



## Council 18 December 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. Performance Management**

- 1.1 Key Performance Indicators (KPIs) continue to be used in all service areas to report data against agreed targets and to provide a measure of performance against our corporate priorities. In addition to reporting the Council's performance in this way to the Performance and Audit Scrutiny Committee each quarter, the information for both St Edmundsbury and Forest Heath is now reported to the Joint Leadership Team following the appointment of the new Heads of Service. The KPIs and their targets and thresholds are reviewed annually, with quarter two performance having been reviewed by the Performance Audit and Scrutiny Committee in November 2012.
- 1.2 The joint Policy and Performance teams are now working across St Edmundsbury Borough Council and Forest Heath District Council under the new management structure. Work is underway to have in place a fully integrated performance management framework for both councils and to align performance reporting for KPIs and financial information by 2013/2014.

#### **2. Customer Service**

- 2.1 Progress is being made on implementation of our Customer Access Strategy, which was approved by Cabinet on 21 November 2012. The new 'target operating model' for customer access places the customer at the heart of what we do, and radically changes our service delivery offer, using 'digital by default'

to enable customers to contact us using their own preferred method and at their chosen time. The target operating model will now be tested in detail in each service, to ensure that it can deliver across the board.

- 2.2 We are also working closely with Suffolk County Council to see whether it is possible to deliver its public access in the West of Suffolk once the Customer Service Direct (CSD) contract finishes in 2014. This would mean that residents in West Suffolk would no longer have to worry about which council to contact about a specific problem, but could simply go through a central Customer Service Team (run by St Edmundsbury Borough Council and Forest Heath District Council) which would be appropriately skilled to deal with as many queries first hand as possible.

### **3. Financial Services**

#### **3.1 Delivering a Sustainable Budget: Budget Setting 2013/2014**

- 3.1.1 St Edmundsbury Borough Council has delivered significant savings over the past eight years. However, there is no let up in the pressures we face and it is therefore critical that we continue to deliver savings and create new income opportunities through an increasingly commercial approach. The Comprehensive Spending Review, combined with income pressures, has continued to have a direct and significant impact on our budgets. 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 £0.9m for 2013/2014, with an overall DR-IVE (Dynamic Review-Innovation Value and Enterprise) savings target of £3.3m over the three year period 2013/2014 to 2015/16. However, considerable budget uncertainties remain regarding the level of grant we will receive from central government and the impact on the Council's finances of the changes to local government finance being introduced by the Government from April 2013 (including localisation of business rates and the reform of council tax benefits).

- 3.1.2 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. The key strategy to deliver savings for the next two years is through shared services. Progress to date has been very good, and we are on track to achieve the DR-IVE target for 2013/2014.

#### **3.2 Investment Activity: 1 April 2012 to 31 August 2012**

- 3.2.1 The budget for investment income in 2012/2013 is £0.569m, which is based on a continuation of the previous year's 1.5% target rate of return on investments. As at the end of October 2012 interest actually earned during the first seven months of the financial year was £0.378m against a profiled budget for the period of £0.345m, a budgetary surplus of £0.033m. This modest surplus was due primarily to the achievement of a higher than projected average rate of interest during the period (ie an average rate of return of 1.67% against a target rate for the period of 1.5%).

#### **3.3 Local Government Finance Changes**

- 3.3.1 Work continues on two changes to local government finance being introduced by the Government from April 2013. Firstly, in November 2012 we signed up with other Suffolk local authorities to the Suffolk Business Rate Pool and

submitted a formal, fully signed-off proposal to the Department for Communities and Local Government (DCLG) under the localisation of business rates initiative. Meanwhile our consultation concluded (on 26 October 2012) on proposals for inclusion in our local scheme to implement the reform of council tax benefit. Our proposed local scheme was due to be considered at Cabinet on 12 December 2012.

#### **4. Anglia Revenues Partnership (ARP)**

##### **4.1 Benefits**

4.1.1 As at Quarter 2 (to 30 September 2012), processing of new claims and changes of circumstances took a combined average of 11.31 days against the quarterly target of 10 days. The processing time figure for new claims was higher than expected but it should be noted that the number of claimants is still increasing month on month. However, ARP has provided figures for the month of October 2012 which show a combined average of time taken to process new claims and changes of circumstances as 7.92. These figures are all actual days, not working days.

##### **4.2 Revenues**

4.2.1 Collection rates are as follows:

	<b>Collected by 30 Sept 2012</b>	<b>Target to 30 Sept 2012</b>	<b>Comparator figure for 2011/2012 to 30 Sept 2012</b>
Council Tax Net liability: £51,796,772	58.93%	58.70%	58.70%
NNDR (business rates) Net liability: £44,882,995	60.58%	59.50%	59.49%

4.2.2 Council Tax collection is slightly above the quarterly target, however the collection rates will be closely monitored to maximise collection.

4.2.3 National Non Domestic Rates (NNDR) collection was above target. This is in part due to the increased take up in Small Business Rates Relief, which has been delivered through a publicity campaign supported by Members, the Chambers of Commerce and other stakeholders.

#### **5. Internal Audit Shared Service**

##### **5.1 Corporate Work**

5.1.1 Internal Audit has reviewed and re-drafted the existing Anti-Money Laundering Policy and the National Fraud Initiative (NFI) Strategy to take into account shared services arrangements and ensure both documents are in line with current best practice. Both documents, which cover St Edmundsbury Borough Council and Forest Heath District Council, were considered by the Performance

and Audit Scrutiny Committee in November 2012, and are scheduled for formal adoption at today's Council meeting following endorsement by Cabinet.

- 5.1.2 Data has now been extracted by system owners for the current National Fraud Initiative (NFI) exercise, and data quality checks were performed by Internal Audit prior to submission of this data to the Audit Commission. The anticipated date for the release of data matches remains 29 January 2013, upon which match investigations will be commenced by system owners on a risk based approach. Guidance, advice, and monitoring of the NFI exercise will continue to be provided by Internal Audit.
- 5.1.3 Internal Audit has assisted in a number of other corporate areas, including providing financial vetting of organisations applying to undertake works for the council, one such example being the recent tendering exercise for the design and construction of a skatepark.

## 5.2 **Statutory Annual Internal Audit Plan**

- 5.2.1 The 2012/2013 Audit Plan is progressing well. In relation to the St Edmundsbury element of the Audit Plan, eleven Internal Audit reports had been issued by mid-November, as follows: Key Performance Indicators, ICT Back Up Arrangements Follow Up, Car Parks Cash Handling Follow Up, Abbey Gardens Cash Handling Follow Up, Government Data and Key Performance Indicators Follow Up, E-Commerce Follow Up, Markets, Car Parks Follow Up, Parks Follow Up, Grants Paid Follow Up, and West Suffolk House Car Parking Arrangements Follow Up. A further thirteen St Edmundsbury audits are in progress.
- 5.2.2 In addition to the above, the Internal Audit shared service undertakes a number of audits on behalf of East Cambridgeshire District Council as well as undertaking, from 2012/13, the revenues and benefits audits (council tax, business rates, and housing benefits) on behalf of all four ARP authorities.

## 6. **West Suffolk ICT Shared Service Infrastructure and Support**

- 6.1 The ICT team continues to make very good progress with bringing services together across the two councils. The underlying technical alignment required to enable full ICT integration across the two authorities is complete.
- 6.2 The final phase of migrating users onto the new integrated infrastructure is well underway and it is expected that by the end of the year staff across both authorities will have a single log-on, access to a shared email system, shared calendars and shared file system. As migrations continue it is expected that there will be some disruption to ICT services, in particular access will be unavailable over some evenings and weekends to allow the moves to take place. The ICT team will continue to keep any disruption to a minimum and will notify users in advance of any planned downtime.
- 6.3 The new video and audio conferencing facilities between the College Heath Road and West Suffolk House offices are now in place and starting to be used.
- 6.4 The ICT team continues to work closely with staff across all sections to help them bring their shared services together. The integration of HR and payroll systems is now complete and the live payroll run for September was completed successfully on the new joint system. Implementation of the shared planning

system is now underway and is scheduled to be complete in August 2013. A project to bring the two authorities' finance systems together, involving staff from the finance and ICT teams, is just starting.

## **7. Member Development Programme 2012/2013**

### **7.1 Delivering and setting the 2012/2013 Member Development Programme**

7.1.1 The programme of events continues and has been developed reflecting the areas identified through the Training Needs Analysis (TNA) and Corporate priorities.

7.1.2 Future development sessions timetabled so far for 2012/2013 are as follows:

<b>Date, time, venue</b>	<b>Session</b>
31 January 2013 11 February 2013 26 February 2013 4 March 2013 6 March 2013	Software Surgeries prior to key meetings allow Members to drop in and discuss any specific skills requirements on Microsoft Office programs including Outlook, Word, Excel and PowerPoint on a one to one basis.
5.30pm 23 January 2013 Council Chamber Forest Heath District Council	Raising the Standard - The New Standards Regime (repeat of the event on the 27 November 2012)
5.00 pm 29 January 2013 Council Chamber, Forest Heath District Council	Overview and Scrutiny Questioning and Listening Skills

7.1.3 A further visit to Anglia Revenues Partnership (ARP) was arranged as requested by Members. In October a joint Member Development event at West Stow covered Local Government Finance, including updates to Business Rates and Council Tax and the impact of the Localism Act. This was followed by a session on the Customer Access Project: Members were consulted on the proposed customer access model and had the opportunity to discuss the impact of change. This proved to be a good opportunity to facilitate discussion across the Councils and led to greater understanding of the local implications of decisions made. Given the success of this model of delivery we hope to replicate this in the future.

7.1.4 Other events arranged were national awareness training on Gypsy and Travellers and speed reading for both Members and officers.

7.1.5 The Learning and Development Team will continue to sign-post Members to relevant webinars and e-learning to provide further access to development information.

7.1.6 The Learning and Development Advisor attended her first meeting at the new regional East of England Local Government Association (EELGA) network group to learn, make contacts and share and identify best practice, expertise and best value in event co-ordination to inform the Member Development Programme.

## **7.2 Joint Member Development Group**

- 7.2.1 It was agreed by the Democratic Renewal Working Party to have an informal joint Member Learning and Development Group with Forest Heath District Council. The inaugural meeting of the joint Member Learning and Development Group will be scheduled for January 2013. Councillors Thorndyke and Mrs P Warby are representing St Edmundsbury Members on this group.

## **7.3 Learning and Development/Human Resources**

- 7.4.1 Work continues on a shared service programme of support for those at risk and those given notice of redundancy. A second phase of the support programme has commenced, with facilitated team sessions to encourage teams across the two councils to come together, get to know each other and start work on shared service delivery and new ways of working where appropriate.
- 7.4.2 Support for those leaving the authorities after the restructure of senior management has resulted in nine senior managers being offered outplacement support.
- 7.4.3 A programme of facilitated workshops has commenced for the new Joint Leadership Team, focussing on learning and delivering together.
- 7.4.4 The apprenticeship agreement between St Edmundsbury Borough Council, Forest Heath District Council and Unison continues to be recognised across England as an example of best practice and the format is being adopted in other organisations. Lord Adonis and Matthew Hancock MP requested to visit the councils to learn more about the apprenticeship programme with a view to adopting the model within Westminster.
- 7.4.5 Sickness continues to show a downward trend (average 6.89 days per employee).
- 7.4.6 Negotiations on the single pay and reward strategy continue very regularly with Unison to progress the consultation.
- 7.4.7 Health and Safety have been busy over the Christmas Fayre period, whilst amending the Joint Health and Safety Policy to reflect recent changes to the statutory reporting regime.