



Financial Services

Annual Service Plan & Improvement Report

2015-2016

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Message from the Executive Director

The professionalism, commitment and dedication of the staff in Financial Services ensure that the Council has sound finances. This provides a foundation for colleagues across the council family to deliver services for the benefit of all those who visit, live, work and study in Glasgow.

The scale of the financial responsibility of the department is significant – an annual expenditure budget of £2.2 billion and income budget of £0.7 billion, collection of £282 million of council tax and £361 million in non-domestic rates and the payment of over £418 million in benefits to our most vulnerable citizens. The department has overseen a capital programme that have delivered £1 billion in assets including the Riverside Museum, the Emirates Arena and Sir Chris Hoy Velodrome, £100 million investment in Care Homes and £0.5 billion in Schools. Over the next four years another £400 million will be spent on the City, the majority on Glasgow's primary schools and infrastructure through the City Deal.

The Strathclyde Pension Fund saw its assets rise in value to a record breaking £15.5 billion and provided an excellent service to its 200 employers and 200,000 members.

The department has seen significant change with a reduction in resources and staffing and the transfer of 448 staff to Customer and Business Services. However, we retain the responsibility for service performance and in 2014/15 we exceeded our target on council tax and non-domestic rates collection.

The department through Electoral Registration and Assessors underpins the democratic foundation of the Council and in 2014/15 we achieved our highest ever level of registration at 97.6%.

Looking ahead, the Department will continue to support the response of the Council and its partners to the ongoing challenge of Welfare Reform and the anticipated introduction of Universal Credit.

The Department, through its staff, has delivered consistently for the Council and is focussed on how it can best support the ambitions of the City, both in 2015/16 and beyond.

A handwritten signature in black ink, appearing to read "Jim Brown". The signature is written in a cursive style with a large initial "J".

1 Section 1 – Strategic Plan Commitments

- 1.01 Financial Services has a key role in ensuring that the financial resources of the Council are managed robustly and that the Council has a financial strategy that can deliver on the commitments of the Council Strategic Plan and deliver a balanced revenue budget.

Through its range of services it is the aim of Financial Services to ensure that the Council delivers its services within budget and that the limited resources are directed to the areas of highest priority.

The Council's Strategic Plan sets out our priorities and explains how we intend to achieve them. The plan identifies five priorities to ensure Glasgow has:

- economic growth; and is
- a world class city
- a sustainable city
- a city that looks after vulnerable people
- a learning city

In order to deliver these priorities in the current economic climate, it is essential that the Council as an organisation makes the best use of its resources. Financial Services continues to play a key role in ensuring that the Council meets that objective as well as ensuring that we can deliver an effective and efficient service to our customers.

This section of the report details how Financial Services will support the delivery of the Council Strategic Plan priorities by making the best use of our resources over six headings of Key Strategy, Delivery of Financial Services activities by Customer and Business Services, Workforce Plan, Rewards and Recognition, Assets and Process.

1.1 Key Strategy

- 1.1.1 We are responsible for ensuring the proper financial stewardship of the Glasgow Council Family budgetary resources and for all aspects of strategic and operational management of the Strathclyde Pension Fund.
- 1.1.2 We aim to ensure that the Council maintains strong financial management underpinned by effective financial controls.
- 1.1.3 We provide advice and guidance on financial matters to Elected Members and Services.
- 1.1.4 We are responsible for providing assurance that service levels and standards are maintained for local taxation assessment, billing and collection, which significantly support the overall funding of the Council and progressing financial inclusion in the city.
- 1.1.5 We will produce and maintain the Register of Electors which contains details of everyone who is entitled to vote.

1.2 Delivery of Financial Services activities administered by Customer and Business Services

1.2.1 We provide strategic direction to Customer and Business Services [CBS] in identifying opportunities for improving standards and development whilst monitoring performance to ensure that the strategic aims, council policies and legislative compliance continue to be delivered against Financial Services activities.

1.3 Workforce Plan

1.3.1 We are committed to providing our skilled workforce with the learning and development required to provide an excellent and sustainable level of service.

1.3.2 We will ensure the Financial Services Organisational Development Board engage with representatives from all service areas.

1.3.3 We will continually review the training needs of our workforce and ensure that:

- all newly recruited staff will receive induction training
- staff transferred to other duties are equipped with the relevant skill set for that post
- opportunities to access learning and development are open to all staff
- managers encourage and direct their staff to self develop

1.3.4 Each division within Financial Services has provided its own specific learning and development strategy that meets the needs of its workforce and fits with the overall Financial Services strategy. This includes the roll-out of Performance Coaching and Review (PCR), within the division which will foster effective staff working relationships and behaviours and to help to maximise employee performance.

1.3.5 We will continue to support the delivery of both the Council's Commonwealth Apprenticeship Initiative and the Council's Internship Programme.

1.4 Rewards & Recognition

1.4.1 Financial Services in conjunction with CBS were successful in winning 2 Institute of Revenues, Rating and Valuation (IRRV) awards:

- Best in Scotland Award 2014
- Gold Award in Excellence in Debt Management 2014

The awards recognised the councils' highly innovative and successful approach to the management of council tax collection processes.

1.4.2 Glasgow's Helping Heroes have recently received a Military and Civilian Health Award for the best mental health care of veterans in addition to receiving wide recognition from various departments within the Ministry of Defence who consider the service to be a model of best practise.

1.4.3 Strathclyde Pension Fund won the 2014 LGC (Local Government Chronicle) award for best approach to responsible investment. The award recognised the Fund's efforts and success in:

- Stepping up engagement activity on environmental, governance and social issues with companies in which the Fund invests.
- Collaboration with other institutional investors to promote the Living Wage and the Accord on Fire and Building Safety in Bangladesh particularly in the garment industry.
- Increasing commitments to investments with a positive environmental, social or governance impact through its New Opportunities Portfolio.

1.5 Assets

1.5.1 The department is actively involved in a number of corporate initiatives aimed at improving our use of assets across property, ICT and information. Further details on these initiatives are contained in Table 2 (page 15) of the report.

1.6 Process

1.6.1 We continually review our processes to identify improved ways of working, including learning from comments and complaints from our customers.

1.6.2 We are working in partnership with council departments and other city agencies including the Third Sector to improve customer care, which includes reviewing services from a customer perspective to streamline delivery.

1.6.3 Each of the Council's priority themes contains a number of commitments. Table 1 details the commitments that we will be progressing.

Table 1

SP no.	Strategic Plan Priority	How we will progress
2	<p>A WORLD CLASS CITY</p> <p>Tackle poverty and deprivation and provide relevant and affordable services for all our citizens</p>	<ul style="list-style-type: none"> • We will promote access to affordable credit and savings and use of low cost ethical lenders such as Scotcash and other credit unions. • We will educate students to change behaviours towards non standard lending through our Future Savers Project. We will also commit to providing each first year pupil with a £10 donation to open up a credit union savings account. • We will ensure the council is using its enforcement powers against loan sharks and other high interest lenders in local areas. • We are delivering a coherent programme of financial education for 3-18 years in accordance with the Curriculum for Excellence. • We will offer early support and advice for vulnerable veterans, their families and carers through continued development of Glasgow’s Helping Heroes.
2	<p>A WORLD CLASS CITY</p> <p>Deliver local services and neighbourhoods informed by our residents’ views.</p>	<ul style="list-style-type: none"> • Through the Poverty Leadership Panel we will engage with public, private and third sector organisations as well as representatives from communities living in poverty to develop and deliver an action plan for change. • Our Financial Inclusion Partnership Service User Engagement work group will ensure that the views of citizens experiencing poverty inform the development of financial inclusion advice services in line with the aims of co-operative Glasgow.
4	<p>A CITY THAT LOOKS AFTER VULNERABLE PEOPLE</p> <p>Partnership working with NHS Greater Glasgow and Clyde to develop and improve health and social care services</p>	<ul style="list-style-type: none"> • We will work with Greater Glasgow & Clyde NHS, Wheatley Group, Advice and Third Sectors to ensure Financial Services led projects including Long Term Conditions and Macmillan Services, Glasgow’s Helping Heroes, Improving the Cancer Journey, Tackling Poverty and the Financial Inclusion Strategy can inform proposals for action in priority areas. • Through the Poverty Leadership Panel each individual panel member and their organisation will be provided with the opportunity to contribute to our Poverty Leadership Panel Action Plan and its goals. It is hoped that the momentum around this work will result in the involvement of more of the city’s organisations and people living in poverty.

SP no.	Strategic Plan Priority	How we will progress
4	<p>A CITY THAT LOOKS AFTER VULNERABLE PEOPLE</p> <p>Designing and delivering support and services around the need of the individual</p>	<ul style="list-style-type: none"> • The Executive Director of Finance is leading the corporate Welfare Reform group. The group is responsible for dedicated work streams to ensure the Council has an informed and co-ordinated approach to working across organisational boundaries. This enables the Council and its partners to respond to, and mitigate where possible, the impact of welfare reform. This approach enables us to deal with key emerging issues for our vulnerable citizens, including the impact on employment, housing and homelessness in partnership. • In response to the Department for Work and Pensions (DWP) programme of national expansion for Universal Credit, we will work with our partners to deliver a working Delivery Partnership Agreement (DPA) to compliment the expansion of Universal Credit Live Service in Glasgow from 8th June 2015. • We will work in partnership with Glasgow Life to develop a service enabling digital access to DWP benefits to citizens. • Our Financial Inclusion Strategy sets out how we will ensure that our most vulnerable citizens can access advice and information to prevent them being financially excluded and enable them to fully contribute and participate in the social and economic life of the city. Some specific approaches include: <ul style="list-style-type: none"> ○ Our Helping Heroes campaign which ensures veterans, their families and carers receive local access to a range of services including financial, employability and housing advice and health. We are working to ensure commitment to the Armed Forces Community Covenant. Our MacMillan and Long Term Conditions project, which provides targeted early intervention and support to ensure that poverty and broader social exclusion are not the consequence of a diagnosis of cancer or other long term health condition. Over the life of the Plan, we will ensure that this service reaches even more people. ○ We launched the Improving Cancer Journey to improve the cancer journey for individuals diagnosed with cancer, their families and carers. This ground-breaking service has made Glasgow the first place in the UK where all cancer patients are automatically offered financial, emotional and practical support. ○ We launched the Glasgow Veterans employment project to help veterans secure employment.

2 SINGLE OUTCOME AGREEMENT (SOA) 2013 - 2017 COMMITMENTS

2.01 This section details where Financial Services are responsible for contributing to the delivery of a SOA priority activity.

The three key priority themes of the SOA are:

- alcohol
- youth employability
- vulnerable people

Theme	Measure	Existing Baseline Performance	Target	Update – Q4 2014/15	Rating
youth employability	Numbers of apprentices/interns employed	2013/14 10 Apprentices 2 Interns	10 Apprentices 3 Interns	13 Apprentices 3 Interns 1 Vocational Student	
vulnerable people	Clients assisted through Long Term Conditions and Macmillan Service	2013/14 full year performance 3,221 clients £5,888,034 financial outcomes	2014/15 3,500 clients £5m financial outcomes	2,868 client £5.45m financial outcomes	
vulnerable people	Clients assisted through the Financial Inclusion Strategy	2013/14 full year performance Total Cases 117,943 £67.6m financial gains: £27.8m increased income, £17.5m non housing debt managed, £18.9m of housing debt managed and £3.4m council tax arrears under negotiation.	2014/15 94,871 cases	2014/15 full year performance Total Cases 106,617 £55.7m financial gains: £25m increased income, £15.7m non housing debt managed, £11.9m of housing debt managed and £2.9m council tax arrears under negotiation.	
vulnerable people	Clients assisted through Glasgow's Helping Heroes (GHH) (service for Veterans, their families and carers).	Running total from June 2010 to March 2014 £852,990 financial gains Housing 472 Employment/Training 766 Health Services 315	N/A	Running total from June 2010 to March 2015 £1,065,137 financial gains Housing 649 Employment/Training 855 Health Services 345 GCC invests £110k per annum into GHH. Total cost benefit of service in prevention of homelessness and employability is estimated at approximately £30m	

Theme	Measure	Existing Baseline Performance	Target	Update – Q4 2014/15	Rating
vulnerable people	Improving the Cancer Journey	N/A	To extend to all cancer types in 2014	The Service has extended to all cancer types and has received 522 referrals and completed 434 Holistic Needs Assessments [HNA]. From completed HNAs the Service has identified 4,307 concerns and made 1,359 onward referrals to 153 support agencies/services.	
vulnerable people	Veterans Employment Project – to help veterans secure employment, access training and provide apprenticeship opportunities	Running total from 1st Aug 2013 at 31st March 2014 77 vacancies committed GVEP (Glasgow Veterans Employment Programme) criteria. 150 First Bus vacancies committed (out-with GVEP criteria) 33 through to driver assessment	N/A	Running total from 1 st August 2013 at 24 th March 2015 126 vacancies committed (GVEP criteria) 150 First Bus vacancies committed (outwith GVEP criteria) 20 started driver training with GTG 17 commenced full time employment with First Bus	
vulnerable people	Work in partnership with Glasgow Life to develop a service enabling digital access to benefits for citizens	N/A	N/A	Library staff received welfare reform training to help them assist claimants. Money advice outreach partnerships have been created at 7 libraries resulting in 182 customers receiving £105k in financial gains and having £133k in debts managed over 9 months. Customers can access 625 public PCs across 33 libraries and have access to free Wi-Fi across the community centre network to assist with job searches. 427 customers have enrolled onto our free welfare reform 'Goals4Work' course.	

3 Section 3 – Service Priorities

- 3.01 This section describes the key activities for Financial Services; it also describes any additional key activities we will be progressing this year where these activities have not been specifically identified as Strategic Plan or SOA commitments.

Financial Services provides the following range of services;

3.1 Assessors & Electoral Registration Office

- 3.1.1 The Assessors Office has responsibility for the valuation of all properties for local taxation purposes. All rateable properties are shown in the Valuation Roll and domestic subjects are contained within the Council Tax List. These documents form the basis for charging non-domestic rates (Valuation Roll) and Council Tax (Council Tax Valuation List).

- 3.1.2 The service manages;

- The valuation of 25,317 Non-domestic properties on the Valuation Roll, total Rateable Value, £982,000,000
- 480,357 entries on the Electoral Register
- 68,571 Postal Votes
- The valuation of 301,000 entries on the Council Tax List

- 3.1.3 The Electoral Registration Office ensures citizens, who register, have the right to take part in the democratic process. This involves compiling and maintaining a complete and accurate electoral register and postal voter list on an annual basis.

3.2 Audit & Inspection

- 3.2.1 Internal Audit is an independent assurance function established by the Council to examine and evaluate financial controls as well as governance arrangements and to contribute advice at an early stage in the implementation of any developments or amendments to processes.

- 3.2.2 Internal Audit also provides an audit function to most of the Council's Arms Length External Organisations (ALEOs).

- 3.2.3 The Head of Audit & Inspection provides Elected Members with an Annual Assurance Statement on the adequacy and effectiveness of the Council's internal control arrangements, including the arrangements in subsidiary bodies incorporated in the Council's group accounts.

- 3.2.4 A new Corporate Fraud & Investigations Team was established in 2014/2015 and is part of Internal Audit. This team is responsible for investigating and preventing fraud in the council family, including the investigation of data matching reports such as the National Fraud Initiative.

- 3.2.5 The monitoring, reporting and reclaiming of VAT is also a function carried out within Internal Audit, but it remains the responsibility of officers throughout the Council and its ALEOs to keep the VAT Officer informed of changes to processes or service delivery which could impact upon the Council's ability to fully recover VAT.
- 3.2.6 Audit Glasgow is the commercial arm of Internal Audit when providing audit services to external organisations. Following initial success in obtaining work out with the Council family in 2014/15, Audit Glasgow will continue to pursue opportunities which arise in 2015/16. However, the primary focus will continue to be the provision of an internal audit function for Glasgow City Council, its ALEOs and the Strathclyde Pension Fund.

3.3 Corporate Finance

- 3.3.1 Corporate Finance activities include preparation of the Council's statutory accounts, completion of the Council's revenue budget, regular financial monitoring reporting to committee through the year and Treasury Management activities.
- 3.3.2 The division also provides advice and guidance on any financial management issues raised by Members and Services. Corporate Finance also supports the financial management of the Council's significant investment programme, including the Education Estate Strategy, older people and children's residential strategies.
- 3.3.3 The service manages:
- £2,212 million of expenditure and £705 million of budgeted income
 - £1,261 million of net expenditure through the Council's investment programmes
- 3.3.4 The division has played a key role in the development of the City Deals programme that will provide additional investment of £1.1 billion across the Clyde Valley Area over the next 10 years and Tax Incremental Funding (TIF) programme that will provide an additional £80 million investment within the Buchanan Quarter of the City. The division will continue to provide support and management to the main capital programme and specific investment opportunities in coming years.
- 3.3.5 Corporate Finance also has a key role in supporting the Council's service reform agenda by providing detailed financial planning advice and support for all of the major development projects within this programme.

3.4 Elected Members Finance Team

- 3.4.1 The Members Support Team within Financial Services provides a full and comprehensive financial service to the Council's 79 Elected Members. The Team ensure full legislative and procedural compliance in relation to Elected Members remuneration arrangements which includes salaries, receipted expenses, travel whilst on Council business and training and development. This comprehensive financial service extends to Elected Members serving on the boards of external organisations of the Council.
- 3.4.2 The team also undertake extensive research activities in order to respond to complex Freedom of Information requests in relation to Elected Members and Senior Council Officials.

3.4.3 The Members Support Team achieved full compliance with the legislative requirements related to Elected Members Remuneration. Glasgow City Council further extends their publication arrangements to include a quarterly return of Salaries & Expenses posted on the website for both Elected Members and for Chief Officers.

3.5 Financial Inclusion and Improving the Cancer Journey

3.5.1 The team manages the Financial Inclusion Strategy 2015-18 under a new partnership arrangement. The Financial Inclusion Partnership (FIP) is a broad framework to take forward financial inclusion in Glasgow for the three years from 2015.

3.5.2 The new partnership takes account of the new financial inclusion issues which have emerged since the Financial Inclusion Strategy 2011-15 was first implemented and shall contribute to the delivery of the objectives of the Single Outcome Agreement (SOA).

3.5.3 The team develop a programme of financial education, provide targeted support for vulnerable groups and increase access to affordable credit.

3.5.4 The team are also responsible for taking forward the actions of the Poverty Leadership Panel.

3.5.5 The team supports the key programmes of 'Improving the Cancer Journey', Long Term Conditions and Helping Heroes, and supporting veterans in Glasgow gain employment via the Glasgow Veterans Employment Programme.

3.5.6 The external income provided by partner organisations in 2014/15 to support the above initiatives totalling £2,110,549 is detailed below. Funding will continue at similar levels for 2015/16.

Project	External Funding
Long Term Conditions	£292,440
Improving the Cancer Journey	£541,213
MacMillan @ The Pearce Cafe	£108,014
Glasgow's Veterans Employment Programme	£37,500
Glasgow's Helping Heroes	£50,000
Financial Inclusion Core Services	£605,382
Digital Inclusion	£335,000
Welfare Reform (GCVS)	£80,000
Lone Parent Dev. Post (NHS, GCPH)	£61,000
Total	£2,110,549

3.6 Service Development and Compliance Team

3.6.1 The Service Development and Compliance Team is responsible for providing assurance that service levels and standards are maintained for those services that transferred from Financial Services to CBS under the Tomorrows Support Services programme. The team lead on areas such as policy, strategy, engagement and performance for Revenues & Benefits and Insurance & Claims, as well as playing a lead role in the Council's Welfare Reform agenda.

3.6.2 This involves managing CBS activities which include:

- £418 million of payments of Housing Benefit and Council Tax Reduction to 104,000 recipients
- Collection of £282 million of council tax income from 302,000 charge payers
- Collection of £361 million of non-domestic rates income from 25,000 local businesses
- Provision of the Council's general insurance, which covers the areas of property, public and employer's liability and motor insurance

3.6.3 This team also provides support in managing projects across the range of the department's activities whilst also ensuring that a strong and robust communication and staff engagement strategy is in place for the service.

3.7 Strathclyde Pension Fund Office

3.7.1 Glasgow City Council has statutory responsibility for the administration of the Local Government Pension Scheme in the West of Scotland, both on its own behalf and in respect of the other 11 local authorities in the former Strathclyde area, and over 200 other large and small employers.

3.7.2 The main functions are:

- management and investment of scheme funds; and
- administration of scheme benefits

These functions are carried out in accordance with the Local Government Pension Scheme (Scotland) Regulations which are statutory instruments made under the Public Service Pensions Act 2013.

3.7.3 The service:

- manages over £15.5 billion of investments;
- collects around £500 million of pension fund contributions each year; and
- pays out around £380 million of pensions to over 70,000 retired employees.

3.7.4 Glasgow carries out its role as administering authority via:

- the Strathclyde Pension Fund Committee, to which the council has delegated power to discharge all functions relating to its role as administering authority;
- the Strathclyde Pension Fund Pension Board which assists the committee with compliance;
- the Strathclyde Pension Fund Office (SPFO), a division of the Council's Financial Services Department; and
- the Strathclyde Pension Fund (the Fund).

3.8 Additional activity

3.8.1 Additional activity not specifically identified as Strategic Plan or SOA commitments is detailed in Table 2.

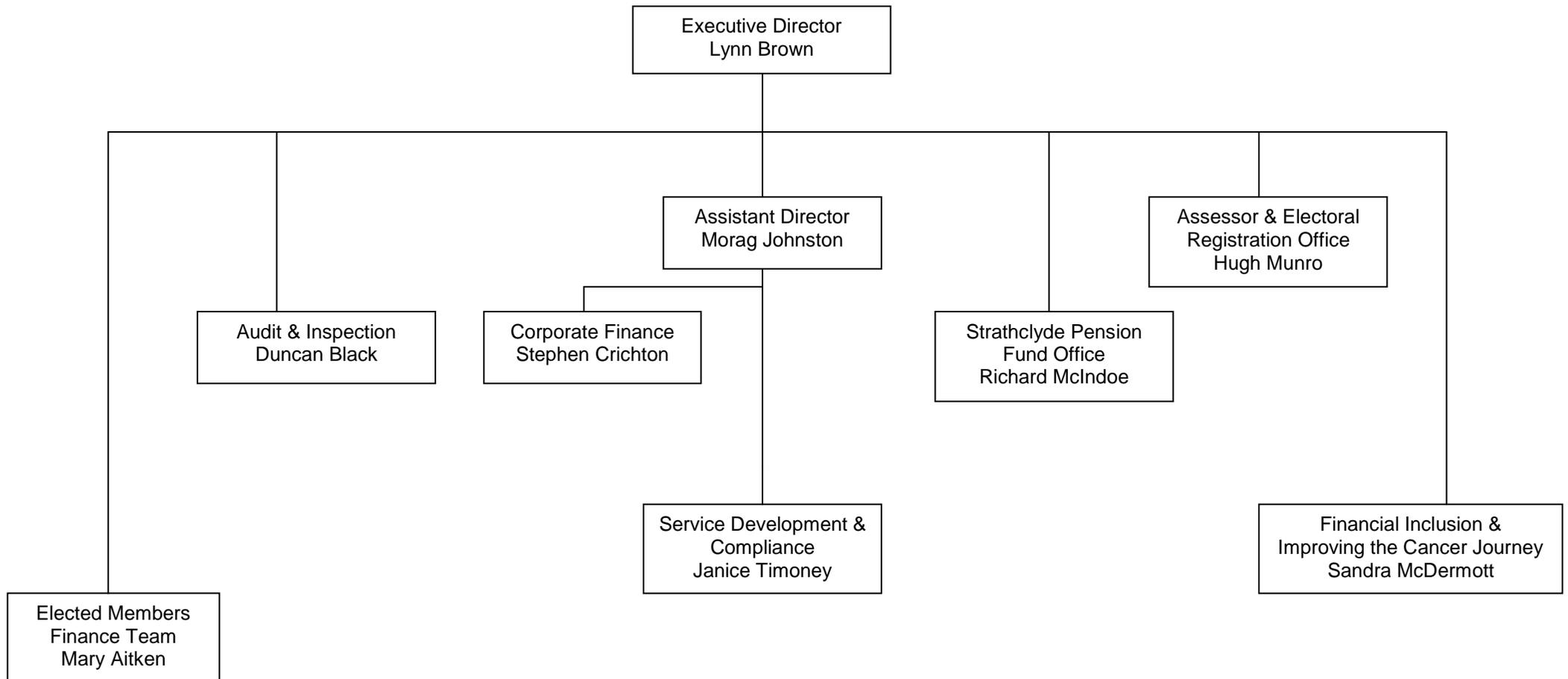
Table 2

Section	Service Activity, Project or Programme	Target, Measure, Milestone	Rating
Assessor & Electoral Registration Office	Implementation of Individual Elector Registration (IER). This will result in additional registration channels being made available to electors. Online and telephone registration are key features of IER, and we will be reviewing our communication channels to enable electors to register according to the channel that best meets their need.	On track- IER went live in Scotland on 19 September 2014. An interim Electoral Register was published on 2 March 2015. The full IER Register is due to be published 1 December 2015. Although there is a provision in the legislation to extend this until 1 December 2016 the UK Government will take a decision on this in June 2015.	
Assessor & Electoral Registration Office	UK General Election 7 May 2015	Statutory deadlines have been met for production of Register and Postal Vote list.	
Assessor & Electoral Registration Office	Addition of 16/17 year olds to Electoral Register to be published in December 2015.	The Scottish Government will introduce a Bill into the Scottish Parliament in April 2015. That Bill will lower the voting age to 16 for Scottish Parliament and local government elections from May 2016, and make provision in relation to registration to give effect to that.	
Assessor & Electoral Registration Office	Preparation for 2017 Non-Domestic Revaluation	Analysis of rents, costs and turnovers underway, to allow production of Valuation Practice Notes.	
Corporate Finance	Early closure of accounts	Close annual accounts by 31 May and implement revised procedures and disclosures required by Local Authority Accounts (Scotland) regulations 2014.	
Service Development and Compliance	Department for Work and Pensions (DWP) programme of national expansion for Universal Credit (UC) in Glasgow for single individuals with or without housing costs from 8 th June 2015.	A UC Operational Group has been formed which will be responsible for delivering a working Delivery Partnership Agreement (DPA) between the Council and the DWP to compliment the national expansion of Universal Credit Live Service from 8 th June 2015.	
Service Development and Compliance	Implement a new Non-Domestic Rates Billing and Collection System during 2015/16	On track to deliver the implementation of the new Capita Non-Domestic Rates system during 2015/16.	

Section	Service Activity, Project or Programme	Target, Measure, Milestone	Rating
Service Development and Compliance	Examine options for delivery of an Income Management framework that will allow a structured approach to Income Management across the council while delivering efficiencies for the council and consistency and convenience for our customers.	Work has commenced to understand the current processes and systems in place across the council and to define the requirements in greater detail. Thereafter the appropriate governance framework and work-streams will be identified to support the required activities.	G
Strathclyde Pension Fund Office	LGPS 2015 - Governance	Complete implementation of new governance arrangements required by the Local Government Pension Scheme (Governance) (Scotland) Regulations 2015 and the Pensions Regulator. Includes establishment of Pensions Board.	G
Strathclyde Pension Fund Office	Actuarial Services	Review actuarial arrangements including tender of contract.	G
Strathclyde Pension Fund Office	Triennial review of investment strategy	Complete implementation phase of review of investment strategy and structure based on the 2014 actuarial valuation.	G
Strathclyde Pension Fund Office	Responsible Investment	Review responsible investment strategy.	G
Strathclyde Pension Fund Office	Investment Consultancy	Review investment consultancy arrangements including tender of contract.	G
Strathclyde Pension Fund Office	Digital Communications	Continue implementation of digital communications strategy including: <ul style="list-style-type: none"> • employer self service rollout • further on-boarding of employers to <i>i-connect</i> • website re-launch • further rollout of digital benefits statements and member newsletter. 	G
Strathclyde Pension Fund Office	Legislative changes	Review communications in light of <i>Freedom and Choice</i> in pensions legislation and end of contracting out.	G
Strathclyde Pension Fund Office	Early closure of accounts	Close accounts by 31 st May; implement revised procedures and disclosures required by Local Authority Accounts (Scotland) regulations 2014 and CIPFA guidance on scheme management costs.	G

4 Section 4 – Resource and Organisation

4.1 Financial Services is organised into seven service areas. The department structure is shown below:



4.2 Table 3 provides further detail on the staff employed with Financial Services as at April 2015.

Table 3

The number and percentage of staff that are:														
Grade(s) (FTE)	MALE		FEMALE		WHITE		ETHNIC MINORITY *		DISABLED		TOTAL (HEADCOUNT)		TOTAL (FTE)	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%
1 to 4	13	28.9%	32	71.1%	37	82.2%	0	0.0%	1	2.2%	45	19.7%	43.1	19.3%
5 to 7	44	37.0%	75	63.0%	108	90.8%	0	0.0%	7	5.9%	119	52.0%	116.1	51.9%
8	11	55.0%	9	45.0%	20	100.0%	0	0.0%	1	5.0%	20	8.7%	20	8.9%
9 to 14	15	50.0%	15	50.0%	30	100.0%	0	0.0%	1	3.3%	30	13.1%	29.3	13.1%
Non PGS*	2	13.3%	13	86.7%	12	80.0%	0	0.0%	1	6.7%	15	6.6%	15	6.7%
Totals	85	37.1%	144	62.9%	207	90.4%	0	0.0%	11	4.8%	229	100.0%	223.5	100.0%
Ethnicity Not Declared											22	9.6%		

* Ethnic Minority figures are correct at April 2015 as a result of staff transfers to CBS & SFIS.

4.3 Financial Resources

4.3.1 Budget Impact and Changes

This section summarises Financial Services budget for 2014/15 and 2015/16. The Financial Services approved budget is shown below.

2014/15 Approved Net Expenditure Budget	2015/16 Approved Net Expenditure Budget
£31,955,700	£96,579,700

The 2014/15 figures excluded expenditure relating to Council Tax Reduction. This was adjusted during 2014/15 by £68.1 million once confirmation had been received from the Scottish Government.

A subjective and objective analysis of the approved budget is provided below.

4.3.2 Revenue Budget: Subjective analysis

£	Expenditure	£
<u>2014/15</u>		<u>2015/16</u>
10,834,600	Employee costs	10,204,100
1,458,400	Premises costs	1,465,700
1,546,600	Transport and plant	1,549,100
3,167,500	Supplies and services	2,994,500
2,658,900	Third party payments	2,875,400
346,015,600	Transfer Payments	404,233,400
-211,300	Transfer to Capital	-213,400
365,470,300	Direct Departmental Expenditure	423,108,800
15,183,700	Central Charges	17,296,400
380,654,000	Total Expenditure	440,405,200

4.3.3 Revenue Budget: Objective analysis

2014/15 £	Expenditure	2015/16 £
5,933,300	Finance Strategy and Management	6,432,400
7,354,200	Financial Inclusion	3,581,800
1,484,900	Audit and Inspection	1,425,900
2,812,000	Strathclyde Pension Fund Office	2,625,400
339,101,800	Benefit Payments	401,348,300
2,796,900	Assessor and Electoral Registration Office	2,075,100
5,987,200	Support Services	5,619,900
365,470,300	Direct departmental expenditure	423,108,800
15,183,700	Central Charges	17,296,400
380,654,000	Total expenditure	440,405,200
	Income	
5,509,100	Finance Strategy and Management	5,501,100
1,255,800	Financial Inclusion	993,600
102,000	Audit and Inspection	102,000
3,204,000	Strathclyde Pension Fund Office	3,192,600
326,160,300	Benefit Payments	323,831,800
12,467,100	Support Services	10,204,400
348,698,300	Direct departmental income	343,825,500
31,955,700	Net expenditure	96,579,700

4.3.4 2014/15 Outturn

The draft unaudited outturn position for Financial Services is showing a £0.1m under spend. This under spend has been primarily achieved by delay in filling vacancies. In addition, Council Tax Reduction expenditure also reflects a lower amount awarded compared to the budget forecast.

4.4 Staff Development

4.4.1 Staff Survey

The 2015 Staff Survey was launched in March 2015 and Financial Services actively encouraged all staff to participate in the survey by ensuring all staff received a managers' briefing, that sufficient time was allowed for staff to complete the survey and that reminders were issued on a regular basis. Financial Services achieved a response rate of 86% compared to a 69% response to the 2012 survey.

The service is fully committed to this process and will develop a strategy that allows us to respond to the findings of the survey.

4.4.2 Training and Development

Each division within Financial Services has provided its own specific learning and development strategy that meets the needs of its workforce and fits with the overall Financial Services Learning and Development Strategy.

Financial Services is also committed to offering professional training opportunities. There are currently four trainees being supported towards the Chartered Institute of Public Finance and Accountancy professional qualification in Internal Audit and Corporate Finance. Within Assessors and the Electoral Registration Office, there are three trainees working towards the Royal Institute of Chartered Surveyors professional qualification.

4.4.3 Performance Coaching

A new programme of Performance Coaching was introduced across the service with training for managers complete and the first reviews commenced during April 2015.

This will focus on developing an individual's abilities and building a good working relationship with their line manager. There will be regular performance coaching meetings throughout the year that will consist of standard 1-2-1 meetings, setting personal objectives and performance reviews.

4.4.4 Attendance Management

For 2014/15 Financial Services achieved an attendance management performance of 6.2 days lost through sickness absence. Whilst this exceeds the service's target of 5 days absence per employee, it is lower than the target of 6.4 days set by GCC and the 8.3 days achieved by GCC in 2014/15.

In striving to achieve our targets we continue to work closely with Corporate Human Resources to promote the Corporate Attendance Management Action Plan, which is being implemented to support managers in applying the Council Absence Management Policy.

We continue to promote engagement with the Council's occupational health provider; People Asset Management, enabling effective management of health issues in the workplace.

4.4.5 Staff Health Initiatives

We continue to promote activities that encourage staff to become more active and make healthy lifestyle changes. We provide support and advice where possible and recognise achievement through our 'Teamtalk' magazine.

4.4.6 Work-Life Balance Provision

We recognise the benefits that these arrangements can have for our staff and towards the improvement of service delivery. We consider every request balanced against the needs of the service. There is approximately 10% of staff working flexible hours under this provision.

4.5 Asset Management

- 4.5.1 Financial Services staff members are now accommodated within the Tomorrows Office environment. We actively participate in the Building Users forum(s), reviewing our workspace requirements and playing our part in improved energy management to help reduce the Council's carbon footprint.

- 4.5.2 The Council's Information Strategy will enable us to manage our information effectively and efficiently whilst being compliant with legislative requirements. A key factor is the implementation of the Livelink Electronic Document Management System (EDRMS) which went live in Financial Services during April 2014.

5 Section 5 – Performance, Impact Assessment and Future Targets

5.1 This section of the report details how Financial Services has performed during 2014-15 against a range of national, council and service targets and sets out targets for 2015-16.

Measure & Links	2011/12 Actual	2011/12 Scottish LA Average	2012/13 Actual	2012/13 Scottish LA Average	2013/14 Actual	2013/14 Scottish LA Average	2014/15 Actual	2015/16 Target
COUNCIL TAX								
Cost of collection per dwelling	£17.47	£13.15	£16.27	£13.39	£12.44	£12.25	£12.50 ^{tbc}	£12.30 ^{tbc}
Income collection during year of billing	92.60%	95.10%	93.10%	95.42%	93.92%	95.45%	94.6%	94.7%
NON DOMESTIC RATES								
Cost of collection per chargeable property	£43.36	£29.48	£41.75	£29.36	£18.71	£24.30	£30.00 ^{tbc}	£29.00 ^{tbc}
Income collection during the year of billing	95.40%	97.10%	96%	97%	96.52%	97.03%	97.2%	97.2%
HOUSING BENEFIT AND COUNCIL TAX REDUCTION								
New Claims	23 days	25 days	25 days	26 days	23 days	26 days	21 days	21 days
Change in circumstances	14 days	10 days	15 days	10 days	11 days	9 days	13 days	11 days
Administration cost per case	£41.80	£42.96	£38.17	£42.03	£37.06	£41.40	£40.00 ^{tbc}	£38.00 ^{tbc}
ASSESSORS & ELECTORAL REGISTRATION OFFICE								
% rate of return of electoral registration forms	92%	n/a	92%	n/a	93%	n/a	96%	96%
AMENDMENTS TO THE VALUATION ROLL UNDERTAKEN WITHIN								
0-3 months	96%	n/a	94%	97.50%	98%	n/a	98%	96%
3-6 months	3%	n/a	5%	2%	1%	n/a	2%	2%
Over 6 months	1%	n/a	1%	0.50%	1%	n/a	0%	2%
NEW ENTRIES TO COUNCIL TAX LIST UNDERTAKEN WITHIN								
0-3 months	92%	n/a	94%	n/a	94%	n/a	94%	93%
3-6 months	5%	n/a	4%	n/a	4%	n/a	3%	5 %
Over 6 months	3%	n/a	2%	n/a	2%	n/a	3%	2%

Measure & Links	2011/12 Actual	2011/12 Scottish LA Average	2012/13 Actual	2012/13 Scottish LA Average	2013/14 Actual	2013/14 Scottish LA Average	2014/15 Actual	2015/16 Target
STRATHCLYDE PENSION FUND OFFICE								
Annualised three year investment returns	14.20%	n/a	7.00%	n/a	7.40%	n/a	11.9%	4.9%
Retirals – turnaround times	6.9 days	n/a	n/a	n/a	37.4% within 10 days	n/a	65.9% within 10 days	80% within 20 days
Retirals – customer satisfaction	89.90%	n/a	90.80%	n/a	89%	n/a	88.1%	90%
Member data - completeness	97.90%	n/a	97.80%	n/a	98%	n/a	98.1%	> 98%
FINANCIAL SERVICES SICKNESS ABSENCE								
Days lost through sickness absence	6.2 days	10.3 days	5.4 days	n/k	6.0 days	n/k	6.2 days	TBC

5.2 Equality Impact Assessments (EQIA) & Health Impact Assessments (HIA)

- 5.2.1 No EQIA or HIA carried out during 2014-2015 and none are planned for 2015-16.
- 5.2.2 Financial Services continues to support the Council's Equality Outcomes 2013-2017 as agreed by the Executive Committee on 18th April 2013.
- 5.2.3 A review of the recommendations made by the Health Inequalities Impact Assessment for the Financial Inclusion Strategy was concluded in early 2014. Work is ongoing to make sure the recommendations are implemented.

5.3 Inspection

5.3.1 Audit & Inspection

Audit Scotland carried out an assessment of Internal Audit as part of their 2014/15 external audit plan. They have confirmed that they will continue to place formal reliance on the work of Internal Audit:

“Our review of the internal audit service concluded that it has sound documentation standards and reporting procedures in place and it complies with the main requirements of the Public Sector Internal Audit Standards. As such we are planning to take assurance from the work of internal audit across a number of council systems.”

Internal Audit is required to comply with the Public Sector Internal Audit Standards. These Standards include a requirement to maintain a Quality Assurance and Improvement Programme, including internal quality assessments and an external independent assessment every 5 years.

5.3.2 Service Development and Compliance Team

As part of Audit Scotland's housing benefit (HB) risk assessment programme an audit of the council's benefit service was undertaken in late 2014. The key objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.

Specifically the risk assessment considers the effectiveness of the benefit service in meeting national and local priorities, business planning and reporting, and delivering outcomes. 7 residual risks were highlighted and 4 new risks identified as a result of the audit.

A plan to address the risks identified has been developed and accepted by Audit Scotland as appropriate mitigation for the issues highlighted in the audit. As a result no further Audit Scotland scrutiny in this area is planned as part of this risk assessment programme cycle.

6.0 Section 6 – Benchmarking

6.2.1 Audit & Inspection

There was no benchmarking activity carried out in 2014/2015. However, Internal Audit is an active member of the Scottish Local Authorities Chief Internal Auditors' Group and the Core Cities Chief Internal Auditors' Group, with a view to continually sharing best practice. Internal Audit is also subject to robust quality assessments. In particular Internal Audit is required to comply with the Public Sector Internal Audit Standards, which in turn require an annual self-assessment.

6.2.2 Service Development & Compliance

The Local Government Benchmarking Framework (LGBF), supported by the Improvement Service, is designed to help councils share best practice across a number of key performance areas. To provide greater relevance to the benchmarking work councils have been split into family groups. For the work on Council Tax the family groups are based on population density. Glasgow is the lead authority in Family Group 4. Other participants include Edinburgh City, Aberdeen City, Dundee City and North Lanarkshire councils.

It is anticipated the work of the group will commence in April 2015 and conclude in October 2015 and focus on current year Council Tax collection.

Section 7 - Service Reform, Budget Change and Investment

This section summarises the areas of service reform delivered by Financial Services in 2014/15 and those planned for 2015/16. Successful completion of these reform programmes is critical to the service operating within the approved annual budget.

The service fully achieved the 2014/15 planned savings to the value of £70,000. The individual service reform initiatives are summarised below:

Budget Change Summary: Service Reform			
Title of Proposed Service Change	Reason for Change (e.g. Savings Proposal/Service Reform/Income Generation etc)	Financial Impact (£000)	
		2014-15	2015-16
Non essential spend savings	Savings Proposal	20,000	
Review of Recharges	Income Generation	50,000	
Non essential spend savings	Operational Efficiencies		100,000
	Total	70,000	100,000
NET BUDGET CHANGE (£)		70,000	100,000