

FINANCE BUSINESS PLAN 2018/19

March 2018



1) Vision

Through the provision of support, advice and expertise ensure organisational compliance for financial, information, technology and accommodation assets.

2) Purpose

Finance department delivers services and functions as follows:

Service Area	Functions / Activities
<i>Financial Reporting and Integrated Finance and Commercial Finance Team</i>	<ul style="list-style-type: none">• Co-ordination and preparation of the Medium Term Financial Strategy and annual revenue and capital budgets.• A budget monitoring service for all directorates for revenue and capital budgets.• Production of the annual statement of accounts in accordance with the CIPFA Code of Practice.• Working in partnership with health colleagues providing financial support and advice for the £580m Integrated Fund.• Providing a Treasury Management service managing the Council's investment and borrowings and cash management.• Providing corporate and directorate advice on VAT and taxation.• Providing financial advice and support to all Directorates including reviewing revenue and capital business cases.• Responsibility for the Council's core financial management and information system – CIVICA.• Client responsibility for the internal audit service provided by Devon Audit Partnership.• Working with a range of external partners and stakeholders including schools, government departments, external auditors, partner organisations e.g. Delt, CaterEd.• Commercial Finance support to major projects and change initiatives• Provide advice on Companies and Joint Ventures (Pensions, Tax, Procurement Exemptions, Company Structures)
<i>Hard FM</i>	<ul style="list-style-type: none">• Delivery of the corporate landlord model, responsible for the repair and maintenance of the corporate estate, through centralised budgets.• Provision of the competent person function, in relation to specialist H&S advice and management systems• All building related statutory compliance/H&S competency• Contract management/services procurement – developing mutually beneficial supplier relationships• The writing and evaluation of technical and innovative specifications for the procurement of services (building

	<p>regulations, statutory compliance, British standards and regulations etc.)</p> <ul style="list-style-type: none"> • Risk management – control/management of risks throughout the corporate estate and prioritisation of works (in line with budgets) • Responsible energy management and procurement and delivery of the building related sustainability agenda • Management of the central property asset database and GPS systems • Delivery of the PCC Internal Plastics Free City Initiative
<i>Soft FM</i>	<ul style="list-style-type: none"> • Ensuring compliance with building related legislation via management of Site Control Logbook • Management of Concierge teams, including mobile toilet attendants • Provision of School cleaning / caretaking service via SLA's • Arrange and undertake minor maintenance across the Estate • Provision of a Concierge service across main Corporate buildings • Acting as a Responsible person at large scale events in the Guildhall • Supporting the commercialisation of the Guildhall • Provision of main reception services at main corporate buildings • Coordination of shared facilities within main corporate buildings such as meeting rooms and pool vehicles • Provision of varying levels of security within the corporate estate to protect assets including property, people & equipment • Coordination of the Access Control System
<i>Insurance Service</i>	<ul style="list-style-type: none"> • Management and placement of Insurance policies • In-house claims investigation and management • Manage Insurance Reporting • Manage and maintain claims database (LACHS) • Provide technical advice & support • Budget management and monitoring • Management and monitoring of Insurance Provisions • Administration and maintenance of insurance policies • Maintain Service ISO Accreditation • Manage Freedom of Information Requests
<i>Procurement</i>	<ul style="list-style-type: none"> • Provision of Organisational Procurement Plan • Provide Strategic and Operational advice regarding procurements • Ensuring value add and compliant procurements deliver for clients • Systems and Procedures for self-serve procurements up to £25k • Maintaining the Councils Contract Register • Control the verification of approved suppliers • Approve allocation of Purchase Cards

	<ul style="list-style-type: none"> • Setting up Category Management (from 2018/19) • Maintaining a register of Procurement Frameworks • Market Analysis and maintaining relationships with the supply chain
<i>Project and Contract Services</i>	<ul style="list-style-type: none"> • Provides a centralised project management function with Design & Cost Management Services including: <ul style="list-style-type: none"> • The use of robust project management procedures <ul style="list-style-type: none"> ○ Creation of robust governance arrangements ○ Specification of required outcomes ○ Management of risk ○ Management of project programme and budgets ○ Close liaison with the client ○ Stakeholder engagement ○ Feasibility studies ○ Development of business cases ○ Assistance with grant funding applications and claims ○ Tendering for & contract management of consultants and contractors • Delivery of capital & other strategic projects • Delivery of key project outcomes based on the Council's priorities • Adds value by making significant savings or achieving additional benefits for customers • In house design team that produce technical design drawings and specifications • In house cost management/quantity surveying service to ensure best value for the authority on project related costs • Work with contractor and consultant markets

Statutory Duties

The Finance department enables the Section 151 Officer for the Council to undertake his/her statutory role.

This statutory role is set out under section 151 of the Local Government Act 1972 and in essence is that every local authority must make arrangements for the proper administration of their financial affairs and shall secure that that one of their officers has responsibility for the administration of those affairs.

Some specific responsibilities include:

- Setting an annual budget:
- Assessment of the robustness of the annual budget and adequacy of reserves;

- Setting an annual council tax;
- Production of the annual set of financial accounts;
- Regular (monthly) budget monitoring to CMT, Cabinet Planning and quarterly monitoring to Cabinet and Scrutiny Committees.
- Compliance with VAT rules and other HRMC rules.

Hard FM

- Compliance with all building related statutory legislation throughout the corporate estate
- Manage GIS/GPS systems

Soft FM

- Operational building related health and safety compliance – i.e. undertaking fire drills, writing risk assessments in accordance with PIC responsibilities

Insurance Service

- Nil

Procurement

- Quarterly Contract Register Reporting

Project & Contract Services

- To ensure projects undertaken by the team are delivered in line with Construction (Design & Management) Regulations 2015

Outcomes

Finance Reporting and Integrated Finance

- Comprehensive financial management service to CMT, DMTs and all service managers with budget responsibility.
- Adherence to budget monitoring timetable for production of reports to DNT, CMT, Cabinet Planning and Cabinet.
- Supporting the delivery of options to save £20m over the next two years.
- An unqualified audit opinion.
- Compliance to VAT rules and ensuring the council does not breach its partial exemption limit.
- Managing the Devon Business Rates Pilot for 2018/19.

Hard FM

- A safe and legislatively compliant corporate estate
- Accurate building and property data records
- A balanced revenue repair and maintenance budget
- The reduction of waste by 5% p.a
- Increased recycling by 5% p.a
- Reduced emissions by 5% p.a
- Achieving the plastic free city accreditation.

Soft FM

- Teams working safely in accordance with Health and Safety legislation
- Good customer satisfaction level across diverse customer base

Insurance Services

- Minimise cost of claims by reviewing and challenging third party solicitor costs and damages
- Minimise litigation costs through efficient and robust claims handling
- Continue to investigate options to increase use of digital services in relation to liability claims reporting

Procurement

- Production of an annual Procurement Plan
- Contracts Register reporting requirements are met
- Compliant value add procurements
- Ensuring only legally compliant frameworks are used
- Policies, systems, procedures relating to self-serve procurement are fit for purpose and comply with Contract Standing Orders
- Procurement Awareness Training is delivered (from 2018/19)

Project and Contract Services

- Deliver strategic projects to the required specification, to the required time, to the required cost and providing value for money throughout.
- Service Level Agreement with client for each project to be delivered which identifies the services to be provided and the maximum charge for delivering that service

3) Service Priorities for 2018/19

Service Priority <i>What it is and why you're focussing on it</i>	'Must do' actions <i>What do you have to do to make the successful deliver against your priorities</i>	Dependencies <i>Who or what (e.g. systems; other departments) are you dependent on to achieve your actions</i>	Progress update 10 January 2019
Adherence to budget monitoring timetable for 2018/19 (Paul Looby / David Northey)	Review of forecast spend with budget managers. Review meetings with budget holders Completion of budget position for DMTs and CMTs. Completion of public reports for Cabinet and Scrutiny Committees.	Engagement with all directorates. Decisions and actions from DMTs and CMT. Civica and E-budgeting system.	Budget monitoring reports produced on a monthly basis for consideration by CMT and Cabinet. Quarterly review by Scrutiny. Performance against budget reviewed by External audit as part of the VFM assessment
Submission of Medium Term Financial Plan to Council on 19 November 2018 (Paul Looby / David Northey)	Financial modelling of resources and costs pressures. Agreement and adherence to MTFS timetable.	Strategic direction from Cabinet and CMT. Engagement with directorates to analyse cost drivers and longer term service planning. Clear long term grant allocation from Government.	MTFS considered by Council in Nov. 19. Longer term forecast limited by lack of direction regarding future funding from Central Government
Submission of Council Tax Base to Council on 28 January 2019 (Paul Looby / David Northey)	Agreement of collection rate. Assessment of government regulations.	Council Tax team for tax base position.	Council Tax Base Report prepared. Base increase by 1,177 after adjustments for care leavers, empty homes premium and major works discounts. Also includes the council tax support scheme admin update
Submission of 2019/20 revenue and capital budget to Council on 25 February 2019 (Paul Looby / David Northey)	Agreement and adherence to MTFS Timetable. Presentation of budget proposals to CMT. Presentation to Scrutiny Committees.	Strategic direction from Cabinet and CMT. Engagement with all directorates. Civica – Financial Management Information System.	In progress

<p>Submission of Council Tax levels to Council on 25 February 2019 (Paul Looby / David Northey)</p>	<p>Agree and approve revenue and capital budget. Approval of council tax base in January.</p>	<p>Council Tax Team</p>	<p>In progress</p>
<p>Production of draft set of accounts for publication by end of May 2018 (Paul Looby / David Northey)</p>	<p>Agreement and adherence of closedown timetable.</p>	<p>Accounting Code of Practice guidance and Updates. Engagement with all budget managers.</p>	<p>Accounts prepared and submitted to Auditors in accordance with timeline.</p>
<p>Final signed set of accounts by end of July 2018 (Paul Looby / David Northey)</p>	<p>Agreement and adherence of closedown timetable.</p>	<p>Engagement with External Auditors and agreement on contact of final accounts and BDO final management letter.</p>	<p>Auditors issued an unmodified opinion on the financial statements on and an unmodified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources on 13 August 2018. "clean Opinion". Accounts and Audit Letter reviewed and considered by Audit cttee.</p>
<p>Service Level Agreements for schools cleaning services by January 2019 (Mike Hocking)</p>	<p>Provide the Establishment with Services set out in Schedule A and Schedule B. Supply and administer staff to carry out the Services. Train all staff in accordance with the current legislative requirements. And comply with all statutory provisions or regulations relating to the provision of the Services. To deliver equipment for the deep cleans. Do inspections on the sites and check PICS folder to see if they are complying with the Healthy and Safety. Measuring new areas to get the correct</p>	<p>Soft FM to do the SLA. Finance, HR</p>	<p>SLA issued to schools w/c 3 January 2019. Fees charged at full cost recovery</p>

	hours for cleaning.		
Service Level Agreements developed for all sites (various dates) (Mike Hocking)	All SLA of schools has been sign for three years. From 2016 to 2019	Head teacher	No further action required at this time
Digitisation of FM services – default digital agenda (Anthony Dangar)	Implement improved Firmstep processes Implement Zetasafe – digitising compliance monitoring Realign Hard FM technical teams to improve service delivery and improved site audits Develop the business case to replace TechForge facility with the improved TechForge cloud system	Delt Shared Services Ltd Business Improvement team FM review project board	Project in flight
Restructure Soft FM – FM review project work stream (Anthony Dangar)	Analysis of the ‘as is’ Development of the ‘to be’	Business improvement team FM review project board	Service restructured. Recruitment to new structure underway. Target savings from new operating model £300k per annum
Procurement of a £11m Hard FM contract framework (Anthony Dangar)	Development of technical specifications Development of evaluation templates Market engagement (27 th March 18) OJEU procurement process	Procurement team Hard FM team	All contracts tendered and let as below: <ul style="list-style-type: none"> • Lot 1 - General building repairs £3,000,000 • Lot 2 – Mechanical repairs £1,000,000 • Lot 3 – Electrical repairs £1,000,000 • Lot 4 – Asbestos sampling, surveying and remedial works £120,000 • Lot 5 – Drainage inspection and repairs £200,000 • Lot 6 – Fencing and resurfacing £200,000

			<ul style="list-style-type: none"> • Lot 7 – Roofing repairs £800,000 • Lot 8 – Glazing repairs £100,000 • Lot 9 – Flooring covering repairs £100,000 • Lot 10 – Specialist door repairs and maintenance £400,000 • Lot 11 – Electrical compliance services £120,000 • Lot 12 – Mechanical compliance services £200,000 • Lot 13 – Alarm and security systems repairs and maintenance £240,000 • Lot 14 – Water hygiene services £200,000 • Lot 15 – Lift servicing, repairs and maintenance £120,000
Transformation of the Strategic Procurement Service (Simon Arthurs)	Set up Project Governance Develop, resource and deliver the Project plan	Ability to recruit and/or resource the Procurement service	Service redesigned.
Delivery of the Procurement Service Plan (Simon Arthurs)	Develop plan in consultation with clients and stakeholders Approve plan Deliver plan	Client and Stakeholder engagement Directors approval Procurement spend data turned into intelligence Fully established Procurement Services Function	Plan being delivered
Roll-out of the self-service procurement – under £25k (by 1 August 2018)	Develop plan in consultation with clients and stakeholders Produce training and set up support	Approval of Audit Committee, CRG and Full Council Stakeholder buy-in	Project in flight

(Simon Arthurs)	Validate compliance with process Amend Contract Standing Orders		
Insurance Provision Monitoring (quarterly) (Mike Hocking) Julie Steer	Review provision balances and compare with outstanding claims reserves	None	Regular monitoring taking place. Claims to Reserve ration narrowing requiring additional funding during 2020/21
Insurance Portfolio (3 year) review / re-tender in January 2019 (Mike Hocking) Julie Steer	Consider renewal terms in light of market conditions and decide whether to extend or re-tender	Insurance consultants	Extending the contracts in accordance with the provision. From April 2019 will be in the 4 th of 5 year contract period. Awaiting premiums (due early to finalise premiums by 1 april) late March)
Upgrading claims handling software (LACHS) by June 2018 (Mike Hocking) Julie Steer	Obtain approval to place order with software provider and arrange installation and training	Software providers	System in place since 1995. Project ongoing. System being aligned to new council structures, software upgrades in the process of being implemented and will allow more accurate reporting. Successfully defended some significant claims enabling us to reduce the reserves position
Delivery of capital Projects			
Completion of St. Budeaux Library redevelopment (Karen Brimicombe)	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes Regular liaison with client	Client – Library Service Strategic Housing Planning Authority Developer Contractor	In progress, contractors on site. Target completion date July 2019. Review of funding required to ensure fit out can be achieved to spec.
Completion of Billacombe Road Bridge (Karen Brimicombe) (Nathan Sanders)	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes	Client Planning Authority Contractor	Bridge on hold. Cycle path extension underway

	Regular liaison with client		
Completion of Bath Street Demolition (Karen Brimicombe)	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes Regular liaison with client	Client Planning Authority Contractor	Project complete
Completion of Manadon Pavilion and Pitch (Karen Brimicombe)	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes Regular liaison with client	Client Planning Authority Contractor Partners	Pavilion on site , pitch delivered
Completion of Langage Industrial Units Phase 2 (Karen Brimicombe)	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes Regular liaison with client	Client Planning Authority Contractor	Project complete. Units handed over.
Completion of Pomphlett Primary School (Karen Brimicombe)	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes Regular liaison with client	Client Planning Authority Contractor	Due for completion before end of financial year
Completion of Phase 3 toilet refurbishment (West Hoe, Promenade and Tinside) (Karen Brimicombe)	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes	Client Planning Authority Contractor	Delays to schemes. Business case being reviewed due to cost pressures Mats at west hoe

	Regular liaison with client		
Completion of depot rationalisation (Karen Brimicombe)	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes Regular liaison with client	Client Planning Authority Contractor	Welfare facilities completed, one of the sheds reroofed. Business case for whole schem being revisited
The Box	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes Regular liaison with client	Client Planning Authority Contractor	<ul style="list-style-type: none"> • Build contract is ongoing. Handover to take place in phases: • Section 1 – Museum 17/05/2019 • Section 2 – St Luke’s 11/06/2019 • Section 3 – Library 20/08/2019 Section 4 – Externals 19/08/2019
Mayflower 400	Manage resources effectively Manage risks & uncertainties Manage budget Deliver outcomes Regular liaison with client	Client Planning Authority Contractor	<p>Elizabethan House being refurbished. About to go out to tender for contractor. Works due to commence spring 2019.</p> <p>A multidisciplinary Design Team headed by WYG are appointed and are progressing the trail infrastructure design and the public realm improvements. The three Mayflower Trail routes have now been finalised and the interpretation plan being carried out by Cornerstone Heritage is well developed. All three trails will be available in paper and digital format and the Mayflower Trail will be available physically. A digital provider is in the process of being appointed. The trail infrastructure is in concept form and planning applications will be submitted shortly.</p>

			<p>The public realm works are focusing on West Pier. The repair of the Mayflower Steps and portico have already commenced on site. Further structural investigations will take place in the spring.</p> <p>The repairs will form part of the scope of works. Concept designs for the pier to create a larger events space and a new 'threshold space' including significant public art are in place and these are being worked up. We are working closely with the Environment Agency to include their requirement for enhanced flood protection works to be included in the scheme. £450k of funding has been earmarked from EA matching potentially £300k of s106 funding. We are presently working on securing this funding.</p> <p>Additional public realm interventions are place including the entrance to Southside Street and outside of the Prysten House.</p>
Millbay Boulevard	<p>Manage resources effectively</p> <p>Manage risks & uncertainties</p> <p>Manage budget</p> <p>Deliver outcomes</p> <p>Regular liaison with client</p>	<p>Client</p> <p>Planning Authority</p> <p>Contractor</p>	<p>Gilpin appointed to demolish Pavilions ramp – likely to be complete end April. Detailed designs for Boulevard in the process of being developed by LDA.</p>
<p>Compliance with all corporate policies including HSW, Risk Management etc.</p> <p>(All service managers)</p>	<p>Manage resources effectively</p> <p>Manage risks & uncertainties</p> <p>Manage budget</p> <p>Deliver outcomes</p> <p>Regular liaison with client</p>	<p>Client</p> <p>Planning Authority</p> <p>Contractor</p>	<p>No variance to report.</p>

Appendices to the Business Plan

1. Budget 2018/19
2. Balanced Scorecard – key performance indicators for your service (to measure progress against your priorities and statutory duties)
3. Risk and Opportunity Register
4. Service Standards – the standards of service you are providing to citizens/internal customers (new)

Finance Service Priorities for 2019/20

This is currently being developed for the financial year commencing 1 April 2019

Service Priority <i>What it is and why you're focussing on it</i>	'Must do' actions <i>What do you have to do to make the successful deliver against your priorities</i>	Dependencies <i>Who or what (e.g. systems; other departments) are you dependent on to achieve your actions</i>	Progress update 4 January 2019
Delivering a balanced budget for 2018/19			
Approval of budget for 2019/20 including capital programme			
Development of multiyear MTFS			
Deliver accommodation strategy			
Deliver savings proposals			
Embed new Procurement operating model			
Corporate Asset review			
Embed new FM operating model			
Accounts signed off by Auditor in accordance with statutory time table			