

Bridgend County Borough Council Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr



**Finance Service
Business Plan 2018-2019
One Council Working Together to Improve Lives**

Foreword

Bridgend County Borough Council **Working Together to Improve Lives**

Our Business Plan 2018-2019 outlines the key areas of our work within the Service for the year. Our work is both internal to the work of safeguarding the finances of the Council and more external in supporting our colleagues in other Directorates. It also has an element of supporting work external to the Council with projects such as City Deal, Universal credit and the redevelopment of key areas and working with others. We will be actively supporting other directorates in the delivery of the Corporate Plan, the Transformation Programme and the Medium Term Financial Strategy, while delivering our own improvement objectives and budget reduction requirements. Our aim is to continue to provide the best support that we can over the coming year, focusing our efforts on making best use of our limited resources at all times.

We have an ambitious year ahead. We are aiming for a faster closing process with the accounts completed and audited by the end of July 2018. We are implementing the digitalisation of Council tax services and Housing benefit to enable our citizens to access the services in the way they have requested. Universal credit will be rolled out across the Borough during 2018, and we will need to be proactive and supportive to our most vulnerable citizens.

Between 2018-19 and 2021-22, the Council is expecting to have to make budget reductions of around £32.6 million and this will be a significant challenge that will require the Council to make many difficult decisions about what services can be maintained and what cannot. The Finance Service's aim is to help minimise the impact of reduced funding on the services that we provide to our citizens by helping to identify budget reductions from making smarter use of the resources we have available across the whole Council. The Finance Service will have a key role to play in supporting the fulfilment of this aim, both in terms of our own activity but also in supporting others to ensure that we are continually striving to reduce our cost base by increasing efficiency and productivity, eliminating waste and duplication and developing new, more cost effective models of service delivery.

Cllr H. Williams

Cabinet Member

G M Lewis
Corporate Director

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1. Introduction

The Bridgend County Borough Council's Corporate Plan 2018-22 sets out the Council's key improvement priorities for the next four years and focuses on delivering our vision in order to achieve better outcomes for our citizens.

This directorate business plan identifies the contribution that Finance Directorate will make in 2018-19 to the Council's improvement priorities. It describes the continuing core services that the directorate provides, contains an assessment of the directorate's achievements in 2017-18 and presents the directorate's priorities and commitments for 2018-19.

For each directorate priority the action plan details what actions will be taken and how success will be measured. Corporate risks are detailed in the appendix.

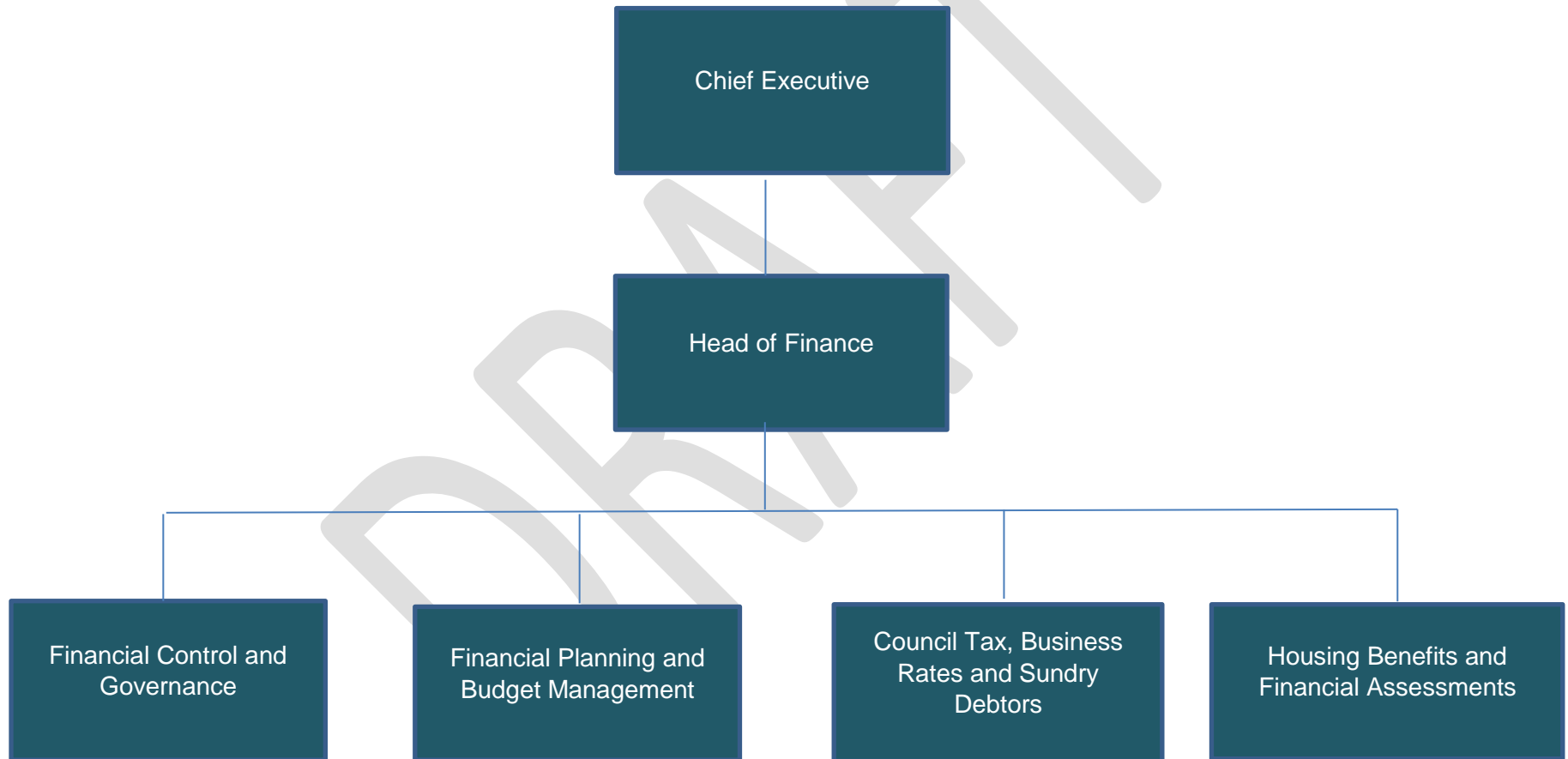
The diagram below shows the link between the long-term outcomes the Council wants to achieve for citizens and this business plan:



Throughout the year, the Council will monitor progress against the commitments and measures of success that are detailed in this plan and our achievements will be published in the annual report.

2. Organisational structure

The diagram below shows the main areas of activity for which the directorate is responsible



3. Resources

3.1 Staff

Service Area	31.12.2016		31.12.2017		Rationale for change in FTE
	FTE	Headcount	FTE	Headcount	
Benefits and Financial Assessments	40.86	48	40.86	48	Vacant positions in 2017-18 will be deleted as part of MTFS savings
Revenues	25.37	30	25.37	30	Vacant position in 2017-18 will be deleted as part of MTFS savings
Finance	53.17	57	54.17	52	Vacant positions in 2017-18 will be deleted as part of MTFS savings
DIRECTORATE	119.40	135	120.40	130	

3.2 Workforce Planning

Critical workforce issues that are expected during the year which impact on the Directorate's ability to deliver its improvement priorities, Medium Term Financial Strategy (MTFS) commitments and other key services. Issues may include, but are not limited to, the following:

- Skills gap/shortages
- Succession planning
- Recruitment challenges/hard to fill posts
- Legislative impact
- Retention challenges
- Staffing reduction implications

Workforce issues	Actions	Strategic links	Responsible Officer	Target Date
To ensure the sustainability of the Finance function	Review age profile of workforce and identify potential risks and action plan to mitigate	N/A	Head of Finance	March 2019
To ensure the sustainability of the Finance function	Identify appropriate opportunity to create trainee posts/apprenticeships within the directorate	N/A	Head of Finance	March 2019

3.3 Finance

Budget	17/18	18/19	19/20	20/21	21/22
	Approved £,000	Approved £,000	Indicative £,000	Indicative £,000	Indicative £,000
FINANCE					
Senior Management	244	243	243	243	243
Accountancy	1,452	1,458	1,381	1,381	1,381
Risk Management and Insurances	94	93	93	93	93
Exchequer	175	181	181	181	181
Housing benefits Admin	689	686	578	578	578
Taxation and Sundry Debtors	41	25	-50	-50	-50
Payments to HB Claimants	-5	-172	-172	-172	-172
Bank Charges and Audit Fees	404	404	404	404	404
General Fund	1	1	1	1	1
Net Budget Total	3,095	2,919	2,659	2,659	2,659

3.4 Future Property Needs

Currently, the Finance service operates from the Raven's Court offices in Bridgend, with Taxation and Benefits teams occupying one wing and Accountancy and Financial Planning occupying approx. 70% of a second wing, all on a 1:1 staff/desk ratio. As the Council seeks to rationalise its operational estate, the whole service will move to Civic Offices when a commercial tenant for Raven's Court can be secured by the Council. When this takes place, the team will make use of improvements in technology to work in a more agile way and it is expected that the staff/desk ratio will increase to 3:2, reducing the overhead costs of the service

4. Key Achievements

- Signed up to the Welsh Government programme for the development of the business plan for the Cardiff Capital Region City, with the aim of helping boost economic growth across the region by increasing skills and improving transport links through projects including the South East Wales Metro.
- Supported the development of a Business Improvement District (BID) in Bridgend Town Centre. In all, 84 businesses out of 128 voted in support of the trader-led proposal designed to give local businesses an opportunity to have a say on whether they wanted to have a direct involvement in the future development of the town centre.
- Achieved £5.632m (75%) of the planned savings proposals of £7.477m, with the remaining £1.845m achieved through alternative savings through the maximisation of grant and other income and strict vacancy management.
- Committed to develop a range of automated and online services that are easy for citizens to use. The Digital Transformation programme will put our customers at the core of what we do by making our services more accessible online so that residents can pay for council products and report any local issues with the click of a few buttons.

5. Commitments, milestones and indicators (linking to Corporate Plan)

5.1 Priority 1 – Supporting a successful economy

Aim 1.1	To help local people develop skills and take advantage of opportunities to succeed and to extend that success to every community in the County Borough			
Commitment 1.1.1	Continue to work with the Cardiff Capital Regional Skills and Employment Board and BCBC led local projects to shape employment opportunities and develop a skilled workforce to meet future needs. This includes delivering high quality apprenticeships for all ages.	Those who can help us / partners: <ul style="list-style-type: none"> • The Cardiff Capital Regional Skills and Employment Board; • Cardiff Capital Regional LAs; • Bridgend Public Services Board partners 		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
1.1.1.1 To facilitate an increase in opportunities for apprenticeships in Finance and improve skill levels.		N/A	Head of Finance	March 19

Ref	Performance Indicator Description	Indicator Type	Responsible Officer	2016-17 Actual	2017-18 Target	2018-19 Target	Rationale for Target
Fin1	The number of apprentices in Finance	Local, CPA	Head of Finance	N/A	1	2	To support the corporate plan target and see an increase in apprenticeship opportunities

5.2 Priority 2 - Helping people to be more self-reliant

Aim 2.4 To support the third sector, town and community councils and community groups to meet local needs							
Ref.	Success Indicator Description	Indicator Type	Responsible Officer	2016-17 Actual	2017-18 Target	2018-19 Target	Rationale
New	Number of citizens supported by new arrangements.	Local, O	Head of Finance	N/A	N/A	Baseline year	N/A
Fin.2	In year collection rate achieved of BID levy.	Local, V	Head of Finance	N/A	80% of in year business rates collection rate	85% of in year business rates collection rate	Expected to be challenging to collect due to some opposition; however collection rate expected to increase in year 2.

Commitment 2.4.1	Work with partners and the third sector to identify the best way of providing services within local communities	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
2.4.1.1	To procure and implement third sector support to mitigate the impact of welfare reform.	N/A	Head of Finance	March 2019
2.4.1.2	Implementation of Universal Credit (UC) live service – manage the increase in demand for local support services (digital and personal budgeting support)	N/A	Benefits and Financial Assessments Manager	June 2018

5.3 Priority 3 – Smarter use of resources

Aim 3.1	To achieve the budget reductions identified in the Medium Term Financial Strategy						
Ref.	Success Indicator Description	Indicator type	Responsible Officer	2016-17 Actual	2017-18 Target	2018-19 Target	Rationale
DRE 6.1.1	Percentage MTFS budget savings achieved	Local, V, CPA, CP	Head of Finance	75%	100%	100%	Budget reduction planned to achieve all savings required
Fin 3.1.2.1	Value of proposed budget reductions achieved (Finance Team only)	Local, V, CPA	Head of Finance	£187,000	£414,000	£231,000	Budget reduction planned to achieve all savings required

Commitment 3.1.1	Implement the planned budget reductions identified in the 2018-19 budget.	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
3.1.1.1	Monitor MTFS budget savings proposals 2017-18 on a monthly basis	N/A	Head of Finance	March 2019

Aim 3.2	To improve the efficiency of and access to services by redesigning our systems and processes			
Commitment 3.2.1	Automate most common internal processes to reduce transaction costs and streamline processes	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
3.2.1.1	Increase proportion of feeder files used for invoice payments to reduce the number of manual invoices	N/A	Group Manager – Chief Accountant	March 2019

Go-live of initial online services to citizens	N/A	Chief Executive	Spring 2018
Online Council Tax account management available	N/A	Head of Finance	Spring 2018
Online Benefits account management available (new claims and changes in circumstances)	N/A	Head of Finance	Spring 2018

Ref	Performance Indicator Description	Indicator Type	Responsible Officer	2016-17 Actual	2017-18 Target	2018-19 Target	Rationale for Target
DRE 6.2.3	The percentage of undisputed invoices paid by the Council within 30 days of receipt	Local, O	Group Manager – Chief Accountant	95.86%	96%	97%	Percentages of Undisputed Invoices paid within 30 days

Aim 3.3	To make the most of our physical assets, including school buildings		
Commitment 3.3.4.	Implement the Corporate Landlord model to ensure more coordinated and efficient management and maintenance of the Council's Property estate.	Those who can help us:	
Milestones		Transformation Programme	Responsible Officer
		2018-19 Target	
3.3.4.1 Budgets realigned, monitoring systems set up and charging mechanisms and SLAs agreed		N/A	Head of Finance
			March 2019

Aim 3.4		To develop the culture and skills required to meet the needs of a changing organisation					
Ref	Performance Indicator Description	Indicator Type	Responsible Officer	2016-17 Actual	2017-18 Target	2018-19 Target	Rationale for Target
CHR002vii	The number of working days/shifts per full time equivalent (FTE) Directorate employees lost due to sickness absence	Corporate	Gill Lewis	9.15	9.78	9.78	Corporate Target
FIN3.4.1	The number of working days lost per FTE through industrial injury (Finance)	Local	Gill Lewis	0	0.008	TBC	Set through Health and Safety Management Group
FIN3.4.2	The number of industrial injury instances (Finance)	Local	Gill Lewis	0	1	TBC	Set through Health and Safety Management Group

6. Other directorate priorities and performance measures

Commitment F.1	Supporting Transformational Projects	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
F.1.1 Provide finance support to Directorate Transformation Projects		<ul style="list-style-type: none"> Remodeling Adult Social Care, Remodeling Children's Services, Successful Economy Programme, School Modernisation etc 	<ul style="list-style-type: none"> Group Manager-financial planning & budget management Finance Managers and Accountants within the Finance Teams 	March 2019

Commitment F.2	Supporting Grant Funded Projects	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
F.2.1 Provide finance support for large grant funded projects e.g. Caerau Heat Network, PRIF, 21 st Century Schools, Funding Flexibilities		<ul style="list-style-type: none"> • Successful Economy Programme, • School Modernisation 	Group Manager-financial planning & budget management	March 2019

Commitment F.3	Implementation of MTFS targets	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
Supporting and Challenging Directorates in implementation of MTFS targets and Financial Improvement Plans		N/A	Head of Finance	March 2019

Commitment F.4	Implementation of MTFS targets	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
F.4.1 Providing relevant financial information to support work in progress to realign health boundaries.		N/A	Finance Manager Social Services and Wellbeing	March 2019

Commitment F.5	To ensure that Suppliers are paid in a timely manner to improve the economy	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
F.5.1 Quarterly monitoring of Percentage of Undisputed Invoices paid within 30 days		N/A	Group Manager – Chief Accountant	March 2019

Ref	Performance Indicator Description	Indicator Type	Responsible Officer	2016-17 Actual	2017-18 Target	2018-19 Target	Rationale for Target
DRE 6.2.3	Percentage of Undisputed Invoices paid within 30 days	Local, O	Group Manager – Chief Accountant	95.86%	96%	97%	That the vast majority of undisputed invoices are paid by the Council within 30 days of receipt

Commitment F. 6	Managing the Move to Faster Closing in accordance with Statute	Those who can help us:					
Milestones				Transformation Programme	Responsible Officer	2018-19 Target	
F.5.1 Ensuring that the Statement of Accounts is prepared audited and approved in accordance with the Accounts and Audit (Wales) Regulations 2016.				N/A	Finance Manager Financial Control and Closing	March 2019	

Commitment F. 7	Actively managing the Investments of the Council	Those who can help us:					
Milestones				Transformation Programme	Responsible Officer	2018-19 Target	
F.6.1 Ensuring that Investments are made in accordance with the CIPFA Code and Welsh Government Guidance with an appropriate balance between risk and return				N/A	Finance Manager Financial Control and Closing	March 2019	

Ref	Performance Indicator Description	Indicator Type	Responsible Officer	2016-17 Actual	2017-18 Target	2018-19 Target	Rationale for Target
F.6.1.1	BCBC Average Rate of Return on Investments at Year end/ Average Bank Rate for the Year (greater than 1 means outperforming bank rate)	Local, p	Finance Manager Financial Control and Closing	1.57	1.6	1.7	To ensure that the Council adheres to its Investment Strategy.

Commitment F. 8	Compliance target on Council's VAT Claims Submission	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
Ensure the VAT return is submitted before deadline over the financial year (efficient cash flow, lower is better)		N/A	Finance Manager – Governance and Exchequer	March 2019

Ref	Performance Indicator Description	Indicator Type	Responsible Officer	2016-17 Actual	2017-18 Target	2018-19 Target	Rationale for Target
DRE6.12.1	Average time taken to process housing benefit (HB) and council tax reduction (CTR) new claims	Local - O	Benefits & Financial Assessment Manager	12.5	16 days	16 days	Target set to maintain current performance
DRE6.12.2	Average time taken to process housing benefit (HB) and council tax reduction (CTR) changes	Local - O	Benefits & Financial Assessment Manager	4	6 days	6 days	Target set to maintain current performance
FIN NEW	Council tax - In year collection rate	Local - P	Revenues Manager	N/A	97.1%	97.1%	Target set to maintain current performance

Commitment F.9	To support citizens to be more self-reliant	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
F.8.1 To support citizens through the provision of direct payments		N/A	Head of Finance	March 2019

Commitment F.10	To update the Financial Scheme for Schools	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
Revised Scheme approved by Council and disseminated and		N/A	Head of Finance	March 2019

communicated to schools			
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Commitment F.11	To develop a Capital Strategy for approval by Council	Those who can help us:		
Milestones		Transformation Programme	Responsible Officer	2018-19 Target
To develop a capital strategy in line with CIPFA guidance, for approval by full Council		N/A	Head of Finance	March 2019

7. Key Directorate Risks (15+ residual risks)

Below is a summary of key risks only, including pertinent corporate risks. For more information about corporate risks, please refer to the Corporate Risk Register.

Ref	Risk Description	Risk Type	Potential Impact	Inherent Risk Score	Mitigation Action	Risk Owner	Residual Risk Score
	<p>Making the cultural change necessary to deliver the Medium Term Financial Strategy (MTFS):</p> <p>If the council fails to achieve planned budget reductions through service change and new ways of working then the strain on budgets may become unsustainable compromising the council's financial resilience in the longer term.</p>	Financial	<p>A failure to deliver the MTFS could necessitate the unplanned use of reserves or cuts to services that put vulnerable people at risk.</p> <p>A worsening public realm and an increase in citizen dissatisfaction as Council Tax increases but visible services decrease.</p> <p>Reductions in services important to economic growth and those which</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council continues to manage its resources very carefully, in accordance with MTFS principles, and make difficult spending decisions and has expanded the budget development process to more proactively consider how the Council might respond to different settlement scenarios.</p> <p>The Council is also working towards making efficiencies as part of its</p>	Head of Finance	<p>Likelihood - 5</p> <p>Impact - 4</p> <p>Total - 20</p>

			<p>are preventative in nature.</p> <p>More difficult political choices as potential budget reductions that have previously been rejected have to be revisited.</p> <p>A reduction in the number of staff with the accompanying cost of redundancy payments and increasing pension deficit.</p>		<p>transformational shift towards digital access to services</p> <p>, its delivery of a more agile workforce, disposal of surplus assets and bringing together its asset management and building maintenance functions.</p> <p>More detailed information on how the Council has mitigated this risk is available in the Corporate Risk Schedule B of the MTFS Strategy 2018/19.</p>		
	<p>Welfare reform:</p> <p>If an increasing number of citizens experience hardship through welfare reform then the wellbeing of citizens will suffer and there will be greater demand on stretched council services</p> <p>Introduction of Universal credit in June 2018</p>	Reputational	<p>Some citizen will be in greater poverty including child and in work poverty.</p> <p>An increase in rent arrears, loss of tenancy and homelessness</p> <p>An increase in anxiety and health problems. Demands on services for vulnerable people are likely to increase at the same time as the Council's resource base reduces.</p> <p>The Council will need to manage the Council</p>	<p>Likelihood - 6</p> <p>Impact - 4</p> <p>Total - 24</p>	<p>The Council monitors the impact of welfare reforms on citizens on citizens and Council services.</p> <p>Officers are fully apprised of UK Government and WG plans to ensure that the Council understands and can deal with the implications of moving from Housing Benefit (etc.) to UC.</p> <p>The Benefits Service works closely with Housing Associations. When advised by the</p>	Head of Finance	<p>Likelihood - 6</p> <p>Impact - 3</p> <p>Total – 18</p>

			Tax Reduction (CTR) scheme within its budget.		DWP of a new benefit cap case, the Benefits Service contacts the affected claimants to discuss their options. More detailed information on how the Council has mitigated this risk is available in the Corporate Risk Schedule B of the MTFS Strategy 2018/19.		
	Unable to recruit members of staff	Operational	Team capacity, stress levels of existing staff, a reduced and non-compliant service	16 (4 likelihood x 4 impact)	Flexibility in HR policy including use of a specialist recruitment agency		
	Staff turnover and difficulty recruiting skilled project and performance officers to fill vacant posts	Operational/ reputational	Put service at risk	20	Alignment of service functions to improve capacity; create a multi-skilled workforce; improve recruitment strategy	Group Manager	16

8. Key and Glossary

A – Key

Risk Matrix

Residual points 15 and above to be considered high risk

	Impact			
Likelihood	6	12	18	24
	5	10	15	20
	4	8	12	16
	3	6	9	12
	2	4	6	8
	1	2	3	4

Key to Indicators:

- V Value for Money
- O Service user outcome
- P internal processes
- C Organisational capacity
- CP Corporate Plan Indicator
- L Local Indicator
- PAM Public Accountability Measure
- N National Indicator
- CPA Corporate Performance Assessment indicator

B – Glossary

Budget - The statement defining the Council's financial plans over a specified period of time, usually a year.

Business Improvement District - A Business Improvement District is a defined area in which a levy is charged on all business rate payers in addition to the business rates bill. This levy is used to develop projects which will benefit businesses in the local area.

CTR - The Council Tax Benefit Scheme was replaced by the Council Tax Reduction (CTR) scheme in April 2013. The CTR Scheme in Wales is set by Regulations made under Schedule 1B of the Local Government Finance Act 1992 (as inserted by the Local Government Finance Act 2012).

MTFS- Medium Term financial Strategy (MTFS) - A plan expressing how the Council will endeavour to use its resources to support the achievement of its corporate priorities and statutory duties, including the management of financial pressures and risks over a 4 year period.

Council Tax - This is the source of local taxation to the authority. Council tax is levied on households within its area by the billing authority, and includes council tax for Police authorities and Community Councils as well as the authority's own Council tax levy. The proceeds are used for distribution to precepting authorities, and for use by its own general fund.

UC- Universal Credit is a payment to help with a person's living costs, payment of which is dependent on where a claimant lives and their circumstances. Universal Credit will replace the following benefits: Child Tax Credit, Housing Benefit, Income Support, Income -based Jobseeker's Allowance (JSA), Income-related Employment and Support Allowance (ESA) and Working Tax Credit

WG- Welsh Government