

EXECUTIVE SUMMARY

1. INTRODUCTION

- 1.1 In 2001, the Council undertook a best value review of financial management & control, which looked at financial and service planning across the council.
- 1.2 This second review, forms part of the 2002/3 programme of best value reviews and focuses on the financial services provided by the council on a day to day basis. Accordingly the review covers:
 - Finance Services (Accountancy, Exchequer & Internal Audit)
 - Revenue Services.
- 1.3 For the purpose of the review it was decided to undertake two separate studies but to draw together any crosscutting issues within this executive summary.
- 1.4 This is helped by the fact that the reviews have been carried out at the same time.
- 1.5. This summary aims to set out the key messages stemming from the reviews of finance and revenue services set out in **Annex A and Annex B.**

2. HOW ARE WE PERFORMING

- 2.1 The reviews of finance and revenue services commenced with a detailed baseline that set out to establish how well the services were performing currently.
- 2.2 This painted an initial picture of good and improving service delivery across both finance and revenue services.
 - Improving (upper quartile) revenue collection rates
 - Top performing benefit processing (well above the upper quartile)
 - Improving closure of accounts well within statutory timescales
 - Good performance in making creditor payments.
- 2.3 Nevertheless the reviews were conscious not to be complacent and looked to challenge the way services were being delivered to make them even better.

2.4 A number of key issues were highlighted at this stage.

In terms of **finance services** this indicated:

- Some areas of poor internal customer satisfaction linked to changing customer needs.
- A need to respond to changing government requirements e.g. e-government and the new accounts and audit regulations.
- Higher than average costs of providing finance services.
- A need to adopt a more rigorous approach to the collection of sundry debts.
- A recognition that the overall cost of the service provided was above average compared to neighbouring councils.

In terms of **revenues and benefits** services the review indicated:

- A lack of customer feedback on the quality of the services provided.
- A need to address new government initiatives e.g. verification framework and performance standards.
- Opportunities to work more closely with finance services in the collection of debt.

3. WHAT DO OUR CUSTOMERS THINK?

3.1 Finance & Revenues Services probably have more customers than any other service provided by the Council. For example every household received a council tax bill, while every business is subject to business rates.

3.2 A number of focus groups were arranged to seek customer views on the services that we provide. This included:

- Council Tax-Payers (revenues)
- External landlords and public bodies (benefits)
- Internal customers (finance services)

3.3 The most difficult group to reach was benefit recipients. This is addressed within the recommendations stemming from the review.

3.4 In terms of **finance services**, the feedback was mixed. It is clear that the needs of internal customers are changing and that they are seeking more financial advice to help them manage their budgets effectively. They also want more advice when planning new developments.

BEST VALUE REVIEW – FINANCIAL SERVICES

- 3.5 In terms of **revenue services**, the feedback was good with the majority of those attending focus groups recognising the quality of the service provided. However we do need to do more to get views from benefit claimants.
- 3.6 Consultation is not just viewed as an exercise to be done for this best value review. Finance Services staff now meet their clients at regular monthly monitoring meetings. The format and content of these meetings will be varied to meet the changing needs of our customers.
- 3.7 As part of the recommendations for revenue services, the Council will look at alternative ways to reach and gain feedback from benefit claimants.

4. COULD ANY-ONE ELSE DO IT BETTER

- 4.1 These reviews tried to gauge the level of interest amongst external providers to deliver these services.
- 4.2 In the case of finance services, we were guided by a market testing exercise undertaken by a neighbouring authority similar in size to South Derbyshire. This indicated:
- Little interest within the private sector to bid for finance services due to the relative small size of the contracts involved.
 - Some interest for revenue and benefit services, which are viewed as more mechanistic and easier to specify and deliver.
 - A willingness to proceed only if the Council has a total commitment to externalise these services as a means of improving quality without necessarily reducing cost.
- 4.3 In terms of revenue services we contacted a number of potential private sector providers to gauge their interest in delivering these services. The key messages:
- The private sector was interested in partnership where they may provide advisors to work with council staff to improve services.
 - The private sector may be interested in specific aspects of revenue and benefits provision i.e. IT systems.
- 4.4 As well as private sector bodies, the review also set out to assess the potential for partnership working with other neighbouring councils. This included approaches to all Derbyshire Councils as well as neighbouring councils. This identified considerable interest in partnership working as a means of improving further service performance.

- 4.5 On this basis the review concluded that partnership working was the most viable way in which we could work with either private or public bodies to improve the services that we provided. The review recommendations therefore include a range of partnership working proposals with:
- the private sector and four other councils to deliver a replacement revenues and benefits system,
 - Derbyshire Dales District Council to implement a new financial management system, and
 - Derby City Council to gain access to specialist advice on VAT matters.

5. CAN WE DO THINGS DIFFERENTLY

- 5.1 All Financial Services depend heavily on computer systems. The review recognised that our existing systems had served us very well over the last decade.
- 5.2 They have been both reliable and accurate. This is a tribute to those staff, who have developed and maintained these core systems.
- 5.3 However, the review recognises that the demands on our services are changing:
- E-government means that we need to make sure that wherever possible we can deal with electronic/internet transactions.
 - New legislative changes for benefits also mean that there is an increasing burden to rewrite key council systems to cope with these changes.
- 5.4 The reviews also recognised the potential risk of retaining in-house systems and the level of reliance placed on key members of staff, who may be the only ones to know in detail about these systems. This presents a key risk if those staff were no longer working for the authority.
- 5.5 In this way the review heralds the replacement of these core systems with new package solutions. It also recognises that this brings both a challenge and opportunity to the council.
- 5.6 The new systems will undoubtedly mean that we need to look more closely at the way we work and how we do things. For example:

BEST VALUE REVIEW – FINANCIAL SERVICES

- The revenues and benefits system provides the potential to work more closely with other councils to share expertise in certain areas as well as sharing peak and troughs in workload.
- The finance system provides the opportunity to streamline some of our financial procedures and reduce the level of administration involved.

5.7 Another area where the review will look to adopt a different approach is by encouraging closer working between revenues and finance services on the collection of debt.

6. CONCLUSION

6.1 The recommendations stemming from this review set out in Annex A and Annex B provide a sound basis for developing financial services across the Council.

6.2 Over recent years much has been done to develop these services and there is clear evidence of this within this review.

6.3 This would not have been achieved without the commitment of the staff working within revenues and finance services. In particular they have been open to trying new ways of working.

6.4 Overall the review concludes that there is an important role for the current finance and revenues teams to play in the future of the Council. To do this effectively these teams will need to continue to be open to embrace the changes recommended within this review. This will enable these teams to continue to move forward and maintain their position amongst the top performing providers of finance services.

