

Better Together - Financial services 2019/20 – At September 2019

Strategic Financial Leadership

Role/function	Services delivered	Performance Measure/Target
<p>S151 Officer The organisation’s most senior executive role charged with leading and directing financial strategy and operations. Accountable to SDC’s Chief Executive, and working closely with Leadership Team colleagues, the Lead Member for Finance and Resources and the finance manager; this crucial role aims to provide confidence that Selby’s finances are well managed to support delivery of corporate objectives. As a key leadership role this is part of Selby’s management teams with dual reporting lines to SDC’s CE and NYCC’s CDSR.</p>	<p>Responsibility for ensuring proper administration of financial affairs in accordance with CIPFA’s “Role of the CFO” - including financial strategy (revenue and capital) and budget management framework, treasury management strategy, fit for purpose financial procedure rules, systems and processes, internal and external audit arrangements, counter fraud and risk management). Advice and support to officers and members on all aspects of financial management. Leadership support to finance manager. Attendance at key officer and member meetings to provide strategic financial input and advice to support decision making.</p>	<p>Unqualified external audit opinion and value for money conclusion by 31 December; Management Teams and members (Executive and Audit and Governance Committee) satisfied with service.</p> <p>On track - Despite issues being raised late in the audit the accounts were approved by the statutory deadline of 31 July. Some issues to address for 2019/20.</p> <p>Delivered Finance seminars to new and returning members following the district elections in May 2019.</p> <p>Attended LT/ELT/Exec Briefings/Exec/Audit and Governance C’ttee/Policy Review C’ttee/Scrutiny C’ttee/Council</p>
<p>Medium to long term financial strategies (General Fund and HRA) These provide the framework for financial decision making. The strategies will align to corporate objectives, will consider Selby’s unique financial profile and provide 3 scenarios (worst/best/mid case) to inform decisions on</p>	<p>Formulation of the strategies will begin with engagement with senior management and members to gain an in depth understanding of the key financial drivers. Using Selby’s existing financial (and other) intelligence, the strategies will provide a high level forecast of resources, revenue and capital</p>	<p>MTFS and HRA Business Plan approved by Council by 31 March.</p> <p>On track - MTFS incorporating HRA considered by SDC Executive/Policy Review Cttee/Council in September 2019 and then applied to budget framework for the 2020/21 budget process.</p>

<p>Council Tax, housing rents, resource allocation (revenue and capital), reserves and savings.</p>	<p>spend/financing and reserves and identify any level of savings that may be required. The strategies will be presented in report format with an overview presentation for senior leadership teams and leading members.</p>	<p>Refresh of the full HRA Business Plan completed – draft business plan considered by the Executive in September 2019.</p> <p>Workshops with LT and Executive have been held to facilitate the 2020/21 budget process - LT workshop considered MTFs/Savings/Investment approach in the context of wider corporate/strategic planning. Follow up events were facilitated with LT/ELT/Exec (timetable set out in discussion paper considered by LT in March 2019.</p>
<p>Treasury management strategy Proactive treasury management is a crucial part of financial management and can facilitate the delivery of long term organisational objectives. Sensitive to organisational risk appetite, the strategy will underpin cash flow management and provide the resources to support delivery of Selby’s capital and revenue spending plans.</p>	<p>Liaising with treasury management advisors and technical treasury administrators to deliver annual Treasury Management Strategy and quarterly monitoring reports.</p>	<p>TMS approved by Council by 31 March.</p> <p>On track – Housing development loans slowly completing.</p>
<p>Budget management Sound financial management requires robust financial forecasting with budgets constructed on the latest available intelligence. In year monitoring/reporting of actual income and spend along with appropriate and responsive remedial action when unforeseen issues arise.</p>	<p>Overview and corporate leadership of annual budget cycle aligned to corporate and financial strategies. Quarterly reporting of management accounts to management teams and members.</p>	<p>Lead annual Corporate Away days with Management Team and Executive (October and November); Draft Budget approved for consultation (December); Budget consultation delivered (December and January); Draft budget approved by February. Annual budget approved and Council Tax set by 31 March; Quarterly exception reports, incorporating recommendations for dealing with financial</p>

		<p>pressures/remedial action, to management teams and members.</p> <p>On track – budget process in progress</p> <p>Quarterly reporting to Management teams is also an area for on-going improvement over the year – timeliness and quality of variance reporting and savings tracking.</p> <p>Further work to develop ownership, skills and confidence of budget managers is being taken forward during 2019/20.</p>
<p>Statutory accounts High quality financial statements give confidence to stakeholders. Working with the finance manager, this will deliver Selby’s accounts to meet statutory and professional requirements and deliver an unqualified external audit opinion.</p>	<p>High level input, review and sign off of statutory accounts to meet CIPFA SORP requirements, including: treatment of fixed assets, provisions for doubtful debts, appropriation of reserves, supporting accounting policies and notes.</p>	<p>Accounts signed off for external audit by 30 June; Accounts approved by Audit and Governance Committee by 30 September 31 July Unqualified external audit opinion on Financial Statements by 30 September 31 July.</p> <p>Completed - Draft final accounts signed-off by end of May 19. Audited accounts delivered without qualification by 31 July 2019 – met the statutory deadline.</p>
<p>Annual Governance Statement Working with the Monitoring Officer and senior managers, demonstrating strong financial and corporate governance using a risk based approach.</p>	<p>Review and sign off of statutory annual governance statement, including: identification and follow up of any required key governance improvements.</p>	<p>AGS signed off for external audit by 30 June; AGS approved by Audit and Governance Committee by 30 September 31 July; Unqualified external audit opinion on Financial Statements by 30 September 31 July; Actions from previous statement implemented by 31 March.</p>

		Completed - Actions followed up and progress made.
<p>Senior Information Risk Owner (SIRO) Sound information governance requires the input of all parts of the organisation. At Selby day to day management is undertaken by the Solicitor to the Council with support from Veritau (internal Audit).</p>	Corporate leadership of information governance – including management arrangements and reporting requirements.	<p>Annual IG report to Audit and Governance Committee 31 March;</p> <p>Minimum requirements met, as identified through annual review and action planning.</p> <p>On track - Quarterly updates to A&G C'ttee in April and July – action plans progressing.</p>
<p>Audit liaison Internal and external audit.</p>	'Commissioning' of audit services to meet organisational requirements, including: working with internal audit and senior managers to formulate an audit plan that is closely aligned to Selby's corporate and service risk registers; monitoring to ensure delivery of the plan to agreed service standards; attendance at key officer and member meetings. Liaison with external auditor to ensure that financial governance arrangements are fit for purpose.	<p>Internal Audit Plan approved by Audit and Governance Committee by 31 March; External Audit plan agreed and reported to Audit Committee by 31 March; Quarterly IA progress reports to Audit and Governance Committee; Quarterly liaison meetings with EA and satisfactory reporting through Audit and Governance Committee.</p> <p>On track - strong working relationship in place – still more work to do around delivering agreed audit actions by agreed due dates.</p>

Business Partner

Role/function	Services delivered	Performance Measure/Target
Service Planning	Aligned to the corporate performance framework providing financial management	Financial information and intelligence provided to meet service plan requirements

	information and developing financial intelligence to support delivery of service objectives	Approach to VFM/Service Planning to be established.
Business planning/development	Modelling financial forecasts and applying a range of variables/risks/sensitivities to present appropriate scenarios to inform business plans.	<p>Business Plans supported by appropriate financial intelligence, analysis and risk assessments.</p> <p>An improving area – the working relationships established with service management teams are helping to ensure earlier involvement of Finance but there is more work to do here.</p> <p>On track – work is underway on the HRA business plan.</p> <p>In addition to this, finance have been involved in modelling for Housing Development, P4G projects, waste disposal and planning review during this time and have been key to help steer the decision making.</p>
Budgeting	Co-ordination and support for the annual budget process including growth and savings. Intensive support for high risk budgets.	<p>In year income/expenditure within tolerance +/- 2% of approved budget/financial targets.</p> <p>Q1 report £311k deficit – working to support organisation to bring back on track.</p> <p>Q2 continues to report a deficit driven by savings plan reductions and we are working with teams to try to mitigate this as much as possible, and also to mitigate any underlying concerns about underspend. We will continue this work</p>

		through to the end of the year, but currently the deficit on the savings plan risks this exceeding the 2% tolerance against a net revenue budget of £12.1m
Business cases	Providing financial expertise to deliver sound business cases based upon robust intelligence and with appropriate scenario planning.	<p>All business cases to include financial information and risk assessment.</p> <p>Another improving area – again the working relationships established with service management teams are helping to ensure earlier involvement of Finance but more to do here.</p> <p>On Track –there are increased instances of early working with staff on the finances of business cases.</p>
Investment appraisals	Using whole life costs and appropriate appraisal techniques e.g. net present value and internal rate of return to consider range of options to inform decision making.	<p>All investment decisions supported by appropriate appraisal techniques.</p> <p>This is a growing area of work with significant input from the Finance team required over the last year</p> <p>On Track - A lot of work has been done on investment decisions for housing and commercial purchases as well as on empty homes and CPO orders amongst others. This is an area of work where finance input is particularly critical in order to ensure the correct decisions are made.</p>
Pricing	Considering service/corporate objectives/drivers, service and 'product' costs (direct and indirect) overheads and potentially	All pricing decisions supported by appropriate financial intelligence.

	'profit' margins; comparison with competitors to make informed recommendations.	No such work has been required over the last 6 months.
<p>Improving value for money</p> <p>Demonstrating value for money is a requirement for external audit but importantly it is a key business driver – helping to deliver more with less and adding stakeholder value. In times of increasing austerity and competition knowing how Selby compares against others will be crucial to success – helping to inform business decisions and ultimately increase market share.</p>	<p>Reviewing and analysing financial and performance data; benchmarking against sector standards and other relevant 'competitors'; identifying areas for improvement; supporting benefits realisation.</p>	<p>Annual VFM review with SMART recommendations for improvement, approved by management teams; Satisfactory VFM conclusion from external audit.</p> <p>Work is currently progressing on a review, which will aim to identify areas for improvement/ cashable savings and a report will be scheduled for consideration by LT although due to competing demands this will be delayed. CFO Insights tool procured – review to be scheduled for 2019/20 but again subject to other demands.</p>
<p>Overall satisfaction</p>	<p>The ad-hoc and qualitative nature of this service will require performance to be measured through client feedback.</p>	<p>Quarterly feedback gathered, analysed and services changes proposed/implemented as required.</p> <p>An annual survey is scheduled.</p>

Integrated Finance

Role/function	Services delivered	Performance Measure/Target
<p>General financial advice to officers</p>	<p>Application of financial procedure rules, coding queries/account set up.</p>	<p>Attendance at Management meetings; Annual Budget Officer training programme delivered; Budget Officer manual available on-line; Ad-hoc enquiries minimised (target to be agreed following year 1 baselining).</p> <p>On track. The online support has been reviewed and is currently being written for Selby.</p>
<p>Financial reports Collaborative Planning (part of Selby's financial management system) provides a self-serve channel for budget officers.</p>	<p>Daily/monthly/quarterly budget management reports.</p>	<p>Budget officers satisfied with financial information;</p> <p>There continues to be a mixed response to the CP software and this is recognised as an area for continued development. Some budget and strategic managers have embraced the system whilst others are more difficult to engage. More work is needed to build the skills and confidence of budget managers generally (see previous comments).</p> <p>Also plan to review strategic information provided to LT to improve visibility of budgets etc.</p> <p>On Track – the team continue to work with budget managers on CP and whilst it has a</p>

		<p>mixed response, most are now comfortable with how the system is to be used. Work to improve the available financial reporting tools will continue. Will also continue to review what reports are best to use for Director level budget review.</p>
<p>Financial systems and infrastructure Selby's existing finance system has been in place for over 8 years and is currently hosted by Richmondshire District Council following a joint procurement with Hambleton and Richmondshire councils. The system provides commitment accounting, electronic procure to pay with automated workflow and a collaborative financial planning module for budgeting and budget management. An assessment of NYCC's Oracle system concluded that the system was not suitable for SDC (functionality lacking and cost too expensive)</p>	<p>Core finance systems - General Ledger/Drs/Crs/Bank Rec with supporting key financial feeder systems (e.g. cash receipting, Revs and Bens, payroll etc) – including ICT systems administration for the core finance system (expert user not ICT technical support).</p>	<p>Feeder systems reconciled to agreed programme; Invoices matched to POs maximised (KPI to be agreed).</p> <p>The exclusions list has been reviewed. This is expected to be updated when new systems including the repairs module of the new finance system go live in 20/21. All invoices without a purchase order that are not on the exclusions list are addressed directly with the appropriate team and are not paid until a purchase order is raised.</p> <p>A review of the Finance system (including with partners where appropriate) is recommended for 2019/20 with a view to a decision on when/if to replace.</p>

Technical Finance

Role/function	Services delivered	Performance Measure/Target
<p>Closedown of accounts (including WGA)</p>	<p>Co-ordination and preparation of statutory statement of accounts and input into reporting requirements including preparation of returns</p>	<p>Financial statements and returns completed by 30 June with no material misstatements/errors confirmed by external audit.</p>

	for central Government (RO/CO/Capital Receipts etc).	Completed – see previous comments
Operational treasury management	Co-ordination/oversight of day to day treasury management and banking activity including investment and borrowing management.	Prudential indicators met; Benchmark investment return achieved. On track – improved returns taking into account loans to SDHT and property funds – subject to actual returns but target income of circa £200k (for £5m investment). Renewable energy and further opportunities for housing development to be assessed.
VAT/tax advice and management	First line support and advice and access to specialist support as required through externally commissioned specialist services.	Annual VAT training for staff and managers; Annual assessment of VAT partial exemption and recommendations on ‘option to tax’; Review of capital schemes and service contracts to assess VAT/Tax implications and make appropriate recommendations to achieve most tax efficient position for the Council. On track - Ad-hoc support provided but a more planned and responsive service is needed – this will be prioritised in 2019/20. On-going tax management considered as part on business cases for investment proposals.
Insurance	Oversight of insurance arrangements including liaison with advisors/insurers and management and analysis of claims history (note claims administration undertaken by Business Support team).	Insurance contract in place; Quarterly claims reporting to identify trends and feedback to service managers. On track

Provision of corporate financial intelligence (e.g. inflation forecasts, interest rates)	Intelligence to support annual budgeting and ad-hoc requirements.	Intelligence provided to inform annual budget setting; Key stats circulated quarterly. On track
Business rates and council tax accounting	Oversight and implementation of accounting requirements and liaison with Revenues teams.	Production of budgets/forecasts of BR and CTax Collection Funds; Annual accounts and associated returns including calculation of safety net/levy payments. On track

Summary of priorities for 2019/20

In addition to BAU activities:

- Member induction (Issues impacting LG/Council finance, SDC strategic approach, overview of LG finance) - Completed
- Value for money review (with results used to inform organisational transformation) – Delayed due to competing demands
- Review MTFS in light of emerging new corporate plan – Completed
- Develop scenario planning for 10 year financial strategy – Funding scenarios completed – more detailed work needed on demand led services
- Embed budget manager ownership - agree approach, improve intranet tools, refresh training, re-establish approach to the finance conversation at DMTs/LT (Note includes VAT support) – In progress
- Further review of FPRs? Not started
- Review Financial Management System (with partners) Not started
- Review of Better Together arrangements In progress
- Consolidate approach to commercial modelling Not started
- Deliver business cases for further commercial investments (housing and solar energy) In progress
- Improving working relationships across CF and Enforcement teams In progress