

Appendix 1: Resources Delivery Plan 2022/23

**2022/23**  
**DELIVERY PLAN**  

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**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, Clydebank Municipal Bank, and West Dunbartonshire Energy Ltd. Company. In addition, it provides direct services to residents of West Dunbartonshire. It is one of 8 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.

The progress of 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 2021/22 performance, focusing on the following:

- 2021/22 Delivery Plan year-end progress
- 2021/22 Quality Standards year-end progress
- Local Government Benchmarking Framework (LGBF) comparative data
- Complaints
- Benchmarking within the Audit service.

This review highlighted our key achievements in 2021/22 as well as the challenges to be addressed in 2022/23. These are summarised below.

### **Key Achievements in 2021/22**

#### **Service Wide**

- Managed a smooth transition to a new Chief Officer (appointed January 2022) just prior to the Council setting its 2022/23 revenue and capital budget.

## **Finance**

- Completed a number of audited Financial Statements within statutory deadlines, with no qualifications, under very challenging circumstances due to the pandemic and a material increase in funding streams requiring careful management.
- Developed systems to provide financial support to the District Heating Network, a new subsidiary company of the Council.
- Continued to deliver service and financial returns to public sector bodies with a new streamlined staffing structure.
- Supported transformation projects within the Council, including a number of ad hoc one-off projects, for example, the District Heating Network, ongoing development of revised costing models and financial reporting within Housing Maintenance Trading Account.

## **Business Support**

- Processed £2m in Free School Meals and hardship payments to families in need throughout the pandemic.
- Processed £0.571m in clothing grants to parents and carers of 4,234 school pupils.
- Processed £2.5m in Discretionary Housing Payments to assist the most vulnerable tenants with housing costs.
- Increased efficiency by developing automation solutions to process Free School Meals, Clothing Grants and Discretionary Housing payments.
- Supported the processing of Business Grants and a range of rates reliefs for businesses in the council area.
- Improved the efficiency of the creditor payments process through enhanced automation.

## **Internal Audit & Fraud**

- Finalised the 2020/21 annual audit plan and progressed the 2021/22 audit plan.
- Delivered actual savings and re-billings of £286,142 against an annual target of £250,000 through the Corporate Fraud Team.

## **Key Challenges in 2021/22**

### **Finance**

- Reconciling and managing a significant number of additional funding streams (mainly due to COVID and Scottish Government priorities).
- Developing processes to ensure compliance with the new requirements of the Accounting Codes of Practice e.g. significant changes in accounting for leasing.

- Achieving delivery of service and national requirements with a new streamlined staffing structure and an extended audit period.
- Providing personal development for staff and service resilience by allocating new roles to a number of the team resulting in a significant learning curve for many senior officers, whilst continuing to provide a quality service to customers.

### **Business Support**

- Level of rent arrears was aggravated by the impact of COVID.
- Collection of Sundry Debt was greatly impacted by COVID 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.
- Delivering council wide automations.
- Maintaining corporate administration support service levels throughout the disruption of COVID was challenging, for example, staff absence. This was over and above accommodating additional requests from services, where increased or additional service provision was required in response to COVID or other initiatives.

### **Internal Audit & Fraud**

- Completing the 2020/21 and progressing the 2021/22 Audit Plans were hindered by staff illness, turnover, recruitment difficulties as well as other priorities.

### **3. Strategic Assessment**

The Resources management team completed a strategic assessment to determine the major influences on service delivery and priorities in 2022/23. The key factors are summarised below.

#### **Key Factors**

##### **Financial Challenges**

The entire public sector is facing significant financial challenges. The Council are currently faced with an estimated cumulative funding gap in 2023/24 of £18.3m rising to £24.2m in 2024/25. Funding pressures relating to COVID will continue in 2022/23, and whilst there is still some carried forward COVID funding from the Scottish Government available for use in 2022/23, it is difficult to assess whether it will continue to be sufficient due to the ongoing unpredictability of the impact of the pandemic on people's lives and local businesses. 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 2022/23.

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 and we will need to reconfigure how we work and what we do to deliver further efficiencies.

To deliver the Council's objectives and meet those financial challenges, the Resources management team will implement the actions set out in the action plan in Appendix 2 under strong financial governance and sustainable budget management.

##### **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.

Within Resources there were no budgets identified as being more susceptible to fluctuations.

## **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 until 1 April 2023. Going forward, this results in a significant change in the way leasing costs are presented within the Financial Statements and costs are presented within the Treasury Management Strategy. This change requires us to gather and analyse a significant amount of corporate-wide information, ensure awareness of the changes for both members and officers and change the current processes for both Financial Statements and the Treasury Strategy.

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

## **Accounts for West Dunbartonshire Energy Limited**

The District Heating System 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.

Resources requires to develop and provide financial services to the new company. This increases workload on an ongoing basis within current resources. In 2022/23 we will develop and provide services including the development of a company structure within the ledger system, reconciliations, Financial Statement preparation, budget preparation and monitoring, VAT returns, ledger control, and invoicing.

## **Automation of Reconciliations (including VAT)**

Reconciliations and VAT processes are carried out manually. This is time consuming and introduces the risk of errors. In order to address this, work is currently underway to review specific reconciliations and VAT processes for automation where this is appropriate. Longer term this will reduce manual input and the risk of manual error.

## **Resource Services Support for Transformational Projects and Future Saving Options**

As the Council continues to transform services internally and to the public, the need for financial expertise and input is paramount. Without this, there is the potential for projections of future costs and income to be inaccurate which could materially affect the Council's ongoing financial position. To address this, we will continue to develop our staff to ensure they have the appropriate knowledge to support services and

transformational projects within the Council and engage closely with services to ensure we have a thorough understanding of the challenges they face and plan an active role in the progression of transformational projects and the development of saving options.

### **Review of Capital Programme, 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. Capital spend funded from borrowing results in revenue loan charges until the borrowing is fully repaid. Therefore any reduction in the capital programme will result in revenue savings over a longer period of time. Furthermore 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 2022/23, we will review the current capital programme and the supporting reporting procedures to ensure the programme is affordable and reporting is efficient and effective.

### **Increased Corporate Debt**

Due to the wider economic factors impacting 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. This has been exacerbated by the impact of the COVID pandemic. In 2022/23, we will:

- 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 and meaningful tasks rather than those that are repetitive and mundane. In 2022/23, we will maximise automation opportunities across the organisation to improve efficiency.



## **Code of Good Governance**

COVID required changes to governance, risk management and control procedures operating within the Council. In light of this, we will revise the Code of Good Governance, continue to ensure Council compliance with the Code, report this to Audit Committee and embed it within the Annual Governance Statement.

## **Action Plan**

The challenges identified in Section 2 and the key factors identified in Section 3 have informed Resources priorities for 2022/23. 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, including those relating to the pandemic.

In relation to the latter, 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 2022/23 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 £5.522m and a capital budget of £0.073m in 2022/23. 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.

Service Area	Gross Expenditure 2022/23 (£m)	Gross Income 2022/23 (£m)	Net Expenditure 2022/23 (£m)	Capital Budget 2022/23 (£m)
Finance	1.653	0.255	1.398	0.073
Audit and Fraud	0.431	0.300	0.131	0.000
Business Support	40.061	38.700	1.360	0.000
Central Administration Support (CAS)	2.646	0.013	2.633	0.000
<b>TOTAL</b>	<b>44.791</b>	<b>39.268</b>	<b>5.522</b>	<b>0.073</b>

### Employees

#### Employee Numbers

The headcount and full time equivalent employees in each service area (as at 31 March 2022) are as follows:

Resources	Headcount	FTE
Finance	45	38.04
Audit and Fraud	9	7.17
Business Support	185	161.81
<b>TOTAL</b>	<b>239</b>	<b>207.01</b>

## Absence in 2021/22

The quarterly absence statistics for Resources are shown below together with the Council average for the same periods for comparison. The figures for Resources have been lower than the Council average throughout 2021/22:

<b>Absence in 2021/22</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>	<b>Annual FTE days lost per FTE employee</b>
<b>Resources</b>	1.90	1.49	1.24	1.40	5.83
<b>COUNCIL WIDE TOTAL</b>	3.27	3.58	4.50	5.03	14.55

## Appendix 1: Action Plan

 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	Owner
Number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid	Stella Kinloch

 Our partnerships support economic development to deliver increased prosperity for our area
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Performance Indicator	Owner
The time for processing applications for new Housing Benefits claims from the date of receipt of the application to the day on which the claim is decided	Ryan Chalmers
The time for processing applications for notifications of changes of circumstances for Housing Benefits from the date of receipt of the application to the day on which the claim is decided.	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-2023	Management Team

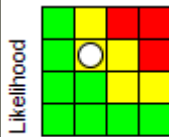
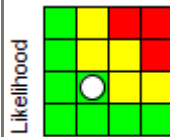
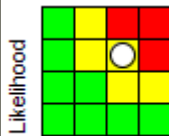
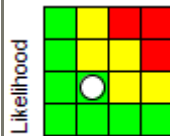
Action	Due Date	Owner
Develop and implement employee life cycle plans in line with the People First Strategy to attract and retain the workforce	31-Mar-2023	Management Team
Implement service review process including role design, use of new technology and new ways of working to add resilience, address gaps, and establish opportunities for efficiencies	31-Mar-2023	Management Team
Develop and implement training plans and development opportunities to improve capabilities and resilience within the workforce	31-Mar-2023	Management Team

**Ob** Our Council is adaptable and focused on delivering best value for our residents

Performance Indicator	Owner
Value of outstanding sundry debt as a percentage of total that is more than 90 days old from date of invoice	Ryan Chalmers
Rent collected as a % of total rent due	Ryan Chalmers
Percentage of corporate fraud savings target achieved	Andi Priestman
Support services as a % of total gross expenditure	Adrian Gray
Cost of collecting council tax per dwelling £	Ryan Chalmers
Percentage of income due from council tax received by the end of the year %	Ryan Chalmers
Current tenants' arrears as a percentage of total rent due %	Ryan Chalmers
Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year	Ryan Chalmers
Income generated as a % of total revenue budget	Gillian McNeilly

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-2023	Ryan Chalmers

Action	Due Date	Owner
Review ways to improve rent collection rates in conjunction with Housing and W4U	31-Mar-2023	Ryan Chalmers; Stefan Kristmanns
Maximise automation opportunities across the organisation to improve efficiency	31-Mar-2023	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	 Likelihood Impact	 Likelihood Impact	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	 Likelihood Impact	 Likelihood Impact	Ryan Chalmers

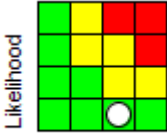
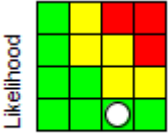
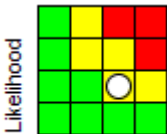



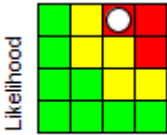
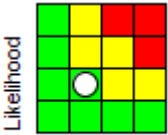
 Our residents are engaged and empowered
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Performance Indicator	Owner
% of council resources directed by communities	Clare English; Gillian McNeilly; Elaine Troup

<b>Ob</b>	<b>Strong financial governance and sustainable budget management (Service Objective)</b>
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Performance Indicator	Owner
Amount of free reserves as a percentage of the prudential reserve target - HRA	Gillian McNeilly
Amount of free reserves as a percentage of the prudential reserve target - General services	Gillian McNeilly
Percentage variance to budget projected (General Services budget)	Gillian McNeilly
Percentage of Audit Plan completed	Andi Priestman

Action	Due Date	Owner
Revise the Code of Good Governance	31-Mar-2023	Andi Priestman
Ensure continued compliance with the Code of Good Governance during 2022/23	31-Mar-2023	Andi Priestman
Prepare and submit draft Annual Governance Statement for 2021/22 to the Audit Committee	30-Jun-2022	Andi Priestman
Continue to improve and deliver the Assurance Statement for 2021/22 to support the Annual Governance Statement	30-Jun-2022	Andi Priestman
Complete the Internal Audit & Corporate Fraud Plan 2021/22 and report to Audit Committee as part of the Annual Assurance Statement	31-Aug-2022	Andi Priestman
Implement the change to the Accounting Code of Practice in relation to leasing	31-Mar-2023	Jackie Nicol-Thomson
Develop and provide financial services to West Dunbartonshire Energy Limited	31-Mar-2023	Adrian Gray; Gillian McNeilly
Review reconciliations and VAT processes for automation and implement those identified as appropriate	31-Mar-2023	Gillian McNeilly; Karen Shannon
Review capital programme, monitoring and reporting	31-Mar-2023	Gillian McNeilly
Review financial arrangements against the CIPFA financial code of practice	30-Sep-2022	Gillian McNeilly

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	 Likelihood Impact	 Likelihood Impact	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	 Likelihood Impact	 Likelihood Impact	Gillian McNeilly
Financial projections are significantly incorrect	Financial projections for both capital and revenue are significantly incorrect for various reasons – including unexpected costs – resulting in insufficient reserves being held	 Likelihood Impact	 Likelihood Impact	Gillian McNeilly
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 and ongoing projected population change with West Dunbartonshire. 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; likely increased 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. Pay awards and other inflationary pressures are	 Likelihood Impact	 Likelihood Impact	Gillian McNeilly



Risk	Description	Current Assessment	Target Assessment	Owner
	expected to continue to be higher than any settlement position. Covid-19 introduces a risk in relation to the potential net cost to the Council versus the ongoing funding support and/or financial flexibilities provided by the Scottish Government, though this is anticipated to be fully funded.			