

GWYNEDD COUNCIL CABINET

Report for a meeting of the Gwynedd Council Cabinet

Date:	21 January 2020
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:	Dilwyn Williams, Chief Executive

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 will include outlining the progress against the pledges within the Council's Plan, the progress against performance measures, and the latest information 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. This also included representation from the Audit and Governance Committee, which is undertaking the scrutiny role in this field.
- 1.3 Overall, I am satisfied with the performance of the projects and performance measures for which I am responsible, or that appropriate action has been taken in order to improve performance.

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2. DECISION SOUGHT

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

3. CONTINUATION OF WORK ON 2017/18 GWYNEDD COUNCIL PROJECT PLANS

- 3.1 Both projects below were priorities within the above Plan that ended in March 2018. The work of implementing the Information Technology Strategy is ongoing and, therefore, I will continue to report on this work until the new Strategy is adopted. There has been some slippage in the implementation timetable for the Electronic Document and Records Management System (EDRMS) since publishing the 2017/18 Gwynedd Council Plan; therefore, I will again continue to report on the work until it is complete.

An Effective and Efficient Council

C6 - Information Technology Strategy (IT)

- 3.2 With the current Information Technology Strategy due to expire, some work has been done to develop the new Strategy, although progress has been slow of late due to the need to focus on the education grant project, which is subject to a tight timeframe set by the Government.

As stated in the previous report, the intention in developing the new strategy will be to focus on providing the best IT support system for Gwynedd schools. Further discussions will be held with key partners over the coming weeks regarding the requirements of our schools, and subsequently I intend to bring the Strategy before the Cabinet for discussion, since there will be far-reaching implications associated with some of the options in terms of the service to be offered to schools and the cost of doing so.

C7 Electronic document and records management system (EDRMS)

- 3.6 The work of transferring or migrating all Council departments to the EDRMS has now been concluded. Further developments will be introduced during the year to come, including a facility to share documents externally, access from any location over the web, simultaneous collaboration on files and more.

Work has been undertaken to assist system users, which has led to a number of development requests and improvements. In order to ensure that users get the most out of the *iGwynedd* system I have asked the Department to circulate a message to all relevant members of staff to give them the opportunity to highlight any issues causing them concern or difficulty. This will enable us to put measures in place in order to improve users' experiences of the system. The Service is also assessing the information contained in the system according to how much of it is accessible to all and how much is restricted, in order to ascertain whether or not we are getting the maximum benefit from the system.

4. PERFORMANCE

Appendix 1 contains a full report on the performance measures associated with my remit.

- 4.1 The **Internal Audit Service** provides assurance to both citizens and the Council on the Council's control environment and governance arrangements. At the start of 2019/20 the service focused its resources on auditing the accounts of seventy town and community councils. The work has now been completed and final reports have been published for sixty-nine of the seventy councils, and the Service is working in collaboration with the Wales Audit Office to address the shortcomings identified in relation to one town council.

The upshot of this is that twenty audits from the Gwynedd Council Audit Plan for 2019/20 have been completed, or 37.03%, out of the sixty audits included in the amended plan. Although this figure appears quite low, it is consistent with the expected profile due to the work being done on the community councils, and is therefore not cause for concern at present.

- 4.2 The purpose of the **Risk and Insurance Service** is to protect the interests of taxpayers by ensuring appropriate insurance arrangements and dealing with claims. **83% of public liability claims (15 from 18) were defended successfully by the unit, and 93.9% by the insurers (31 from 33), in the period that elapsed since the last performance report.** As I have noted previously, in defending claims the Service scrutinises the actions taken by the Services against which the claims were made, and provides feedback in order to improve.

- 4.3 The **Information Technology Service** supports all Council services and enables them to serve the citizens of Gwynedd effectively, flexibly and safely.

Time has been invested in training staff so that they are equipped to respond to, and resolve, users' problems over the telephone at the first point of contact. In order to assess the success of this work, I have asked them to keep a record of all solutions achieved at the first point of contact. I have also asked the Service to consider ways in which we can reduce the 5% of unanswered telephone calls, and the methods of recording significant problems which affect large numbers of people.

You will be aware of recent efforts to improve the resilience of our IT systems. Over a three-week period in November the Council's systems were operated from a back-up server in the Galw Gwynedd office in Penrhyndeudraeth on three separate occasions due to an outage, although users were not aware of this and their work was not affected in any way.

An important element of the Service's work is to develop technological solutions in response to Services' needs. One example of such work is a project whereby a bespoke recording system was developed for the Occupational Health Service, which also led to a financial saving for the Council. The Service had obtained quotations from two suppliers for the purchase of an external system, one of which included set-up costs of £14,850 and running costs of £13,699 annually, with the other including set-up costs of £22,319 and annual running costs of £5,248.

- 4.4 The purpose of the **Taxation Service** is to collect taxes promptly and efficiently, while endeavouring to be sympathetic to individuals' circumstances. Information on the **collection rates for Council Tax and Non-domestic Rates bears comparison with the corresponding periods in the last two years, being 57.2% for Council Tax and 62.9% for Non-domestic Rates.**

You may recall that in my last report I described the difficulties that the Service had experienced in coping with the number of communications it was receiving, which had created a backlog. The Service has now cleared the backlog.

My report also mentioned that, on average, customers had to wait for more than five minutes before their telephone calls were answered, with over 2,000 calls a month being missed completely. Although it is expected that the likely transfer to the self-service system will somewhat lighten the load, I am eager to look at ways to improve the situation. As a result, there is an intention to look into the possibility of playing a recorded message with options when customers contact the Service by telephone, including the option to leave contact details after being on hold for more than 30 seconds, so that their calls may be returned.

- 4.5 The purpose of the **Benefits Service** is to process applications for Housing Benefit and the Council Tax Reduction Scheme promptly and accurately, in order to assist the citizens of Gwynedd in paying their rents and Council Tax bills. A further reduction has been seen in the **average time taken to process a new benefit application, down to 15.42 days in the last period** compared to 21.14 days in the second quarter of 2018/19.

There has also been a reduction in the number of new applications submitted in comparison with the second quarter of 2018/19 (down from 968 to 815), due to Gwynedd becoming an Universal Credit Full Service area.

The service monitors the quality of its work by measuring the **percentage of cases from a randomly-selected sample where the calculation had to be adjusted following internal checks. A reduction was seen in the last quarter, with the percentage being 4.52 compared with 5 in the preceding quarter, which is also lower than the percentage for the same quarter in 2018/19 (4.82).** This does not necessarily result in incorrect payments being made to individuals, but in an attempt to gain a better understanding of the adjustments I have asked the Service to highlight the costs or sums involved in the most significant errors made in the course of one quarter.

- 4.6 The purpose of the **Income Service** is to process the Council's income and collect its debts promptly and efficiently in order to maximise income, bearing in mind the needs of Departments and being sensitive to debtors' financial circumstances.

It is noted **total value of various debts over six months old (excluding deferred payments and debts referred to other services for further action)** was higher on the 30 September 2019 than on the 31 March 2019, but better in comparison with 30 September 2018. The total value of debts over 6 months was £1,075,566 on the 30 September 2019.

One of the reasons for this was the Health Board delaying payments due to questioning whether it should be liable for them, and discussions are ongoing in an attempt to find a solution. In the meantime, I have asked the Service to look into the main cases in question ahead of the next performance challenge meeting, in order to try and establish whether or not there is any basis for the Health Board to

question these payments, and whether there is unnecessary administrative work associated with the current arrangements.

4.7 The purpose of the **Payroll Service** is to pay staff correctly and promptly, and also to keep appropriate accounts for making payments to external bodies such as HMRC. An increase was seen in the **number of cases which led to further adjustments in salary** during August (315) and September (85), with was caused by a couple of significant incidents. These cases were caused by human error within other Services, and steps have been taken to remedy the situation.

4.8 The **Pensions Service** administers the Local Government Pension Scheme on behalf of over 40 employers, with the aim of ensuring prompt and accurate calculation and payment of pensions. In terms of measuring the **average number of working days taken to send a letter notifying the estimated value of retirement benefits, a reduction was seen** compared to the corresponding period in 2018/19 (**4.10 working days compared to 4.20 working days**).

It is noted that the **average number of work days taken to perform calculations and make payments to dependants upon the death of a scheme member has increased to 10 days compared to 5.94 days in the previous quarter**. I understand that the main reason for this was the retirement of the officer who verified the work, and the fact that it had not been possible to divert other officers to do the work during the period in question, as they were working on the valuation. I am confident that action has been taken in response to this, and that the average will fall over the coming period.

One of the main pieces of work accomplished in recent months has been the valuation of the Pension Fund, which is undertaken every three years. I am pleased to report that the funding level of the Fund has increased from 91% in 2016 to 108% this year, which means that we could see an element of reduction in our employer contributions. The full report will be released to the public by the end of the financial year.

4.9 The purpose of the **Investment and Treasury Management Service** is to maximise the returns on Pension Fund investments, and to keep appropriate accounts; to invest the Council's cash flow safely, with acceptable interest, and to manage long-term loans. An improvement can be seen in **interest income on bank deposits to be measured against the 7 day non-compounded LIBID rate, with returns of 1.82% in the last period** compared to 0.65% for the corresponding period in 18/19 and 0.42% in 17/18. The main reason for this is that funds have been invested in equity and property funds, which ensure better returns.

4.10 The **Creditor Payment Service** ensures that the Council's creditors are paid correctly and promptly. It is noted that an increase can be seen in the number of **adjustments to previous payments by the Council made during the last period, with twelve instances** compared to eight during the corresponding period in 18/9 and two in 17/18. One of the reasons for this increase is that more suppliers are operating digitally, as are the Council's Departments and Services. It is noted, however, that a procedure is in place to identify any duplication in order to ensure that invoices are not being paid twice. With the aim of reducing the number of these instances, I have asked the Service to review its systems.

4.11 An overall improvement was seen in the performance against the **'percentage of invoices paid within 30 days' measure, with 91% of invoices received by the Council and 94% received by local suppliers paid within 30 days**, compared to 88% and 91% for the corresponding period in 18/19. In order to gain a better understanding of the reasons for any non-payment by the Council, I have asked

the Service to look at twenty invoices (selected at random) not paid within the period in question.

- 4.12 The **Accounting Service** continues to maintain the Council's financial infrastructure well, and during this past period has had a focus on ensuring timely financial monitoring reports and preparing information to enable the setting of a viable budget in 2020/21. The Auditor General has recently completed an assessment of financial sustainability of authorities in Wales, and we should receive the report soon. I would expect this report to reflect the strength of our financial arrangements and our accounting service.

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 observations to add in relation to propriety.

ii. Head of Finance:

I confirm the accuracy of the contents 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