

Appendix 14 Director of Finance and IT Budget Proposals

Budget Proposals 2020/21

Service Area	Revenue Budget £
Risk Management & Audit Services	1,747,280
Financial Management	2,456,340
Digital Tameside	3,732,620
Grand Total	7,936,240

Service Objectives - Finance, Risk Management & Audit:

Financial Management aims to deliver consistently high quality financial support and advice to the strategic commission and our external customers and ensure that the key outcomes of an effective, efficient and economic financial management service are delivered.

The service plays a vital part in delivering some of the Strategic Commission's key Governance outcomes; the annual capital and revenue budgets and Medium Term Financial Plan update, the production of the annual accounts monthly monitoring and forecasting and treasury management are just a few examples.

The Internal Audit service provides the statutory obligations to have an effective internal audit regime for the Council and are a key part of ensuring that the Council assets and processes are adequately safeguarded.

National Anti-Fraud Network (NAFN) – is a national service hosted by Tameside and offers service to all LAs in UK on a subscription basis.

Service Objectives – Digital Tameside:

IT underpins and supports the strategic objectives of the organisation and has a fundamental role to play in improving efficiency, streamlining business processes, enabling new delivery mechanisms and underpinning transformation change programmes.

The service aims to provide

- Consistently high quality support and training for day to day operational systems.
- Fit for purpose equipment for users to make the most of the technology available
- Speedy connectivity in Council buildings.
- Robust and secure infrastructure and connectivity.
- Pro-active advice and guidance to support system implementations, upgrades and advancements.
- Pro-active advice and guidance to support service improvements and transformation change programmes.
- High quality accessible websites.

The work of the IT Service includes:

- Service desk and associated support.
- Build and deployment of user devices including phones.
- System commissioning, deployment, management and support/maintenance/security.
- Data Centre commissioning, management and support/maintenance/security.
- Networks deployment, management and support/maintenance/security.
- Website commissioning and support/maintenance/security

Appendix 14 Director of Finance and IT Budget Proposals

Service Objectives - Finance, Risk Management & Audit:

Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and to appoint a Chief Financial Officer (CFO) to have responsibility for those arrangements. The CCG has its own governance structure which states that the Chief Executive as the Accountable Officer as set out in the Health and Social Care Act.

From October 2017 Tameside Council and Tameside and Glossop CCG have a joint CFO which represented the start of an integration of the finance teams from the Council and the CCG. The integrated Accountancy Team is crucial in supporting the CFO to discharge these statutory responsibilities.

The work of the Financial Management Team mirrors, in a wider way, the role of the CFO and is defined and described as:

- key members of the Strategic Commission's (Council and CCG joint leadership teams), helping them to develop and implement strategy and to resource and deliver the organisation's objectives sustainably and in the public interest;
- being actively involved in and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered and aligned with the organisation's financial strategy;
- leading the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively;
- delivering and developing a finance function that is resourced to be fit for purpose and continuously improving;
- being appropriately qualified, suitably experienced, competent, confident and authoritative.

2020/21 Budget Analysis	Revenue Budget £
Expenditure	
Employees	4,850,885
Premises Related Expenditure	608,620
Transport Related Expenditure	215,715
Supplies and Services	3,275,525
Transfer Payments	27,020
Recharge Expenses	143,700
Capital Items & Reserve Movements	754,280
Third Party Payments	227,205
Expenditure Total	10,102,950
Income	
Recharge Income	(1,869,305)
Customer and Client Receipts	(97,600)
Government Grant Income	(139,760)
Other Income	(60,045)
Income Total	(2,166,710)
Grand Total	7,936,240

Appendix 14 Director of Finance and IT Budget Proposals

Finance and Audit – Achievements and Successes in 2019/20

The integration journey between the Council and CCG finance teams continues and has enabled the integration of financial reporting to the Executive Cabinet and Strategic Commissioning Board on a consistent basis, allowing the analysis of over £900m of spend, ensuring greater visibility as to the effectiveness of the spending decisions to maximise outcomes for residents. This has resulted in expanding the Integrated Care Fund to include all Council and CCG spending amounting to over £900m a year. Integration of the workforce continues with staff working across both Council and CCG, and with both teams learning from each other. The embedding of new staffing structures has been successful, turnover has been stabilised and vacancies gradually filled. Sickness rates are low. All senior graded staff have been supported in studying for the CIPFA Finance Business Partnering certificate, and there are 7 members of staff being supported to gain professional accountancy qualifications, and numerous others undertaking qualifications without direct support, as we continue to drive up professional standards. The team won the Innovation award at the North West Finance Skills Development awards in 2019.

Both sets of statutory accounts were produced on time, with the Council delivering to the tighter timetable to publish their accounts by the end of May, with the external audit satisfactorily concluded by the end of July. The financial accounts were both given an unqualified opinion. The Council gained an unqualified value for money opinion following the improvement in its Children's Social Services Ofsted judgement from Inadequate to Requires Improvement. Significant progress has been made in the development of a robust budget process, including a review and challenge process for savings and pressures, and consideration of the strategic commission's budget position over a 5 year period. Business case methodologies have been introduced to ensure the transparent allocation of scarce revenue and capital resources, and a £1m investment fund to unblock capacity constraints across the Strategic Commission.

Work with schools has seen a marked improvement in relationships between the Council and school colleagues. The review of PFI accounting has resulted in over £2.5m being handed back to schools to support their bottom line. More robust challenge and monitoring is also taking place to support those schools who are in deficit, and in preventing further schools from entering into deficit.

The treasury management returns increased during the year, due to a more proactive strategy aligned to better cash flow modelling meaning investments could be lengthened and returns increased. The Council took advantage of all time low interest rates to drawdown its long term borrowing requirements.

The Council's relationship with STAR procurement continues to develop, with the initial focus being on improved compliance and with the focus now shifting to a more proactive and dynamic procurement planning. A focus on social value, saw the launch of the social value portal that captures the value added by procuring with companies who invest in local supply chains and people.

The internal audit plan was successfully delivered, alongside the rolling out of GDPR training to all staff. NAFN continues to grow and develop its service offer, winning the iNetwork Innovation award for Effective Information Sharing and Security for the 'National Right To Buy Anti-Fraud Service' in 2019.

Appendix 14 Director of Finance and IT Budget Proposals

Finance and Audit - Priorities for 20/21 and beyond:

The development of the team and service offer will continue into 2020/21 and beyond. Specifically, the aims, objectives and key priorities are:

- Development of an integrated and robust 5 year rolling medium term financial strategy that aligned with the Council and CCGs corporate and service strategies.
- Support the organisation to move to a more sustainable revenue budget position that focuses on delivery and accountability.
- Develop the star chamber process to be more cross cutting across the corporate plan themes and away from the more siloed Directorate level chambers.
- Produce comprehensive Capital Strategy that allocates scarce resources and meets the long term capital needs of the Strategic Commission
- Rollout the next phase of Agresso development to streamline and automate processes including budget monitoring and reporting, alongside budget holder training and improve the use of business intelligence across the Strategic Commission/
- Further enhance budget monitoring reporting including both objective and subjective analysis
- Improve interfaces between schools accounting systems and Agresso
- Continue the development of staff by providing development opportunities, both formally and informally, with a focus on succession planning and business continuity.
- Continue to develop the treasury management strategy to maximise returns within the policy framework
- Continue the integration journey by further sharing work tasks and cross skilling the team, providing opportunities for job rotation and work experience across the breadth of the Directorate.
- Produce the financial accounts on time and to a high quality and continue to improve their presentation and readability
- Support the organisation with the LEP review and options that come from the review.
- Conduct the annual staff survey to assess progress made by Finance Leadership Team
- Conduct a budget holder survey to ascertain the areas where progress and development is still needed and to facilitate our continuous improvement to the customer offer.
- Ensure all relevant staff complete the Finance Business Partnering certificate
- Continue to support the adult social care transfer
- Proactive support of Children's Services providing transparent and accurate information to officers and members to enable the decision making process.
- Continue the work to develop the Council's fees and charges offer of services seeking to maximise income opportunities and help protect front line services
- Gain Accreditation in the NHS Finance Skills Development and become the first integrated team to gain accreditation

Appendix 14 Director of Finance and IT Budget Proposals

Achievements and Successes in 2019/20 IT:

From late 2018/19 through to July 2019 a significant proportion of IT resource was directed to the provisioning of Tameside One and then the relocation of many services into new buildings. The success of both programmes is a credit to all staff involved. The Tameside One programme involved installing/implementing 1,200km of cabling, 40 Wifi points, 350 hotdesk phones, 1,200 network/telephone points, 350 new laptops, 300 widescreen monitors, 30 printers, 24 tablets for customer self-service, a new queuing announcement system, a new citizen information portal, 33 new library pcs with touch screen monitors, a new secure guest/visitor wifi portal and the ability of both Tameside and CCG staff to seamlessly connect to their own network. The latter was a significant step forward and facilitated integrated working of both organisations.

A new room management system has been implemented, which has enabled all staff to book rooms at Tameside One and other buildings and has resulted in significant improvements and efficiencies.

The Tameside Digital Infrastructure has continued to grow throughout the year, expanding to new areas, connecting more public sector assets and buildings. A successful bid for a further £2.5m of DCMS funding will enable more duct and fibre to be installed across Hattersley, Mossley, Broadbottom, Hadfield and Glossop during the coming year. The commercialisation of this network is being delivered through the Cooperative Network Infrastructure (Formerly Tameside Digital Infrastructure Cooperative). The change in name in early 2019 and change in focus to become a national body reflects not only the ambition of the Coop, which now has 15 members including Blackpool and Manchester City Councils, but also its first successful year of trading.

Exploiting the new fibre infrastructure to transform public services across Tameside alongside being a catalyst for economic growth and social inclusion are at the heart of the new Tameside Digital Strategy. Developed in partnership with colleagues in all services across the Council and CCG, it provides singularity of vision and ambition for Tameside and Glossop which will act to coordinate decisions on the direction and use of technology across the borough and bring a focus to future investments decisions.

Another key theme of the Digital Strategy is to bring together customer contact and access to online digital public services from across the sector in Tameside into a single digital offer. This year the Council and CCG websites are being co-hosted on the same platform and managed by the Council, saving staff and external hosting fees and laying the foundations for this new "One Place" Online offer.

Appendix 14 Director of Finance and IT Budget Proposals

Achievements and Successes in 2019/20 IT:

2019 has also seen the service undertake 2 major user equipment upgrades, both of which are huge logistical projects but had minimal disruption to users. Switching mobile phone suppliers from EE to O2 involved renegotiation and move to a new mobile network for over 1600 users/contracts as well as trial, evaluation and recommendation to move the bulk of the fleet away from Apple devices to Samsung Android devices to ensure all mobiles remained in compliance. All 300 out of support devices have now upgraded and a new Mobile device management system has been implemented. The predicted saving over two years are £180k. At the same time all Windows 7 laptop devices have been replaced. The project involves replacing over 2000 laptops/computers with the new Windows 10 devices, almost three quarters of which will have been replaced in just the last 6 months of the year.

22 services are now using iMail which is a cloud based mailing system that radically improves the speed and efficiency of posting out mail as well as gives mobile workers a way of sending out mail without having to go back to the office.

Another major equipment upgrade project not directly seen by users was the replacement of the network infrastructure in 4 buildings resulting in higher connection speeds and the ability for Tameside Hospital and CCG colleges to connect to their own network.

Throughout the year many systems have been moved onto new updated servers and/or been upgraded including Academy (Revs and Bens), Synergy (Early Years system), Agresso (finance), Iken (legal), GIS (Geographical Information System) and Town Hall tills.

New security standards have been implemented for email to ensure data is exchanged securely with other compliant organisations and to allow the decommissioning of the now defunct GCSX mail solution.

Feedback from users about the support they receive continues to be extremely good with 95% rating their experience as positive. Webchat has been available for some time now but 'chatbot' technology has also been introduced this year, which will automatically suggest solutions to users. The cloud based telephone system that integrates with the helpdesk system has also been implemented and has led to a better experience for users.

Appendix 14 Director of Finance and IT Budget Proposals

IT Key Priorities going forward:

- A review of the service offer will take place in order to assess the capacity to deliver on the new Digital Strategy and to meet the expectations of services going forward.
- Development and support of the Digital Squads, which will pick up specific pieces of work from the Digital Strategy.
- Drive the adoption of paperless solutions such as scanning with workflow and hybrid mail.
- Review systems and policy for storing files, including adoption of file retention solution.
- Improve the process for prioritisation and planning of system upgrades and development road maps for core systems.
- Replace Office 2010.
- Replace Exchange 2010 and SharePoint 2010.
- Re-location of Data Centre from Rochdale to new state of the art facility located in Ashton Old Baths,
- Commercialization of the new Data Centre – the 1st such facility in the borough.
- Implement new Disaster Recovery facility at TGH.
- Continued roll out of Tameside's own fibre network and delivery of the DCMS Wave 2 Local Full Fibre funded works.
- Review of cyber security and continued compliance with national standards.
- Health and Social Care integration and support the adult social care transfer.
- Development of the new 1Place website and new digital contact strategy.
- Continue to upgrade all Council sites to ensure they have fast, flexible and secure cabled and Wi-Fi networks in place.
- Review Desktop configuration and management solution to ensure it meets our requirements going forward.
- Expansion of the borough's public wifi network.
- Replacement back up system.
- Replacement of several major parts of the IT infrastructure such as the main storage solution (SAN) and the virtual server stack (blades).
- Move content into the new GIS solution and significantly enhance all systems that use location based data.

Appendix 14 Director of Finance and IT Budget Proposals

Pressures 20/21

Description of pressure	Funding	Pressures Forecast £000s - Incremental				
		20/21	21/22	22/23	23/24	24/25
New NJC pay structure from 1 April 2019 will result in pay cost pressures, particularly at the lower grades.	Recurrent	159	0	0	0	0
Asset Register	Recurrent	8	0	0	0	0
Asset Valuations	Recurrent	50	0	0	0	0
Capital financing - additional borrowing costs for licences	Recurrent	280	0	0	0	0
Device Management	Recurrent	121	31	2	1	2
Data Centre	Recurrent	968	-765	651	-578	93
Networks and Telephony	Recurrent	262	51	-186	495	-516
Cyber/Security	Recurrent	191	-38	-18	0	0
Web & Development/Systems/Misc.	Recurrent	58	2	4	16	2
Members ICT Scheme	Recurrent	24	-22	2	20	-22
Business As Usual Investments (Workspace One)	Recurrent	44	0	0	0	0
Investment for Shared Files	Recurrent	14	-12	1	0	0
Investment for Wi-Fi Points	Recurrent	11	-11	0	0	0
Investment for Public Wi-Fi	Recurrent	20	53	-53	0	0
Investment for Server Management	Recurrent	382	-302	4	5	4
IT Investments - Remove budgets for smoothing	Recurrent	-2,095	1,013	-407	41	437
IT Revenue budget pressures financing profile	Recurrent	1,246	93	112	98	-11
		1,743	93	112	98	-11

Appendix 14 Director of Finance and IT Budget Proposals

Savings 20/21

Scheme	RAG rating	Initial Comments	Saving Forecast £000s - Incremental				
			20/21	21/22	22/23	23/24	24/25
Income Management		After a review of Income Management service it has identified that the charges in relation to costs incurred are less than budget. This is in relation to costs for Worldpay, Santander & G4S.	50	0	0	0	0
Insurance		Review of insurance costs and the reserve / provision and requirements. The initial review has identified the insurance commitments to be less than budget.	750	0	0	0	0
			800	0	0	0	0

Appendix 14 – Corporate Budgets

CORPORATE BUDGETS 2020/21

Corporate Budgets relate to income and expenditure that is not directly attributable to service provision or back office services, and includes contingency budgets where precise costs and budget have not yet been allocated to services. The main budget items include:

- Cost of the Chief Executive's Office and Members Allowances
- Contributions to AGMA
- Coroner's costs
- Capital and financing costs including borrowing costs and provision for the repayment of debt used to fund capital investment in previous years.
- Income includes interest on cash balances invested under the Treasury Management Strategy and investment income from the shareholding in Manchester Airport.

Service Area	Revenue Budget £
Contingency	3,885,610
Corporate Costs	4,439,360
Capital and Financing	995,500
Grand Total	9,320,470

2020/21 Budget Analysis	Revenue Budget £
Expenditure	
Employees	1,682,310
Premises Related Expenditure	23,280
Transport Related Expenditure	13,750
Supplies and Services	6,610,440
Third Party Payments	706,000
Capital Financing Costs	10,594,000
Expenditure Total	19,629,780
Income	
Customer and Client Receipts	(921,310)
Government Grant Income	(35,000)
Other Income	(268,000)
Interest Income	(9,085,000)
Income Total	(10,309,310)
Grand Total	9,320,470

Appendix 14 – Corporate Budgets

Pressures 2020/21

Description of pressure	Funding	Pressures Forecast £000s - Incremental				
		20/21	21/22	22/23	23/24	24/25
Capital financing - additional borrowing costs	Recurrent	40	40	101	387	1,096
New NJC pay structure from 1 April 2019 will result in pay cost pressures, particularly at the lower grades.	Recurrent	-911	2,179	2,078	2,080	2,000
New Homes Bonus funding reductions and increase in threshold, NO LONGER REQUIRED	Recurrent	-500	0	0	0	0
Existing budget adjustments	Recurrent	981	1,226	51	53	54
New NJC pay structure from 1 April 2019 will result in pay cost pressures, particularly at the lower grades.	Recurrent	31	0	0	0	0
		-359	3,445	2,230	2,520	3,150

Appendix 14 – Corporate Budgets

Savings 2020/21

Scheme	RAG rating	Initial Comments	Saving Forecast £000s - Incremental				
			20/21	21/22	22/23	23/24	24/25
Capital & Financing - MRP		Additional income forecast in 20/21 due to cash balances not reducing as quickly as originally anticipated. Also savings on MRP in 20/21 as financing of the capital programme in 2018/19 differed from original plans – saving on MRP is being achieved in 19/20 and reflected in monitoring position at P3. Saving is non-recurrent as the financing of the capital programme catches up by end of 20/21	552	-453	-99	-99	0
MAG Dividend Income		Based on Dividend received in 18/19 and 19/20 budget can be increased to 6.4m overall (currently £4m in the budget). The airport dividend is not guaranteed therefore there is a level of risk attached to this saving.	2,400	0	0	0	0
Pension Increase Act		The Pension Increase Act budget are historic pension commitment the council have from former local government reorganisations. The cost reduces as time goes on as the number of pensioner drawing funds reduce. The Actual payments each year increase in line with inflation but to date the reduction in members against inflation has always resulted in a saving.	35	0	0	0	0
Other minor budget adjustments		A review of expenditure against corporate budgets in 2019/20 has identified a number of small budget savings that can be implemented without impact on services.	169	0	0	0	0
			3,156	-453	-99	-99	0