

Appendix 2: Resources Delivery Plan 2023/24

**2023/24**

**DELIVERY PLAN**

**RESOURCES**



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## 1. Introduction

Resources comprises Finance, Business Support and Internal Audit & Fraud. It provides accountancy, treasury management, internal audit and fraud, and business support services to the Council and external clients including the West Dunbartonshire Leisure Trust, the Valuation Joint Board, Clydebank Property Company, charities and trusts, and West Dunbartonshire Energy Ltd. Company. In addition, it provides direct services to residents of West Dunbartonshire. It is one of eight strategic areas responsible for delivering the Council's Strategic Plan. Key actions to help achieve that are set out in this Delivery Plan, together with actions to address any performance issues and service priorities identified in the planning process.

Progress against this plan will be monitored and managed by the management team and reported to Corporate Services Committee twice yearly, at mid-year and year-end.

## 2. Performance Review

The Resources management team completed a detailed review of 2022/23 performance, focusing on:

- 2022/23 Delivery Plan year-end progress
- Local Government Benchmarking Framework (LGBF) comparative data
- Complaints
- Benchmarking within the Audit service.

This review highlighted our key achievements and challenges in 2022/23. These are summarised below.

### **Key Achievements in 2022/23**

#### **Finance**

- Completed a number of audited Financial Statements within statutory deadlines, with no qualifications.
- Further progressed financial support to the District Heating Network.
- Continued to deliver service and financial returns to public sector bodies.
- Supported transformation projects within the Council, including the District Heating Network, ongoing development of revised costing models and financial reporting within Housing Maintenance Trading Account.

- Supported the roll out of the Council's Cost of Living Capital Fund.

### **Business Support**

- Processed £2.5m in Free School Meals and hardship payments to families in need.
- Processed £1.3m in clothing grants to parents and carers of 4,497 school pupils.
- Processed £5.5m in cost of living payment to 36,768 residents providing assistance with rising energy costs.
- Processed £2.5m in discretionary housing payments to assist 3,316 vulnerable tenants with housing costs.
- Improved the rent arrears process working in partnership with Housing.
- Increased efficiency by developing and improving automation solutions to process Employee New Start, Sickness Absence, Teachers Pension Notification, Free School Meals, Clothing Grants and Discretionary Housing payments.

### **Internal Audit & Fraud**

- Finalised the 2021/22 annual audit plan and progressed the 2022/23 audit plan.
- Delivered actual savings and re-billings of £255,563 against an annual target of £250,000 through the Corporate Fraud Team.

### **Key Challenges in 2022/23**

#### **Finance**

- Reconciling and managing a significant number funding streams mainly due to Scottish Government priorities.
- Worked closely with all services to develop an extensive range of savings options to help deliver a balanced 2023/24 budget.
- The service operated without a Finance Manager for three months due to the resignation of the existing post holder and the need for the new post holder to serve their notice period in their previous role. This created significant pressure at a critical time as it coincided with the announcement of the Council's 2023/24 Local Government Settlement and preparation of the draft 2023/24 budget.
- Providing personal development for staff by allocating new roles to officers resulting in a significant learning curve whilst continuing to provide a quality service to customers.

#### **Business Support**

- Level of rent arrears was aggravated by the cost of living crisis.
- Collection of sundry debt was greatly impacted by cost of living crisis which is being managed in line with the Corporate Debt policy and a range of flexible measures.
- Managing levels of service delivery with the levels of budget cuts.

### **3. Strategic Assessment**

The Resources management team completed a strategic assessment to determine the major influences on service delivery and priorities in 2023/24. The key factors are summarised below.

#### **Key Factors**

##### **Financial Challenges**

The entire public sector is continuing to face significant financial challenges due to a range of factors including inflationary cost increases, rising utility costs and insufficient funding to support the delivery of front line and back office services. The Council are currently faced with an estimated cumulative funding gap in 2024/25 of £9.7m rising to £29.5m by 2027/28. We will continue to monitor the overall financial position of the Council and updates on estimated future budget gaps will be reported to Elected Members throughout 2023/24.

These challenges mean further action is required to balance our budget and protect services for residents. This will mean that within Resources available funding will be reduced over time and we will need to reconfigure how we work, what we do, where we work, and potentially reduce the number of people employed. In this context, we will aim to continue to provide a sustainable, quality service to internal clients and the public.

##### **Budget Sensitivity Analysis**

In reviewing the service budget projections, consideration has been given to the sensitivity of these budgets, in particular for higher risk/ higher value budgets which may have a significant impact on budgetary control and future budget projections. The analysis has considered sensitivity around demand, costs and charges, and income levels.

Specifically within Resources there were no budgets identified as being more susceptible to fluctuations. However, on a more Council-wide basis, the Council's cost of borrowing is susceptible to fluctuations in the bank interest rate due to the level of the Council's short-term borrowing.

##### **Reduction in Workforce**

The savings options agreed to deliver the 2023/24 budget have resulted in a reduction in resources within the Accountancy, Business Support and Audit & Fraud teams. This will require a review of workloads and prioritisation of tasks and responsibilities to ensure quality services are still delivered without placing undue pressures on staff.

In 2023/24, we will review and prioritise workload within Accountancy, Business Support and Audit & Fraud. This will be carried out as part of the wider workforce planning action: Implement service review process including role design, use of new technology and new ways of working to add resilience, address gaps, and establish opportunities for efficiencies

### **Accounting Code of Practice – Change Regarding Leasing**

There has been a change to the Code of Practice on Local Authority Accounting issued by CIPFA (the Chartered Institute of Public Finance & Accountancy) in relation to leasing, which was due to be in place for 1 April 2022 but has subsequently been delayed.

Going forward, this results in a significant change in the way leasing costs are presented within the Financial Statements and within the Treasury Management Strategy. This will require us to gather and analyse a significant amount of corporate-wide information, ensure awareness of the changes for both members and officers and change disclosures in the Financial Statements and Treasury Management Strategy.

In 2023/24, we will continue to gather and analyse information received to ensure we are prepared for the inclusion in the Financial Statements 2024/25.

### **West Dunbartonshire Energy Limited**

The district heating network provides low carbon heating and cooling solutions to the Queens Quay regeneration site. It aims to significantly reduce fuel poverty and deprivation within some of the poorer neighbourhoods of West Dunbartonshire and, crucially, contribute to key climate change targets. West Dunbartonshire Energy Limited, established in 2021, will progress the district heating network at Queens Quay.

There are plans to extend the network across commercial and residential sites over the next few years and there are ongoing discussions with prospective customers and the Scottish Government about funding arrangements for the extensions (both capital and revenue).

In 2023/24, we will continue to support the development of the business case for a further extension of the district heating network across commercial and residential sites and we will strengthen financial processes and controls. This will include creating new financial, banking and VAT processes for West Dunbartonshire Energy Limited within the Council's financial management systems.

## **Review of Capital Monitoring and Reporting**

The Council receives a general capital grant from the Scottish Government each year (approximately £6m). Any spend above this level not funded from other grants, is funded from borrowing. There is extensive monitoring and reporting of the Capital Programme to Council and Service Committees. Whilst it is important that robust monitoring is in place, it needs to be delivered in a way which finds a balance between transparent and effective reporting and not being excessively resource intensive. During 2023/24, we will review the approach to capital programme reporting to ensure it is efficient and effective.

## **Increased Corporate Debt**

Wider economic factors, in particular the cost of living crisis, have impacted on the collection of rent, Council Tax and sundry debt. The Council is finding it more difficult to collect all the money it is owed resulting in increased levels of debt across a range of debt types. In 2023/24, we will:

- continue to review ways of decreasing corporate debt through continued improvements to debt collection processes in relation to sundry, NDR, Council Tax and rent
- continue to review ways to improve rent collection rates in conjunction with Housing and W4U.

## **Automation of Processes and Information Provision**

Staff across the Council are employed in manual processes and information provision, such as processing invoices and updating transactional spreadsheets. Many such processes can be automated, providing benefits such as faster service delivery, improved quality and greater flexibility, as well as enabling staff to refocus on more complex tasks rather than repetitive tasks. In 2023/24, we will continue to pursue automation opportunities across the Council to improve efficiency.

## **Review of Council's Support Services Model**

The Council has a support services recharge model which is designed to ensure the cost of support services is appropriately allocated to services based on usage. This model has not been reviewed for a number of years and requires to be updated to ensure services, including the Health & Social Care Partnership and Housing Revenue Account, are being charged appropriately for the services they make use of.

In 2023/24, we will review the Support Services Model.

## **Action Plan**

The challenges identified in Section 2 and the key factors identified in Section 3 have informed Resources priorities for 2023/24. Appendix 1 sets out the action plan to address them. It also includes:

- performance indicators and targets that will enable progress to be monitored and reported to stakeholders
- strategic workforce actions to address workforce issues identified in the planning process
- strategic and/or service risks.

Strategic risks represent the potential for the Council to take advantage of opportunities or fail to meet stated strategic objectives and those that require strategic leadership. Service risks relate to service delivery and represent the potential for impact on individual services, or the experience of those who work within the services, i.e. employees, partners, contractors and volunteers or service users and clients in receipt of the services provided. In identifying the relevant risks for 2023/24 and actions to mitigate them, the aim is to improve or maintain the current position (i.e. the current risk score) set out in the appendix.



## 4. Resources

### Finance

Resources has a net revenue budget of £5.603m and a capital budget of £0.002m in 2023/24. A breakdown by service area is set out below. We will make the best use of the resources available to deliver on key priority areas and secure external/match funding where this is possible.

<b>Service Area (Figures subject to ongoing verification)</b>	<b>Gross Expenditure 2023/24 (£m)</b>	<b>Gross Income 2023/24 (£m)</b>	<b>Net Expenditure 2023/24 (£m)</b>	<b>Capital Budget 2023/24 (£m)</b>
Finance	1.568	0.281	1.287	0.002
Audit & Fraud	0.380	0.303	0.077	0.000
Business Support	40.188	38.701	1.487	0.000
CAS	2.773	0.021	2.752	0.000
<b>Total</b>	<b>44.909</b>	<b>39.306</b>	<b>5.603</b>	<b>0.002</b>

### Employees

#### Employee Numbers

The headcount and full time equivalent staff in each service area (as of 31<sup>st</sup> March 2023) are as follows:

<b>Function</b>	<b>Headcount</b>	<b>FTE</b>
Audit & Fraud	9	7.10
Business Support	184	161.15
Finance	45	35.25
<b>TOTAL</b>	<b>234</b>	<b>203.40</b>

## Absence

The 2022/23 quarterly absence figures for Resources are shown below, together with the Council average for the same periods for comparison. The figures for Resources have been significantly lower than the Council average throughout 2022/23:

Absence in 2022/23	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual FTE days lost per FTE employee
Resources	2.05	2.00	2.63	1.72	6.83
<b>COUNCIL WIDE TOTAL</b>	3.86	3.28	4.42	4.02	14.00

## Appendix 1: Action Plan

Please Note: All PI targets for 2023/24 are indicative until 2022/23 year-end data becomes available.

 Our Economy
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 Our area has the infrastructure for sustainable and inclusive growth where businesses can flourish
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Performance Indicator	2023/24	Owner
	Target	
Number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid	90%	Stella Kinloch

 Our partnerships support economic development to deliver increased prosperity for our area
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Performance Indicator	2023/24	Owner
	Target	
Time for processing applications for new Housing Benefits claims from application receipt date to the day the claim is decided	23	Ryan Chalmers
Time for processing applications for notifications of changes of circumstances for Housing Benefits from the application receipt date to the day the claim is decided	5	Ryan Chalmers

 Our Council
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 Our workforce is resilient and skilled where digital technology supports service delivery for our residents
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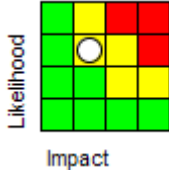

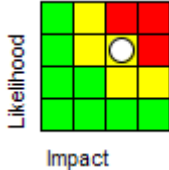
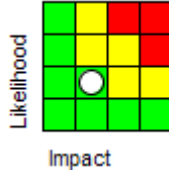
Action	Due Date	Owner
Develop and implement wellbeing, employee engagement, equality and training plans to enable capabilities, improved resilience and promotion of a diverse workforce.	31-Mar-2024	Management Team
Develop and implement employee life cycle plans in line with the People First Strategy to attract and retain the workforce.	31-Mar-2024	Management Team
Implement service review process including role design, use of new technology and new ways of working to add resilience, address gaps, and establish opportunities for efficiencies	31-Mar-2024	Management Team
Develop and implement training plans and development opportunities to improve capabilities and resilience within the workforce.	31-Mar-2024	Management Team

 Our Council is adaptable and focused on delivering best value for our residents
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Performance Indicator	2023/24	Owner
	Target	
Value of outstanding sundry debt as a percentage of total that is more than 90 days old from date of invoice	75%	Ryan Chalmers
Rent collected as a % of total rent due	98%	Ryan Chalmers
Percentage of corporate fraud savings target achieved	100%	Andi Priestman
Cost of collecting council tax per dwelling	£5.00	Ryan Chalmers
Percentage of income due from council tax received by the end of the year	94.9%	Ryan Chalmers
Current tenants' arrears as a percentage of total rent due	11.4%	Ryan Chalmers
Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year	10%	Ryan Chalmers

Performance Indicator	2023/24	Owner
	Target	
Income generated as a % of total revenue budget	11%	Carol Alderson

Action	Due Date	Owner
Review ways of decreasing corporate debt through continued improvements to debt collection processes in relation to sundry, NDR, Council Tax and rent	31-Mar-2024	Ryan Chalmers
Review ways to improve rent collection rates in conjunction with Housing and W4U	31-Mar-2024	Ryan Chalmers
Maximise automation opportunities across the Council	31-Mar-2024	Arun Menon

Risk	Description	Current Assessment	Target Assessment	Owner
Debt is not recovered efficiently or effectively, with inherent risk of financial loss	The processes deployed in collection of monies owed to the Council are inefficient and ineffective resulting in money not collected on time or having to be written off.			Ryan Chalmers
Increase in the level of rent arrears due to the level of Welfare Reform changes and general state of economy	The Council sees an increase in its level of rent arrears due to lower disposable income and national changes to the national benefits regime and the ongoing economic position			Ryan Chalmers

**Ob** Our residents are engaged and empowered

Performance Indicator	2023/24	Owner
	Target	
Percentage of council resources directed by communities	1%	Carol Alderson; Clare English; Elaine Troup

**Ob** Strong financial governance and sustainable budget management (Service Objective)

Performance Indicator	2023/24	Owner
	Target	
Amount of free reserves as a percentage of the prudential reserve target - HRA	100%	Carol Alderson
Amount of free reserves as a percentage of the prudential reserve target - General services	100%	Carol Alderson
Percentage variance to budget projected (General Services budget)	0%	Carol Alderson
Percentage of Audit Plan completed	85%	Andi Priestman

Action	Due Date	Owner
Implement the change to the Accounting Code of Practice in relation to leasing	31-Mar-2024	Carol Alderson
Support the development of the business case to extend the district heating network and strengthen the financial processes and controls of West Dunbartonshire Energy Limited	31-Mar-2024	Carol Alderson
Review the current capital programme reporting procedures	31-Mar-2024	Carol Alderson
Review the Council's Support Services Model and implement any changes	31-Mar-2024	Carol Alderson
Revise the Code of Good Governance	31-Mar-2024	Andi Priestman
Ensure continued compliance with the Code of Good Governance during 2023/24	31-Mar-2024	Andi Priestman

Action	Due Date	Owner
Prepare and submit draft Annual Governance Statement for 2022/23 to the Audit Committee	30-Jun-2023	Andi Priestman
Continue to improve and deliver the Assurance Statement for 2022/23 to support the Annual Governance Statement	30-Jun-2023	Andi Priestman
Complete the Internal Audit & Corporate Fraud Plan 2022/23 and report to Audit Committee as part of the Annual Assurance Statement	31-Aug-2023	Andi Priestman

Risk	Description	Current Assessment	Target Assessment	Owner
Failure to provide assurance of the system of financial controls	Either Internal Audit or External Audit is unable to provide assurances on the Council's financial control environment			Andi Priestman
Failure to meet statutory deadlines for external returns (including HMRC) and financial statements	Finance Services failing to meet statutory deadlines resulting in lost revenue or penalty costs			Carol Alderson
Financial projections are significantly incorrect	Financial projections for both capital and revenue are significantly incorrect resulting in insufficient reserves being held.			Laurence Slavin
Significant financial funding reductions / limitations from Scottish Government	It is expected that the Council will be faced with significant ongoing funding reductions/limited increases from the Scottish Government settlement. This is based on recent settlements, the March 2022 Resource Spending Review which states that Council funding will remain as 'flat cash' (at current 2022/23			Laurence Slavin

Risk	Description	Current Assessment	Target Assessment	Owner
	<p>levels) until 2025/26 with a £100m added in 2026/27 – the real term impact of this (taking inflation into account) for the next four years is a 7% reduction between 2022/23 and 2026/27. This coincides with a period where costs are expected to rise in relation to social care due to an aging population; inflationary increases with RPI at a level not seen since 1991; post-COVID-19 ongoing costs; increases in the cost of borrowing as interest rates increase and pay award pressures linked to inflation. The ongoing population decline of West Dunbartonshire versus the average population for the whole of Scotland leads directly to funding reductions with marginal impact on service delivery cost/need.</p>			