

Finance Directorate Services – Work during Covid-19

Exchequer Services	
Payment of suppliers	<p>The prompt payment of suppliers has been critical during COVID-19. Since the outbreak all invoices have been paid on immediate payment terms, in order to support the cash-flow of the Council’s suppliers and to help support their service continuity during and after the pandemic.</p> <p>Since lockdown measures were announced on 23 March (up to 22 June), we have paid 8,560 invoices totalling £46.5m (net), which includes 1,885 business grant payments totalling £25.42m.</p> <p>Prior to the outbreak, the Exchequer Team were deemed office based workers, due to the need to use fixed equipment in the office (scanner, cheque printer and safe). However, ICT was issued to the team as soon as lockdown was announced, along with workaround arrangements in order to ensure the team could maintain the payment of suppliers and other critical activities remotely from their homes.</p>
Accountancy Services	
COVID-19 Returns	<p>To date, the team have submitted three monthly COVID-19 Returns to central government. The COVID-19 return captures the additional expenditure being incurred by the Council and the significant loss of income due to the pandemic. It is the key mechanism for continuing to draw the financial impact of COVID-19 to the attention of central government, in order to inform their emergency funding allocations and other financial support measures.</p> <p>Emergency funding of £1.379m has been awarded to Exeter. The latest return reports additional expenditure pressures of £1.085m and income losses of £8.562m (excluding council tax and NDR losses) for the General Fund. We are therefore reporting a significant shortfall and submission of these returns is therefore crucial to highlighting this to the government.</p>
Emergency budget	<p>The accountants have supported SMB and portfolio holders in appraising saving proposals and other accounting changes that may be taken, in order to assist the Chief Finance Officer in preparing an emergency budget for presentation to Council in July to address the budget shortfall highlighted in the latest COVID-19 return. This has been a significant amount of work to coordinate balancing a budget with £11.190 million of in year pressures and income losses.</p>
Exeter City Living Ltd	<p>Financial Services also provide finance support services to Exeter City Living Ltd. Payment of their suppliers has continued during the pandemic and we have also successfully closed their accounts for their first full year of trading. The audited accounts were presented to the Board of the company on 26 June. The Finance Team have maintained business continuity to the company during COVID-19.</p>

Strata Service Solutions Ltd	Financial Services also provide finance support services to Strata Service Solutions on behalf of the three local authority owners (Teignbridge, East Devon and Exeter). Payment of their suppliers has continued during the pandemic and we have also successfully closed their accounts for 2019/20. The audited accounts were approved by the Board of the company on 19 June. The Finance Team have maintained business continuity to the company during COVID-19. The audit of the Company was undertaken virtually and was a complete success.
Budget monitoring	The accountants have sustained close monitoring of high risk budget areas and provided regular updates to SMB, in order to monitor the impact of the pandemic on the Council's financial position and inform the Chief Finance Officer's medium term financial plans. This most notably includes the monitoring and reporting of car park income.
Treasury Management	<p>Treasury management is concerned with the management of the Council's cash-flows, borrowing and investments and the effective control of the risks associated with those activities.</p> <p>Managing the Council's cash-flow position has become a critical business activity during the pandemic, as the Council's income been decimated. Treasury management decisions are taken on a daily basis, in order to ensure adequate cash is maintained in the bank to meet outgoing costs.</p> <p>Borrowing of £15.36m was taken out in respect of the HRA earlier than planned, but permitted in accordance with treasury management guidelines, which has supported the Council's cash-flow position during the outbreak.</p>
Closure of accounts	<p>In recognition of the pressure on finance teams as they cope with the increasing impact of COVID-19, the Government extended the statutory deadlines for closing the 2019/20 accounts; issue of draft accounts from 30 May to 31 August and publication of the final audited accounts from 31 July to 30 November. A notice has been placed on the website to inform the public of the delay to the period for the inspection of the accounts.</p> <p>Work remains ongoing in respect of closing last year's accounts simultaneously with the additional emerging work from COVID-19.</p>
Procurement	
Background	<p>Since its inception in October 2018, the Procurement Team has been supporting on a broad range of tendering activity supporting all areas of the Council. The work plan had a significant number of live and upcoming procurement projects on it, covering both renewal of existing contracts and new/ project related contracts.</p> <p>When the lockdown was announced, many of the live procurement processes were put on hold. Those that had not started were delayed. Some projects have continued during the pandemic with extensions to tender deadlines being allowed to enable suppliers who may have furloughed staff to adequately prepare their bids with limited resources.</p>
Policy changes	There have been two Procurement policy notes (PPNs) released since the Covid-19 outbreak, both have required significant work by the procurement

	<p>team to implement at the Council:</p> <ul style="list-style-type: none"> • PPN 02/20 Supplier Relief – requiring the council to offer ‘relief’ to suppliers who may no longer be able to fulfil contracts due to lockdown • PPN 04/20 Recovery and Transition – requiring a clear transition from giving ‘relief’ to the recommencement of contract delivery and reconciliation of any payments made under relief.
PPE	<p>The purchase/ sourcing of all PPE has been routed through Procurement. This ensures corporate policy is being followed and we are obtaining PPE at the best quality and value. The PPE market is incredibly challenging at this time and we are aware of poor quality products being offered by some unscrupulous suppliers. By taking ownership of this we have ensured both best quality and price and that only those items agreed in line with the Corporate Health and Safety team are purchased.</p>
Key challenges	<p>Remote working – led us to review systems and processes Furlough of staff – picking up new/ each other’s tasks and projects at short notice Anticipating future workload - during and after recovery, what are the Services going to need us to support on</p>
Recovery Plans	<p>In order to accurately identify what procurement activity will be happening in the coming months as we move through the recovery phase and to best plan our resources to support this accordingly, a consultation with all Service Leads is currently underway.</p> <p>Not only will this enable us to prioritise our workload it will inform if and how we can continue to utilise the furlough scheme to get maximum financial benefit for the Council. We will follow what the workload dictates to ensure we are supporting our services as effectively as possible. We are continuing to think about how we will deliver things differently in the future and talking to Procurement colleagues from other organisations to get ideas. This includes things such as electronic signature of contracts.</p>
Internal Audit	
Background	<p>The lockdown was announced on the evening of 23rd March 2020. From the 24th March 2020 all Internal Audit staff were asked to only work from home. With the implementation of agile and flexible working a few months previously this allowed a seamless transition for the team from a combination of office and home working to working all of the time from home.</p>
Wellbeing Hub	<p>As the situation escalated Internal Audit offered up team members for redeployment to assist in areas of need. On the 1st April the two Auditors in the team were redeployed to the Wellbeing Hub. They were provided with training to answer phone calls received into the hub from members of the public. The Auditors worked half of their time in the hub and half within the Internal Audit service.</p>
Business Grants	<p>The Audit Manager’s continued to manage the Audit Service but with the reduced audit work also had spare capacity and so then assisted with the</p>

	administration and processing of the Government Business Support Grants.
Key challenges	On 5 th June 2020 the staffing of the Wellbeing Hub was reviewed and both Auditors were released, this has led to the team having spare capacity and so one of the team members has been placed on furlough since then. It is a challenge to complete audits when other services are under pressure.
Recovery Plans	The Audit Managers have reassessed the Audit Plan in consultation with SMB and have identified the highest risk areas and will only be conducting audit work on those high risk areas. Other areas will be postponed until the impact of Covid19 on other services has subsided to avoid the additional pressure an audit would create for the service areas. However, this does mean that the agreed 2020/21 audit plan will not be completed in full.