



Council 19 June 2012

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. Financial Services

1.1 Financial Statements 2011/2012

1.1.1 The main focus of the Financial Services team's work over the past three months has been the preparation of the Council's 2011/2012 financial statements, which are due to be submitted for external audit review by 30 June 2012. The accounts will be presented to the Performance and Audit Committee for scrutiny in September, prior to approval by full Council by the 30 September 2012 statutory deadline.

1.2 Investment Activity 2011/2012: outturn and financial year to date

1.2.1 Due to continued volatility and uncertainty in the global banking and investment markets, investment returns have remained under pressure. The budget for investment income in 2011/2012 was £0.457m, which represented a target rate of return on investments of 1.50%. The actual amount of interest earned during the year was £0.582m, representing a budget surplus of £0.125m. This surplus was due primarily to higher than projected average cash holdings during the period, arising from timing differences between planned and actual capital expenditure and receipts cash flows. Despite continued difficulties in finding attractive rates of interest with financial institutions that can deliver the required level of security, the average rate of interest achieved for the year was 1.48% which was only 0.02% lower than the 1.50% target rate for the year.

1.2.2 Looking to the current financial year it is estimated that in 2012/2013 Treasury Management activity will generate income of £0.569m. This estimate assumes a continuation of the 1.5% target rate of return on investments, and takes into account revised projections for Council balances and cashflows. Actual investment income achieved during April and May 2012 was £0.104m against profiled budgeted income for the period of

£0.100m, an overachievement of income of £0.004m. The average rate of interest achieved during these two months was 1.71% against the target rate for the year of 1.5%.

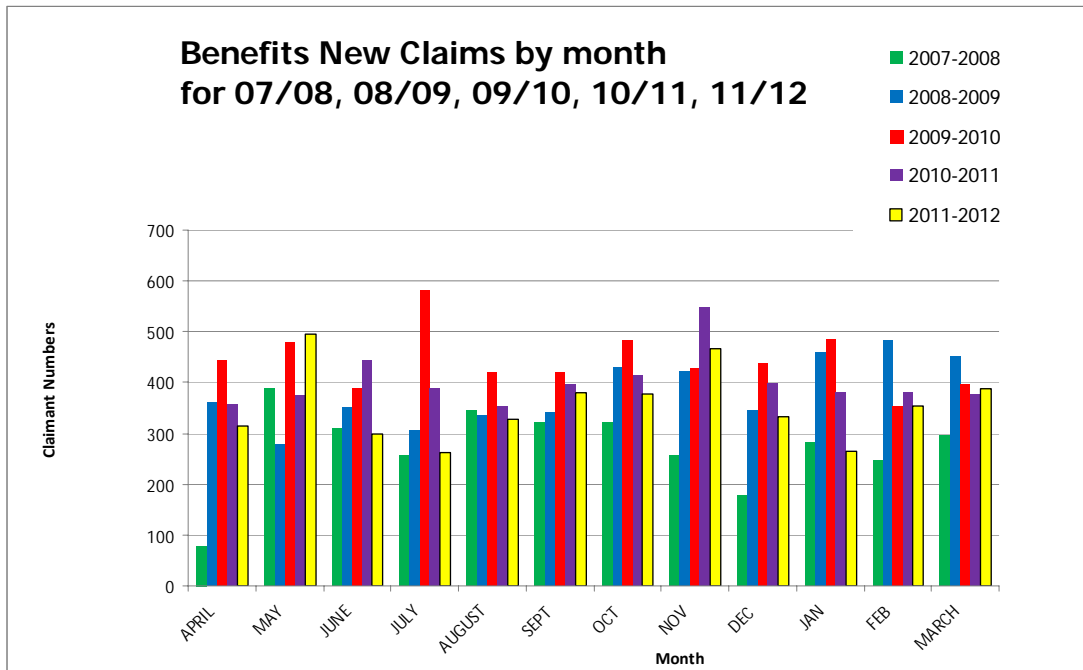
2. **Anglia Revenues Partnership (ARP)**

2.1 The team is working well together and many service improvements have been delivered, and further improvements are being worked upon. End of year was very successful with the team issuing bills and notifications in mid March. The ICT teams are working well together, and with their support are helping to drive the business forward.

2.2 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 (Suffolk Coastal and Waveney District Councils) to run their services from the ARP ICT platform, with a view to becoming full members of the Partnership at a later date.

2.3 **Benefits**

2.3.1 As at 31 March 2012, processing of new claims took an average of 19.07 days, and changes of circumstances took an average of 9.03 days. Unfortunately this is higher than our target of 12 days for processing new claims, it should be noted however that the number of live claimants is still increasing, thus adding to the teams' workloads. Claimant numbers were as follows:



2.4 **Revenues**

2.4.1 Collection rates are as follows:

	Collected by 31 March 2012	Target to 31 March 2012	Comparator figure for 2010/2011 to 31 March 2012
Council Tax Net liability: £51,732,535	98.40%	98.50%	98.53%
NNDR (business rates) Net liability: £43,060,612.75	97.88%	98.40%	98.14%

- 2.4.2 Council Tax collection was just below the annual target despite all efforts to collect the debt, a contributory factor was the system conversion.
- 2.4.3 National Non Domestic Rates (NNDR) collection fell below target for all ARP authorities. This is due to a number of key factors, such as the general economic decline and changes to the empty rate thresholds for 2011/2012. Additional debts were also raised at the end of March of about 0.40% of the net debit. There was also a lower take up (94.6% of those eligible) of small business rates relief within the community. Further take up campaigns have been rolled out and press releases have been issued, which increased both take up and collection rates.

3. Internal Audit Shared Service

- 3.1 A new Internal Audit shared service has been in place since April 2012, with a new staffing structure agreed and significant ongoing savings being achieved. The vision for the new shared service is to provide a cost effective, proactive, flexible, resilient, and quality Internal Audit Service that meets the needs of internal and external stakeholders.
- 3.2 Staff changes arising from the new staffing structure and a reduction in hours of one of the Auditors have resulted in the need to recruit a new Senior Auditor and also a part-time Auditor, this recruitment is currently underway.

3.3 Statutory Annual Internal Audit Plan

- 3.3.1 A total of 36 internal audit reports were issued in respect of 2011/2012, summarised results of which were reported to the Performance and Audit Scrutiny Committee in the Annual Internal Audit Report in April 2012. Despite the additional work caused by the production of the Internal Audit shared service business case, the dual role of the Internal Audit Manager between the Borough Council and Forest Heath District Council managing separate teams, and the limited replacement cover for staff on maternity leave, the approved audit plan was again completed on time.
- 3.3.2 The Audit Commission has confirmed that for 2011/2012 they were able to place reliance on the work of Internal Audit where they had planned to do so. This is confirmation that the Internal Audit team has continued to work to professional quality standards, and ensure that any potential duplication between the work of Internal Audit and the Audit Commission is avoided, and Audit Commission fees are minimised.

4. Procurement: Managed vending machine services

- 4.1 The Council's Car Parks Team recently went to the market and invited bids for "the use of locations at St Edmundsbury Borough Council's public car parks and bus and coach station in Bury St Edmunds for the provision of comprehensive managed vending services". Locations included were Cattle market/arc lower level and surface car parks, Parkway Multi Storey car park, Bus and coach station.
- 4.2 Following the competitive quote process operated through Suffolk Sourcing system, the Council accepted the offer from a company called "Selecta", who will place a total of seven vending machines to dispense hot drinks, cold drinks and snacks, which offered a significant annual income to the Council. It is expected that vending machines will be placed at these locations during this summer.

5. West Suffolk ICT Shared Service Infrastructure and Support

- 5.1 The newly established shared ICT service with Forest Heath District Council is bedding down well, and significant progress has already been made, including:-
- (a) a single service desk handling service requests from both authorities is now up and running and there is now a single point of contact for ICT calls across both Councils; and
 - (b) the new team are working flexibly across both sites and are maintaining a strong presence in each office.
- 5.2 Good progress is being made on infrastructure changes to make it easier for all staff to communicate and work together, making it easier to work flexibly across both sites:-
- (a) implementation is underway on joining up telephony and a single system enabling seamless communication across sites is due to be in place by the end of June;
 - (b) the two networks have been joined together, and security trusts have been established to lay the foundation to enable full interworking across sites;
 - (c) the next step will be integrating and sharing email, calendars, filestore and folders; and
 - (d) this will be closely followed by integrating printing solutions to enable staff to print at either office.
- 5.3 The new team is now working closely with staff across all sections to help them bring their shared services together. The integration of HR and payroll systems is progressing well, and is just entering the testing phase and is on schedule to go live in September 2012. Staff are also heavily involved in the customer access project and integration of systems for the proposed shared planning service.

6. Electronic Government

- 6.1 We have recently launched a number of new websites:-
- (a) www.theapexconferencing.co.uk, which promotes The Apex's event and conferencing facilities, has been completely redesigned;
 - (b) two brand new Heritage websites (www.moysesshall.org and www.weststow.org) have been launched to promote our museums; and
 - (c) www.outandabout2012.co.uk, which promotes events linked with this year's Diamond Jubilee celebrations and the Olympics, is also brand new.
- 6.2 Despite being designed by external consultants, all three have been developed using the same website management system as our main website thus enabling our central team of content experts to manage and maintain them independently. The designs for the Heritage and 'outandabout2012' sites were also carefully co-ordinated with leaflet-based promotions.

7. Member Development Programme 2012/2013

7.1 At the end of February 2012, all Members were sent a Training Needs Analysis (TNA) form and asked to carry out an evaluation of their own expertise in the skills needed in the Member role. Analysis of the 18 forms received by the deadline (a slightly disappointing 40% return rate) was carried out by Democratic Renewal Working Party in April 2012, which also looked at post-training evaluation sheets, and the following areas were prioritised by the Working Party for inclusion in the 2012/2013 Member Development Programme:-

- (a) Local Government Finance;
- (b) Overview and Scrutiny combined with Questioning and Listening Skills;
- (c) the New Standards Regime;
- (d) Anglia Revenues Partnership;
- (e) Emergency Planning for Ward Members;
- (f) Handling challenging people and situations;
- (g) Influencing and negotiating skills;
- (h) Speed reading;
- (i) Freedom of Information and Data protection; and
- (j) Time Management/Work Life Balance.

7.2 Additionally, ongoing Development Control and Licensing training will be slotted in when required by the lead officers, and a further four issues will be slotted in at the appropriate time:-

- (a) Shared Services;
- (b) the New Social Housing Reforms (incorporating financial implications);
- (c) Localism and Community Leadership; and
- (d) Understanding the Organisation.

7.3 Subject to the approval by full Council at this meeting, officers will commission the sessions, some of which will be held jointly with Members of Forest Heath District Council, and where possible they will be held on the "Member Development" dates shown in the Calendar of Meetings. Look out for details in future issues of the Members' Bulletin.

8. Human Resources

8.1 The Human Resources (HR) Project team, supported by IT to integrate the HR and payroll system is progressing well, and is just entering the testing phase and is on schedule to go live in September 2012.

8.2 The HR team continue to support from a shared team HR and payroll across both Councils, and the two Leisure Trusts. The bringing together of the staffing structures for Communications, Internal Audit and IT Services has been completed. Work is now ongoing with the planning, environmental health and housing teams to move them into their transitional structures.

8.3 The year end figure for sickness absence was 7.74 days per employee. 27% was uncertificated (i.e. short-term, less than 7 days), which is very low compared to benchmark figures. A target of 7.5 days has been set for the next financial year.