

The Highland Council

Resources Committee – 24 August 2016

Agenda Item	17
Report No	RES/53/16

Finance Service Plan 2016-17

Report by Director of Finance

Summary

This report introduces the Finance Service Plan, updated for 2016/17 which identifies the enabling actions and key performance results which will deliver 'Highland First', the Programme of the Highland Council published 13th August 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 'Highland First' and the Council's Corporate Plan for 2012-17. The service plan provides an update for the period 2016-17 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 2016-17. The service plan describes the objectives to be met derived from:
 - Highland First
 - 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 new 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 **Equality, climate change/Carbon Clever and rurality:**
As a description of current and planned activity there are no new implications arising from this report. The Service's ongoing commitment to increasing the availability of online and electronic functionality ensures area offices continue to play a key role in service delivery.

4.4 **Gaelic:**
No implications.

Recommendation

The Resource Committee is asked to approve the Finance Service Plan updated for 2016-17.

Designation: Director of Finance

Date: 16 August 2016

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Finance Service Plan

Plana Seribheis an Ionmhais

The Highland Council

Comhairle na Gàidhealtachd

2012 – 2017

Updated for 2016/17

Air ùrachadh airson 2016/17

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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 2016/17) 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 529.2FTE staff and has an annual revenue budget of £11.961million. **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 (85.9FTE)

- 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 (418.3 FTE)

- Council Tax & Non-Domestic Rates
- Scottish Welfare Fund
- Housing Benefit
- Council Tax Reduction
- Discretionary Housing Payments
- Council financial assessments (e.g EMA, school clothing grants)
- Welfare Reform
- Welfare Support
- Income management & corporate debt recovery
- HR administration
- Purchasing & Payment
- Information Management
- Management Support
- Facilities Management
- Finance systems administration
- Training & Development
- Service performance management & planning

Corporate Audit & Performance (14.2FTE)

- Internal Audit and Scrutiny service
- Risk management
- Corporate Fraud
- Corporate Performance Management
- Continuous Improvement
- Best Value

Procurement (8.8FTE)

- 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 2016/17 Budget Revenue Budget

Financial Year	Net Revenue Budget (£000)
2016/17	11,961

Breakdown of 2016/17 Budget

By Section

	2016/17
Section	Net Budget (£000)
Corporate Finance (inc. Procurement)	2,942
Revenues & Business Support	8,154
Directorate	220
Corporate Audit & Performance	645
Total	11,961

By Staff and Other Costs

	2016/17
Cost	Net Budget (£000)
Staff costs	15,861
Other costs	2,283
Total costs	18,144
Income	6,183
Net budget	11,961

3.2 The Finance Service efficiency savings for 2016/17 are shown below:

Budget Savings 2016/17	Revenues & Business Support	Corporate Finance	Corporate Audit & Performance	TOTAL
Net efficiency savings arising from ICT projects and reduced manual intervention		30,000		30,000
Extension of investment period for cash balances		65,000		65,000
Restructuring & business process redesigns	405,000			405,000
Increase in income collection	1,303,000			1,303,000
Review of Money Advice services	130,000			130,000
Council Tax Reduction review	662,000			662,000
Scottish Welfare Fund efficiencies	84,000			84,000
Digital First	80,000			80,000
Shared Services (Revs)	100,000			100,000
Deletion of vacant post			29,000	29,000
TOTAL	2,764,000	95,000	29,000	2,888,000

In addition to the £2.88million savings shown above, a further £753k is being delivered via voluntary redundancy.

3.3 CORPORATE FINANCE

- 3.3.1. With a revenue budget of £2.942m, the **Head of Corporate Finance**, together with his team of 85.9fte 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, pension administration and the pension fund investment & strategy.
- 3.3.2. A new financial information system which is used for all the essential business financial 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 new Pensions Committee/Board was established during 2015-16 to ensure compliance with new governance regulations.
- 3.3.4. The Pension Fund appointed a new Property Debt Manager in 2015.
- 3.3.5. The new Career Average Revalued Earnings (CARE) Local Government Pension Scheme was implemented in April 2015.
- 3.3.6. The Pension Fund triennial valuation and funding strategy statement was completed in February 2015. Initial discussions on the 2017 valuation will commence in December 2016.
- 3.3.7. On-line pay advice slips were made available to all employees with internet access during 2015/16.
- 3.3.8. The statutory Accounts for the Council, the Pension Fund and Joint Boards for 2014/15 were successfully completed on time with no audit qualifications. The 2015/16 accounts have been produced with a new, user-friendly management commentary section, with audit completion scheduled for September 2016.
- 3.3.9. The Revenue Budget for 2016/17, incorporating £34.9m of budget savings, was approved by Council in February 2016.
- 3.3.10 A 10 year Capital Programme was approved by Council in December 2015.
- 3.3.11 The 2016/17 Treasury Management Strategy Statement and Investment Statement was approved by Council in March 2016.
- 3.3.12 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. This section is led by the **Head of Revenues & Business Support** who, together with a management team of 12fte, has responsibility for 418.35fte and an annual revenue budget of £8.154m.
- 3.4.2. Significant savings (cost reductions and increased income collections) were delivered in 2015/16 amounting £3.3m. Key enablers in the successes to date, and to deliver against stretching targets for 16/17 and beyond, are improved resource management and business process reviews.

- 3.4.3. Vacancy Management continues to be an effective management tool in the delivery of savings not just for the current year but also in looking ahead to help effectively manage the delivery of further savings from 17/18 and beyond. Significant progress has also been achieved in business processes. This includes: excellent progress in the approach to debt collection; the innovative approach to helping to improve Health & Wellbeing for staff; increased use of IT/automation in the handling of data from third parties such as the DWP; and the introduction of some online applications.
- 3.4.4. The section continues to look at unit costs in the delivery of services. The delivery of savings supports the drive and requirement for greater efficiency whilst maintaining, and indeed improving, performance at the same time. Since the merger of Revenues and Business Support as part of the review of the Finance Management Team in May 2014 under the leadership of the one Head of Service, costs have reduced whilst seeing collections and processing times improving too. Over the 2 years to March 2016, Council Tax costs have reduced by 25% whilst Benefits reduced by 18%. *In-year* Council Tax collections are up by 0.2% over the same period with processing times for new claims 3 days quicker at 20 days and change in circumstances processing improving from within 6 days, to 4. The financial (budget) challenges facing the Council over the coming years will place pressure on maintaining such continuous improvement but management activities such as vacancy management and the continue review of business processes will support mitigation.
- 3.4.5. Business Support is actively supporting colleagues across the Council in delivering change and improvements including the rollout of e-Building Standards with Development & Infrastructure and the continued roll-out of Digital Services including on-line Housing forms working with colleagues in Corporate Development and Community Services.
- 3.4.6. **Benefit Administration**
As detailed at section 3.4.4, processing times have improved. Universal Credit (UC) 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. In addition, from July 2016, the new “Full” UC Service has gone-live for Inverness Job Centre – the second Council in Scotland to do so. “Full” UC includes all other in-scope benefits such as replacing working tax credits in addition to those customers who were previously on Income Support for example. Dates for the roll-out of the Full UC Service to Highlands remaining job centres is to be advised by DWP over the coming months as part of the national roll-out across the UK.
- 3.4.7. The Council plays a proactive role in working with the DWP to implement these changes and help to shape and inform national policy on matters pertaining to Welfare Reform overall. This includes attendance at CoSLA’s LA Welfare Reform Advisory Group meetings; speaking at various conferences; delivering national workshops with the Institute of Revenues Rating & Valuation (IRRV) and providing evidence to the Scottish Parliament and consultations.
- 3.4.8. The impact of Welfare Reform for customers can be significant including for already hard-pressed families. In addition to prompt payment of benefits such as Housing Benefit and proactive lobbying, the Council also agreed to increase the school

clothing grant from £55 to £81 from 15/16 resulting in the grants being paid increasing from £199k in 14/15 to £297k in 15/16.

3.4.9. The Council now has a single service delivery model for all financial assessments that they are responsible for. Revenues staff in a single team now administer:

- Housing Benefit
- Council Tax Reduction
- Discretionary Housing Payments
- Council Tax
- Scottish Welfare Fund
- Educational Maintenance Allowance
- Music Tuition Fees
- Free School Meals
- School Clothing Grants
- Inverness Winter Fuel Payments

3.4.10 This model supports the delivery of efficiencies in financial assessments, improve service delivery resilience and support customer services. This provides a single point of contact for customers and ensures information sharing for their various entitlements meaning the customer only has to provide the relevant information once wherever possible. This also maximises benefit take-up and minimises fraud.

3.4.11 **Income management**

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 6.7%. The successful implementation of online forms has contributed to the increase. Paye.net facilities have now been successfully rolled out to both the Service Centre and all Service Points which will continue to deliver savings in both staff time and resource costs.

3.4.12 The Scottish Government has reported on the Commission for Local Taxation Reform. The Director of Finance was one of the advisors to CoSLA who prepared the local government response to the Commission and is a member of small working group looking at various local government taxation matters looking ahead.

3.5. **Welfare Support**

3.5.1 In 2015/16, the Finance Service introduced changes to the way in which Welfare-related finance was reported to the Resources Committee. Welfare Reform data updates are now reported as a single section. From 2016/17, further changes have been made with the inclusion of EMA and school clothing grants budget headings showing total gross welfare spend at approximately £65m per annum.

3.5.2. Welfare Support (formerly Customer Income Maximisation) continues to support customers and maximising benefits awards. During 15/16, the team achieved / increased the amount of financial gain to customers to £4.015m. The section also received £63k from the Council's own Welfare Fund to support welfare supports projects. In particular, for this project which is due to end in March 2017 seeks to make best use of reports from the Council's Revenues and Benefits IT system. Staff then initially undertake a benefit check, based on the customer's circumstances, to

identify potential entitlements. With the customer's consent, advisers then complete the necessary application forms, and when appropriate, appeal decisions and represent customers at tribunals. Financial gains for customers for 15/16 were £372k (comprising backdated awards and annualising the weekly entitlement gained irrespective when the claims commenced in 15/16).

3.5.3. Responsibility for the management of the Council's CAB contract also sits with Revenues & Business Support, having transferred from the Head of Policy & Reform during 2014/15 with day to day management of the contract led by the Benefits & Welfare Manager.

3.5.4. Performance reports of the in-house team and CAB as well covering various matters, including policy, pertaining to Welfare and Welfare Reform continue to be brought to Members and have been very well received.

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 2015), the number of businesses receiving SBBS in Highland was 9,546, the highest in Scotland. As at August 2016, the number of business receiving SBBS in Highland has risen to 9,625, an increase of 0.83% on Sep 2015; and 7.05% on Sep 2014 position (8,991).

The Council reviewed its Discretionary Rates Relief Policy during 2015/16. An updated policy was approved by Resources Committee resulting in the annual budget being increased to £606k to £701k to reflect an increase in the scope of the scheme funded by the Council.

The Service also continues to collect Business Improvement District levies.

3.6 **CORPORATE AUDIT AND PERFORMANCE**

3.6.1. The section which has responsibility for Internal Audit and Scrutiny, Risk Management, Corporate Fraud, Corporate Performance Management, Continuous Improvement and Best Value and is led by the **Corporate Audit & Performance Manager**, together with a team of 14.2fte, with a revenue budget of £0.645m. This is a new team following the transfer of Performance Team to Finance from 1 April 2016, combining Internal Audit and Performance.

3.6.2 The Internal Audit Team is responsible for delivering a plan of audit work agreed annually by the Audit & Scrutiny Committee; In addition the team 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

3.6.3. The work of Internal Audit is summarised within the 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 Governance Statement.

- 3.6.4. The Corporate Fraud staff act as the Single Point of Contact (SPOC) with the Department of Work and Pensions Fraud & Error Service and are responsible for investigating any allegations of fraud and irregularities within the Council.
- 3.6.5 With regard to risk management, the team are responsible for providing guidance to the Executive Leadership Team, Services and the Corporate Risk Management Group and taking forward risk management initiatives. The Council has a Risk Management Strategy and a Corporate Risk register reviewed every six months. The Corporate Risk Management Group will be refreshed during 2016/17 to strengthen the risk management arrangements across the Council.
- 3.6.6 The Performance Team are responsible for ensuring the Council meets statutory performance and corporate performance reporting requirements. This includes annual reports on the Council Programme, Single Outcome Agreement and public opinion. The team develops and maintains corporate and Service processes which support effective performance management and strategic planning across the organisation including managing the Council's Corporate Performance and Risk system.
- 3.3.7 The Performance Team has an increasingly focus on improving public performance reporting to meet statutory duties and improve the accessibility of performance information to the public, Members and staff. The team maintains the Council's set of Statutory Performance Indicators including national benchmarks and provides advice on Best Value, performance management and self-assessment.
- 3.6.8 During 2016/17 the team will develop a Best Value profiling approach for key Service functions. This will utilise cost, quality and service delivery performance indicators including national benchmarking along with resources, risk and audit information to develop a broader picture of performance which will support continuous improvement and informed decision making.

3.7 PROCUREMENT

- 3.7.1. The section is currently led by the **Head of Corporate Finance** who, together with his team of 8.8fte, (revenue budget included within Corporate Finance). The Head of Corporate Finance is providing direct support, in conjunction with the Director, pending agreement regarding a Shared Procurement service with Aberdeen City and Aberdeenshire Councils. 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 £272m 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 Section has been actively engaged with the shared service work, to develop a sustainable business case that moves the section towards a more commercial and strategic outlook that will deliver real benefits for the Council and its partners. 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. The Procurement Section has played, and continues to play, a major role in some significant contracts. Principally amongst these is ICT re-provision. Amongst other work is the successful development of e-auctions that has allowed procurement contracts to be awarded in different ways, best suited to the market scope intended, to get best value for the Council.
- 3.7.5 The Section continues to collate and analyses data regarding the Council's overall spend on goods and services. This is important data to understand current service needs, and explore ways in which operational needs can be achieved, whilst obtaining best value for the Council.
- 3.7.6 Good governance surrounding the management and awards of contract is essential in what is becoming an increasing litigious market, and the Section seeks to protect the Council's interests in any disputes or claims that may arise. This continues to form a major part of the Section's work.

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 The Programme of the Highland Council

“Highland First”, the Programme of the Highland Council sets out four main themes which focus on working together, these are:

- **Community Led Highland**
- **Well-Served Highland**
- **A Fairer Highland**
- **Inverness City – The Capital of the Highlands**

Against the themes there are a total of 62 commitments (and a further 9 relating to *Inverness City – Capital of the Highlands*) of which the Finance Service has a lead for 3 commitments, and provide support to Services on various other commitments

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's 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 reflects the 6 national priorities and 16 national outcomes and was approved by Council in June 2013. The Community Empowerment Act has resulted in a new partnership approach to community planning with shared responsibility between the main public bodies for a Local Outcome Improvement Plan (LOIP) and the Service Plan may need to respond to changing priorities as the plan develops over 2016/17 into 2017/18. The Finance Service supports the Council in its delivery of the Single Outcome Agreement 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.

4.4 Employee Survey *Suirbhidh Luchd-obrach*

The seventh Employee Survey was conducted during the week of 20-27 April 2015. A response rate of 63% was achieved within the Finance Service and compares with the overall Council response rate of 36% (up 3% since 2012). The Highland Council results were reported to the Resources Committee on 26 August 2015.

Whilst the results are generally positive for the Finance Service and compare favourably against the Council's results, there are some aspects where improvements are necessary. In particular, job satisfaction overall is lower than the Council average and the Service is keen to engage with staff to better understand the actions which we can take improve this.

In addition to redesigning posts as part of restructuring within the Service, regular communications take place within each section including regular meetings with direct line reports. The Director of Finance also undertakes annual visits wherever practicable to main offices across Highland.

4.5 Mobile and Flexible Working *Obrachadh Gluasadach agus Sùbailte*

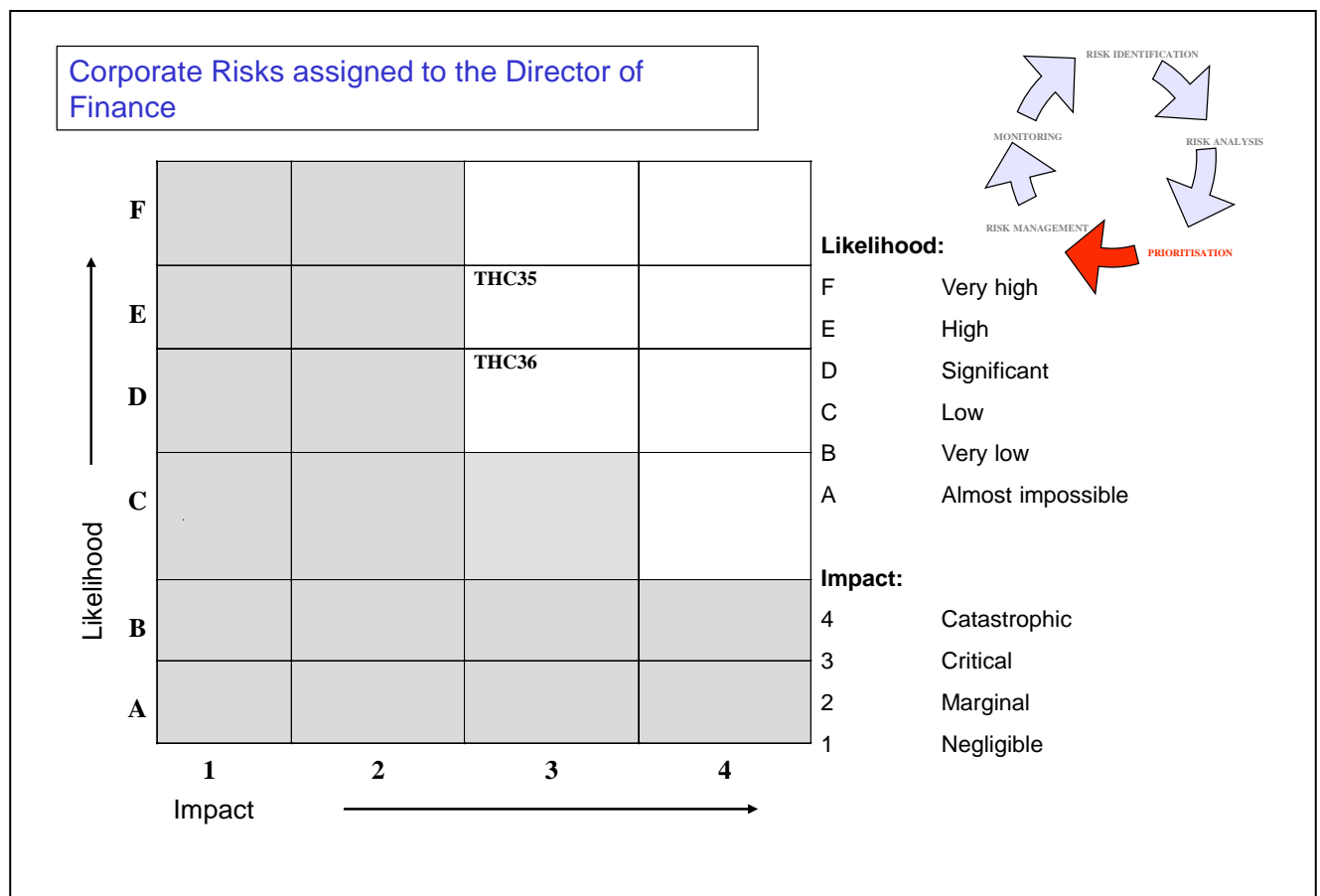
The Finance Service was keen to better understand staff views pertaining to mobile and flexible working, including opportunities for both employees and the Highland Council as their employer.

Following a survey of staff which suggested an interest from staff in more flexible ways of working, a working group comprising staff from all sections has been created. As well as those staff who do work from home sharing their experiences and how to help make it work, a newsletter for staff to promote the policy further and its benefits will be issued.

5. Risks Cunnartan

The Corporate Risk Register was reviewed by the Executive Leadership Team and the results reported to the Audit & Scrutiny Committee on 24th March 2016. The Risk Register will be reviewed again shortly and the results of that review presented to members in September 2016. In addition all identified risks are monitored through Quarterly Performance Review (QPR) meetings with the Chief Executive and Depute Chief Executive. Performance data is recorded 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	E3	If a short and medium term budget strategy is not reviewed and updated then the Council will not be able to set a balanced budget by February 2017 and will not be in a position to address further financial challenges in the years following.
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

		<p>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.</p>
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6. Programme Commitments being led by the Finance Service

Dealasan Prògram gan stùireadh le Seirbheis an Ionmhais

Service I.D.	n/a
Programme Commitment	Contracts & Procurement
Council Programme Ref.	17.
Lead Officer	Director of Finance
Resource	Corporate Finance, Revenues & Business Support
Key Performance Results (Actions & Indicators)	<ul style="list-style-type: none"> • Invoice payments within 10 days • Invoice payments within 30 days • Direct spend with Highland Businesses to increase by 5% by 2017 • Direct spend with Highland SME to increase by 5% by 2017
Risk	n/a

Lead Officer	Enabling actions	Completion Date
Head of Revenues & Business Support	Continue to monitor invoice payment performance.	March 2017
Head of Corporate Finance	Reports drawn from Procurement Hub annually and passed to CEO.	March 2017
Head of Corporate Finance	Supplier development events run annually with improvement plans to follow.	March 2017
Head of Corporate Finance	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
Head of Corporate Finance	Assessment of sustainability/community benefits aspects in procurement takes place annually via Resources Committee	March 2017

Service I.D.	n/a
Programme Commitment	Welfare Reform
Council Programme Ref.	57.
Lead Officer	Director of Finance
Resource	Revenues & Business Support, Directorate
Key Performance Results (Actions & Indicators)	Evidence of participation
Risk	n/a

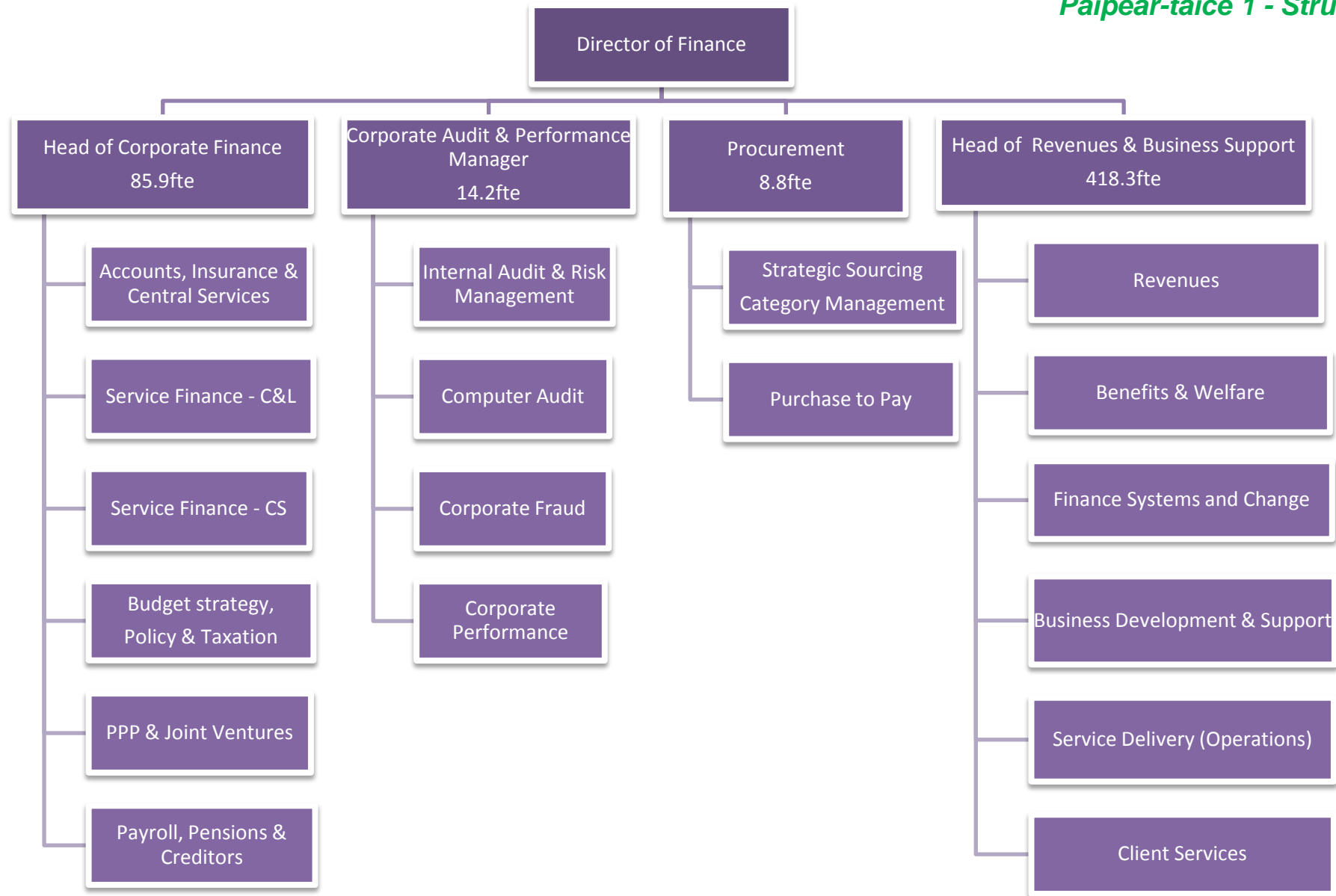
Lead Officer	Enabling actions	Completion Date
Head of Revenues & Business Support	Lobby UK & Scottish Governments to inform welfare policies & delivery of welfare service	March 2017
Head of Revenues & Business Support	Positively contribute to consultations/consideration/lobbying including by professional bodies and CoSLA in relation to the Smith Commission and new devolved responsibilities, and membership of groups including CoSLA's LA Welfare Reform Advisory Group.	March 2017

Service I.D.	n/a	
Programme Commitment	Modernising the Council Tax System	
Council Programme Ref.	58.	
Lead Officer	Director of Finance	
Resource	Directorate, Revenues & Business Support	
Key Performance Results (Actions & Indicators)	Evidence of participation	
Risk	n/a	
Lead Officer	Enabling actions	Completion Date
Director of Finance	Positively contribute to consultations/consideration/lobbying including by professional bodies and CoSLA and membership of groups including the Settlement Distribution Group.	March 2017

**7. Service Improvement Priorities 2016/17 -
Prìomhachasan Leasachaidh Seirbheis 2016/17**

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 2017
	To deliver savings of £2m over the next two years on the Council's Treasury Management activities	March 2017
	To introduce on-line Annual Pension Benefits statements	August 2017
	To introduce electronic invoicing as part of Purchase to Pay	April 2017
	To review the corporate approach to insurance with a view to more self-insurance	March 2017
	To progress the development of a programme of training for elected members on the Pensions Committee/Board	May 2017
Revenues & Business Support	Complete restructuring within Revenues & Business Support	September 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 the Council's Digital First project to deliver efficiencies, including integrating information electronically from on-line application/claim forms into the Council's Revs and Bens system.	March 2017
	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.	March 2017
	Submit response to the Scottish Government's Consultation, "A New Future for Social Security"	October 2016
	Continue to positively contribute to consultations/consideration/lobbying, including by the Council, professional bodies and CoSLA, in relation to Welfare Reforms. This will include membership of groups include CoSLA's LA Welfare Reform Advisory Group (Head of Revenues & Business Support) and Settlement Distribution Group (Director of Finance).	March 2017
	Continue to investigate Shared Services opportunities	March 2017

Service Section	Service Improvement Priority	Target Date
Audit & Performance	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 2017
	Fully implement the requirements of the Public Sector Internal Audit Standards (PSIAS), including an external assessment.	March 2017
	Introduce a continuous auditing approach for reviews of core financial systems.	March 2017
	Undertake a review of compliance with CIPFA Code of Practice on 'managing the risk of fraud and corruption' and identify any areas for improvement.	December 2016
	Review and report on the Council's Statutory Performance Indicators.	March 2017
	Review the Councils' approach to self-assessment and continuous improvement focusing on supporting delivery of Best Value.	March 2017
	Develop the Audit & Performance Team reviewing processes, roles & responsibilities.	March 2017
	Support the Community Planning Partnership develop their Local Outcome Improvement Plan (LOIP) and approaches to local action plans.	September 2017
Procurement	Finalise Business Case for developing a shared Procurement Service with Aberdeen City and Aberdeenshire Councils	September 2016
	Review existing procurement practices and work with Services to deliver budget savings	March 2017
	Develop new performance reporting data that monitors current practice and supports local businesses within the Highlands	March 2017
Directorate	Maintain Finance Service Business Continuity Plan in accordance with the requirement of the Civil Contingencies Act 2004	March 2017
	Following the appointment of new External Auditors, explore the opportunities for new ways of working for Final Accounts and Internal Audit, that maintains proper reporting and accountability, but achieves efficiency savings including time released savings	March 2017



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