**Financial Services Service Plan April 2018 through to March 2019**

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| **Service Overview and Vision** | **Financial Management**Section 151 of the 1972 Local Government Act requires every local authority to make arrangements for the proper administration of their financial affairs with a named officer being responsible for this. In Leeds, this is the Chief Officer Financial Services. The Financial Services function supports the council’s section 151 officer and deputy section 151 officer in the delivery of the council’s services and meeting its strategic objectives by providing a comprehensive financial management service together with an Internal Audit function, a procurement and commercial Service and provision of a number of technical services. The prime purpose of the Financial Services function is to support front line services which the Council provides to the citizens of Leeds and to provide assurances regarding the overall adequacy and effectiveness of the Council’s control environment. The service aims to ensure a co-ordinated and consistent approach to the provision of financial services city-wide by * Supporting budget holders and senior management to effectively manage their revenue and capital budgets and align resources to priorities.
* Supporting effective decision-making by providing financial information, advice and guidance.
* Providing overall financial management of the council’s finances including the financial strategy, budget monitoring and the production of accounts.
* Aiming to maximise the council's financial resources within levels of acceptable risk.
* Promoting efficient and effective stewardship of assets and resources.
* Ensuring through treasury management that the Councils short-term cashflow and long- term debt and investment requirements are managed within acceptable levels of risk.
* Ensuring that the insurance risk across the Council is managed effectively.
* Ensuring compliance with statutory financial and taxation obligations.
* Provision of financial services to schools and external bodies such as academies, charities and partner organisations.
* Delivering efficient and effective operational financial services that meet the needs of clients and service managers.

Under the Chief Officer Financial Services, the Head of Audit and heads of service, teams provide an internal audit service, support to the council’s capital programme, devolved financial services to the five main directorates; schools and the corporate centre and in addition , the heads of Procurement and Commercial provide corporate procurement advice, specialist legal and financial advice for commercial activities and contract management support in respect of the councils complex contracts (such as the PFI /PPP programme). The aim is to provide an overall One Council approach to the provision of Procurement and Commercial Services. The medium-term vision for the service is that whilst Financial Services will continue to reduce in size, it will be more risk-focussed and deliver a more efficient and more influential service. Our staff are our most important resource and our vision aims to ensure that we are focused on our key priorities and remain well-trained, motivated and effective. This will contribute towards the service delivering its financial and efficiency targets whilst maintaining high quality service delivery and meeting professional standards. During 2018/19 and beyond we will continue to review and re-shape our service to ensure it is fit for purpose and continues to deliver financial savings and high performing financial support. As part of our commitment to deliver a high-performing, professional service, we want to ensure that our staff have the necessary skills to carry out their role.  |

| **Strategic Priorities** | **Our priorities** | **Our targets** | **Links to Best Council Plan Priorities & Values** | **Progress Against Targets** |  | **Monitoring Mechanisms** |
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|  | 1. **Financial Services – Leadership & Management**
 | **1.1) Financial Management Review:**In the context of the required budgeted saving for 2018/19, and anticipated further savings required in future years, to review the organisational shape and deployment of the service to ensure that the benefits of being based together geographically are captured, that best practice in the ways that we undertake keys tasks is rolled out and that consideration is actively given to succession planning so that the finance function continues to be fit for purpose.**Owner:** Financial Services Management Team**Lead:** Doug Meeson**Target date**: March 2019 | Treating people fairlySpending money wisely |  |  | Financial Services Management Team |
| **1.2) Integrated Support Services:** To further develop opportunities for more integrated working with other support services particularly with regard to the development, promotion and use of the benchmarking software that the Council has recently procured.Along with other support services within the Resources and Housing Directorate, develop opportunities to join up the delivery of the service offer that we provide to schools. In addition work closely with other support services in respect of a more joined up approach to learning places, academies and the financial health and sustainability of schools and the need to provide sufficiency of learning places that are fit for purpose **Owner:** Financial Services Management Team **FSMT Lead:** Simon Criddle/Richard Ellis/Bhupinder Chana **Target date**: March 2019 | Spending money wisely |  |  | Financial Services Management Team  |
| **1.3) Leadership & Management** Continue to ensure that we;* Have robust health & safety procedures and that we monitor compliance.
* Set clear objectives and give regular feedback through appraisals and 1:1s.
* Support all our staff through coaching, support and personal and team development opportunities.
* Support each member of staff to have their own personal development plan.
* Hold communication sessions regularly and encourage all of our staff to participate and engage, particularly during times of change.
* Address the key issues deriving from the Staff Survey. Namely:
* Improving the quality and value of appraisals
* Giving everyone a say and influence at work
* Tackling increased workloads and burnout with everyone doing their fair share.
* Tackling areas of poor management (fairness, consistency, values and behaviour)
* Improving IT systems and equipment.

**Owner:** Financial Services Management Team**Lead:** All**Timescale:** On-going to March 2019 | Treating people fairlyWorking as a team for Leeds |  |  | Discussions at Financial Services Management TeamFeedback from staff in appraisals; team meetings; staff engagement, etc. |
| **1.4) Inclusion, Poverty and Diversity** Contribute to the council’s equality, diversity and inclusion priorities including;* Promoting participation in training on equality & diversity
* Ensuring that equality and diversity is a regular item at local leadership team meetings.
* Consider the ways in which we can better hear the voice of staff generally and specifically that of underrepresented groups.
* Inclusion and Diversity to be a regular item on the FSMT agenda.
* As appropriate provide financial support and advice with regard to supporting Council initiatives to address poverty in the city.
* Continue to provide support and advice to Leeds Credit Union
* Work with Adults and Health in the determination and delivery of a strategy with seeks to implement the Leeds living wage for commissioned services

**Owner:** Financial Services Management Team**Lead:** All**Timescale:** On-going | Safer, Stronger CommunitiesTreating people fairlyWorking with people, engaging all communities |  |  | Discussions at Financial Services Management Team Feedback from staff via team meetings and engagement survey |
| **1.5 Integration of Procurement and Commercial Services** To complete the successful integration of the new Commercial and Procurement service within the wider Financial Services through;* Attendance at FSMT
* Ensuring that governance within the new service area reflects that employed by the wider Service.
* Consider the ways in which the voice of staff in the new service are heard and their views are taken into consideration.
* Invite Chief Officer and possibly other FSMT attendees to the new service area team meetings.

**Owner:** Financial Services Management Team**FSMT Lead:** Paul Hyde /Kieron Dennett **Timescale:** March 2019 | Treating people fairlyWorking as a team for Leeds |  |  | Financial Services Management Team  |
| **1.6) Delivery of the 2018/19 Financial Services Budget**Ensure the delivery of the 2018/19 budget for Financial Services recognising the continuing reduction in budget, expressions of interest in the Early Leaver Initiative, addressing income pressures whilst maintaining a high quality financial support service.**Owner:** Financial Services Management Team**Lead:** Doug Meeson**Timescale:** On-going to March 2019. | Spending Money Wisely |  |  | Budget monitoring reports to Financial Services Management Team |
|  | **1.7) Workforce Development Strategy**Aligned to the forward view of the role of Financial Services and through the workforce planning process, develop and implement a workforce development strategy.Undertake a Training Needs analysis for Financial Management and from this analysis determine development plans to address any identified skills gap.Review the appraisal process, as recorded within the PAL system, to ensure that it is “fit for purpose” in respect of meeting the CPD requirements of the accountancy bodies such as CIPFA. Implement any changes required to our appraisal processes to ensure that the service is compliant with these accountancy profession requirements.**Owner:** Financial Services Management Team**Lead:** Richard Ellis**Timescale:** On-going to March 2019 | All Best Council Plan Priorities | . |  | Financial Services Management Team |
| 1. **Financial Strategy and Annual Budget:**

Updating the financial plan for the period 2019/20 – 2021/22 which is designed to deliver the Council’s “Best Council” plans and ambitions, whilst recognising that there will be further significant reductions in the level of funding available. | **2.1) Medium Term Financial Plan & Forward View**Update the Council’s medium-term financial strategy 2019/20 - 2021/22 taking into account changes in funding, the review of the funding of adult social care, the Fair Funding review and updated projections for both expenditure and income assumptions. It should also reflect the outcomes of the seven key workstreams. Updated strategy to be reported to Executive Board in July 2018.**Owner:** Financial Strategy Group**Lead:** Richard Ellis**Target date:** July 2018 | All Best Council Plan Priorities  |  |  | Financial Strategy Group |
| **2.2) Housing Revenue Account Business/Financial Plan**Update the HRA Financial Plan which will be incorporated into the Council’s Medium Term Financial Strategy which is to be received at Executive Board in July 2018.**Owner:** Financial Strategy Group**Lead:** Kevin Mulvaney **Target date:** March 2019 | Housing |  |  | Financial Strategy Group |
| **2.3)** **Support to the 2018/19 Best Council Plan Priorities:**Ensure that the appropriate level of financial resources are aligned to support the 7 Best Council Plan objectives for 2018/19;* Inclusive growth
* Health and wellbeing
* Child friendly city
* Safe, strong communities
* Housing
* 21st century infrastructure
* Culture

**Owner:** Financial Services Management Team**Lead:** All**Target date:** On-going through to March 2019 | All Best Council Plan Priorities |  |  | Financial Strategy Group |
| **2.4) 2019/20 Annual Budget** Support the Council in setting the 2019/20 annual budget. Continue to review the format of the budget report and opportunities to improve the links between the Best Council Priorities, performance and financial resources.In respect of the determination of the Capital Programme implement a more robust and transparent process in respect of determining the viability and affordability of the proposed programme.**Owner:** Financial Strategy Group**Lead:** Richard Ellis/Bhupinder Chana**Target date:** Initial Budget Proposals – December 2018 for the Revenue budget. Final budget proposals to Exec Board and Full Council February 2019. | All Best Council Plan Priorities | . | **** | Report to Financial Strategy Group |
|  | **2.6) Local Government Finance System Reform**Continue to assess the potential impact of the proposed changes to the local government system. Specifically contribute to the ongoing consultation in respect of the Fair Funding agenda and keep abreast of any changes to proposals in respect of business rate retention. In accordance with the Government’s deadlines, once they’ve been determined, take the lead on the submission of a bid for the continuation of the Leeds City Region Business Rate retention scheme in 2019/20.**Owner:** Financial Strategy Group**Lead:** Richard Ellis **Target Date:** March 2019 | All Best Council Plan Priorities |  |  | Report to Financial Strategy Group |
| **2.7) Commercial Strategy** Support the Council to become a more commercial organisation. Specifically support respective Directorates in the determination of their budgeted level of fees and charges to ensure that they are consistent with the Council’s fees and charges policy. In doing so utilise analysis from the performance/benchmarking tools used by the Authority e.g. Ssentif Analytics, LG Futures **Owner:** Financial Strategy GroupLead: John Bywater **Target Date:** Ongoing through to March 2019 | All Best Council Plan Priorities |  |  | Report to Financial Strategy Group |
| **2.8) Schools Funding** Consult on the funding formula for 2019/20 andkeep appraised of the impact in Leeds of the new national funding formula in 2020/21.  Contribute to the review of SILC funding Produce a note on the issues around PFI funded schools and review how PFI costs are dealt with in the school funding formula.  Produce new guidance and procedures for school deficit balances**Owner:** Financial Strategy Group**Lead:** Simon Criddle **Target Date:** March 2019. | Spending Money Wisely |  |  | Financial Strategy Group |
| **2.9) Health & Social Care** Work with colleagues across the West Yorkshire and Leeds Health & Social Care economy to develop and implement the Sustainability and Transformation Plans Work with colleagues across the Leeds Health & Social Care economy to develop and implement the Leeds Care Plan**Owner:** Financial Strategy Group**Lead:** John Crowther **Target Date:** March 2018. | Spending Money Wisely |  |  | Financial Strategy Group |
| **2.10) Internal Recharges** Implement the agreed cessation in internal recharges for fleet services and identify further opportunities to reduce the level of internal recharges.**Owner:** Financial Strategy Group**Lead:** Kevin Mulvaney**/**Richard Ellis **Target Date:** March 2019 | Spending Money Wisely | .  |  | Financial Strategy Group |
|  | **2.11) Capital programme and Debt**To implement a revised approach to setting the capital programme that enables capital bids to be assessed when setting the capital programme alongside the revenue implications of capital spend when the Council’s revenue budget is considered.**Owner:** Financial Strategy Group**Lead:** Bhupinder Chana **Target Date:** March 2019 | Spending Monet Wisely |  |  | FPG/SIB |
| 1. **Financial health & governance:**

Ensuring that we have in place appropriate arrangements to deliver sound financial management and planning. In particular: * + Maintaining minimum level of risk based reserves;
* Clean audit certificate;
* Ensuring financial data is accurate and timely;
* Regular and accurate budget monitoring.
* Compliance with relevant codes of practice

  | **3.1) Accounts and Audit Regulations 2015 - Statement of Accounts** Ensure that the 2017/18 accounts are closed in accordance with the required timetable and that the Statement of Accounts is produced in accordance with the requirement for the certification of the unaudited accounts by 31st May with final publication by 31st July.  **Owner:** Financial Strategy Group**Lead:** Mary Hasnip**Timescale:** Ongoing through to September 2018 | Spending Money Wisely |  |  | Corporate Governance & Audit CommitteeReport to Financial Strategy Group |
| **3.2) Accounts and Audit Regulations 2015 – External Auditor** Liaise with the Council’s new external auditors, Grant Thornton, in advance of them taking on responsibility for the audit of the 2018/19 accounts.**Owner:** Financial Strategy Group**Lead:** Richard Ellis**Timescale:** March 2019 | Spending Money Wisely |  |  | Corporate Governance and Audit CommitteeReport to Financial Strategy Group |
| **3.3) 2018/19 Budget**Ensure that adequate arrangements are in place to monitor the key risks in the 2018/19 budget and support the accountable budget holders to manage net spend within the approved budgets. Ensure that risks are clearly identified and that contingency plans are developed and implementable.**Owner:** Financial Performance Group**Lead:** Richard Ellis **Timescale:** Ongoing through to March 2019 | All Best Council Plan PrioritiesSpending Money wisely |  | Financial Performance GroupCLT, DLTsExecutive Board |
| **3.4) Compliance with revised CIPFA Code of Practice and updated CLG Guidance** To ensure that that the Councils treasury management policy statement is updated to reflect the revised changes to the cipfa code and CLG guidance. The investment strategy is updated to reflect treasury investments and non treasury investments**Owner:** Financial Performance Group**Lead:** Bhupinder Chana **Timescale:** March 2019 | Spending Money Wisely |  | FPGExecutive Board |
| **3.5) Business Rate and Council Tax collection.**1. **In year collection of council tax**

Undertake monitoring and report with a target of achieving an in year collection rate of 96.1%.1. **Previous years collection of council tax**

Within the objective to achieve fullness of time collection rates of 99.3% for pre CTS, and 99.0% for post CTS to continue to monitor the collection of 2013/14 to 2017/18 council tax debt with a target of achieving a collection rates by the 31/3/19 of:\* On going collection of 2017/18 – 97.55%\* On going collection of 2016/17 98.04% by 31/3/19\* On going collection of 2015/16 98.25% by 31/3/19\* On going collection for 2014/15 98.33% by 31/3/19\* On going collection for 2013/14 98.69% by 31/3/191. **Collection of benefit overpayments**

Collection of 36.0% of current year benefit overpayments in year. Fullness in time collection target 73% excluding current and previous year.1. **Collection of sundry income**

To enhance the collection rates to reflect CIL payments and target Cumulative collection excluding 2016/17 and 2017/18  invoices of 99.5%1. **In year collection of business rates**

Achieve in year collection rate of **98.0%** in respect of business rates for 2017/18.1. **Year 2 collection of 2017/18 business rates**

As a milestone towards the ultimate collection rate, monitor the collection during 2018/19 of business rates raised for 2017/18 with the objective of achieving a cumulative collection rate of 99.0% by the end of the year.      **Owner:** Financial Performance Group**Lead:** Bhupinder Chana **Timescale:** March 2019 | Spending Money Wisely |  | FPGExecutive Board |
| **3.4) Taxation**Effectively manage the council’s taxation position* Implement the partial exemption forecasting model in order to plan the most effective tax position for the council and its partners. Timetable this statement to be received at both FPG and SIB.
* Advise directorates on the actions required to minimise the risk of incurring penalties from HMRC and identify opportunities for tax efficiencies/benefit.
* Manage the portfolio of HRMC claims and ensure submission deadlines are met.
* Support the making tax digital agenda which will require the Authority to file its VAT returns to HMRC digitally via compatible software
* Following the Internal Audit review in respect of the Council’s adherence to IR35, ensure that the recommendations from this report are fully implemented.

**Owner:** Financial Strategy Group**Lead:** Sarah Bagley/Richard Ellis **Timescale:** Ongoing through to March 2019 | Becoming a more efficient and enterprising CouncilSpending Money Wisely |  | Reports to Financial Strategy GroupFPGStrategic Investment Board (SIB) |
|  | **4. Internal Audit**To deliver an annual internal audit opinion and report that can be used by LCC to inform its annual governance assurance statement which concludes on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. This includes a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme. | **4.1) Internal Audit Plan** Deliver the approved number of annual audit days via the audit plan that is reviewed on a regular basis to align to key and emerging risks faced by LCC. **Owner:** Financial Services Management Team **Lead:** Sonya McDonald**Timescale:** On-going to 31st March 2019 | Spending Money Wisely |  | Reports to Financial Strategy GroupRegular update reports to Corporate Governance and Audit Committee. |
|  |  | **4.2) Operation of Continuous Improvement Programme**1. Review, update and monitoring of the Internal Audit Quality Assurance and Improvement Programme
2. Monitoring of Customer Satisfaction Questionnaires to identify areas for improvement
3. Improved use of data analytics/IDEA for assurance purposes

**Owner:** Financial Services Management Team**Lead:** Sonya McDonald**Timescale:** On-going to 31st March 2019 | Spending Money Wisely |  | Reports to Financial Strategy GroupRegular update reports to Corporate Governance and Audit Committee.Report on LCC compliance with Public Sector Internal Audit Standards to Corporate Governance and Audit Committee by Nottingham Council |
| **4.3)     Anti-fraud and corruption strategies**Review the council’s anti-fraud and corruption arrangements, identifying and implementing any areas for improvement**Owner:** Financial Services Management Team**Lead:** Sonya McDonald**Timescale:** On-going to 31st March 2019 | Being open, honest and trustedSpending Money Wisely |  | Reports to Financial Strategy GroupRegular update reports to Corporate Governance and Audit Committee. |
| **4.4) Spending Money Wisely – Staff Ideas** Maintain the existing staff ideas service, including the monitoring and reporting of outcomes and liaise with directorates to put in place frameworks for monitoring and implementing staff ideas.**Owner:** Financial Strategy Group**Lead:** Sonya McDonald **Timescale:** 31st March 2019 | Spending Money Wisely |  | Regular update reports to Corporate Governance and Audit Committee. |
|  | **5. Procurement & Commercial Services** | * 1. **Corporate Procurement and Contracts**

Updating and (following Member approval) implementing the Council’s Corporate Procurement Strategy with particular reference to the  Council’s Social Value framework. Providingsupport and guidance to Directorates with regard to all aspects of the Corporate Procurement Strategy including :* Assistance during procurement process through to contract award.
* Help in delivering social value through procurement.
* Contract disputes.
* YOR tender system.
* Advice on use of FMS in relation to contract queries.
* Development & implementation of corporate commissioning activities.
* Development & support in respect of the application of the Council’s

Social Value framework. **Owner:** Financial Services Management Team**Lead:**  Kieron Dennett **Timescale:** 31st March 2019 | Spending Money WiselyWorking as a team for LeedsWorking with people engaging all communities |  |  | Update reports to Corporate Governance and Audit Committee.Update reports to Scrutiny Board (strategy & Resources)Financial Services Management Team |
|  |  | * 1. **Commercial support to Council and wider regional activities**

Providing specialist legal and financial support to :* The Council’s portfolio of commercial undertakings and major projects.
* LCR Revolving Infrastructure Fund (RIF), WYCA commercial activities and other public sector partners in the region.
* Updating and facilitating compliance with the Council’s Contracts Procedure Rules.

**Owner:** Financial Services Management Team**Lead:**  Kieron Dennett / Paul Hyde **Timescale:** 31st March 2019 | Spending Money WiselyWorking as a team for LeedsWorking with people engaging all communities |  |  | Financial Services Management TeamLCR RIF Project BoardLCR RIF General Partner BoardWYCA Business Investment Panel |
|  |  | * 1. **Delivering an effective Contract Management service**

 Corporate responsibility for developing and implementing best practice management processes for the Council in respect of the  majority of its most complex projects including : * Full contract management service to the Schools PFI portfolio and the ILP accommodation PFI project.
* Support to the Councils’ housing, leisure, waste and street lighting PFI contracts.
* Provision of best contract management practice advice.
* Seeking opportunities for savings and value for money in contracts.

**Owner:** Financial Services Management Team**Lead:**  Paul Hyde **Timescale:** 31st March 2019  |  Spending Money WiselyWorking as a team for LeedsWorking with people engaging all communities |  |  | Financial Services Management Team |
|  | **6. Technologies & System Development**  | **6.1)** **Core Business Systems and FMS Review**Support the soft market exercise in respect of the procurement of a replacement financial system.Following the soft market testing exercise undertake an option appraisal which will seek to establish whether to either retain FMS, develop/enhance FMS or replace FMS. Progress any further actions following the outcome of the options appraisal.Ensure that systems that are not supported by IT e.g access databases are maintained or alternative solutions for delivery sought.**Owner:** Financial Strategy Group**Lead**: Doug Meeson/Richard Ellis**Target Date**: On-going to 31st March 2019. | Spending Money Wisely |  |  | Core Business Systems Review.FAR Board |
| **6.2)** **FMS (Leeds) – ongoing development**Ensure new FMS developments are prioritised, specified and developed to reflect business change and deliver efficiencies.**Owner:** FAR Board**Lead**: Richard Ellis**Target Date**: On-going to 31st March 2019. | Spending Money Wisely |  |  | FMS Priorities BoardFAR Board |
|  |  | **6.3) Improving Financial Services Digital Presence**Undertake a review of Financial Services on line presence in respect of both the Council’s Internet and Intranet. Based on this review, which could also incorporate a review of what other Local Authorities are doing to see whether there are any obvious gaps, implement any necessary changes.Implement a process and identify individuals who will be responsible for ensuring that the online presence is kept up to date.**Owner:** Financial Strategy Group**Lead:** Richard Ellis/Paul Cox**Target Date:** 31st March 2019 | 21st Century InfrastructureSpending Money Wisely |  |  | FSG |
|  | **7. General Data Protection Regulations** | **.1) Ensure processes surrounding personal and commercial data are GDPR compliant*** Identify all areas of data collection
* Ensure policies in place to manage collection storage and disposal of data
* Ensure understood by all staff
* Completion of GDPR training
* Review of aged information

**Owner FSMT****Lead John Crowther****Target date on going to March 2019** | Being open, honest and trusted |  |  | FSMT |