

GWYNEDD COUNCIL CABINET

Report to a meeting of Gwynedd Council Cabinet

Date:	16 July 2019
Title of Item:	Performance Report of the Cabinet Member for Finance
Purpose:	To accept and note the information in the report.
Cabinet Member:	Councillor Ioan Thomas
Contact Officer:	Dafydd Edwards, Head of Finance Department

1. INTRODUCTION

- 1.1 The purpose of this report is to update my fellow members on what has been happening in the fields within my remit as Cabinet Member for Finance. This includes outlining the progress against the pledges within the Council's Plan; the progress of the performance measures; and the latest in relation to the savings and cuts schemes.
- 1.2 The matters noted in this report have already been the subject of discussions and have been scrutinised at a meeting of the Finance Department management team, which also included representation from the Audit and Governance Committee, who is undertaking the scrutiny role in this field.
- 1.3 On the whole, I am comfortable with the performance of the projects and performance measures for which I am responsible, or that relevant steps have been taken to improve performance.

2. THE DECISION SOUGHT

- 2.1 To accept and note the information in the report.

3. CONTINUATION OF WORK ON 2017/18 GWYNEDD COUNCIL PLAN PROJECTS

- 3.1 Both projects below were a priority within the abovementioned Plan that ended in March 2018. The work of implementing the Information Technology Strategy is continuous and, therefore, I will continue to report on this work until the new Strategy is adopted. The Electronic Document and Records Management System (EDRMS) project implementation timetable has slipped since publishing the 2017/18 Gwynedd Council Plan; therefore, I will also continue to report on the work until it is complete.

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Contact:
01286 679868
01286 679490
cabinet@gwynedd.llyw.cymru



C6 - Information Technology Strategy (IT)

- 3.2 As the current Information Technology Strategy is ending, we have commenced internal discussions in order to plan a new Strategy. When it is mature, I will bring it to the attention of the Cabinet for discussion.

The Department officers are working with officers from the Education Department to develop a new Strategy that will focus on providing the best IT support system for Gwynedd schools.

C7 Electronic document and records management system (EDRMS)

- 3.6 The work of disseminating the use of the system to Council departments is nearing conclusion, with only five teams remaining from all the Council's services waiting to transfer. The work has been scheduled to be completed by the end of July 2019. Despite the turnover in the project team members, developmental work continues on the system, with a view to make the most of the investment in the system. We have found that the services seeing the most benefit from iGwynedd are those services which have been further developed, and we will therefore be encouraging services to develop their use of the system. At the same time, we will take care not to add unnecessary processes to the Council services workflow.

4. PERFORMANCE

Appendix 1 provides a full report on the performance measures related to my field of responsibility.

- 4.1 **The purpose of the Risk and Insurance Service** is to protect the interests of taxpayers by ensuring appropriate insurance arrangements and dealing with claims. I have challenged service performance and I am satisfied with 81% of public liability claims successfully defended by the unit, and 89% by insurers, in the period since the last performance report. I wish to note that the work of this service delivers an important role to ensure that the Council arrangements are robust in order to enable us to minimise harmful incidents. By defending claims, the service scrutinises the action taken by the service in which the claim was made against, and provides feedback in order to improve.
- 4.2. The Council's **Internal Audit Service** gives confidence to the citizen and the Council around the Council's control environment and governance arrangements. At the start of 2019/20 the service has focused its resources on auditing the accounts of 70 town and community councils. This means that only three audits were completed by the service during the same period, but this is in accordance with the expected profile. The audits completed were audits of joint committee and harbour authority budgets which the Council hosts or for which the Council acts as lead authority. I am pleased to note that a 'high' assurance level was received from the three.
- 4.3 The purpose of the **Payroll Service** is to pay staff correctly and on time, whilst maintaining appropriate accounts for paying external bodies such as HMRC. In keeping with its usual performance, 100% of payments were submitted accurately and within the time limit for external bodies. Despite a case of human error in March 2019 which led to 878 cases that led to further adaptations in salary, April and May saw a return to the usual level, namely (37 and 41, respectively). I asked whether it was possible for the service to reach a situation in which no such cases would arise. In response the service noted that this was not impossible, but that it tended to be cases of human error which led to adaptations. The service was

working on reducing the number of errors which were within its control, but that it was errors in other parts of the Council or a lack of punctuality in submitting information which was to blame for the rest of the cases. The ultimate solution would be to reduce human intervention within the system.

- 4.4 The **Creditors' Payments Service** ensures that the Council's creditors are paid promptly and correctly. It is noted that a decrease is to be seen in the number of adaptations to previous payments by the Council from 8 in period 2 to 1 in period 3, and 1 in period 1 of 2019/20. The service noted that while the number of adaptations had reduced, the risk of payment for the same invoice twice had increased as more and more of the Council's suppliers, departments and services operate digitally. However, the service had put a procedure in place to identify any duplications, in order to ensure that invoices are not being paid for twice.
- 4.5 The Council's performance on measuring the 'percentage of invoices paid within 30 days' has reached its highest level since 2015/16, with 92% of invoices received by the Council paid within 30 days. In the case of local suppliers, 95% of their invoices had been paid within 30 days.
- 4.6 The **Information Technology Service** supports and enables all the Council's services to serve the residents of Gwynedd in an effective, flexible and secure way.
- 4.7 The performance measures demonstrate consistent performance and a high satisfaction level across all units.
- 4.8 Following difficulties experienced in the summer of 2018, upgrading work was undertaken in our Data Centres in order to strengthen the resilience of Council systems in future. The service has taken advantage of this essential work as an opportunity to upgrade equipment coming to the end of its life, and to use the available budget wisely. This attitude has led to an improvement in provision and resilience without incurring higher costs for the Council.
- 4.9 One aspect where an unmet residual risk remains is the risk of a power cut, where the answer would be to have a specific generator in place for such incidents. In light of the substantial cost of doing so and due to the infrequency of power cuts, we suggest that we should live with this risk.
- 4.10 It has become increasingly apparent that discontent with the time it takes to complete projects is at the root of the vast majority of negative feedback received by the Information Technology Service. The Service has to make effective use of scarce resources which leads to strict prioritising of their work. The Service recently appointed apprentices, who will, in their turn, increase the service's capacity to deliver projects which will offer benefits to the people of Gwynedd. In addition, the Cabinet has of course agreed to add to the resource by providing finance for additional jobs, however, we are experiencing difficulties in finding suitable applicants. The service is currently looking for imaginative ways of filling these posts.
- 4.11 The **Pension Service** administrates the Local Government Pension Scheme on behalf of over 40 employers in order to calculate and pay pensions promptly and correctly. The In terms of **Measuring the average number of work days taken to send a letter notifying the value of retirement benefits - estimate (CD9.03)**, a reduction was seen in the average time at the start of 2019/20 compared to the end of 2018/19 (4.1 working days compared to 4.64 working days). This continues to be higher than the 3.5 days recorded in the first quarter of 2018/19, but has been achieved this year at the busiest time during the triennial valuation.

- 4.12 The Service also continues to work to promote self-service provision and now over 10,000 users have now logged into the On-line Pension service.
- 4.13 The purpose of the **Finance and Accounting Service** is to draw up budgets, keep orderly accounts and monitor the financial situation and provide financial advice to assist services to be effective and efficient. For the 2018/19 Financial Year, the service succeeded in closing the accounts and completing the statement of accounts, ready for their submission to the auditors by 31 May, a month earlier than in previous years, in preparation for the schedule which is to be statutory from 2020/21 onwards. Although they have succeeded in this task, the service has identified opportunities to improve processes in order to increase the effectiveness of this work in future. I am also confident that closing accounts sooner will enable them to provide more assistance and advice for Council departments and services.
- 4.14 The purpose of the **Income Service** is to process income and collect the Council's debts promptly and efficiently to maximise income, whilst being sympathetic to the departments' needs and operating sensitively according to debtors' financial circumstances.
- 4.15 It is noted that the **Total value of various debts over six months old (with the exception of deferred payments and debt referred to other services for further action) CD7.02** has continued to increase in relation to the end of 2018/19, but is an improvement on the same period at the start of 2018/19. The total value of debts over six months old now stands at £961,908. The Service noted that the Health Board had a considerable debt to the Council, and that the Service was continuing to work with the Health Board finance officers in order to find a way forward to solve the problem.
- 4.16 The purpose of the **Benefits Service** is to process Housing Benefits and Council Tax Reduction Scheme applications promptly and accurately, to assist to the citizens of Gwynedd in paying their rents and Council Tax bills. It is noted that the **Average time taken to process a new benefit application (CD12.03)** has improved from 21.14 days in quarter 2 2018/19, to 17.91 days over the most recent period.
- 4.17 In December 2018, full Universal Credit became operational across the whole of Gwynedd, which has reduced the number of new applications for housing benefit, but to increase the correspondence received from the DWP. The service took advantage of the change in its work arrangements to focus on Housing Benefit and Council Tax Reductions applications, causing a reduction in the time taken to process applications.
- 4.18 The service keeps an eye on the quality of its work by measuring the **Percentage of cases in a random sample where the calculation had to be amended following internal checks (CD12.05)**. The results of this show that an error had been found in 5% of cases in the sample. The service notes that there is no specific pattern to the errors made and that it is monitoring the errors found and providing appropriate training in order to manage the situation. It appears that the service's performance on this measure has stabilised at around 5%. I have therefore asked them to investigate the impact of this rate of errors in order to establish whether they are mistakes that would affect individuals' payments or whether they are technical errors. I will report on this in the future.
- 4.19 The purpose of the **Tax Service** is to collect taxes in a timely and efficient way, whilst attempting to be sympathetic to individuals' circumstances. Recently, the service

has proven difficulty in coping with the amount of correspondence reaching them. The high number of e-mails and letters reaching them has created a backlog, with this backlog in turn leading to a higher number of phone calls and dissatisfied customers. On average, customers had to wait for more than five minutes before their phone call was answered, with over 2000 calls a month being missed completely. It should be noted that March and April are very busy months for the service. The risk is that we may have gone a step too far with cuts in this field and we should pay attention to this in order to understand what is happening. The Unit is looking to move towards self-service in the near future and hopefully this will lighten the burden of calls on the Unit. I believe that we should wait for that to happen in order to see what the situation will be at that point, and for the situation to be revisited at that time.

5. FINANCIAL POSITION / SAVINGS

- 5.1 The department has succeeded in achieving the majority of the savings schemes for 2019/20. A scheme is under way to move payslips over to an electronic system, which is yet to be completed, but is expected to be accomplished fully and in a timely manner as intended.

6. NEXT STEPS AND TIMETABLE

- 6.1 None to note.

7. ANY CONSULTATIONS UNDERTAKEN PRIOR TO RECOMMENDING THE DECISION

7.1 Views of the Statutory Officers:

i. Monitoring Officer:

No comments to add regarding propriety.

ii. Head of Finance Department:

I confirm the accuracy of the content of the report, and I will support the Cabinet Member to deliver the relevant objectives.

7.2 Views of the Local Member:

Not a local matter.

7.3 Results of Any Consultation:

None to note.

Appendices

Appendix 1 - Performance Measures