

TRAFFORD BOROUGH COUNCIL

Report to: Scrutiny Committee 18 November 2015
Report for: Information
Report of: Corporate Director Transformation & Resources and
Executive Member for Transformation and Resources

Report Title

Update on Impact of ICT and Finance Budget Savings

Summary

The report updates Members on the management and impact of the service reorganisations of Finance and ICT services as part of the 2015/16 budget proposals.

Recommendation(s)

Members are asked to note the content of the report.

Contact person for access to background papers and further information:

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Background Papers - None

Background

1. In the 2015/16 budget, savings of £0.64m and £0.75m were agreed for Finance and ICT respectively. As part of the Scrutiny Committee's review of the budget, Members agreed that they would follow up the impact on these savings as part of the Scrutiny work programme for the year.

Finance Service

2. By way of a reminder the savings in Finance were as follows:
 - Financial Management service £0.300m plus a further £0.208m as a consequence of the One Trafford partnership agreement;
 - Savings of £0.219m in Exchequer Services plus £0.063 from the transfer of adults income and assessment team into Exchequer Services;
 - Savings of £0.054m in the Audit and Assurance service.
3. The new structures in Financial Management and Exchequer services were consulted upon and agreed and posts have been filled in the new structure. In Financial Management 11 posts were deleted from an establishment of 53, whilst in Exchequer Services there was a reduction of 18.43 posts out of 117.43. No compulsory redundancies were required.
4. In the past 7 months both teams have achievements they can celebrate. In Exchequer Services:
 - successful integration of adults team;
 - implementation of the Controcc IT system which, through interfacing with the adult social care system, can now produce accurate budget monitoring, inform the assessment team of changes in real time which results in more accurate payments to providers and billing of charges. It also introduces for the first time an automated process for debt recovery;
 - proactive approach to collection of historical debt – performance managed with £400k of dormant debt collected within the first 6 months of the new policy being agreed
 - continued high collection of Council Tax, as well as increased income gained through proactive exercises, such as the empty homes review
 - high collection of Business Rates, along with the continued challenge of alleged tax avoidance schemes
 - The in-year collection rates of corporate debts and Housing Benefit overpayments also continue to perform well, despite the rise in the amount of debt raised, success in obtaining grant funding to support

proactive identification of changes in Housing Benefit and Council Tax Support

- a further successful bid resulted in the creation of a Counter Fraud and Enforcement team to tackle corporate fraud and is already showing positive results with extra income obtained for the authority in areas such as Council Tax with the single person discount review and the first prosecution in relation to Adult Social Care fraud.
 - leadership in improving P2P performance and training of staff in directorates
 - changed the method of paying personal budgets, which sees the client contribution amount deducted before being paid, which means less billing and debt recovery.
 - successfully delivered the Universal Credit Delivery Partnership agreement, which included a procurement exercise for the provision of personal budgeting support, which is being accessed by the wider Universal Credit partnership pilot, which is focused on a joined up approach to troubled families.
5. In Financial Management the savings were achieved against the backdrop of the budget monitoring investigation outcomes and a major change programme in the form of the procurement of the One Trafford partnership. Again, the service has achieved a great deal since April, including:
- carried out budget monitoring training which saw all 150 budget holders in the Council each having to attend two separate events covering general awareness of financial management and budget holders responsibilities and a more detailed course offering practical assistance in understanding and interpreting monitoring reports, and forecasting income and expenditure. This required 18 sessions in all over 6 weeks. The training programme was designed by staff within the team and the team was nominated as finalists in the recent staff recognition awards;
 - development of budget holder guide and intranet site for advice, information and guidance on a consistent approach to budget monitoring;
 - significant activity has been undertaken with respect to implementing improvements into the Council's budget monitoring arrangements; in particular
 - The Financial Management team has provided specific support to the Business Delivery Group (BDG) within Adults' Services to aide their understanding of the compilation of their budgets and their role and responsibilities so they are equipped to challenge any assumptions being made.

- A complete review of all budgets headings, including the identification of a named budget holder and extensive Risk Assessment to ensure regular monitoring is focused appropriately on those budgets with the higher levels of complexity i.e. demand-led
- Supporting the implementation/development of the Liquid Logic/Controcc adults social care system;
- improvements in performance management systems across the Finance Service to ensure that mechanisms such as regular one-to-ones and PDR's are in place to enable support and challenge at all levels;
- a skills audit was undertaken resulting in a number of professional qualification requests being progressed, together with a range of generic training requirements;
- revised budget monitoring timelines have been established; these timelines extend the window of time available between the development of the budget monitor and the production of the outturn report for Members;
- completion of Statement of Accounts and Whole of Government Accounts on time and with Auditors stating a high standard and only one presentational amendment required;
- preparation of budget proposals for 2016/17 on time;
- innovative savings proposal on the Council's financing arrangements generating £1.4 million of capacity in the Council's revenue budget;
- investigation and research into CCLA property fund which has resulted in £5 million being invested in the Fund generating approximately £170k in additional interest;
- evaluation of bids and negotiations with Amey over financial arrangements for One Trafford partnership which will contribute over £3 million in savings;
- The small insurance team has:
 - saved over £0.240m by direct investigation and robust challenge of third party claims;
 - After the serious fire at Altrincham Market, a speedy response between the insurance and asset management teams and our loss adjusters resulted in the market being reopened after only 5 weeks;

- With support from the Health and Safety Team, coordinated fire and security training for Trafford schools.
 - A new banking contract was implemented successfully in February 2015 which involved council wide publicity about the changes and complex system interface development and testing;
 - Supported major transformational initiatives around the public service reform agenda including the expansion of the working well and troubled families programme.
6. It is fair to say the Financial Management team has faced competing calls on its service in important areas at various times throughout the past months, for example One Trafford Partnership, mandatory training of budget holders, preparation of draft 2016/17 budget , closure of accounts, budget monitoring. This was at a time when the team had to adjust to the new structure; a number of posts were filled on a temporary basis as the service moved through the transition from the old structure to the new.
 7. The restructuring took place at the same time as rolling out training and revised procedures which ensured budget holders took more direct responsibility for budget monitoring. Finance staff have also held one-to-one sessions with budget holders where appropriate; to give support in the early months of service based staff, being more self-sufficient in monitoring their budgets.
 8. In line with our strategy to work smarter and more efficiently, in relation to the monthly budget monitoring process, it is proposed that we implement a new IT system that automates the formulation of templates and integrates the monthly returns into the Council's main finance system, SAP. Site visits to review options have taken place and a procurement exercise will be undertaken in February 2016 in this regard. In addition discussions are taking place at CMT to review the monthly reporting arrangements given the reduced capacity both in Finance and service areas, any revised arrangements in this regard will require discussion and agreement with the Executive.
 9. In addition all budgets have been RAG rated according to their complexity and volatility, which will determine where finance support should be focused. One option will be for red rated budgets e.g. care packages, to be monitored more frequently than a green rated budget e.g. a predominantly staffing related budget.
 10. The restructured leaner financial management team has operated effectively since April however, we will continue to keep progress under review given that in a number of areas some staff have only recently left the Council and therefore the full impact of the reductions may not become apparent for a few months.

11. For the Audit & Assurance service one post was deleted from an establishment of nine. As reductions have been made responsibilities and plans have been reviewed and revised to ensure that Audit continues to meet its core responsibilities.
12. The Service has continued to support the Council ensuring statutory section 151 responsibilities are met including reporting on Audit plans and work undertaken on a regular basis through the year to CMT and the Accounts and Audit Committee. The Service also provides support to the Council in meeting statutory responsibilities through facilitation of the production of the Annual Governance Statement and updating of the Council's strategic risk register.
13. In addition, the Service has continued to support the Council to contribute to a number of other activities to promote improvements in governance, internal control and risk management. This included:
 - contributing to the corporate budget monitoring investigation including significant input to the review carried out in 2014 and subsequent monitoring of the Action Plan in 2015;
 - provision of guidance and awareness raising such as presentations to schools and updates of the Audit and Assurance Service site on the intranet;
 - meeting new demands of Audit which has included increased input to the checking of certain grant claims;
 - providing support to corporate projects and initiatives including contribution to project groups e.g. within Adult Social Care; and liaison with the STAR shared Procurement Service to provide input to the review of the Contract Procedure Rules.

ICT Service

14. The Head of ICT left the Council to take up a new role shortly after the reorganisation of ICT in April 2015, since this time the service has been led by an experienced Interim Head of ICT, focused on providing stability and developing critical areas of the business, whilst considering longer term options for the delivery of ICT services, against a background of delivering efficiencies and making best use of resources.
15. Trafford has one of the best IT infrastructures in GM however, like other organisations we struggle to retain 'specialist' staff for which the market is very buoyant and would therefore benefit from economies of scale in areas such as the service desk, data centres, network security SAP and enterprise architecture.

- 16.** We are therefore, in line with our strategy for collaboration and working in partnership exploring whether there are opportunities with GM colleagues, which will ensure we are able to invest and retain both our staff and the excellent ICT provision we currently have in Trafford
- 17.** Trafford have experience of developing strong partnerships with others which can be demonstrated by our STAR Procurement Service and our work with GMP on a HR shared service. These partnerships have built solid capability and intellectual capacity which can be capitalised upon, especially in relation to identifying a possible partner. There may also be scope to drive further efficiencies and create future value.
- 18.** In addition to the strategic activity mentioned above ICT has continued to support the Council's major Transformation Programs including:
- Deployment of new Canon Multifunctional Device Printers across all of the Corporate Sites replacing the outdated printer estate
 - Supporting the digital strategy by rolling out new tablet devices to elected members phasing out the need for paper reports at Council meetings
 - Replacing the Blackberry mobile phone estate with a new Windows mobile
 - Working with the Transformation Program teams to support the delivery of a new Customer Relationship Management System, the new Children's and Adults platform Liquid Logic and the Shared HR Service with GMP both due for completion during 2016
- 19.** ICT also has maintained its core responsibility for Service Delivery ensuring:
- High Availability of all core ICT Services with Trafford operating on a supported Windows 7 platform on its approx. 3000 desktop/laptop estate.
 - Continuing to maintain service support to 25 schools taking our network service and full ICT Service support
 - Trafford is protected from any potential Cyber-attacks by ensuring a strong Perimeter protection preventing denial of services and malware. In addition ICT ensure Security is externally assessed by ethical security reviews and an Internal Audit plan to continually assess risks
 - Trafford maintain their responsibility for Public Services Network (PSN) compliance and support the Finance requirement for Payments Cards Industry (PCI) compliance

- ICT Consumers can access Service Desk support to help with problems ranging from forgotten passwords to answering 'how do I?' queries