programme Commitment	We will investigate new opportunities for non-domestic rate incentives for town centres/specified streets or localities where support is needed to help to reverse localised economic decline
Council Programme Ref.	1.31
Lead Officer	Head of Revenues and Business Support
Resource	Existing NDR resource working in conjunction with Development & Infrastructure Service

Key Performance Results (Actions & Indicators)	<ul style="list-style-type: none"> Council consideration of proposals and costing implications (incl. Report to Resources Committee) 	
Risk	N/A	
Enabling actions		Completion Date
1.6.1	Enabling regulations currently under consideration to assess the financial implications and consistency with existing regulations.	2015/16, following receipt of Regulations and Scheme Guidance.

6.2. Working together for our children and young people

Ag obair còmhla are cloinn agus ar n-òigridh

Service I.D.	2.1	
Programme Commitment	The Council will ensure that all bidders for significant council contracts must provide targeted plans to recruit young unemployed people in the Highlands.	
Council Programme Ref.	2.27	
Lead Officer	Head of Procurement	
Resource	Procurement Team and Service Project Teams	
Key Performance Results (Actions & Indicators)	<ul style="list-style-type: none"> Establish criteria to ensure that all bidders for significant council contracts provide targeted plans to recruit young unemployed people in the Highlands All Services will examine the potential for procurement contracts to offer opportunities for recruiting young people. 	
Risk	N/A	
Enabling actions		Completion Date
2.1.1	Project teams and sponsors to review employability aspects of procurement projects in the Capital Plan and Five Year Tendering Plan complete, but with further improvements expected	April 2017
2.1.2	Standard sets of supplier selection and award criteria and terms and conditions to be established to support this complete but with further improvement expected	April 2017

6.3. Working together for caring communities

Ag obair còmhla airson coimhearsnachdan cùramach

Service I.D.	3.1	
Programme Commitment	The Council will work to alleviate poverty by encouraging benefit uptake and supporting a range of advice services.	
Council Programme Ref.	3.2	
Lead Officer	Head of Revenues and Business Support	
Resource	Customer Income Maximisation/Money Advice Teams	
Key Performance Results (Actions & Indicators)	<ul style="list-style-type: none"> Increase in number of customers reached by the Council's money advice and welfare rights Increase in financial benefit to customers from the advice given by the Council. 	
Risk	N/A	
Enabling actions		Completion Date
3.1.1	Maintain accreditation to the Scottish National Standards	March 2017

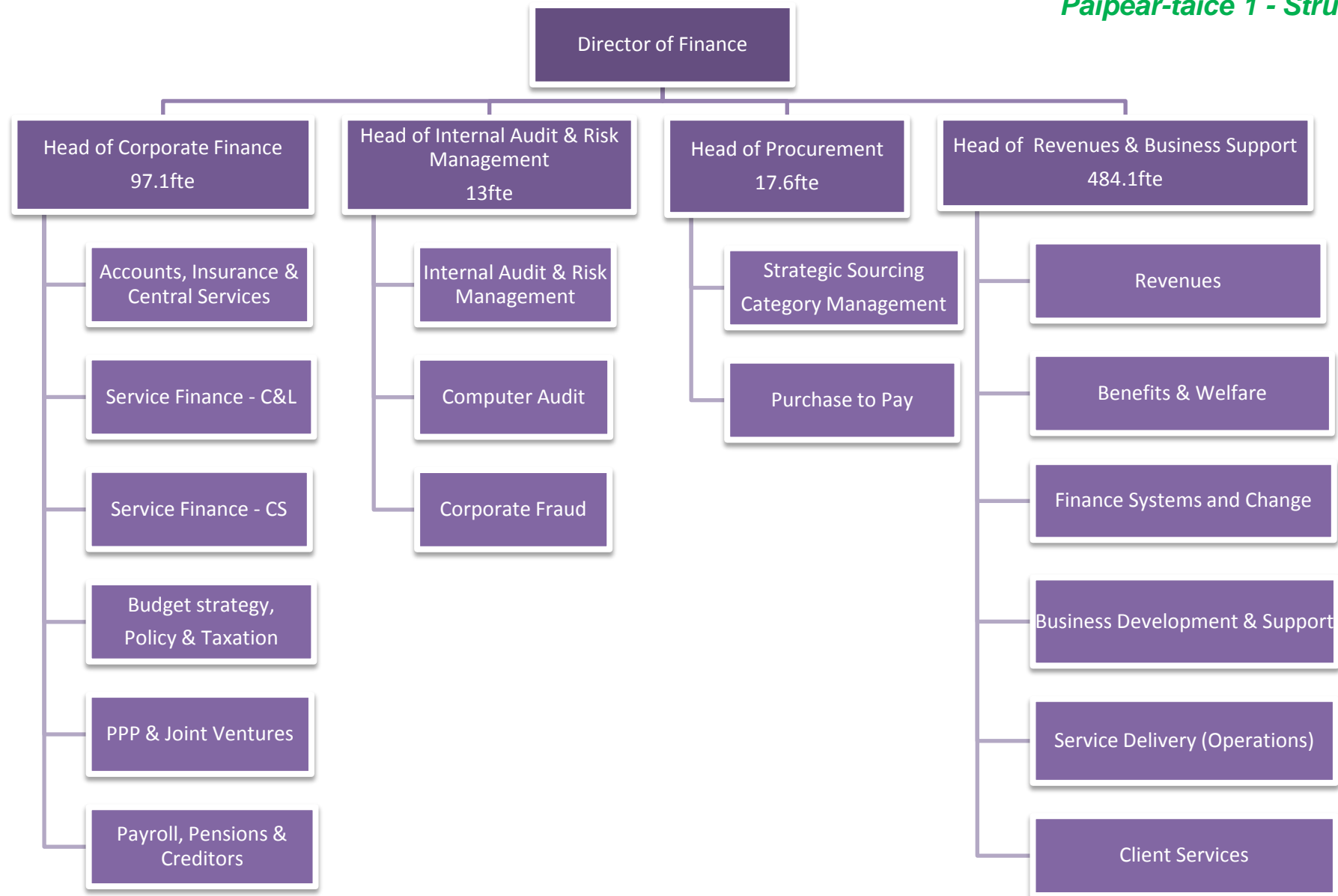
Service I.D.	3.2	
Programme Commitment	Continue to lobby for measures to mitigate the negative effects of welfare reform.	
Council Programme Ref.	3.14	
Lead Officer	Head of Revenues and Business Support	
Resource	Welfare Reform Working Group, professional contacts, Council members, local MPs, COSLA and Scottish Government	
Key Performance Results (Actions & Indicators)	<ul style="list-style-type: none"> • Satisfactory arrangements for Universal Service Delivery Locally (previously called Local Support Services). • Modifications to initial DWP proposals for implementation of UC and other WR measures 	
Risk	N/A	
Enabling actions		Completion Date
3.2.1	Continued participation/lobbying via various bodies/groups including CoSLA LA Welfare Reform Advisory Group	March 2017
3.2.2	Continued participation in national discussions on WR and Money Advice issues	March 2017

**7. Service Improvement Priorities 2015/16 -
Príomhachasan Leasachaidh Seirbheis 2015/16**

Service Section	Service Improvement Priority	Target Date
Corporate Finance	To implement the remaining modules in the Financial Management Information System and to develop more efficient and effective financial transaction processes	March 2016
	To deliver savings of £2m over the next two years on the Council's Treasury Management activities	March 2017
	To assist in the implementation of, and to further develop, self-serve and online payroll facilities	March 2016
	To successfully implement the new CARE Local Government Pension Scheme	March 2016
Revenues & Business Support	Complete restructuring within Revenues & Business Support	June 2016
	Deliver the savings required for the 2015/16-2018/19 budget whilst maintaining, or improving, services wherever possible; supported by restructuring and business process reviews.	March 2019
	Working with Services, review and update Business Support Service Descriptions	September 2015
	Working with the Council's Digital First project to deliver efficiencies, including introducing on-line application/claim forms.	December 2015
	Contribute towards national developments, in particular the roll-out of the Smith Commission and contributing to the Commission for Local Taxation Reform	March 2016
	Progress the e-Services project in respect of Council Tax, NDR and Housing Benefit/Council Tax Reduction, delivering new ways of working for staff and new ways of accessing services for customers.	December 2015
	Complete review of Non Domestic Discretionary Rates Relief Policy.	December 2015
Internal Audit & Risk Management	Continue to review and revise the Council's approach to Risk Management, including the Risk Management Strategy; the role and membership of the Corporate Risk Management Group and the performance of Risk Management reviews	March 2016
	Fully implement the requirements of the Public Sector Internal Audit Standards (PSIAS), including an external assessment.	March 2016
	Progress the Service's approach to Health & Safety, including the development of a Service-specific Health & Safety Policy,	December 2015

Service Section	Service Improvement Priority	Target Date
	Develop the approach to assurance mapping in terms of the Statement on Internal Control.	March 2016
	Introduce a continuous auditing approach for reviews of core financial systems	October 2015
	Develop a preventative approach to corporate fraud, following the transfer of the Fraud Investigation Team to Internal Audit in August 2015	March 2016
Procurement	Standard and agreed approach to sustainable procurement A new approach is in development for 2016 onwards	April 2016
	Develop proposals for long-term joined Projects of capital works year revenue & 10 year capital budget provides greater opportunity. Referred back to D&I	August 2015
	Common approach to aggregation and lotting. In development awaiting clarification of the requirements of PR(S)A	April 2016
Directorate	Maintain Finance Service Business Continuity Plan in accordance with the requirement of the Civil Contingencies Act 2004	March 2017

APPENDIX 1 - Structure
Pàipear-taice 1 - Structair



To request this information in an alternative format e.g. large print, Braille, audio tape, or suitable language, please contact:
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