



Council 5 April 2011

CABINET MEMBER REPORT TO FULL COUNCIL

Written report by Cllr John Griffiths, Resources and Efficiency Portfolio

Portfolio includes:

- Accountancy;
- Internal Audit;
- Use of Resources and Best Value;
- Benefits;
- Budget setting and management;
- Revenues and Investments;
- Payments;
- Payroll;
- Procurement; and
- ICT infrastructure and support.

Summary:

- **2011/2012 budget approved, and work started on the Dynamic Review – Innovation, Value and Enterprise (DR-IVE) savings programme for 2012/2013.**
- **Financial Services providing support to the shared services programme.**
- **Work progressing on the production of Financial Statements in accordance with new International Financial Reporting Standards.**
- **Investment returns under pressure.**
- **Internal Audit Plan progressing well.**
- **Revenues and Benefits join Anglia Revenues Partnership.**
- **Procurement continues to deliver innovative solutions and save money.**
- **ICT Shared Service on track to start in May 2011.**

1. Financial Services

1.1 Budgets and Shared Services and Final Accounts

- 1.1.1 With work on the 2011/2012 budgets complete, the focus of the Financial Services team's work has already moved onto supporting the corporate DR-IVE savings programme for 2012/2013. A key element of delivering the savings will be our work on shared services with Forest Heath District Council. Financial Services are actively engaged in providing both a corporate steer on financial arrangements supporting shared services, and assisting service managers in the development of shared service business cases. Work has also commenced on the production of the Council's 2010/2011 financial statements, which, for the first time, are required to be produced in accordance with International Financial Reporting Standards (IFRS). The production of IFRS compliant accounts, including the production of comparative financial statements for 2009/2010 on an IFRS basis, represents a significant amount of additional work, particularly for the Financial Services and Property

Services teams. Preparatory work for the implementation of IFRS, which includes the implementation of specialist IFRS compliant capital accounting software, is progressing well. The Finance team are continuing to work closely with the Council's external auditors, the Audit Commission, who are monitoring progress on our IFRS preparations and reviewing key stages in this project.

1.2 Treasury Management

1.2.1 Due to continued volatility and uncertainty in the global banking and investment markets, investment returns have remained under pressure. Budgeted investment income for 2010/2011 is £566,000 (£14.91 per Band D property), representing a target investment rate of 1.5%. Actual investment income achieved during the 11 month period April 2010 to February 2011 was £499,760 against budgeted income for the period of £528,655, an underachievement in investment income of £28,895. This represents an average rate of return for the period of 1.27%.

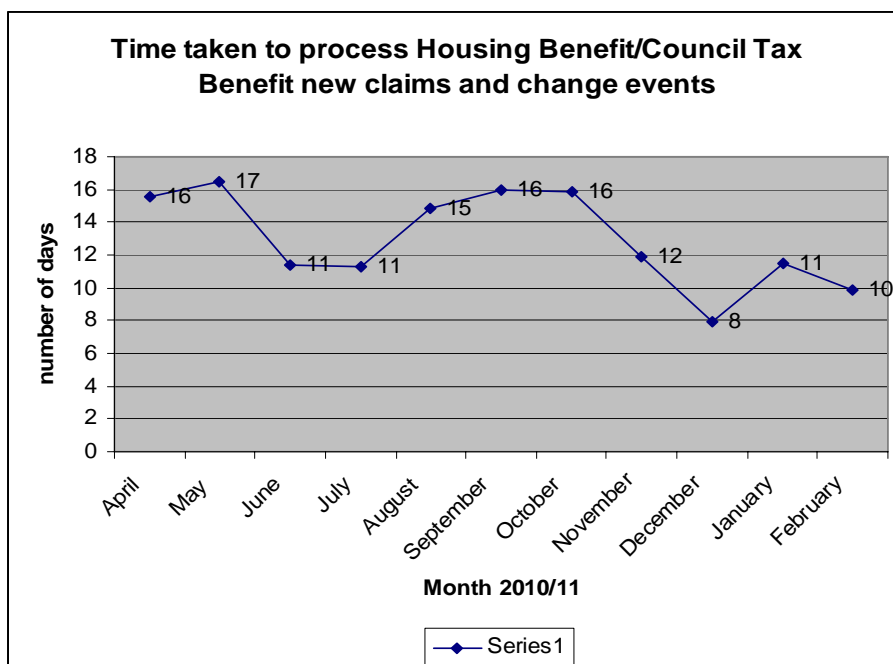
2. Revenues and Benefits

2.1 Anglia Revenues Partnership

2.1.1 The Borough Council's Revenues and Benefits service will formally join the Anglia Revenues Partnership (ARP) on 1 April 2011. Nearly all staff will be working from Thetford, except for the Customer Service staff at West Suffolk House, and the Haverhill team, who will remain in their current locations. The ICT migration will take place in late June 2011, and along with the inevitable work created by 40 staff moving office, there is a significant workload still to undertake to ensure the migration occurs smoothly. ARP staff in Thetford have made our team feel extremely welcome, and I would like to extend my thanks to them for this.

2.2 Benefits

2.2.1 Despite all of this disruption, the performance data for the team is still high, a testament to the hard work of the staff and managers. Processing of new claims is taking an average of 20.05 days and changes of circumstances are taking an average of 10.86 days. The trend for the year averages out as follows:-



2.3 Revenues

- 2.3.1 As at 28 February 2011 collection of Council Tax was 97.85% against a target of 97.24%. Collection of Non Domestic Rate at the same date was 97.72% against a target of 97.30%. This would indicate that we are on track for another good year's collection results.

3. Internal Audit

3.1 Corporate Internal Audit Work

- 3.1.1 Internal Audit continues to support the shared services agenda by undertaking an 'audit challenge' on Business Cases to provide an independent view on whether these have been produced on a robust basis. A number of these have been completed and the remaining challenges will be undertaken as and when business cases are available.
- 3.1.2 The Principal Auditor, as a Shared Services Architect, has also provided support for the development of the Learning and Development Business Case intended for presentation to the Shared Services Steering Group on 30 March 2011.
- 3.1.3 The Audit Manager, in addition to his responsibilities at the Borough Council, continues to also work as Acting Internal Audit Manager at Forest Heath District Council and is currently setting a number of initiatives in motion to increase collaborative working between the two Internal Audit Sections. These initiatives include a plan for staff from each audit team to undertake audit work at the other authority in 2011/2012, and increased alignment of the audit approach adopted at each authority has already begun.
- 3.1.4 Internal Audit leads the work within the Borough Council on the Audit Commission's regular National Fraud Initiative (NFI) exercise, the current round of which commenced in October 2010. The submitted data has been matched with data from other bodies and central government organisations and work has commenced on the NFI data matching reports to investigate potential errors and fraud.

3.2 Statutory Annual Audit Plan

- 3.2.1 Work on audits contained within the 2010/11 Audit Plan continues to progress well and audits completed since the last Portfolio Holder's Report include council tax, national non-domestic rates, and a 'follow up' audit on arrangements for Safeguarding Children. The remaining core financial systems and departmental systems audits included within the 2010/2011 Audit Plan are in progress or in the process of being finalised and on track for completion by the year end.
- 3.2.2 The results of all audits undertaken in 2010/2011 will be presented in summary form, and form the basis of the Audit Manager's annual audit opinion on the Council's control environment for the year, to the Performance and Audit Scrutiny Committee in the Annual Internal Audit Report 2010/2011 on 26 April 2011.

4. Procurement

4.1 New Planning System

4.1.1 The Planning and Building Control service is in the process of changing its electronic back office records system. The Borough Council's officers agreed to purchase this system from IDOX under a Framework Agreement from Buying Solutions. This procurement will ensure a superior planning system for the Council, which is used by more than 80% of the local authorities in the East of England region. By choosing to procure the system through the Framework Agreement route, the Council avoided the time and resources required to run its own tender process.

4.2 Introduction of Hybrid mail to deliver further savings

4.2.1 The Borough Council has decided to use Hybrid mail as a cost effective postage option to the Royal Mail. Hybrid mail is a simple, cost effective postage solution which has the potential to save the Council £85k per annum, if all mail can be channelled through this route.

4.3 Opening up contracts to a wider audience

4.3.1 From 1 April 2011 the Borough Council has decided to use 'Contracts Finder' website to place all contract opportunities above £10,000. Any contracts above the EU threshold procurement will be advertised in the Official Journal of European Union (OJEU) as usual.

4.3.2 'Contracts Finder' is an initiative from the Cabinet Office. It allows public sector buyers to publish live procurement opportunities for suppliers, and closed tender and contract documents, as part of the Government's transparency commitment. This will increase the transparency and visibility of our tendering opportunities and expand the potential supplier source thereby increasing competition and improving Value for Money.

5. ICT

5.1 Work in ICT is focused on the final stages of the new shared service with Forest Heath District Council. The formal staff consultation is underway, and appointments to the new structure will start with the ICT Manager post on 14 April 2011.

5.2 Alongside this very significant change, the team is supporting the Revenues and Benefits ICT migration and the Planning migration, both to new software platforms, and working alongside the Payroll Sections in the Borough Council and Forest Heath District Council to bring the two payroll systems into line with each other.