

**Departmental Performance Report for: Strategic Finance****Period: April to June 2019****Key Successes****Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.**

1. Unaudited Accounts prepared by 30 June deadline.
2. Annual Efficiency Statement reported to Council advising that we exceeded the 3% target, securing 4.14% of efficiency savings for 2017-18.
3. The 2018-19 outturn position was finalised in June 2019 and the performance against budget for Council retained services in financial year 2018-19 was an underspend of £2.009m. (Note the Council had to provide additional funding to the Health and Social Care Partnership of £3.127m which gave an overall overspend of £1.118m but the Social Work element was largely outwith the control of Council.) The Council retained services year-end underspend included savings as a result of diligent management around vacancy savings, enhanced contract management and decisions around borrowing, an underspend of fleet as a decision was made to delay the replacement of vehicles, as well as increased Council Tax Income collection over budget and a one-off refund of overpaid VAT.
4. Investment returns continue to exceed the benchmark rate of return – the rate of return for the 1<sup>st</sup> Quarter was 0.959% which compares favourably with the target of 7 day LIBID (London Interbank Bid Rate – the rate which banks are willing to borrow from other banks) which was 0.570% for the period.
5. Six audits were completed and a further four were in progress by the end of quarter 1. In addition the first scrutiny review under the new scrutiny framework was completed, scrutiny panels were held to advance the second review and the Audit and Scrutiny Committee approved the 2019-20 scrutiny plan which will feature reviews of the Council's Economic Strategy, Strategic Housing Fund and Out of Authority Care Placements. Internal Audit also completed their review of organisational culture and agreed a joint action plan which combined the findings from that review with those identified by the Council's 2019 staff survey.
6. From 1st April the treasury team began using the online Public Service Treasury Management (PSTM) system as a method of recording up to date live cash flows as opposed to recording historical data after the event. Currently this is still done in conjunction with a spreadsheet until we are certain it is running smoothly with the anticipation that within the coming months spreadsheets will no longer be used going forward. This has resulted in more efficient data recording with up to date live information available.

**Business Outcome BO05 – Information and support are available for everyone**

7. The Money Skills Argyll project has continued to deliver services to the public during the quarter with audit and payments continuing effectively. Plans are in place to recruit a new contract manager during Q2 to keep the project moving and increase the volume of activity coming through and we are continuing to engage with our delivery partners and the Big Lottery Community Fund in relation to case compliance and service improvement.

**Key Challenges and Actions Completed In Previous Quarter**

None to report at this stage. During the first quarter of the year the focus of attention for many staff within finance is on the production of the Unaudited Accounts.

**Short-term Operational Challenges**

1. Recruit a new contract manager to the money Skills Argyll Project and leverage the redesigned financial framework to increase the number of clients supported by the project partners.
2. The revenue forecast outturn position as at the end of June is a forecast overspend of £2.384m. This is made up of an overspend on Council Services of £0.077m as well as an overspend of £2.307m on Social Work Services within the Health and Social Care Partnership.
3. Building Resilience – as part of the restructuring some staff will be undertaking new tasks, learning new areas of work and as well as making sure there is sufficient handover and procedures notes in place, it will be important that we ensure that we have enough resilience across the service in place to cover any future vacancies or periods of absence.
4. BV3 additional work – The two third tier managers within the service are both leading on a Best Value 3 theme and this will create additional workload. Update at end of Quarter 1 - Significant progress has been made on the BV3 preparation work in line with the Council's internal timetable.

**Key Challenges and Actions to address the Challenges**

**Business Outcome BO05 – Information and support are available for everyone**

1. Challenge: Significantly increase the number of people being supported by the Money Skills Argyll Project now that the financial structure of the project has been redesigned to meet the costs of service delivery.
1. Action: Recruit a new contract manager to increase capacity within the team to support partners, publicize the service and increase service activity.

**Carried Forward From Previous Quarter – Y/N**

Yes

**Completion Due Date:**

New contract manager in place by 30 June 2019. This was rescheduled to 30 July 2019 as the post required to be re-advertised.

**Responsible Person**

David Forshaw, Principal Accountant

**Key Challenges and Actions to address the Challenges**

**Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.**

2. Challenge: Close monitoring of the forecast outturn position to bring any forecast overspend position within budget or as close to within budget as is possible.
2. Action: If required, Council Services will actively pursue options to reduce any forecast overspend. Liaison with the Chief Financial Officer of the IJB on the recovery plan and provide support and assistance to reduce the forecast overspend position.

**Carried Forward From Previous Quarter – Y/N**

Yes

**Completion Due Date:**

Ongoing throughout the year.

**Responsible Person**

Kirsty Flanagan, Head of Financial Services

**Key Challenges and Actions to address the Challenges**

Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.		
3. Challenge: Building resilience within the service.		
3. Action: Programme of knowledge sharing and skills transfer ensuring appropriate procedure documents are in place to support service delivery.		
<b>Carried Forward From Previous Quarter – Y/N</b> No	<b>Completion Due Date:</b> 31 March 2020	<b>Responsible Person</b> Kirsty Flanagan, Head of Financial Services
<b>Key Challenges and Actions to address the Challenges</b>		
<b>Business Outcome BO28 – Our processes and business procedures are efficient, cost effective and compliant.</b>		
4. <b>Challenge:</b> Best Value 3 work		
4. <b>Action:</b> Ensure that staff are supported and are able to prioritise the work required on Best Value 3. Project team within Finance in place to support the financial management theme.		
<b>Carried Forward From Previous Quarter – Y/N</b> No	<b>Completion Due Date:</b> 30 September 2019	<b>Responsible Person</b> Laurence Slavin, Chief Internal Auditor Anne MacDougall, Finance Manager

## Strategic Finance Scorecard 2019-22

Scorecard owned by: **Kirsty Flanagan**

**FQ1 19/20**

[Click here for Full Outcomes](#)

[Corporate Support Team Scorecard](#)

[Departmental Support Team Scorecard](#)

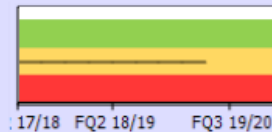
[Internal Audit Team Scorecard](#)

[Click here for Council Scorecard](#)

### BO102: We Provide Support, Prevention And Opportunities To Help People Make Better Lifestyle Choices[FIS]

Success Measures

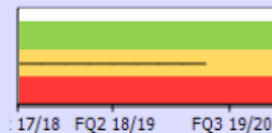
**A**



### BO115: We Are Efficient And Cost Effective [FIS]

Success Measures

**A**



## Management Information

### RESOURCES

People	Benchmark	Target	Actual	Status	Trend
Sickness absence SF			3.8 Days		↓
PRDs SF		90 %	97 %	🟢	↑

### Financial

Budget Forecast

Finance Revenue totals SF

**Financial Reporting for FQ1 2019/20 is covered in the financial report presented at this committee**

Capital forecasts - current year SF

Capital forecasts - total project SF

### IMPROVEMENT

Status

	Total No	Off track	On track	Complete
FIS Service Improvements 2017-20 Actions	9	9		
Strategic Finance Audit Recommendations	0	4	0	0
<b>Health &amp; Safety</b>	Overdue	Rescheduled	Actions in Plan	Complete
Service H&S Plan Actions				
H&S Investigation Actions				
<b>Customer Service SF</b>	Customer satisfaction			
Customer Charter	Stage 2 Complaints	100 %	🟢	→
Number of consultations	0	Stage 2 Complaints	100 %	🟢 →