



St Edmundsbury
BOROUGH COUNCIL

C264

Council 13 December 2011

CABINET MEMBER REPORT TO FULL COUNCIL

Report by Cllr David Ray, Performance and Resources Portfolio

Portfolio includes:

- Democratic Renewal/Member Development;
- Diversity;
- Finance, Resources and Information Technology;
- Health and Safety;
- Human Resources, Risk Management, Training and Organisational Development;
- Internal Audit;
- Legal and Democratic Services; and
- Performance Management and Customer Access.

1. Finance, Resources and Information Technology

1.1 Delivering a Sustainable Budget: Budget Setting 2012/2013

1.1.1 The Comprehensive Spending Review, and in particular the decision to front load cuts to local authority funding, has had a direct and significant impact on the Council's finances. The latest financial projections (as set out in the Council's Medium Term Financial Strategy) indicate that the Council is facing a funding gap of approximately £2m for 2012/2013, with an overall Dynamic Review-Innovation Value and Enterprise (DR-IVE) savings target of £4.1m over the three year period 2012/2013 to 2014/2015.

1.1.2 The Performance and Audit Scrutiny Committee has a central role in the scrutiny of the budget setting process, including proposals to meet the projected DR-IVE savings target. As at the date of the report, savings totalling £1.52m had been identified for 2012/2013 against the DR-IVE target for the year of £2m. These projected savings include savings of £0.67m attributable to the shared services initiative with Forest Heath District Council. Final savings and any further growth will be brought to the Performance and Audit Scrutiny Committee at its next meeting in January 2012.

1.2 Investment Activity: 1 April 2011 to 31 October 2011

1.2.1 The 2011/2012 Annual Treasury Management and Investment Strategy (approved by Council on 1 March 2011, Report B467 refers) set out the Council's projections for the current financial year. The budget for investment income in 2011/2012 is £0.457m, equivalent to £11.97 for each Council Tax Band D property, representing a target rate of return on investments of 1.50%.

1.2.2 As at the end of October 2011, interest actually earned during the financial year to date amounted to £0.332m against the profiled budget for the period of £0.277m, a budgetary surplus of £0.055m. This budgetary surplus was due primarily to higher than projected average cash holdings during the period (arising mainly from timing difference in expected capital expenditure and receipts cashflows). The average rate of return on investments during the period was 1.45% against the target rate for the year of 1.50%, reflecting the continuation of historically low interest rates during the period.

1.3 Corporate Internal Audit Work

1.3.1 A number of articles have been drafted to appear in e-Teamwork and/or the Members' Bulletin reminding staff/members of the Bribery Act 2010 and the updated Anti Fraud and Anti Corruption Strategy. A web page has also been designed to alert those wishing to do business with the Council to the Council's zero tolerance approach to fraud, bribery and corruption. In addition, an e-learning package on the Bribery Act has just been launched for all staff to complete.

1.3.2 The Audit Manager continues to fill the role of Acting Internal Audit Manager at Forest Heath District Council and is currently undertaking work on preparation of a business plan for a shared Internal Audit service.

1.4 Statutory Annual Audit Plan

1.4.1 Two audit reviews have now been completed since my last Portfolio Holder's Report, these being Treasury Management and Risk Management Arrangements.

1.4.2 The team has completed fifteen follow up audit reviews so far, whereby we are checking progress on agreed actions. Reviews completed since my last Portfolio Holder's Report include West Suffolk House Car Parking, Data Protection, and a follow up of the 2010/2011 Performance Indicators audit.

1.4.3 Work is also in progress, and in some cases at an advanced stage, on a number of full audits and follow up audit reviews including Main Accounting System, Payroll, Council Tax, National Non Domestic Rates, Registers of Interests, and Contract Procedures. Where audits have been fully completed summarised results of these audits will be presented to the Performance and Audit Scrutiny Committee in January 2012.

1.5 Revenues and Benefits

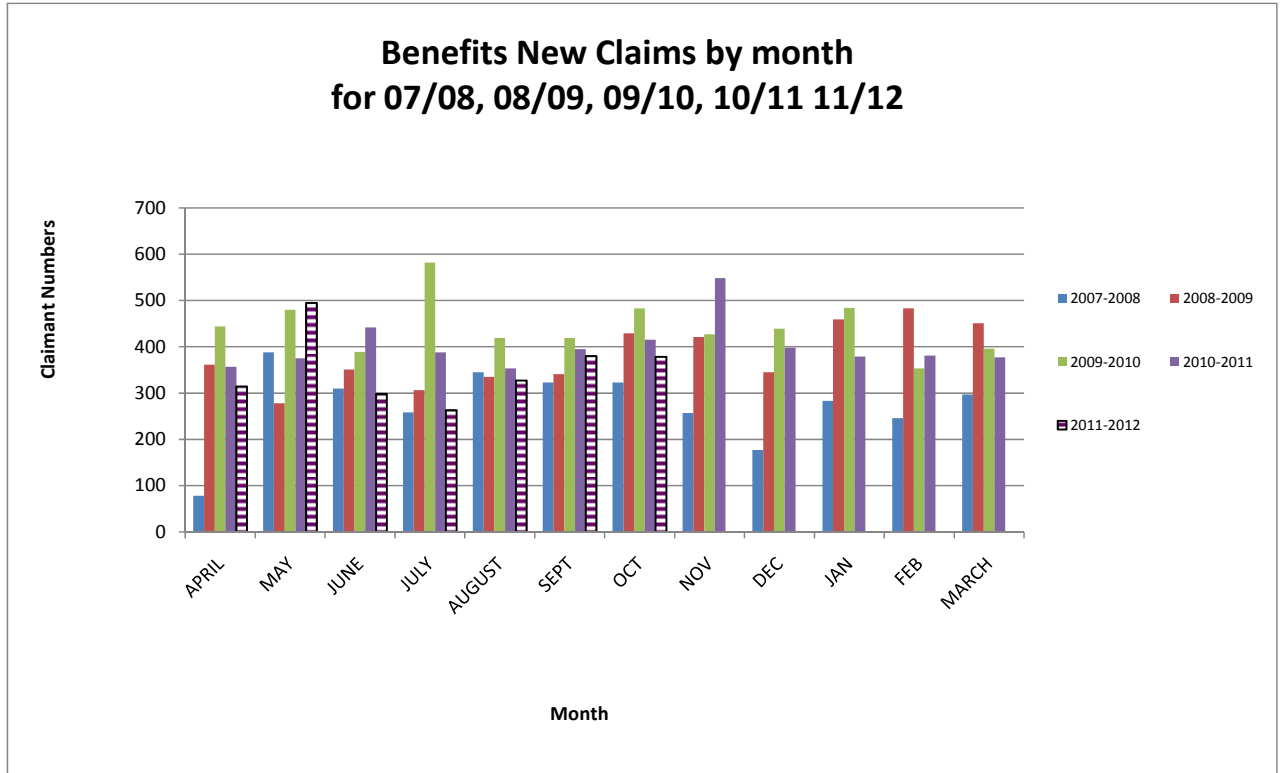
1.5.1 Anglia Revenues Partnership (ARP)

1.5.2 The team is now firmly in the consolidation phase of the conversion and new working practices at the Partnership. It is a very busy time with major changes planned to the Benefits System in January 2012. The team is working well together and many service improvements are being worked upon and delivered.

1.5.3 Monthly meetings are being held by the Operational Improvement Board, which is shaping the strategy for the Partnership, including the potential for two further authorities to run their services from the ARP ICT platform, with a view to becoming full members of the Partnership at a later date.

1.6 Benefits

- 1.6.1 As at 31 October 2011, processing of new claims is taking an average of 19.44 days and changes of circumstances are taking an average of 5.71 days. While this is still higher than our target of 12 days for processing new claims, there is a positive downward trend. Claimant numbers were as follows:



1.7 Revenues

- 1.7.1 Collection rates are as follows:

	Collected by 31 October 2011	Target to 31 October 2011	Comparator figure for 2010/2011 to 31 October 2010
Council Tax			
Net liability: £51,353,415.92	68.20%	68.50%	68.63%
NNDR (business rates)			
Net liability: £43,587,494.94	68.83%	69.98%	71.20%

- 1.7.2 Council Tax collection is below target and is being closely monitored. Factors affecting the collection rates include inability to pay, increased part-benefit claims and the need to spread payments across the 12 months, rather than the traditional 10 month cycle (due to the financial pressures on residents).

1.7.3 National Non Domestic Rates (NNDR) collection is below target for all ARP authorities. This is due to a number of key factors, such as the general economic decline affecting the ability to pay debts, and changes to the empty rate thresholds for 2011/12. There is also a lower take up (80% of those eligible) of small business rates relief within the community. Further take up campaigns have been rolled out during November, which should increase both take up and collection rates.

1.8 ICT: Shared Services

1.8.1 Following the recent agreement of both Councils to create a shared staffing structure the ICT business case, which has already been approved by this Council, will be considered by Forest Heath District Council's Full Council on the 14 December 2011. If approved the move to the new single ICT team will commence with the appointment of a Shared Service ICT Manager in mid January 2012.

1.9 Mobile Telephony

1.9.1 A new contract for the provision of mobile telephony has been agreed with our current supplier, T-Mobile, achieving £4,000 per annum savings over the previous contract cost. T-Mobile already provide the best signal coverage in our area and with T-Mobile and Orange having now merged into one company (Everything Everywhere) coverage is now enhanced, with the ability for mobiles to use cell site masts from both suppliers. As an additional benefit T-Mobile has agreed to install in-building coverage boosters in West Suffolk House for their own network, at no cost. This will alleviate the poor signal issue within the building for our mobiles.

1.10 Procurement: ICT Team Saves from Mobile Telephony services by using GPC Framework

1.10.1 The Borough Council's ICT team carried out a mini tender exercise on the Government Procurement Service (GPC) framework at the end of our current mobile phone contract and have achieved £4,000 per annum savings over the previous contract cost. See 1.9.1 above.

1.11 Collaborative Procurement of Treasury Management Advisory Services

1.11.1 The Council recently undertook a joint procurement exercise with Forest Heath and East Cambs District Councils for the provision of treasury management advisory services. The three leading national treasury management advisors all submitted proposals, with cost advantages if more than one authority decided to choose the same supplier. Presentations were held jointly, with each potential supplier coming in to discuss their submissions to all three councils together. This was an extremely useful exercise as it allowed the three councils to discuss their respective approaches to the use of treasury management advisors, and a joint evaluation of each proposal.

1.11.2 As a result of this exercise, the Council managed to secure a slightly higher level of service at a slightly reduced rate. The contract is at a fixed rate for three years, with a saving of 8% being attained. This saving was only achievable due to the joint nature of the procurement exercise.

1.12 Procuring renewable energy generation

- 1.12.1 Back in December 2010, the Council took the bold step to invest in solar photovoltaic panels (known as Solar PV) to access the Feed-in Tariffs.
- 1.12.2 A project team was put together to carry out the procurement. The predicted value of the contract meant that we were required to follow Official Journal of European Union (OJEU) rules, which resulted in us having to decide how to run the procurement. Three options were available:-
- (a) run our own OJEU compliant procurement;
 - (b) find a "special purpose vehicle"; or
 - (c) use a suitable Framework Agreement.
- 1.12.3 The first two options were quickly ruled out principally because of the high level of staff input required and the lack of suitable delivery organisations. Time constraints also existed since the project needed to be delivered before the end of April 2012. (Ironically, this date could become immaterial because of proposed changes to the Feed-in Tariff).
- 1.12.4 The use of a Framework Agreement was seen as the only viable route to meet OJEU rules, minimise the demand on staff time and negotiate best price and quality.
- 1.12.5 By May 2011, it became clear that very few Frameworks, if any, would be available to us which could meet our timetable. One, managed by a consortium of five public sector buying organisations called PRO5 became the front runner. However, we had to wait until August for the Framework to go live.
- 1.12.6 Using the Borough Council's ITT template, we set our price-technical criteria split 60%-40% as required by the Framework. Technical criteria included:-
- (a) quality;
 - (b) installation and technical assistance; and
 - (c) customer service.
- 1.12.7 We decided to use the new County-wide e-procurement platform, Suffolk Sourcing, and we went to the market five days after the PRO5 Framework went live!
- 1.12.8 The tender exercise under the PRO5 Framework Agreement has delivered the Council a project price approximately 20% lower than we estimated. Since the work is in progress, we cannot say anything about the final product. Only time and good contract management will tell.

1.13 Vehicle Procurement through County-wide e-Procurement platform, Suffolk Sourcing (www.suffolksourcing.co.uk)

- 1.13.1 During September and October 2011 the Council used the new e-sourcing system to run a series of mini competitions for the supply of up to 16 specialist vehicles for the Waste and Street Scene Services. This was a joint procurement exercise and included vehicles for use by Forest Heath District Council. The overall budget was in the region of £2m.
- 1.13.2 The mini competitions were run by applying the pan-government framework for specialist vehicles which was set up by the Yorkshire Purchasing Organisation (YPO), a member of the PRO5 group of public buying organisations.

- 1.13.3 By using this established method much of the tender process had already been undertaken during the establishment of the framework. The details of the framework were first entered into www.suffolksourcing.co.uk meaning that the mini competitions could be run on a 'menu driven' basis.
- 1.13.4 Tenders were notified only to the companies already approved as suppliers under the framework and this resulted in invitations to quote being sent to in excess of 60 suppliers nationwide.
- 1.13.5 As the system is process driven each step was controlled and prompted by the software meaning that all aspects of the procurement process were run in a correct and robust manner. All communication with prospective suppliers was conducted via the e-sourcing website again ensuring that all messages and/or clarifications were delivered to all suppliers on the framework. Suppliers submitted their pricing in electronic format using the e-sourcing system.
- 1.13.6 Completed tenders were received back for evaluation, on average, within about three weeks. Allowing for the statutory 'standstill period', during which tenderers are able challenge the results, the whole process from sending out invitations to tender through to placing an order can be as little as five to six weeks. Further tenders are planned to be run during December, using the same framework and method.
- 1.13.7 For more information on this e-sourcing/framework process contact Phil Clifford, Fleet and Technical Manager, on extension 7459.

2. Customer Services and Access

- 2.1 The Tell us Once (TuO) service becomes operational in Suffolk on 8 December 2011. The TuO service enables customers to inform Government once about a birth or death and for this information to then be shared with their consent across other local and central Government services. The service is offered by way of an extended appointment with the Registrar service to which customers bring with them relevant paperwork of the deceased, such as national insurance number, driving licence, passport etc. The information relating to the birth or death is immediately sent to relevant local and national government departments without the customer having to inform numerous agencies and provide the same information several times.
- 2.2 As well as an improvement in the experience for the customer, 24 organisations across central and local government receive accurate and verified customer information from a trusted source, often within hours. This brings valuable benefits to local and central government in saving both time and money.
- 2.3 Currently, staff in elections, council tax and benefits, housing and debtors receive notifications of death. Staff access this information via a secure network and are subject to checks and verification to ensure that sensitive information is kept safe. It is anticipated that TuO will continue to expand with more government agencies signing up to the service. There are even plans for the service to extend, in future years, to include change of address so that customers do not have to inform numerous agencies.

3. Member Development

3.1 Member Development Charter

- 3.1.1 The Democratic Renewal Working Party met on 24 November 2011 and received an update on the 8-item Charter Action Plan. Seven out of eight items were now considered

complete, and the final action, to create a proforma for Members attending external development activities to report back to other Members and share the learning, was considered at the meeting.

- 3.1.2 I am also pleased to report that, as a result of having commissioned a training programme, informed by Members' own requirements via the Training Needs Analysis (TNA) completed by 80% of Members earlier this year, the Council has been awarded the Member Development Charter for a further three years from 5 October 2011. I will bring the framed certificate to the meeting for Members to view.

3.2 Remainder of the Member Development Programme 2011/2012

- 3.2.1 As 2011 was an election year, an extensive programme of induction training took place between May and July 2011. The remainder of the Programme was to be set following analysis of TNA forms received, together with comments on evaluation sheets and corporate, national and local priorities. In the meantime a programme was set to take Members to the end of 2011, comprising Communications Skills training, Scrutiny modules 1 and 2, Emergency Planning, a Shared Services briefing and a session on the new social housing reforms, as well as the first two Modules of Development Control training.
- 3.2.2 Following consideration of the 36 TNA forms received, plus comments on course evaluation sheets completed by Members following the induction sessions, the Democratic Renewal Working Party has set a Member Development Programme for the remainder of 2011/2012, and this has been provided to Members in the form of a brochure, with a tear-off sheet which can be used to book places. The sessions arranged for January to May 2012 are as follows:

Date	Title	Details
18 Jan 2012 5pm Room GFR-14	Dealing with the Media	This session will provide the opportunity to find out where and how reporters get their news, what makes something newsworthy, and how newspapers are put together. You will also learn about the role of the Communications Unit with regard to the media, how to define and stick to your message, and tips on what to do if you are contacted by the media.
21 Feb 2012 5pm Room GFR-14	Local Government Finance	A development of the introductory session given in June 2011. Following this session Members were asked what topics should be included in a follow-up session, and these included legislation changes, budget setting, pensions, and how the Council achieves cost savings.
29 March 2012 5pm Room GFR-14	Presentation Skills and Public Speaking	This session will give you the skills you need to be an effective public speaker. This will include structuring, how to deliver your message, how to handle nerves, good openings and closings, pacing and use of humour.
24 April 2012 5pm Room GFR-14 and 29 May 2012 5pm Room GFR-14	Localism, Community Engagement and Ward Issues	With the Localism Bill having been enacted, two sessions will be arranged aimed at providing Members with details of the "strategic" elements of this new legislation, and how it will impact on the Borough Council. We will also explore the support available to Ward Councillors in their role as community leaders. We will discuss examples of "localism", links to the new Corporate Plan and Vision 2031, and a variety of ways of engaging with your communities.