

## **Finance**

### **Services that will continue to be delivered:**

The Finance Department Business Unit provides the following services:

- Revenues and Benefits
- Business Rates
- Corporate Debt Team
- Financial Services.

These services are responsible for administering council tax and housing benefit, business rates debt collection, payment of invoices and the provision of an accountancy service for the council. Some key statistics are:

- Torbay Council has a council tax base of nearly 65,000 domestic properties
- Torbay Council has nearly 5,000 non-domestic properties with a Business Rates
- Torbay has nearly 14,000 customers receiving Housing Benefit in privately rented accommodation and nearly 18,000 receiving Council Tax Benefit.

The service is faced with a number of pressures including increasing complexity for external financial reporting with the introduction of International Financial Reporting Standards and some major changes to service provision including the introduction of the Universal Credit and Welfare reforms, Localisation of Council Tax and changes to the system for funding local government.

The Finance Business Unit holds a number of corporate budgets including Treasury Management, precepts, and the grant contribution for the Riviera Centre.

### **Improvements agreed and budgeted for:**

There are no agreed growth items for this service despite an increasing caseload for housing and council tax benefit claimants and increasing complexity with respect to external financial reporting requirements and an extremely challenging financial climate.

Increased demands and service pressures have had to be managed through changes to working practices, improved efficiencies and prioritising work.

**Key Performance Indicators:**

<b>Finance</b>			
<b>PI Title</b>	<b>Status 2010/11</b>	<b>Status 2011/12</b>	<b>Draft 2012/13</b>
Accuracy of Processing HB/CTB Claims	96.4%	97.6%	96%
Average Time for Processing New HB Claims	30.02 days	25.46 days	20 days
Average Time for Processing Changes of Circumstances - HB	12.44 days	11.38 days	10 days
Recovered Overpayments as a Percentage of Overpayments Identified in Year	65.43%	70.24%	78%
Percentage of Council Tax Collected	97.40%	n/a	96.5%
Percentage of Business Rates Collected	99.6%	n/a	
Percentage of invoices paid within 30 days	88.95%	89.62	90%
Sundry Debtors – Invoices paid with 90 days	96%	96%	97%
Unqualified opinion from external auditors on the statement of accounts	Achieved	n/a	Unqualified Opinion
School Allocations notified to schools by 15 March	Achieved	n/a	15 March
Submission of budget requirement and council tax to council within statutory deadline	Achieved	n/a	Statutory deadline

## Proposed Savings

Proposals – Outline details=	Savings 2012/13		Implementation Cost Include brief outline + year incurred	Delivery In place 01/04/12 If earlier or later state date	Risks / impact of proposals <ul style="list-style-type: none"> <li>• Potential risks</li> <li>• Impact on community</li> <li>• Knock on impact to other agencies</li> </ul>	Type of decision*		
	Income £ 000's	Budget reduction £ 000's				Internal	Minor	Major
<b>Finance</b>								
<b>Financial Services Restructure</b>  Removal of 2 vacant posts within the Children Services Finance Team and the Systems team.  Environment Finance Team reduction of 1/2 FTE within the structure	0	60	None	In place 01.08.12	Reduction in capacity may lengthen the lead in time to provide advice to client departments demand largely determined by support required, continued review of work practices and planning to reduce any negative impacts,  There is a requirement to ensure core work is undertaken to prevent any financial loss or external criticism from Audit Commission.	√		

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<p>Benefits/Corporate Debt Restructure</p> <p>This will include the deletion of approx 4 posts (subject to consultation).</p> <p>On-going review of procedures to ensure service impacts will be minimised.</p> <p>Further integration of the benefits and council tax team and changes to verification procedures for change of circumstances will be made to improve efficiency and processing times.</p>		100	Redundancy cost – to be determined	In place 01.04.12	<p>There is a risk that service levels to customers may be affected i.e. Increasing time to process claims.</p> <p>Some of these risks are dependant upon the size of the caseload, mitigated by changes to processing and verification procedures.</p> <p>The administration of housing benefit will move to the DWP in 2017 – possibility of increased turnover of staff.</p> <p>Potential risk to housing benefit subsidy.</p>	✓		

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	Income £ 000's	Budget reduction £ 000's				Internal	Minor	Major
<p>Set income target for LA Error with respect to Housing Benefit Subsidy</p> <p>The council is expecting to receive £300k in additional subsidy in 11/12. Latest projections indicate additional subsidy will be achieved in 12/13.</p>	158				<p>Failure to meet target for reducing errors in processing claims would result in failure to achieve additional subsidy, mitigated through close monitoring throughout the year.</p>			
<p><b>Reduction to Devon Audit Partnership (DAP) Budget</b></p> <p>The three partners –Torbay, Devon and Plymouth - have been discussing arrangements for the internal audit contract and have provisionally agreed a 20% reduction to the contract over the next two years.</p>		30	0	1/4/12	<p>Requires agreement of the DAP Committee.</p> <p>DAP will provide assurance that audit coverage and standards will be maintained.</p>	√		
<p><b>Increase Income from Court Fees.</b></p>	30		None	In place 01.04.12	<p>Increasing fees for court costs by £10 would generate approx £30k. Court Costs have not been increased for 4 years.</p>	√		

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	Income £ 000's	Budget reduction £ 000's				Internal	Minor	Major
Increase court fees by £10					Risk is the government could put a cap on the level of court costs.			
<b>TOTAL</b>	188	190						

Summary Costs and Savings	£ 000's	
Overall Saving - 2012/13	188	190
Revenue Cost per annum		378

<b>Name:</b>	<b>PAUL LOOBY</b>	<b>Position:</b>	<b>EXECUTIVE HEAD – FINANCE</b>
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