Corporate Finance and Audit and Risk Management

Pre Business Plan Review 2007/2008

Pre Business Plan Review 2007 / 2008

Business Unit: Corporate Finance and Audit & Risk Management

Budget Holder: Kevin Bartle & Anne Woods

Directorate: Finance

This Pre-Business Plan Review template has three main sections:

Section A:
Sets out progress against current year's objectives, performance targets and budget

Section B:
Identifies the factors that will affect the work of your business unit in the next four years

Section C:
Sets out proposals for the years ahead

There are 3 appendices which need to be completed in addition to this form:

Appendix 1
Lists business unit relevant performance indicators, floor targets, year to date and end year projected performance against targets and action to be taken to deal with under-performance. (Compiled by Improvement & Performance, completed by Business Unit)

Appendix 2
Value for Money profile – (Compiled by Audit Commission) for reference in completing section 4.

Appendix 3
a)Analysis of expenditure against budget and Grants
b)Revenue savings targets– (Compiled by Corporate Finance)

Appendix 4
Capital Programme Application Form and Explanatory & Guidance Notes – (2 additional documents compiled by Strategy Section, Corporate Finance, to be completed if relevant, in conjunction with section 12 of PBPR)

SECTION A – Where is the Business Unit now?

1. Vision

Please type here. State the vision for your business unit - this vision should be derived from the Council's overall vision. It should be a short and aspirational statement that will guide the work of your staff.

Corporate Finance's vision is:
Driving for excellence, focusing on improvement, delivering effective financial services

Audit and Risk Management's vision is:

'Be the Council's principal provider of excellent, cost effective, comprehensive audit, investigation, insurance and risk management services.'

2. Objectives (Current Year)

In the following table set out progress against current year objectives and identify any areas of work that will need to be carried forward to the next financial year.

Objectives	**Progress so far**	**Anticipated progress at year end**	**Areas of work to carry forward**
To inform, prepare and monitor the Council's medium term financial strategy, in line with the Community Strategy.	The business planning process is in place.	The medium term financial strategy will be delivered on time in accordance with the planning process. The financial strategy was scored highly in	CPA action plan to be continued to improve Use of Resources score in the new year.

		the CPA assessment.	
To deliver a CPA Use of Resources score of 3 out of 4 under the new 'harder test'.	A number of improvements have been implemented including raising the profile of value for money in the business planning process as well as through the submitting the VfM self assessment.	Scoring 3 out of 4 may be difficult as all Local Authorities are expected to have reduced scores.	As above.
To maximise resources (both capital and revenue) available to the council, including cash flow and debt management.	The treasury strategy will be reviewed as part of the business planning process. Improvements in debt management and income collection in 2004/05 are continuing. Bidding for external resources is monitored through the asset stream board (capital) and the external funding forum (revenue).	Treasury strategy will be approved. Expected further reductions in private debt owed to the Council.	
To deliver improvements to financial management across the Council through:- • enhancing support to Directors and Business Unit managers; • improvements to Financial Systems, including the continued support and development of core integrated systems, e.g. SAP, for effective financial, procurement and HR management;	The monthly budget management process has been improved with additional focus on debt collection, income monitoring. Improvements have also been made linking key risk budgets to service activity data. A number of workshops were held for departmental finance staff to improve the quality of the final accounts process including preparation of grant claims. A finance manual specifically for Social Services managers has been produced and circulated. Improvements to SAP made through the	Improved budget management reporting. A finance manual for schools will be provided and distributed to all schools. Reduced number of recommendations from the Audit Commission and all grant claims submitted on time.	We will commence production of a finance manual for Service managers in the Children and Young People's Service.

informed budge[illegible]g and setting; • transparent and rigorous monitoring; • timely, accurate closing, and; ensuring that finance function staff are enabled to perform, by having the necessary support, tools, skills and opportunity to contribute to service planning and practise.	Benefits Realisation project including improved Accounts Receivable process and Centralisation of Invoices	Improved income recovery process and improved invoice payment process delivering efficiency savings.	
To ensure compliance with accounting standards, standing orders and financial regulations, and ensuring that financial management operates within the Council's overall control environment.	Review of accounting issues after audit of final accounts will result in action plan for improvement. Monthly control day meetings closely review all compliance and reconciliation issues.	No areas of non-compliance.	
To provide high quality financial support to the Council's change management programme, and assist in delivering projects to improve services and the Council's performance.	The Realisation of Benefits Project is fully underway reporting to the SAP Project Board. The e-payment has delivered significant improvements and new services this year. The merger of the parking shop and cashiers project will deliver savings and a more focussed service to customers. Aligned to this project is the introduction of payments cards, which will deliver further savings (£60k) mainly	Project completion including significant training programme and delivery of savings and benefits. All new channels open including ATP for main services and Parking on internet. Opening of new Payment Service in November 2005.	

	to the HRA.	Payment card service implemented for Housing and Council Tax January 2006.	
To provide an efficient and effective risk based internal audit and investigation service; and complete 95% of the annual audit plan within the year and investigations within 12 weeks of the matter being referred.	First quarter results against the annual audit plan reported to Audit Committee in July 2006. To date 40% of the expected first quarter projects have been delivered. Ongoing completion of investigations. First quarter results within target.	Completion of the 2005/06 audit plan continued into the first quarter of 2006/07. It is expected that 95% completion rate will be achieved by year end. No issues identified to prevent target being achieved.	To be carried forward to 2007/08
To assist all business units, departments and the CEMB to fully embed the formal Council wide risk management strategy and processes, so that all key risks facing the Council are appropriately identified, monitored and reported.	Corporate Risk Management Strategy in place and agreed by CEMB and Audit Committee. Corporate, departmental and Business Unit risk registers in place, and planned to be updated by March 2007 Risk Management explicit requirement within business planning process CPA KLOE's for RM monitored on regular basis and action plan agreed and reported to Audit Committee	Ongoing work as part of 2006/07 audit plan and no issues identified to prevent completion. CPA feedback expected in 3rd quarter.	Any recommendations or issues identified as part of CPA process will need to be included in future planning
To ensure that an effective audit service is in place from April 2007, when the current contract with Deloitte expires	Approval for procurement approach for provision of internal audit services obtained from Audit Committee in July 2006.	Draft tender specification is being completed in conjunction with Corporate Procurement. OJEU advert is planned for September 2006. Tender returns expected	Ensure effective handover arrangements are in place if a different contractor to existing provider is appointed

		December 2006. Evaluation and recommendations to be made to Procurement Committee in March 2007. No issues identified to prevent contract being in place by April 2007.	
To provide an effective and efficient in-house insurance claims handling service to the satisfaction of all internal and external claimants, which complies with all legislative requirements and local service standard	Service standards and performance indicators on target. Ongoing work with Homes for Haringey to ensure smooth transition to separate insurance programme. Review of claim processes.	Service standards and performance indicators on target. Review of claims handling service provided for Homes for Haringey Implementation of identified process changes.	To be carried forward to 2007/08

3. Performance

For all indicators where performance against target or threshold **is at risk** set out: details in the table below

Ref	Description	2006/07 target / threshold	2006/07 performance Apr-Aug	2006/07 projection	Proposed remedial action to achieve target
	There are no national indicators relevant to Corporate Finance.				

4. Value for Money (Cost, Performance, Perception)

Heads of Service previously completed a Value for Money pro-forma which includes unit costs, comparative data and/or other value for money information that helps to demonstrate value for money for the service. Also refer to Appendix 2 –the Audit Commission Value for Money profile.

Please comment on your assessment and highlight value for money in a way that suits the local service

Please refer to Appendix 1 for the Corporate Finance VFM assessment..

Internal Audit participated in the national CIPFA benchmarking survey in 2006. Based on estimated 2006/07 data the following comparisons with all unitary authorities are highlighted:

Costs per audit day (net to LA): Haringey £287; Average £283

Costs per £m gross turnover: Haringey £651; Average £1187

Chargeable days per auditor (in-house staff): Haringey 177; Average 175

Overhead costs per auditor (included in the above figures): Haringey £27.6k; Average £11.2k

5. Finance

5.1 Spend against Budget

Appendix 3 shows an analysis of the cost of your service. Where there are over-spends or under-spends either as at end of August or at projected year-end, please list reasons and proposed remedial action.

Projected variation of £x – reason – remedial actions being taken / proposed	The Corporate Finance budget is planned to be in balance by the year-end.

5.2 Impact of Previous Years' Investment (New Table)

(List investment received over past 2 years per area/service and demonstrate how this has led to improved service performance/outputs/outcomes)

Area/Service	**2004/05 £'000**	**2005/06 £'000**	**Planned impact**	**Actual impact**
No investments for Corporate Finance approved.	0	0		

5.3 Agreed **Cashable** efficiency savings 2006/07 to 2008/09 (Please set out progress on savings already agreed over the next 3 years in addition to Savings & Investments already agreed. Where savings have not been achieved state the reasons.)

Details of efficiency	**2006/07 over 2005/06 £'000**	**2007/08 over 2006/07 £'000**	**2008/09 over 2007/08 £'000**	**Progress**
Reduction in external audit fees related to improvements in grant claim submission (Non service revenue account)		20	20	The original target has been revised and rescheduled, continuing savings will result in 2009/10.
Review of Corporate Finance staffing levels - including removal of 1 project accountant and 1 Trainee Accountant		75	0	This will be achieved (affecting 2 posts).
Total	0	95	20	

5.4 Agreed **Non-cashable** efficiency savings 2006/07 to 2008/09

(Please set out progress on savings already agreed over the next 3 years. Where savings have not been achieved state the reasons.)

Details of efficiency	**2006/07 over 2005/06 £'000**	**2007/08 over 2006/07 £'000**	**2008/09 over 2007/08 £'000**	**Progress**
There are no pre-agreed non-cashable efficiency savings for Corporate Finance.				
Total				

5.5 Pre-Agreed Revenue Investment Proposals (growth bids).

(Please comment on progress on use of investments previously agreed)

Details of Investment	**2006/07 over 2005/06 £'000**	**2007/08 over 2006/07 £'000**	**2008/09 over 2007/08 £'000**	**Progress**
None approved for Corporate Finance	0	0	0	

6. Risk Manag

6.1 You will already be monitoring risks through your risk register. Please set out any issues or key risks that might impact on your service in the coming year.

Risks	Mitigation	Further actions required
The Council is heavily dependent on SAP to make payments, collect income and control its overall finances.	The management of the systems team. Key documentation of processes. Checking of control accounts and reconciliations and tight management of the managed service provider.	None

The Council has a history of overspending in some departments. This could disturb the medium term financial strategy.	To identify and proactively address potential overspends through tight monthly budget management processes. Particular attention to the keep risk areas and linked to performance and activity. Specific attention to planned efficiencies through budget monitoring. Improved processes and controls for financial management of projects within a revised project management framework. Sufficient levels of reserves to be able to manage any budget risks.	None
The views of external commentators, such as Audit Commission, are increasingly important in the way that the Council is perceived. Adverse judgements can have wide implications.	Proactive management of the relationship with the Audit Commission. Pre-empting areas of concern and reacting promptly to justified criticism. Improving judgement scores through CPA action plan.	None

The treasury team controls large sums of money. If inadequately controlled, there could be material loss for the council.	The Treasury Strategy and Policy, detailed treasury procedures and controls and regular reviews by internal audit provide industry standard safeguards in this area. (Latest Audit report 'green'). Annual review of practices and further development of performance indicators. Take advice from external treasury advisers.	None.
Non service revenue account includes items such as Asset Management Revenue Account, Levies and Contingencies – needs to be managed and monitored as issues such as capital financing can have sudden impact.	Manage through Core Team (Budgeting, Projects and Treasury Management) – regular monitoring and updates – build AMRA financial model to manage future projections.	AMRA financial model to be developed further.
There is no council-wide risk management strategy. Risk management processes are not embedded across the Council. Failure to address the requirements of the CPA	Corporate Risk Management Strategy in place and agreed by CEMB and Audit Committee. Corporate, departmental and Business Unit risk registers in place, and planned to be updated by March 2007 Risk Management explicit requirement within business planning process	

Fraud by staff and/or customers Staff fraud – Treasury Management, Cashiers, Accounts, Benefits Public – theft, benefits	Counter Fraud strategy in place Financial Regulations and Procedures Activities of Finance and Audit staff Fidelity Guarantee	

SECTION B

What will affect the work of your Business Unit in the next four years?

7. Legislative regulatory, national policy changes or other external pressures including demographic changes

A number of Local Government finance issues will emerge in 2006/07 and 2007/08 such as Sir Michael Lyons balance of funding review, council tax revaluation and formula grant changes which will need to be responded to.

We will need to revisit our performance in the CPA Use of Resources assessment, which was revised and made more difficult in 2005 to improve our score. Particular attention will need to be paid to the value for money element in 2006.

3. Customer

Customer type	Current assessment of perceptions	Proposed actions to improve perceptions to an acceptable level
Perception Indicators	Target	Proposed action to meet target
(a) Cashiers front-line service 200,000 transactions per year	Target of less than 5% dissatisfied Actual 3% - target achieved	With the merger of the parking shop and cashiers the challenge will be to maintain this high level of customer satisfaction.
Customer survey conducted in May 2005 Results: Very satisfied 47% Satisfied 43% Don't know 7% Dissatisfied 3% **100%**		We are doing some work around internal customer satisfaction including: - subject of FACE awaydays with staff - use of CIPFA Financial Management model N/A
(b) Corporate Finance - Internal customers No perception indicator measured	Current rating, based on client assessment questionnaires, is that work provided internal audit is classed as 'effective', or 'highly effective'. During 2005/06, no assessments were rated as 'unsatisfactory'.	Corporate Finance Management will continue to assess whether and how we can obtain feedback from both internal and external customers.

Internal All council departments, individual schools, and Haringey ALMO (for all audit, insurance and risk management services)	Over 200 audit projects completed p.a. Evaluation questionnaire issued to all clients on completion of the audit work. In 2006/07 to date the average assessment rating has been 3.1, where 1 is lowest rating (unacceptable) and 5 is highest rating (excellent)	
External Third party insurance claimants, solicitors, loss adjusters, external counsel	Over 1000 individual claims p.a. No perception ratings for external insurance claimants, but current legislation requires 90% of personal injury claims to be dealt with in accordance with timescales set by the Woolf Protocol. In 2006/07, current performance is at 100%.	

. SMART Working

People Set out progress against your People Plan objectives and identify 3 key areas of work for 07/08.	Objective 1 – To ensure sustainability of workforce and workforce skills through targeted recruitment and retention programmes and developed training programme. *Recent recruitment initiatives have been successful. Permanent staff have been recruited and expensive agency staff reduced. This process is on-going.* Objective 2 – To ensure that staff know and understand the common goals, beliefs and purpose of the organisation and the service. *All staff performance appraisals take account of the Council's objectives and the business plan aligns the service objectives with the Council's.* Objective 3 – To continually develop people's professional and non professional skills and knowledge and provide support through periods of change. *We are totally committed to IIP and all staff are supported in training and development activities* Objective 4 – To increase the skills and capacity of leaders. *Most of the Heads of Finance have now been on the Leadership Programme, the rest will follow over this and next year.* Objective 5 – To modernise, develop and implement systems and procedures that will underpin modern working practice. *Staff are required to properly engage with SAP functional improvements such as SRM and initiatives such as the new agency contract which has virtually eradicated paper time sheets where approvals are now on-line.* To ensure staff awareness of corporate and service vision & priorities. a) Performance appraisals – linking work objectives and development objectives to business plan and LBH vision. Completed June 2006 b) Agenda item on the Team briefing sessions. Part of six monthly review of People Plan. Agenda item for October 2006 c) Review at annual and mid-year performance appraisals. To be undertaken at October mid-year reviews d) Review as part of staff survey. Results indicate 100% awareness of corporate and business

Work methods and Technology Identify any key IT projects for the coming year so that the impact of these projects can be assessed. *Impact includes any requirement for IT resource such as new or changes to existing software, any systems requiring upgrades, accommodation moves, changes to operating hours. Your IT Business Partner will work with you to assess this impact and provide budgetary estimates.*	Review existing systems & procedures within Internal Audit and Insurance a) Identify potential database applications to assist with intelligence gathering and reporting. b) Identify relevant upgrades as part of LACHS c) Identify options for electronic storage and filing (workflow) d) Identify budget requirements e) Draft business case for implementation if required
Workplace Identify any accommodation issues.	As part of the refurbishment of Alexandra House it is planned that Corporate Finance Teams that are located in that building will become co-located on one floor. This is likely to happen by June 2007. Refurbishment of Alexandra House – potential impact on systems and procedures if reduced accommodation available for filing and storage capacity

SECTION C
Proposals for the year ahead

10. New objectives for the next financial year- these need to be specific and relate to service improvements.

(Please also refer to Section A, Box 2 for areas to be carried forward and section B in completing this table.)

Number	**Objective**	**Why is this important**	**Key activities**	**Dependencies and joint working**
1	CPA – Use of Resources (UoR) – develop and implement an action plan to achieve level 4	The Council is committed to becoming an Excellent Council and a score of 4 on UoR is integral to this aspiration.	Enhance the action plan already in place to improve the Council's UoR score. The group working on this will continue its direction of travel to achieve the top score.	Other departments will need to fully embrace the need for improvement. Corporate Finance cannot, in isolation, achieve the desired outcome.
2	Lead on value for money issues for the Council	The Council's current VFM score is not satisfactory and links with aspirations outlined above.	To raise further the profile of VFM within the organisation and to ensure key budget managers understand their cost base.	As above and particularly Directors who will need to ensure the full engagement of service budget managers.
3	Improve financial training for managers and Members	Good financial management is essential for an excellent council.	Enhance financial training programme for managers (including schools) and members. Ensure the programme is embedded in the Council's development programme.	Full support from Directors to ensure appropriate staff attend.

4	Review the potential use of discretionary powers to charge for services	The future financial position of the Council is challenging. Maximising income is an essential component in balancing the budget.	Establish a small working group to review all potential charging opportunities.	Engagement from service managers and a commitment to maximising income.
5	To ensure that Audit and Risk Management is able to demonstrate that its services are effective, efficient and provide value for money for the council.	Key element of the CPA process	Identify suitable measures within A&RM which could be used to demonstrate that the service and the Council provide good value for money Arrange regular review meetings as part of UoR/CPA action planning and review process to assess compliance with KLOE at highest level and address any weaknesses and gaps identified through agreed action plan Arrange review meetings with Audit Commission, Deloitte and other local authorities to review progress against KLOE at highest level and identify any areas of good practice from other LA's	UoR working group Corporate Finance CIPFA benchmarking clubs Other local authority working groups as part of CPA/UoR
6	To assist all business units, departments and the CEMB to fully comply with the formal Council wide risk management strategy and processes, so that all key risks facing the Council are	Part of CPA requirements.	Review and update where necessary the Corporate Risk Management Strategy and ensure approval by CEMB and Audit Committee. Work with CEMB and managers to monitor, review and update Corporate, departmental and Business Unit risk registers Risk Management explicit requirement within	UoR working group.

	appropriately identified, monitored and reported.		business planning process Monitor CPA KLOE's for RM on regular basis and report to Audit Committee	
7	Review existing systems & procedures within Internal Audit and Insurance to identify cost effective options to improve filing, storage and archiving facilities across the section	Refurbishment of Alexandra House in 2007/08 may reduce the availability of storage and filing facilities.	Identify potential database applications to assist with storage and filing of both internal audit and insurance, including workflow options Identify whether existing systems (LACHS) have the modules available to upgrade Identify budget requirements Draft business case for implementation if required.	
8	Review and tender insurance arrangements for new contract commencing 1.4.08	To comply with procurement requirements and ensure value for money	Review current insurance programme . Prepare Specification Evaluation of tender return	External broker.
9	To ensure that an effective handover process and monitoring arrangements are in place if a new contractor for the internal audit service is appointed.	To ensure authority can comply with legal requirements and maintain an effective internal audit function.	Ensure handover timetable in place and meetings with existing and new contractor are arranged if required.	External contractors

11. Capital Investment Proposals

Please list all capital proposals that have been submitted in the capital appraisal process.

Proposed investment (description of scheme/ programme line)	Capital sought from Council resources			Council contribution as a % of overall capital cost
	2007/08 £'000	**2008/09 £'000**	**2009/10 £'000**	
Kiosks for cashiers service once re - provided in Customer Services	120			100
SAP - on-going investment to further improve management information. SAP will utilise Business Warehouse further for the HR, FICO and Procurement modules. The funds will also support the continued development of the latest version of SAP (ERP 2005).	500	500	500	100

12. New Revenue Investment Proposals (growth bids).

This proposal must include any additional revenue implications arising from any capital proposals in Table 11.

Proposed investment	**How does this support Council Priority**	**Justification (linked to PBPR Section A & B)**	**07/08 over 06/07 £'000**	**08/09 over 07/08 £'000**	**09/10 over 08/09 £'000**	**10/11 over 09/10 £'000**	**Staff affected**	**Posts affected**	**Dependencies/ impact**
(a) ***Key service priority investments***									
None									
(b) ***Unavoidable cost pressure (price above inflation, demand above plans—evidence required)***									
None									
(c) ***Revenue Implications of capital bids (table 12)***									
SAP item - Already included within revenue base budget provision.									
Payment Kiosks	Improved VFM through increased efficiency	In support of 'To maximise resources' objective.	25						

13. New cashable efficiency savings

Insert proposed efficiency savings, giving an outline of the proposed saving, the impact that this saving will have on performance (if any), the value of the saving in 2007/08 to 20010/11, the number of staff who would be made redundant and the number of posts which would be deleted. This is additional to the already agreed efficiency savings set out in the table 5.3. The total across the four years should agree to the total target savings.

Proposed efficiency saving	**Impact on performance**	**2007/08 over 06/07 £'000**	**2008/09 over 07/08 £'000**	**2009/10 over 08/09 £'000**	**2010/11 over 09/10 £'000**	**Staff affected**	**Posts affected**	**Dependencies/ impact**
Reduction in external audit fees related to improvements in grant claim submission (Non service revenue account)	None			20				
Review of debt management procedures including reduction of central control of debt management		3	15					
Closure of HPS (cashiers) office on 247 High Road and transfer service to Customer Services using 'kiosk' technology.	Enhanced use of technology should not adversely impact on the service to the public.			150		6	6	Transfer of function to Customer Services
Non renewal of personal accident insurance policy	N/A	73						
Potential establishment of London Authorities Mutual Insurance Company. Haringey's contracts are due for renewal in April 2008	N/A		Not known at this time					
Total		**76**	**15**	**170**	**0**	**6**	**6**	

4. New non-cashable savings

Non-cashable savings are achieved by (1) Higher output or increased quality (extra service, extra productivity, etc) for the same inputs or (2) Proportionately more outputs or improved quality in return for an increase in resources.

An example of a non-cashable efficiency is a review of business processes which results in more transactions being processed with the same number of staff whilst maintaining quality of service.

Proposed service improvement/ different way working or	**Impact on performance (for LBH & Partners)**	**07/08 over and above 06/07 £'000**	**08/09 over and above 07/08 £'000**	**09/10 over and above 08/09 £'000**	**10/11 over and above 09/10 £'000**	**Dependencies/ impact**
None proposed						
Total						

Area	Contact	Extension
Finance/ Budget information	Service Finance Manager or Kevin Bartle	 3743
PBPR / Business Planning	Eve Pelekanos or Margaret Gallagher	2508 or 2553
CPA	Eve Pelekanos or Christine Piscina	2508 or 2516
Programme / Project Management	James Davis	2510
Smart Working	Philippa Morris	1088
Performance Indicators	Margaret Gallagher or Richard Hutton	2553 or 2549
Risk Management	Anne Woods	5973
Workforce Planning	Stuart Young	3174
People Plans	Philipa Morris/Stuart Young	1088/3174
Procurement	Michael Wood	2120
Equalities & Diversity	Eve Featherstone/Helen Choudhry/ Inno Amadi	2583/2580
Consultation	Janette Gedge	2914
Community Strategy	Janice Robinson	2613
IT	Sheila Mair CES Julia McClure Social Services/Finance George Liveras Children's Services Aslam Osman Housing/Finance Jill Hellier Environment	4672 4675 3417 4677 4687

Appendix I – Performance Indicators

No national indicators are relevant for Corporate Finance.

Value for Money Assessment: Corporate Finance and Internal Audit & Risk Management

1. Business Unit Cost

1.1 What is your annual budget – gross budget of £5,915k in 2005/06, net budget of zero as all costs charged out to other services.

1.2 What is your budget breakdown:

	£'000
Expenditure	
Employee costs	3,949
Premises	0
Transport	11
Supplies and services	240
Third party payments	419
Transfer payments	0
Support services	1,297
Capital charges	0
	5,916
Income	
Customer and client receipts	(426)
Recharges	(5,490)
	(5,916)
Net expenditure	0

1.3 The details of the service:

- Strategic financial planning;
- Annual budget process and budget management support;
- Financial management support and advice;
- Financial systems support and business development including SAP;
- Support to the capital strategy and funding;
- Treasury and cash flow management;
- Pension fund management;
- Co-ordination and preparation of the final accounts, liaison with external audit;
- Grant claims management;
- Tax processing and advice;
- Haringey Payments Service (cashiers & parking shop at 247 High Rd)
- Bank reconciliation and control;
- Strategic debt management and income collection;
- Schools finance and funding.

2. Charging

2.1 How are your costs charged to business units and services?

The basis for charging in 2005/06 was:

- direct teams to service departments;
- SAP licences for the financial systems team;
- Volumes of transactions for the cashiers, banking and accounts payable teams;
- Man days within the audit plan; and
- General FTE for the residual costs.

Business Unit	Recharge £000

nvt Mgt & Suppo	8
Recreation	90
Streetscene	123
P&EC	59
Neighbourhoods	5
Enforcement	54
Management	70
Older people	299
Asylum seekers	115
Children	322
Adults	218
Housing Director	2
Technical Services	7
Housing Strategy & Needs	186
Housing Management	83
HHBS	228
Housing Improvement	4
HRA	229
Childrens Business Mgt	236
Catering	9
Individual Schools	137
Education Dept	303
Play	17
Economic Regen	15

Youth Offending service	28
Legal Services	65
Neighbourhoods	38
Libraries & Musuems	78
Local Benefits & Taxation	667
Strategy and communications	75
OD&L	145
Corporate IT	488
Customer services	81
Corporate procurement	13
Corporate property	229
Commercial Properties	19
Corporate finance	297
CDC	342
Non-service revenue	18
Pension fund	88
Total	5,490

3. RA/RO Returns

3.1 How does your expenditure appear on the RA (budget) form?

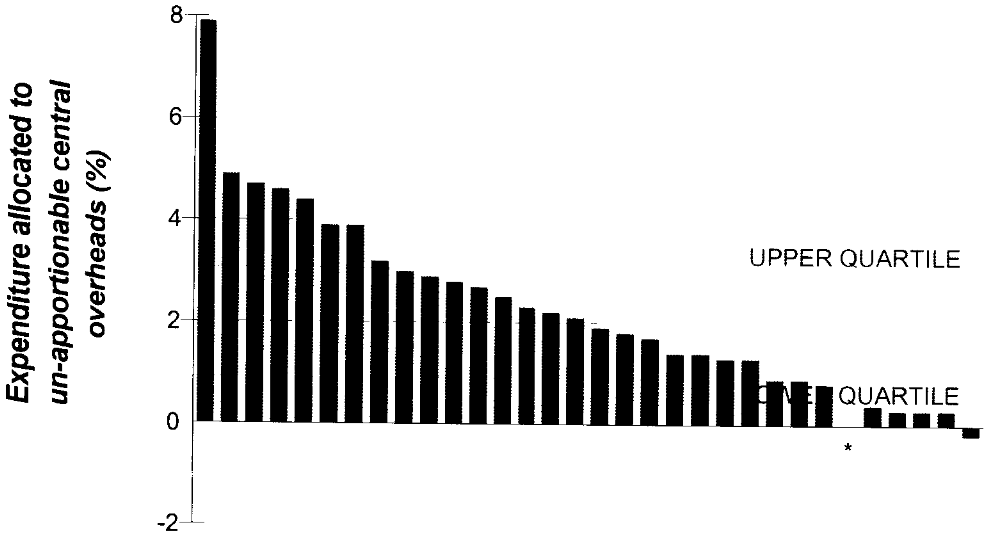
Category	Value
No costs charged directly to front line services	0

3.2 How does your expenditure appear on the RO (outturn) form?

Category	Value
No costs charged directly to front line services	0

Costs (If applicable)

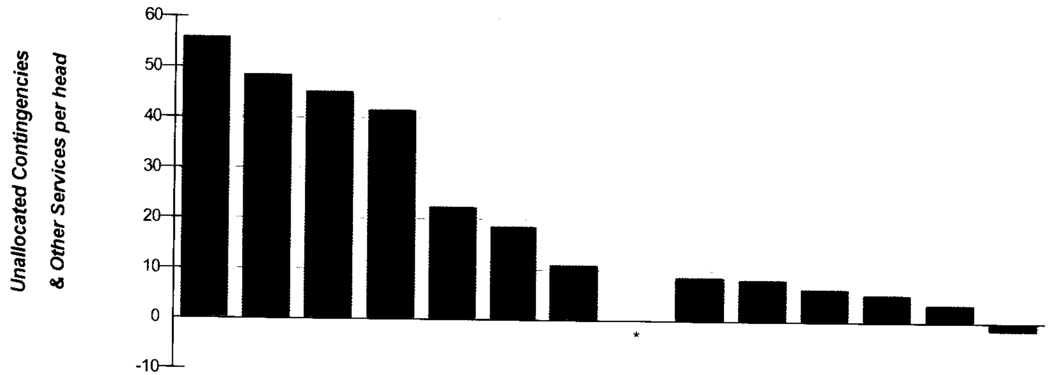
4.1 Please insert your relevant cost graphs from the value for money profile and any other information you can provide.



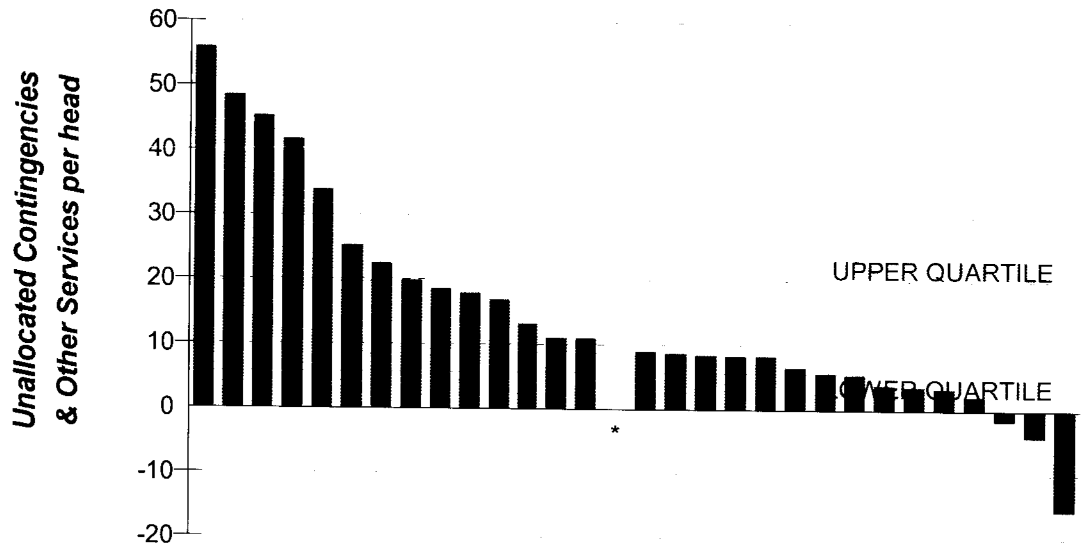
Haringey vs London Borough

Not all councils allocate a similar percentage of their total spending on services to un-apportioned overheads. This can explain why service costs may appear to be at odds to those of the other councils.

In some councils central allocations are low and nearly all costs are allocated to services. Spending on those services will appear higher when compared to councils that apportion less of their costs on services like IT, accommodation or HR. Work has been undertaken this year to identify what other LBs have been charging to un-allocable overheads and in most instances where high costs have been allocated here it is against the guidance issued by ODPM and that changes will have to be made. Largely this should be for costs still being incurred for residual IT equipment or assets that are not being utilised by any services and are not disposable.

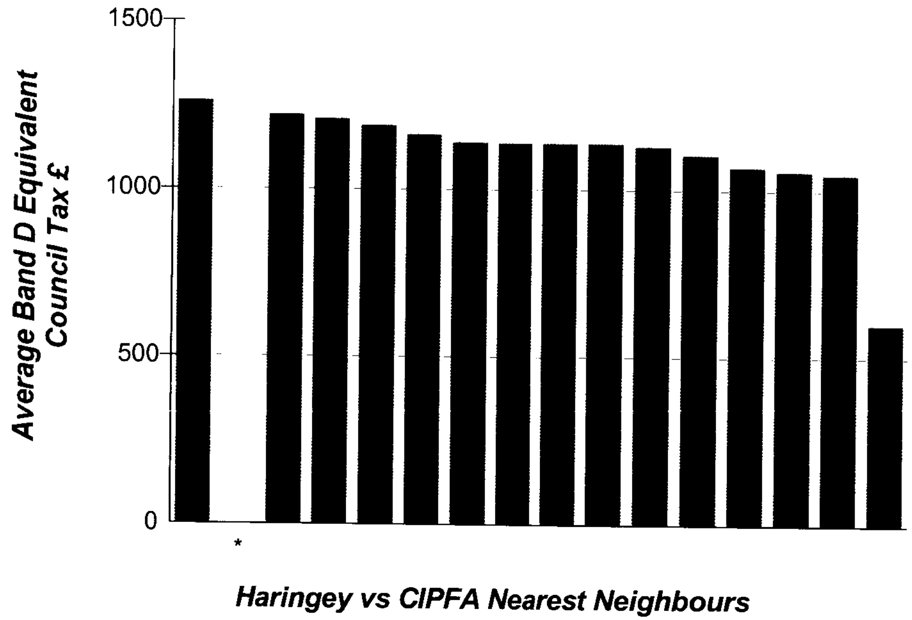


Haringey vs CIPFA Nearest Neighbours



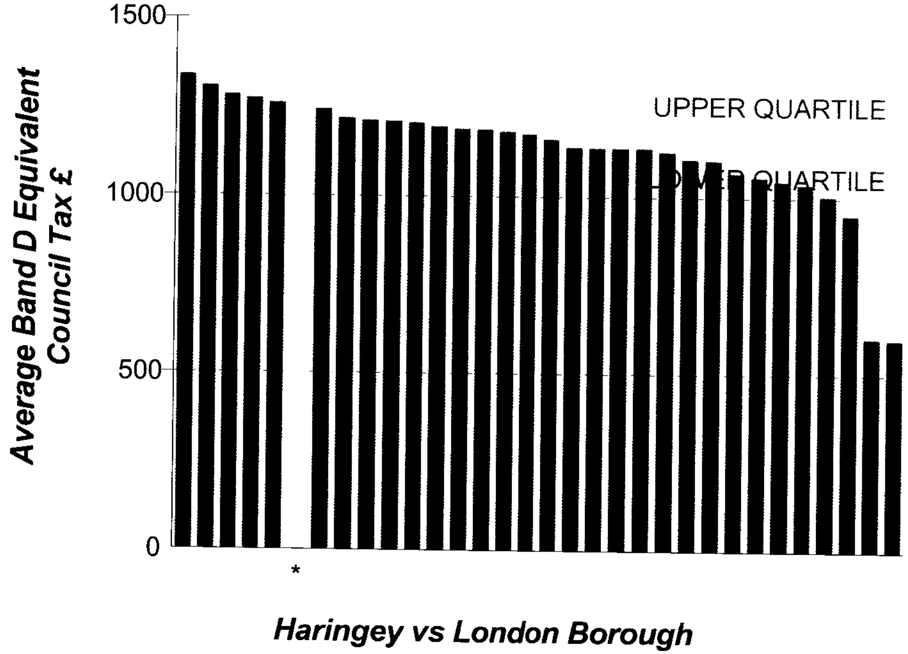
Haringey vs London Borough

The chart shows the value of un-apportioned overheads relative to the council's population. Councils which retain high central overheads should be able to demonstrate that this is a more effective way of managing these resources than dividing responsibility between specific departments.

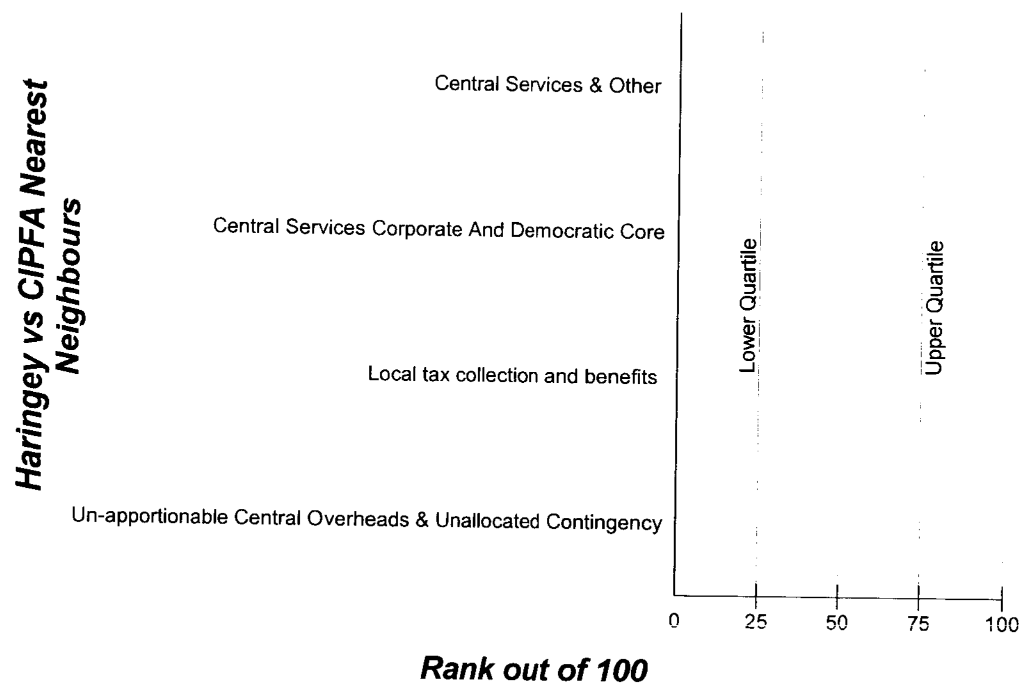


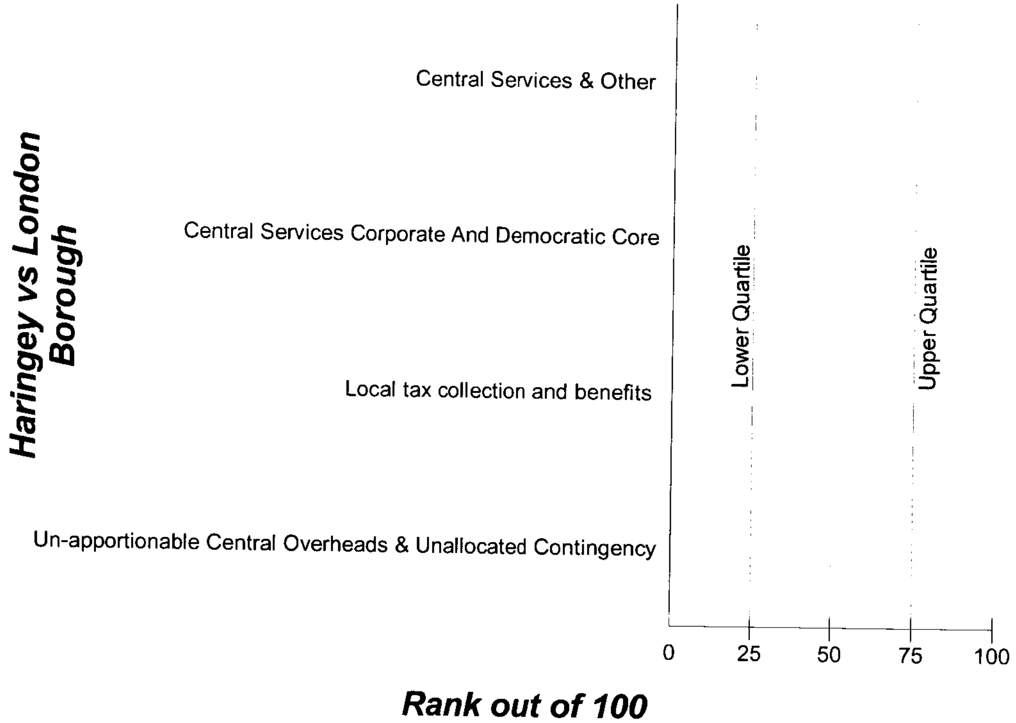
Source :CIPFA Finance and General Statistics Period: 2004/05

The chart compares the council's average band D council tax to tax levels for other councils in the comparator group.



Average Band D Equivalent Council Tax £
1500
1000
500
0
UPPER QUARTILE
LOWER QUARTILE
*
Haringey vs London Borough


Haringey vs CIPFA Nearest Neighbours
Central Services & Other
Central Services Corporate And Democratic Core
Local tax collection and benefits
Un-apportionable Central Overheads & Unallocated Contingency
Lower Quartile
Upper Quartile
0
25
50
75
100
Rank out of 100



5. Unit Costs

5.1 How do you charge out to business units/services i.e. per hour, per day, per service?

Transactions volumes on a number of services within Corporate Finance in 2005/06:

- Accounts payable (per invoice processed);
- Cashiers (per transaction processed);
- Banking and control (per bank account transaction);

Other parts of the service are allocated as follows:

- SAP licences (for the financial systems team costs);
- direct teams to service departments;
- Man days within the audit plan; and
- General FTE for the residual costs

5.2 How do you unit costs compare to comparators?

It is very difficult to get comparable unit costs with other authorities as structures and functions are never the same, however for 2006 we have joined a CIPFA benchmarking club to assist in taking this forward to produce some more meaningful information and comparisons.

However, we are producing unit costs to compare the year on year position.

Accounts payable	2004/05 actual	2005/06 budget	2006/07 budget
Central transaction cost per invoice processed (including overheads)	£3.59	£3.33	£3.08

For the Haringey Payments Service (cashiers at 247 High Road) the position is as follows:

Haringey Payments Service	2004/05 actual	2005/06 budget	2006/07 budget
Unit cost of each transaction (including overheads)	£2.85	£2.51	£2.42

5.3 Are there alternative ways of calculating your unit costs, which will provide a more accurate picture, if so please illustrate?

The above are based on the cost drivers of the support service.

5.4 Are there any Council policy decisions which have led to high costs?

The Haringey Payments Service opens late night Thursdays and on a Saturday morning. This is a decision to benefit the customers by increasing access to the service although this results in higher costs for little economic benefit.

6. Quality of Service / Performance

6.1 Please provide information on your performance and provide any perception/customer satisfaction information.

1. For the Haringey Payments Service (cashiers):

Target – less than 5% being dissatisfied with the service

Actual in 2005 – target exceeded with 3% being dissatisfied

2. For corporate finance internal customers:

Feedback on financial management training and other workshops such as closing of accounts is collected.
Plan to introduce a wider customer feedback process in 2006/07

3. For the Internal Audit function:

Internal customers are asked to complete an evaluation questionnaire after the audit.

Current results show that work provided has been 'effective' or 'highly effective' – there have been no instances of 'unsatisfactory'.

7. Context

7.1 Please provide reasons for the level of your costs and performance, making reference to comparators.

Performance is generally high, measured by external customer feedback or by other external recognition such as the CPA where we have achieved 3 out of 4 (good) in the Use of Resources assessment. The other external assessments such as the Audit and Inspection Letter from the Audit Commission, including the audit of our financial accounts, are positive.

We will be doing more work in 2006 within the CIPFA benchmarking club to look at possible cost comparisons.

8. What plans do you have to improve Value for Money in the future?

See section 5.2 above for the impact of planned efficiency savings on our unit cost measures.

We have planned efficiency savings for these services as follows:

2006/07 £231k   2007/08 £227k

These are achievable through improving processes, taking a risk based approach to audit work and through a management review of the structure.

Appendix 3 - Financial Tables

CORPORATE FINANCE

Table 1. Cost of Your Service (This table will be filled in by Corporate Finance to agree to the cash limit schedule for August). *Please give the projected year end variance for each service budget within your business unit)*

Service Area	Gross Expenditure Budget @ July 06 (£'000)	Gross Income Budget @ July 06 (£'000)	Net Budget @ July 06 (£'000)	Net Projected Outturn (£'000)	Projected Year End Variance (£'000)
F20000 – Corp Finance Mgr	194	0	194	194	0
F21000 – Corp Finance Team	493	0	493	493	0
F22000 – Financial Systems	647	0	647	647	0
F25000 – Finance Support SS	209	0	209	209	0
F26100 – Finance Support Hsg	131	0	131	131	0
F26200 – Finance Support Env	338	0	338	338	0
F26300 – Finance Support Edu	489	0	489	489	0
F28000 – Strategy & BS	395	0	395	395	0
F023 – Audit & Risk Management	766	-170	596	596	0
F024 – Exchequer Services	938	0	938	938	0
F028 – Corporate Regeneration	1,511	0	1,511	1,511	0
Total Budget (cash limit)	**6,111**	**-170**	**5,941**	**5,941**	**0**

Appendix 3 - Financial Tables (Continued)

Table 2. Cost of Your Service *(This table breaks down your budget into expenditure & income types)*

Subjective Description	Budget @ July 06 (£'000)
Employees	4,000
Premises	0
Transport	11
Supplies & Services	253
Third Party Payments	327
Transfer Payments	0
Contingencies	1,520
Total Expenditure excl. o/heads/ capital charges	6,111
Government Grants	
Other Contributions	-40
Receipts	-130
Total Income excl. overheads	-170
Total Net Budget (cash limit)	**5,941**
Overhead / Support Services Charges	1,605
Capital Charges	0
Overhead Income	-6,019
Total Budget incl. overheads & capital charges (SAP rec)	**1,527**

Appendix 3 - Financial Tables (Continued)

Table 3 Grants *(of this revised budget please set out what grants are included, what they fund, the end date and plans for accommodating in mainstream funding)*

Grant	Amount £'000	Purpose	End Date	Mainstreaming Plans
None	0			
Total	**0**			

4	INITIAL RISK LOG	
	Risk Log	
5	AUTHORITY TO PROCEED	
	Sign-off	

Project Brief: HfH Customer Consultation

1	**PROJECT DEFINITION**	
	Description	➔ To put in place a range of processes that will improve our understanding of our customers' satisfaction with the services they receive
	Scope	➔ The scope of the review will include: ▪ Current customer service feedback ▪ Gaps in current knowledge ▪ Methods of data collection and analysis ▪ Quality of data ▪ Response to data ▪ Feedback to customers
	Objectives	➔ To ensure that customer feedback is embedded in the business planning process ➔ To improve our understanding of ***Homes for Haringey*** customers' levels of satisfaction with the services received ➔ To identify and address the gaps in our understanding ➔ To establish robust procedures for data collection and analysis ➔ To improve data quality and recording ➔ To identify areas for improvement
	Exclusions	➔ This review will not investigate the opportunities for resident involvement. ➔ The scope will be limited to reviewing the quantitative and qualitative methods of gathering customer feedback.
	Constraints	➔ The timescale for this project is tight. The final report of this project is required by ....
2	**OUTLINE MILESTONES**	
	Initial Milestone Plan	Project Brief Agreed: 13/10/06 Final Report: 15/12/06
3	**OUTLINE BUSINESS CASE**	
	Initial Business Case	This project is critical to ensuring that ***Homes for Haringey*** have robust methods in place for reviewing and responding to customer feedback.
	Expected Benefits	➔ Robust customer feedback methods in place ➔ Quality assured methods of qualitative and quantitative research ➔ Addressing gaps in current data collection and knowledge ➔ To enable ***Homes for Haringey*** to respond appropriately to customer feedback.