

*Our vision is for socially and economically thriving communities with a focus on sustaining our quality of life, natural heritage, and Gaelic language and culture*

## **ACCOUNTANCY & EXCHEQUER SERVICES**

### **SERVICE BUSINESS PLAN**

For the Period 1 April 2023 to 31 March 2024

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## INTRODUCTION

- 1.1. I am pleased to introduce our Service Business Plan for 2023-24 which sets out our outcomes and priorities for the coming year. This is the main annual business planning document for the service. It reflects the council's key priorities as set out in the Corporate Strategy 2022-2027 and provides an overview of the service's main areas of activity.
- 1.2. The Accountancy and Exchequer Services business unit provides a range of support both internally to the Comhairle and externally to the community. The Service aims to ensure the effective management of the Comhairle's financial resources. The Service also ensures completion of financial and statistical returns to Government bodies, the Chartered Institute of Public Finance and Accountancy, HM Treasury, National Fraud Initiative, etc., and submits claims to regulatory bodies on behalf of Comhairle departments involved in externally funded projects/programmes.
- 1.3. The four services within Accountancy and Exchequer Services help to ensure that the council operates successfully in an increasingly complex and challenging environment, and although diverse, each service is essential to the running of the council and the delivery of its vision, values and priorities.
- 1.4. **Accountancy** – The service is currently organised around two operational areas covering corporate and revenue activities, as follows:
  - Corporate - Monitoring of the expenditure on the Capital Programme for accounting purposes; monitoring of capital budgets; completion of capital and treasury elements of Annual Accounts; ensuring adequate insurance cover for the Comhairle's properties and employees and managing claims process; management of Treasury function which includes banking, cash flows, money market transactions and the portfolio of long term debt. Co-ordination role with regards to the production of the Annual Accounts and the budget setting and monitoring processes; management and administration of the Financial Management System; and VAT accounting advice.
  - Revenue - Provision of service accountancy to departments and Members including provision of advice and support on a day to day basis, budget preparation and monitoring and year end processes leading up to the Annual Accounts. This team also provides support to specific project teams and working groups as required by services and also provides support to Trading Operations.
- 1.5. **Business Management and Processing Unit** – Provides a comprehensive and efficient business and resource management service to the Strategy Department, including the coordination of the Department's business planning process and budget preparation and monitoring. The Business Manager is also the departmental representative on a number of corporate groups, for instance, Best Value and Document Management. The Unit provides a range of services, including Payroll, Corporate Postage, Systems Administration and Purchase to Pay, which is responsible for the payment of all the Comhairle 's suppliers and other payments such as Housing Benefits and grants and includes the management of the Civica system which enables Department's to place orders / process payments.
- 1.6. **Customer Services** aim to provide a consistent, corporate approach to customer service delivery that is implemented throughout the Comhairle. This service also includes the Registration of Births, Deaths and Marriages, and the Faire Community Alarm Service that provides support to clients throughout the islands as well as out of hours call handling for Comhairle services.
- 1.7. **Revenue and Benefits** - The service is currently organised around two operational areas, as follows:
  - The Revenues area of the service is responsible for the collection of Comhairle income for Council Tax, Non Domestic Rates and Sundry Debts, ensuring that: that local taxpayers are properly billed and that all debts are properly accounted for; all debts are pursued and recovered; and customers are assisted courteously and efficiently, in paying their debts and in seeking advice on revenues matters.

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- The Benefits service are responsible for: receiving, assessing and paying claims for Housing and Council Tax Benefit and the Welfare Fund; providing advice on claiming Housing and Council Tax Benefit; and also giving advice about claiming other related Welfare Benefits.

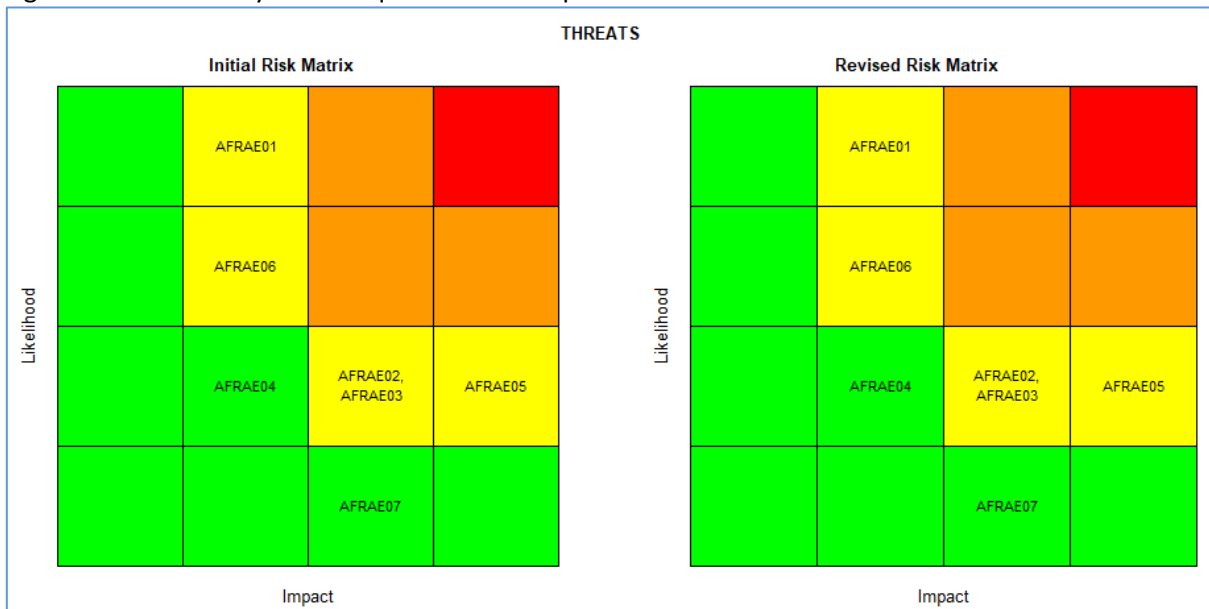
Accountancy and Exchequer Services also include Finance Assessment staff who undertake social care financial assessments and billing in respect of residential care recipients.

Norman MacDonald  
Head of Accountancy & Exchequer Services

## KEY AREAS OF RISK FOR THE YEAR AHEAD

- 2.1 The Comhairle currently recognises three levels of risk: Strategic risk aligned to the Comhairle’s Corporate Strategy; Operational risk aligned to Service Business Plans; and Project risk concerned with specific projects.
- 2.2 Operational risks represent threats that may affect the achievement of service business plan actions, and the Service has identified significant risks for the coming year. These will be reviewed periodically throughout the year.
- 2.3 The Initial Risk Matrix at Figure 1 represents the current risk profile of the Service, and the Revised Risk Matrix represents the target risk profile once risk actions have been successfully implemented. 2.4 contains a list of identified risks, categorised by risk treatment.

Figure 1: Accountancy & Exchequer Services’ Operational Risks



- 2.4 The Service has identified seven significant threats and these are listed below categorised by Risk Treatment:

### Risks retained (acceptable level of risk)

7 risks identified are at an acceptable level and will continue to be monitored.

- AFRAE01 No longer required to deliver a Housing Benefit Service
- AFRAE02 IT systems unavailable
- AFRAE03 Breaching the threshold for VAT partial exemption.
- AFRAE04 Inadequate cover for all Insurance risks
- AFRAE05 Loss of cash resources
- AFRAE06 Loss of expertise and knowledge due to staff turnover
- AFRAE07 Payment made in error - creditors bank details, overpayment of hours/OT, use of procurement card.

- 2.5 Elected Members can view the full risk register in the Comhairle’s performance management system, Interplan, within the Integrated Risk Management (IRM) module.

## DELIVERING THE SERVICE BUSINESS PLAN AND ACHIEVING BEST VALUE

### Strategic Outcomes

- 3.1 Accountancy and Exchequer Services contribute to the strategic outcomes: *1.1.3 Investment in our buildings and infrastructure, 4.1.1 Communities are empowered and continue to be at the heart of our decision making, 4.1.4 Efficient and sustainable services are provided to the community and 4.1.5 Effective governance of the Comhairle is in place* to support the delivery of the Comhairle's Strategic Priorities.

### Best Value

- 3.2 In working towards the three strategic outcomes, the service aims to ensure that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public and to make arrangements for the reporting to the public of the outcome of the performance of its functions. Table 1 lists the service outcomes established to support the delivery of the Service Business Plan (SBP) and to achieve Best Value.

Table 1: Service Outcomes

Delivering the SBP and achieving Best Value
<p><b>Service Outcomes</b></p> <ul style="list-style-type: none"><li>• Accountancy and Exchequer Services demonstrates the highest standards of integrity.</li><li>• The service, in partnership, achieve Best Value in the delivery of its services.</li><li>• The service demonstrates continuous improvement.</li></ul>

## MEASURES AND ACTIONS

- 4.1 The Comhairle's Best Value Assurance Report (BVAR) advised that the Comhairle together with its partners responded well to the Covid-19 pandemic, but highlighted concern over the financial challenges ahead for the Comhairle and emphasised that service performance and public satisfaction with services has declined overall in the past five years. The performance measures for Accountancy and Exchequer Services are detailed in Tables 2 - 5.
- 4.2 The Comhairle's Corporate Strategy 2022-27 was approved in September 2021 and takes account of national priorities and local needs, but does not include actions to achieve its strategic outcomes as these have been developed by the Corporate Management Team and included in the appropriate SBP for monitoring and reporting to ensure that the Comhairle's mission is achieved. The actions for the Service are detailed in Table 6.

### How we will measure our performance

- 4.3 The tables below are grouped by Strategic Priority and include the Corporate Strategy 2022-27 'Measures of Success' Strategic Outcome KPIs that the service contributes to, the Local Government Benchmarking Framework (LGBF) SPIs that the service have prioritised for improvement, and the LPIs chosen by the service to strengthen its focus on improvement.
- 4.4 Each performance measure includes the baseline year and data, the target for 2023-24, and the aspirational target for 2030.

**Strategic Priority 1.1 Strengthen the local economy.**

**Strategic Outcome: 1.1.3 Investment in our buildings and infrastructure**

Table 2: Performance Measures

Measure (KPI title)	Baseline 2013-18	Target 2018-23	Target 2023-28	Service
1.1.3.CS4 - Capital projects expenditure (excluding community projects funded through capital grants).	£75.5m	TBA	TBA	Accountancy
1.1.3.CS5 - Number of capital projects underway / started.	97	TBA	TBA	Accountancy
1.1.3.CS6 - Percentage completion of capital projects budget spent.	83%	TBA	TBA	Accountancy
1.1.3.CS7 - Percentage of capital projects completed that are within budget.	93%	TBA	TBA	Accountancy

**Strategic Priority 4.1 Be a sustainable and inclusive Council.**

**Strategic Outcome: 4.1.1 Communities are empowered and continue to be at the heart of our decision making.**

Table 3: Performance Measures

Measure (KPI title)	Baseline	Target 2023-24	Target 2030	Service
4.1.1. AFR029: Sundry Debts - Percentage collected in year.	2010/11 82%	87%	89%	Revenues and Benefits

**Strategic Outcome: 4.1.4 Efficient and sustainable services are provided to the community.**

Table 4: Performance Measures

Measure (KPI title)	Baseline	Target 2023-24	Target 2030	Service
4.1.4.CS9 - AFR036: Benefits administration – average processing times for new Housing Benefit and Council Tax Reduction claims.	2019/20 30.49 Days	25 Days	23 Days	Revenues and Benefits
4.1.4.CS10 - Housing Benefit and Council Tax Reduction – accuracy of processing.	2019/20 100%	100%	100%	Revenues and Benefits
4.1.4.CS11 - Scottish Welfare Fund – Initial Processing Times (Working Days) for Crisis Grants Same working day.	2019/20 100%	100%	100%	Revenues and Benefits
4.1.4.CS12 - Scottish Welfare Fund – Initial Processing Times (Working Days) for Community Care Grants, within 15 working days.	2019/20 82%	90%	90%	Revenues and Benefits
4.1.4. AFR017 (SPI: CORP8): Percentage of invoices sampled that were paid within 30 days.	2021/22 90%	90%	92%	Business Management and Processing Unit
4.1.4. AFR026 (SPI: CORP4): The cost per dwelling of collecting Council Tax.	2021/22 £20	£20	£20	Revenues and Benefits
4.1.4. AFR002: Percentage of customers satisfied with quality of Customer Services (Town Hall, Stornoway).	2014/15 100%	95%	90%	Customer Services
4.1.4. AFR008: Percentage of financial transactions paid on time to employees and members.	2014/15 100%	95%	95%	Business Management and Processing Unit

Measure (KPI title)	Baseline	Target 2023-24	Target 2030	Service
4.1.4. AFR022: Time taken to process a Crisis Grant (Days).	2014/15 1.07	SG Target 2	2	Revenues and Benefits
4.1.4. AFR023: Non Domestic Rates (NDR) - Percentage collected in year.	2014/15 96.24%	98%	97%	Revenues and Benefits
4.1.4. AFR027: The cost of collecting Non Domestic Rates (NDR) per chargeable property.	2019/20 £59.83	£58	£58	Revenues and Benefits
4.1.4. AFR028: Sundry Debts: cost per invoice.	2019/20 £15.90	£15	£15	Revenues and Benefits
4.1.4. AFR030: Housing Benefit and Council Tax Reduction: YTD average number of days taken to process a change in circumstances.	2014/15 7 Days	DWP Target 10 Days	10 Days	Revenues and Benefits
4.1.4. AFR041: Annual accounts completed on time and number of qualifications zero.	2014/15 100%	100%	100%	Accountancy
4.1.4. AFR051: Cost of Payroll Service per transaction.	2014/15 £10.07	£10.50	£10.50	Business Management and Processing Unit
4.1.4. AFR052: Cost of processing Creditors invoices (£ per inv.).	2014/15 £2.57	£2.60	£2.55	Business Management and Processing Unit
4.1.4. AFR054: Comhairle budget set in line with timetable.	2014/15 100%	100%	100%	Accountancy
4.1.4. AFR065: Percentage of Registration entries without corrections (Jan-Dec).	2017/18 92%	94%	94%	Customer Services
4.1.4. AFR094: Average time taken to complete a financial assessment (Days).	2017/18 34 Days	30	30	Revenues and Benefits

**Strategic Outcome: 4.1.5 Effective governance of the Comhairle is in place.**

Table 5: Performance Measures

Measure (KPI title)	Baseline	Target 2023-24	Target 2030	Service
4.1.5.CS1 - AFR050: Percentage of income due from council tax received by the end of the year.	2019/20 96.2%	96%	96.5%	Revenues and Benefits
4.1.5.CS2 - AFR006 (SPI: CORP1): Support services as a % of total gross expenditure.	2019/20 5.8%	5.20%	4%	Accountancy
4.1.5.CS3 - Irrecoverable debts written off in financial year (£,000). (Trend)	2020/21 £109k	N/A	N/A	Accountancy
4.1.5.CS7 - Total useable reserves as a % of council annual budgeted revenue. (Trend)	2019/20 22.3%	N/A	N/A	Accountancy
4.1.5.CS8 - Uncommitted General Fund Balance as a % of council annual budgeted net revenue. (Trend)	2019/20 3.2%	N/A	N/A	Accountancy
4.1.5.CS9 - Ratio of financing costs to net revenue stream - General Fund. (Trend)	2019/20 8.43%	N/A	N/A	Accountancy
4.1.5.CS10 - Actual outturn as a % of budgeted expenditure. (Trend)	2019/20 97.81%	N/A	N/A	Accountancy



## What actions we will take

- 4.5 The SBP strengthens the links with the Corporate Strategy and the LOIP. The actions take into consideration the key areas of focus identified at section two whilst focusing on progressing the strategic outcomes.

**Strategic Priority:** 4.1 Be a sustainable and inclusive Council.

**Strategic Outcome:** 4.1.4 Efficient and sustainable services are provided to the community.

Table 6: SBP Actions

Action	Service
4.1.4.3 Co-ordinate the production of the Comhairle's budget in line with the timetable	Accountancy
4.1.4.4 Produce Annual Accounts by the statutory deadline with no qualifications	Accountancy
4.1.4.9 Review and develop the Customer Service Strategy for implementation within the next Comhairle	Customer Services
4.1.4.18 Implement the Accountancy and Exchequer Service's budget savings as agreed by the Comhairle.	Business Management and Processing Unit
4.1.4.19 Implement and monitor the 2023-28 Capital Programme.	Accountancy

## RESOURCING THE PLAN

- 5.1 The funding and staffing resources identified to implement our SBP will be summarised in Tables 7 and 8 after the Comhairle's budget for 2023/24 is approved.

### Revenue Budget 2023-24

- 5.2 Accountancy and Exchequer Services has a Net Revenue Budget of £#m, which is allocated across the service within the sections detailed in Table 7.

Table 7: Net Revenue Budget by Service Profile 2023/24

Detail	£ million	%
Accountancy		
Business Management and Processing Unit		
Customer Services		
Revenue and Benefits		
Total		100%

### Capital Budget 2023-24

- 5.3 There is no Capital Budget for Accountancy and Exchequer Services.

## Service Employees

- 5.4 Accountancy and Exchequer Services has #FTE employees working across the service within the sections listed in Table 8. We support these employees to deliver their duties through a range of policies including personal appraisal and a robust training framework.

Table 8: FTE Employees

Service Profile	Number of FTE employees
Accountancy	13.28
Business Management and Processing Unit	12.07
Customer Services	21.54
Revenue and Benefits	19.89
Total	66.78