



Service Plan 2007/08 (Stage 1 Template)

Service Plan for: Financial Services

Directorate: Resources

Service Plan Holder: Head of Finance

Workplans: Corporate Accountancy, Exchequer
(Creditors, Debtors and Payroll)

Director: Resources

EMAP : Corporate Services

1. Service description & objectives

Please provide a brief definition of the services your plan covers and the working environment it operates within. Please also provide a brief explanation of your service objectives.

Service Functions

- Corporate Accountancy (includes FMS replacement)
- Creditors
- Debtors (including recovery of Housing Benefit Overpayments)
- Payroll

Service objectives

1. To ensure all financial operations of the council are conducted in a timely and accurate manner in line with statutory and regulatory requirements.
2. To champion effective financial management.
3. To utilize good services to optimize the council's financial position.
4. To develop and maintain quality, constructive relationships with key clients and customers.
5. To contribute towards the development of a modern, efficient and forward-looking council.

2. Significant drivers for change and improvement

Driver	Affect on service delivery
External drivers	
The corporate inspection and changes to the CPA inspection criteria	Corporate finance will have a role in ensuring the new inspection criteria is understood and complied with to pursue the Council's aim to become excellent.
Significant amendments to statutory reporting requirements	Development work will be required to integrate major changes into the council's accounts from April 2007.
Payment of Invoices	BVPI 8 requires that all supplier invoices are paid within 30 days of their receipt. Creditors Team will need to keep monitoring all payments to ensure compliance.
Gershon – Delivering Efficiency in Local Services	Work on efficiency needs to be integrated into the planning and reporting cycles. We will have a key role in leading such work.
Corporate drivers	
Replacement of the Finance Management System	The FMS replacement project is led from the Accountancy team with key input also required from both the Creditor and Debtors teams in relation to the 'add on' modules for their services. Large amounts of work will be done to prepare for the new system going live in early 2008/09.
Budgetary Issues	As the lead service for coordinating and developing the budget Accountancy will have a key involvement in defining future timetables of work and dealing with the further development of short, medium and long term financial planning.
Integrated Planning and Reporting	Accountancy has a pivotal role in developing and delivering an integrated approach to service and financial planning / reporting.
Developing a medium term budget process within the scarce resources available	The service needs to lead upon the development of more strategic budget processes which will enable the council to fully utilize the opportunities available through multi-year settlements and enhance its ability to forward plan.
Review of the council's transport arrangements	Externally funded study looking to reduce passenger journeys within York by one million miles per annum.

Annex 5

HR developments	Potential changes to employee details arising from the implementation of job evaluation will distort the normal workflow for the Payroll Service.
Corporate projects	Strategic Finance has a key role in a number of corporate projects. These include admin accom, Gershon, the Finance Strategy, the annual budget process, job evaluation / equal pay, transport, ledger replacement and York Pools. In many instances finance staff act either as key officers and advisors for such work. In such an environment developing relevant skills will be key to their success.
Service drivers	
Development of comparative benchmarking information.	Work to be undertaken to establish and assess relative spend on services to that provided by other councils. Such work will help target work in the development of short, medium and long term budget planning.
Develop the management of external grants.	Work to be continued to maximize successful applications for government grants and to promote their proper management by the authority.
VAT	There is a need to enhance the quality of VAT analysis to ensure that eligibility requirements are met, especially in relation to the de-minimis boundary.

3. Priority improvement for 2007/08 & beyond

Performance improvement	Reason why improvement is required
To procure a replacement financial ledger during 2007 followed by a successful implementation during 2008.	Replacement of the council's antiquated financial systems should enable step change improvements in terms of the quality of information and operational processes.
To deliver unqualified statement of accounts within the deadlines set by central government.	York has an excellent track record in producing its accounts. However tighter deadlines combined with major accounting changes in 2007 and a complete system replacement in 2008 will make maintaining this position a particular challenge.
Ensure full compliance with Gershon principals and embedding service improvement / efficiency across the council.	The Gershon requirements are a key additional duty on the council. Strategic Finance has a pivotal proactive and promotional role in ensuring that such requirements are properly met.
Dealing with the financial and managerial changes which the White Paper, Lyons and other reviews will present to the council.	These areas present the possibility of major changes in how the council must operate and be financed in the future. Finance staff will be at the core of delivering many of the changes which this will require.
To improve the effectiveness of the council's income collection and debt recovery process.	As the financial position gets ever tighter there is an increasing need to ensure that all income streams are maximised. Stream lined systems, proactive chasing of debt and prepayment will all be key elements of achieving this.
To manage the successful delivery of a council wide efficiency review programme.	The council's efficiency review programme will be a key driver to improving services and prioritising scarce resources.
To continue to learn from best practice elsewhere.	The service recognises that in order to progress it must learn from best practice elsewhere. In the past year this has covered areas as diverse as the production of summary accounts and budget consultation with stakeholders.
Other comments to note	
None	

Annex 5

4. New or changed actions for 2007/08 and beyond

Action	Service plan outcome	New? / Change?	Links to note	Comments
Customer				
To make positive progress on the FMS replacement project	Procurement complete May 2007 System implemented 2008/09	More detailed version of 2006/07 outcomes		
To continue progress on improving the quality of services as judged by the Audit Commission as part of the CPA scoring system	Work to identify and address weaknesses within the CPA assessment Assessment of new and changed requirements arising from the revised CPA framework	2006/07 Targets		
To ensure we produce Final accounts in line with revised deadline and without qualification.	Accounts submitted to council by 30 th June each year Unqualified audit statement issued by 30 th September each year	More detailed version of 2006/07 target		
Process				
Continued improvement in payment processes	Monitoring of problem areas for paying invoices alongside remedial action to address issues arising from such monitoring	2006/07 Target		
	Introduce a visiting officer to reduce reliance on external bailiff services	New Outcome		
	Implementing revised procedures alongside replacement ledger in 2008.	New Outcome		
Work to enhance the accuracy of payroll records	Securing additional external work to manage overhead costs within the payroll service.	2006/07 Target		
Finance				
Use freedom under the prudential regime to ensure	Borrowing made in advance of need to lock in beneficial interest rate	New Target		

Annex 5

4. New or changed actions for 2007/08 and beyond

Action	Service plan outcome	New? / Change?	Links to note	Comments
that all borrowing is made at the lowest possible interest rates.	payments for the future.			
To introduce risk assessments for all reserves to enable an appropriate level of balances to be identified and held.	Better targeting of reserves and introduction of plan to manage move from current to ideal position.	New Target		
Increase income via salary sacrifice.		2006/07 Target		
Staff	Actions			
Maintain and improve proportion of staff holding relevant qualifications for the posts they hold.	Monitoring of current levels of qualified staff, identification of skills gaps and emphasis on personal development via the appraisal process.	New Target		Relevant qualifications include CCAB accountants, (primarily CIPFA), Accounting Technicians (AAT), Payroll ... etc
Ensure focus on staff development in Resources, by improving staff appraisal system	Ensuring a continued middle management focus on the need for appraisal and performance review	2006/07 Target		
Increase staff productivity in Resources, by reducing the incidence of sickness absence	Placing greater emphasis on the need to address patterns of absence and fairly dealing with causes of such absence at an earlier stage	2006/07 Target		
Enhance staff morale and management capabilities	Establishing a belief in all staff that their contribution is valuable and valued by management.	2006/07 Target		

Annex 5

5. Key Balanced Scorecard Measures 2007/08 to 2009/10

<u>Customer Measures</u>					<u>Process Measures</u>						
	Measure	Current	Targets				Measure	Current	Targets		
		06/07	07/08	08/09	09/10			06/07	07/08	08/09	09/10
C1	Maintain and improve on relevant areas of the CPA (currently included in Use of Resources)	3	3	4	4	P1	BVPI 8 – Invoices paid with 30 days (council wide measure)	95%	95.5%	96%	
C2	Number of staff accessing a salary sacrifice benefit	360	555	650		P2	Paying all staff correctly in year	99.6%	100%	100%	
C3	Number of External Payroll Clients					P3	Key Report Deadlines Met (total 16)	100%	100%	100%	100%
C4	External Funding Information Requests Dealt With					P4	Key Internal Milestones Met (total 25)	100%	100%	100%	100%
C5	Pension Detail requests Dealt With					P5	Payroll Churn (leavers plus starters)				
						P6	Invoices Processed				
						P7	Invoices Cancelled or Disputed				
<u>Finance Measures</u>					<u>Staffing Measures</u>						
	Measure	Current	Targets				Measure	Current	Targets		
		06/07	07/08	08/09	09/10			06/07	07/08	08/09	09/10
F1	Improve level of housing benefit overpayment recovery.	£350k	£365k	£380k		S1	No of staff who have received an appraisal in past 12 months in Resources.	90%	92.5%	95%	
F2	Identification of cashable and non-cashable efficiency savings to meet Gershon criteria.					S2	Proportion of staff attendance (excludes contracted absence such as leave))	96%	96.5%	96.5%	
F3	Council Income from salary sacrifice	£17k	£20k	£24k		S3	Level of Staff Turnover (+/- 2%)	10%	10%	10%	
F4	Average Interest Payable on Council Borrowing	4.69%	4.63%	4.60%	4.60%	S4	Proportion of respondents expressing job satisfaction in staff survey within Resources	63%	66%	No survey	
F5	Benefit achieved from Treasury Management Activity					S5	Proportion of staff holding a professional qualification relevant to their post.				