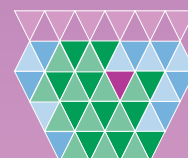


Financial Services

Service Plan

2015-2018



Contents

Section 1	Introduction	Page	1
Section 2	Review of Past Year	Page	2
Section 3	Service drivers, trends and challenges	Page	3
Section 4	Performance	Page	4
Section 5	Service Plan Priorities for 2015/18	Page	8
Appendix 1	Financial Services Staff Structure and Functions	Page	9
Appendix 2	Summary of Financial Services Plan for 2015/18	Page	10

1. INTRODUCTION

This service plan sets out how Financial Services will assist the Council in meeting the Council's priorities and deliver outcomes for the community of Moray as detailed in the Council's 10 year plan, [Moray 2023, A Plan for the Future](#). The service plan also shows how Financial Services will support the objectives detailed in the [Council's Corporate Plan](#).

2. REVIEW OF THE PAST YEAR - 2013/14 Service Plan priorities

2.1 Priority 1: Support Financial Planning Process

In 2012, the Council identified a £30 million funding gap by the Council, for the period 2013/14 to 2016/17. After approving the 2015/16 budget in February 2015, the Council have reduced this funding gap to £8 million. Initial national estimates show that the Council will require a further £7 million of savings in 2017/18 but this figure is likely to be revised after the General and Scottish elections.

Accountancy staff have been fundamental in costing various proposals by members and officers. They also closely monitor the delivery of approved savings and will continue to assist in the process to identify further savings of £15 million still required for the financial years to 2017/18

2.2 Priority 2: Review Banking services and taxation provision within Payments and Taxation Services to identify efficiencies

This priority was completed and has been superseded by the merger of Customer Services with Revenues, which will be led by the Customer Services Manager over the next two years. The transfer of cash and card collection for the Council to the banking services section will be part of the 2015/16 service plan objectives.

2.3 During the year, the Accountancy section also achieved Employer CPD accreditation from the Chartered Institute of Public Finance and Accountancy. This indicates that the Council is providing a structured approach to training and learning to help ensure competence, knowledge and skills for all Accountancy employees.

2.4 The Procurement team within Payments also undertook a very successful meet the buyer event, where over 300 suppliers attended to find out how to undertake business with the Council.

3. SERVICE DRIVERS, TRENDS AND CHALLENGES

- 3.1 The work of Financial Services can be broken down into the following activities;

Accountancy – this function is primarily responsible for the statutory accounting and budgeting activities of the Council, ensuring that the Council meets its statutory deadlines for the completion and reporting financial information. The function also provides financial information and advice to members and officers to assist them in making decisions.

Payments and Procurement – this function is a multi service section with a variety of responsibilities based around the payments that the Council makes and receives.

- 3.2 A current staff structure diagram is detailed in **Appendix 1** and also includes details of staff grades, budget and a list of the major functions undertaken by each of the sections.
- 3.3 The main objective for Financial Services is its statutory role of stewardship of the Council's funds. To facilitate this, the service develops short and longer term plans and strategies to assist the Council to deliver efficient and cost effective services. Over the next 3 years, this will be in an extremely challenging environment of significant budget reductions.
- 3.4 Financial Services has a lead role in the financial management of the Council's annual revenue and capital budgets of over £250 million covering both general fund and housing revenue account. This is underpinned by robust budgetary control procedures and the continuous review of our key processes to ensure improved efficiency and value added services. In addition to providing the corporate support for all Council's services, Financial Services also provides advice, support, and provision of financial systems to the Grampian Valuation Joint Board and Scottish Veterans Garden Association.
- 3.5 The key strategies which set out how we will contribute to the delivery of the Council's priorities are:-
- To ensure that available financial resources are targeted at delivering the Council's corporate objectives.
 - Support Members and Officers with financial information, which will assist in the implementation of the Council's measures to realise the budget cuts over the next 3 years.
 - Delivering the benefits of the corporate procurement strategy
- 3.6 These strategies will be delivered in the environment of decreasing funds and budget cuts whilst implementing significant change programmes from new ways of working including digitisation of processes. The services risks and related mitigations are detailed in each section's service plan. The most significant of which are highlighted below:

- Increased workloads (in particular service managers) may affect the service's ability to deliver corporate projects whilst undertaking the day to day management of their services.
- Acceptance of higher risks as a result of staffing efficiencies, may lead to reduced standards.
- Additional staffing resources may be required to implement large or critical projects such as the purchase and implementation of the new payroll system.
- Four key members of staff with specialist knowledge will be able to retire within the next four years.

4. PERFORMANCE

4.1 How we assess our performance

- 4.1.1 The principle of continuous improvement is embedded into the management and operational functions of Financial Services and we will continue to support the Council's aim of becoming one of the best councils in Scotland by setting challenging targets for our service to achieve, and by benchmarking our performance from year to year and where possible against other Scottish councils.
- 4.1.2 Performance is reported quarterly to Policy and Resources Committee (our service committee) and is scrutinised by the Audit, Performance and Review Committee. We routinely monitor our performance and assess ourselves in a number of ways:
- Key performance indicators
 - Regulatory regimes and External Scrutiny
 - Self-assessment
 - Local performance indicators
 - Benchmarking
 - Customer feedback
 - Employee feedback

4.2 Key Performance/Statutory Performance Indicators

- 4.2.1 From 2013/14, the Accounts Commission, acting through Audit Scotland, have begun to monitor performance on a number of new key performance indicators relating to a variety of activities across the Council. These are known as the SOLACE Benchmarking Performance Indicators. These Performance Indicators, which focus largely, although not exclusively, on cost and value for money, include only one indicator relevant to Financial Services, namely:

Percentage of invoices paid within 30 days

- Although the percentage of invoices that were paid within 30 days has increased significantly from 81.90% in 2012/13 to 86.90% in 2013/14. This performance sees the council remaining in the bottom quartile and the overall position of 27th from 32 councils. An improvement of only 1 rank.

4.3 External Scrutiny

- 4.3.1 PricewaterhouseCoopers were appointed the Council's External Auditors by Accounts Commission in 2011 for 5 years. The Council's Annual Accounts are subjected a to full audit each year and the Auditors give an opinion on whether they give a true and fair view in accordance with applicable law and the latest Code of Practice. The council has been able to negotiate a reduction in fee of 2% per annum because the efficiency of its yearend processes in particular the quality of the working papers provided by Accountancy team.
- 4.3.2 The Annual Procurement Capability Assessment (PCA) is an external inspection carried out by Scotland Excel. The assessment measures the council's capability in key areas of procurement against common criteria and standards which allows us to compare our performance both locally and at a national level. This assists the Council in identifying where best practice already exists, where there are gaps where continuous improvements and efficiencies can be implemented. The Council's strategic target for 2014/15 was to achieve a PCA score of 60%. The Council actually achieved a score of 63%.

4.4 Self-Assessment

- 4.4.1 Self-assessment is a key process within Moray Council and Financial Services, particularly in those areas where there are recognised national performance standards. It is also used as part of the Public Service Improvement Framework (PSIF) approach adopted by the Council.
- 4.4.2 Accountancy undertook a PSIF self-evaluation in 2013/14.
- 4.4.3 Payments undertook a PSIF self-evaluation in 2014/15. A number of actions were identified to address the highlighted weaknesses. These actions are summarised below and incorporated into the service's individual improvement plan for 2015/16
- Improve ownership and the recognition of performance (good and bad for the whole payments service) as a standing agenda item for all individual team meetings.
 - Introduce a staff suggestion box where individuals can suggest efficiencies for other areas of the service/ council.
 - Bullying and harassment - 3 workshops to be carried out within the service to get teams to discuss generic scenarios and the best way to tackle these.

4.5 Local performance indicators

- 4.5.1 The Council has developed a performance management framework to ensure that appropriate scrutiny of performance is carried out. Financial Services have a suite of outcome indicators which will be reported within the quarterly reports prepared for Policy and Resources Committee.

4.6 Benchmarking

- 4.6.1 Accountancy took part in the CIPFA Accountancy benchmarking club 2014, benchmarked against 7 other participating Scottish local authorities: Argyll, Clackmannanshire, Dumfries, East Renfrewshire, Fife, Highland and West Lothian.
- 4.6.2 Moray was below average for all summary measures:
- Total cost per £000s gross revenue turnover (GRT)
Moray £2.92 Average £4.41
 - Staff cost per £000s GRT
Moray £2.36 Average £3.50
 - Total Full Time Equivalent per £million of GRT
Moray 0.06 Average 0.08

- Cost £'000 per FTE
Moray £38.76 Average £41.49

4.6.3 Moray was below average for each activity within accountancy services, apart for the preparation of final accounts:

Cost per £'000s GRT:

Activity	Moray	Average
Financial advice	£0.23	£0.67
Budget prep.	£0.32	£0.54
Budget monitoring	£1.28	£1.74
Final accounts	£0.54	£0.50
Other	£0.56	£0.96
Total	£2.92	£4.41

4.7 Customer Engagement and Feedback

- 4.7.1 Accountancy undertook a budget manager reports/ financial information survey in 2014. The findings showed nearly 65% of respondents rated the information useful or very useful. A further 25% thought the information was adequate.
- 4.7.2 Budget managers were asked for their opinion on a number of suggestions for further information or a different way of presenting this. The results showed that Budget managers would prefer a traffic lights system for variances and also an additional column for forecasts be added to monthly reports. The section is currently looking to see how these improvements can be implemented.
- 4.7.3 The Payments service has a mix of internal and external customers. The main measurement of internal customers is by direct feedback from the various helplines and the regular service meetings.
- 4.7.4 A number of Customer Care workshops were held by the payment teams in 2014. The outcome of these workshops was to implement a consistent standard of customer care throughout the service. Improvement actions identified included location changes for some individuals to aid internal communication; introduction of query categorisation to determine the level of resolution and to develop a meeting diary so that helplines are always sufficiently manned.
- 4.7.5 In April 2014, the Procurement team undertook a supplier in order to show both local and national suppliers how to undertake business with the Council. This included workshops and presentations on future developments. Over 300 suppliers attended the event.

4.8 Employee Engagement and Feedback

- 4.8.1 The services undertake a number of different ways of communicating with staff. These include regular team meetings, development meetings and corporate Team Talks. Any matters arising are discussed at the monthly service meetings with the Head of Financial Services.
- 4.8.2 Both Accountancy and Payments have focussed on issues raised by the 2013 Employee survey. The most significant areas the service has addressed in 2014 are dealing with Bullying and Harassment.
- 4.8.3 In addition, Payments have reviewed how to empower staff to develop and facilitate efficiency suggestions and introduction of red zones during holiday periods so that the service is always adequately manned.

5. SERVICE PLAN PRIORITIES FOR 2015/18

- 5.1 The core service priorities for 2015/18 are grouped within the headings of:-

Priority 1: Support Financial Planning Process

Priority 2: Integration of Health and Social Care - Implement Joint Financial arrangements

Priority 3: Providing best value for our customers by:-

- i) Implementing software upgrade to Financial Management system including the development of improved budget manager information.
- ii) Reviewing the processes of cash and card payments across the Council to identify efficiencies and produce a council wide front to the people of Moray.
- iii) Developing budget manager training modules and training modules for users of the Financial Management System to the Council's LearnPro system (CLIVE) to enable individuals to access training at their convenience.

Priority 4: Producing Procurement/ Payment Efficiencies

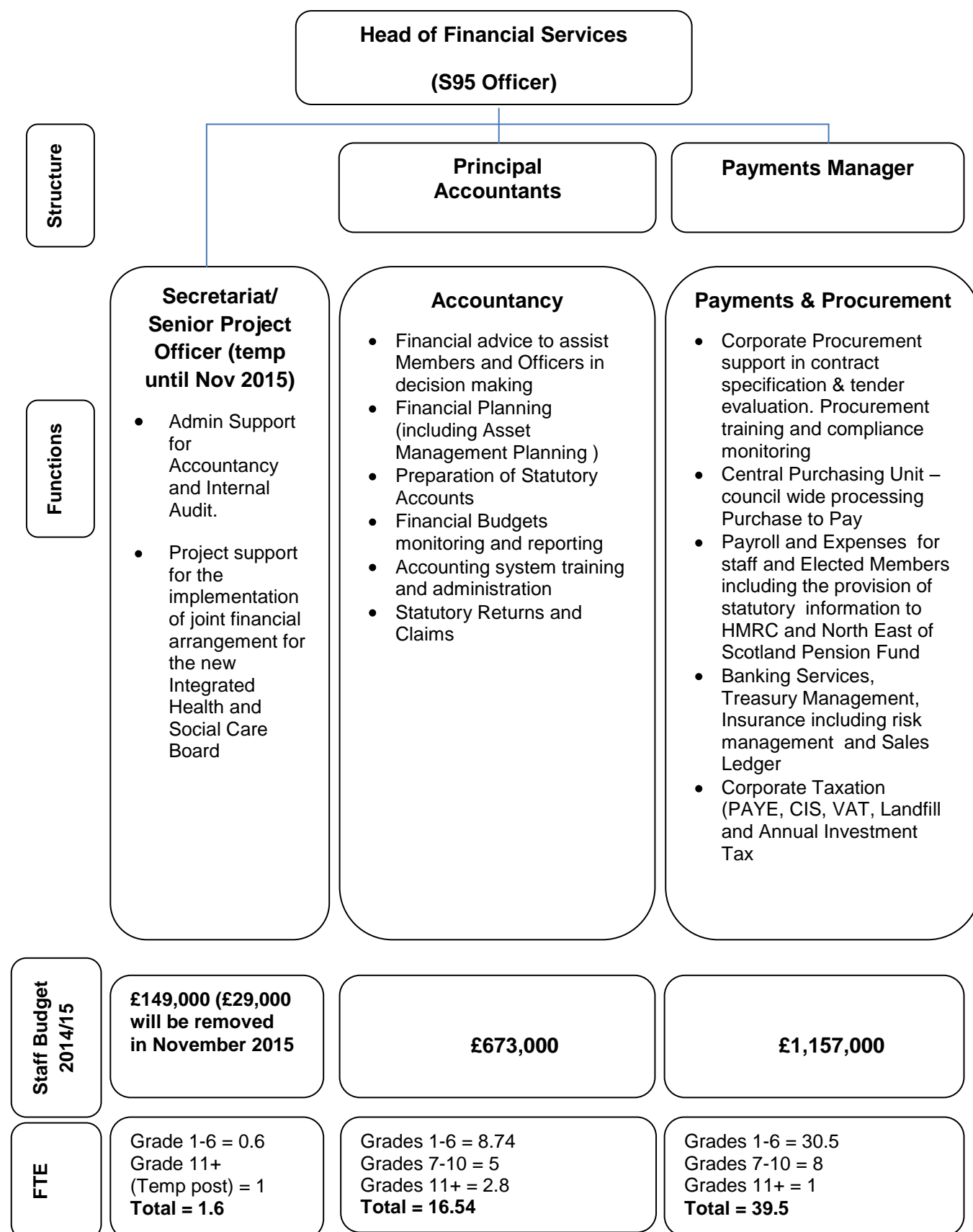
- i) Implement the Scottish Government solution to e-invoicing in order and identify potential efficiencies in streamlining the payment process.
- ii) Ensuring the Council meets the requirements of the Procurement Reform (Scotland) Act 2014 including monitoring and measuring the impact.

Priority 5: The purchase and implementation of a new HR/ Payroll system.

- 5.2 Actions within these priorities do not simply reflect 'day to day business' but specifically make reference to key strategies and economic challenges faced by the Council in 2015/18.
- 5.3 Each function within the Service will develop team plans to reflect the further detail of the work to be carried out to ensure delivery of these projects or delivery of improvements. Team plans will be reviewed quarterly by section management teams.
- 5.4 Financial Services will review and report Service Plan progress on a quarterly basis as part of the Corporate Services quarterly performance report to Policy and Resources committee.

APPENDIX 1

FINANCIAL SERVICES STAFFING STRUCTURE AND FUNCTIONS



SUMMARY OF FINANCIAL SERVICES PLAN 2015/18

APPENDIX 2

Ref	Service Plan Action	Reason for this action and links to other plans and policies	Impact/ Outcomes	Lead Officer	Target Completion Date
1	Support the Financial Planning Process:	Assist elected members and council services in setting the budget required to deliver the 5 priority areas detailed in the 10-year plan by providing accurate, timely and relevant information for decision making.	To develop a balanced budget for Moray Council for the 3 years to 2017/18.	Head of Financial Services with CMT/ SMT	Ongoing throughout the next 3 financial years to 2017/18
2	Integration of Health and Social Care – develop and Implement Joint Financial arrangements.	This action is linked to the council's 10 year plan and in particular the priority: Adults living healthier sustainable independent lives safeguarded from harm by the integration of Health and Social Care services.	Establish an integrated budget for the new Joint Board and develop supporting financial processes and financial guidance to ensure sound governance and financial management of Council resources.	Head of Financial Services with the Chief Officer of the Integrated Joint Board	April 2016
3	Providing best value for our customers	Assisting the delivery of the 10 year plan by ensuring that our public services are high quality, continually improving, and responsive to customer needs.	i) Successful implementation of the Financial Management System (FMS) upgrade and the provision of improved budget manager information. ii) Standardisation of how the public can make payments to the Council by cash and card payments.	Payments Manager with Principal Accountants and ICT Payments Manager	March 2016 June 2016

Ref	Service Plan Action	Reason for this action and links to other plans and policies	Impact/ Outcomes	Lead Officer	Target Completion Date
			iii) Successful development of budget manager training and FMS user training included in Council's training system (CLIVE).	Principal Accountant (Training and Development) and Payments Manager	September 2017
4	Procurement and Payments Development	Assisting the delivery of the 10 year plan by ensuring that our public services are high quality, continually improving, and responsive to local needs.	i) Implementation of the Scottish Government solution for e-invoicing and identify efficiencies. ii) The Council meeting all the statutory requirements of the Procurement Reform (Scotland) Act 2014	Payments Manager Payments Manager with SMT	March 2016 March 2017
5	The Purchase and Implementation of a new HR/ Payroll system	Assisting the delivery of the Council's 10 year plan by ensuring that our support services are efficient and high quality.	Successful implementation of new system which reduces the level of manual intervention and produces effective management information	Head of HR /ICT with Head of Financial Services	June 2017

