



Council 17 December 2013

CABINET MEMBER REPORT TO FULL COUNCIL

Report by Cllr David Ray Resources and Performance Portfolio

Portfolio includes:

- Legal and Democratic
- Elections
- Finance
- Internal Audit
- ICT
- Risk Management
- Performance Management
- Human Resources and Organisational Development
- Health and Safety
- Procurement
- Customer Access

1. Customer access

- 1.1 The restructure of the customer service team is almost complete; it has been a complicated restructure and involved staff from several different departments, as well as some external recruitment. The team works across five different customer service localities in West Suffolk and already provides a wide range of services. Over the next few months, the team will deliver even more services as staff transfer to the team from other areas.
- 1.2 Following approval by Cabinet in November, both councils have awarded a contract for new technology to support our improvements to customer service. Over the next few months, staff will be working with a supplier to implement a customer relationship management system (CRM) so that staff can capture the 'single view of the customer'. We will also be looking at areas for improving online access to services.

2. Resources and Performance

2.1 Performance Management

- 2.1.1 Key Performance Indicators (KPIs) continue to be used in all service areas to report data against agreed targets and to provide a measure of the performance against our corporate priorities.

2.1.2 The second quarter's figures for 2013/2014 were reported to the Performance and Audit Scrutiny Committee in November 2013. Of the 37 St Edmundsbury Borough Council (SEBC) KPIs, 16 were on or above the target, 3 were below the target but within tolerated levels and 9 were significantly below. The other 9 KPIs are for information only and have no targets against them.

2.2 **New Shared Financial Management System**

2.2.1 Work continues on the implementation of the new shared Financial Management System (FMS) with Forest Heath District Council (FHDC). The project remains on track with a final delivery date of 1 April 2014.

2.2.2 Alignment workshops are complete and the majority of the system design has been agreed. User groups have been established and are now meeting weekly with representatives from all directorates giving them the opportunity to input into the project.

2.3 **Investment Activity: 1 April 2013 to 30 September 2013**

2.3.1 The budget for investment income in 2013/2014 is £0.619m which is based on a continuation of the previous year's 1.5% target rate of return on investments. As at the end of September 2013 interest actually earned during the first six months of the financial year was £0.239m against the profiled budget for the period of £0.282m; a budgetary deficit of £0.043m. This was due to a lower average rate of interest than projected during the period, i.e. an average rate of return of 1.317% against a target rate for the period of 1.50%. The reduction in the average interest rate was primarily due to the continued fall in rates being offered on both call accounts. In the current economic climate it was considered likely that the current low rates would continue for the remainder of this year.

2.4 **Review of the Council's Treasury Management Strategy**

2.4.1 The findings of the review carried out by the Council's appointed external consultants, PS Live on the Council's current Treasury Management Investment Strategy, an outline of the external support available for treasury management activities, and a summary of the external support presentations held at the Treasury Management Sub-Committee meeting held on 23 September 2013, were all reported to the Performance and Audit Scrutiny Committee in November 2013.

2.4.2 The Performance and Audit Scrutiny Committee's recommendations are to continue with the use of treasury advisors along with the potential use of fund managers within the 2014-2015 Treasury Management Strategy, and that a procurement exercise on a potential fund manager be carried out during 2014-2015.

2.5 **Risk Management**

2.5.1 Whilst a single risk register for West Suffolk has not yet been compiled, the development of a single management and service structure across (FHDC) and (SEBC) has seen considerable similarity between the risk registers of the respective councils. The Council's strategic risk register is updated quarterly by the risk management group, of which I am a member and was last reported to the Performance and Audit Scrutiny Committee in November 2013.

3. Anglia Revenues Partnership (ARP)

3.1 Benefits

- 3.1.1 As at the end of October 2013 processing of new claims and changes of circumstances for Housing Benefit took a combined average of 7.36 days and for Council Tax reduction claims the combined average was 8.27 days, an improvement of 3.94 days from last year, and under the annual target. These figures are all actual days not working days. This is due to the expansion and automation of electronic claim forms and Atlas automation, both of which enhance the customer experience and increase efficiency.
- 3.1.2 The on-line claim form has been completely integrated with the processing system and is speeding up assessments. On-line claims for benefits are very popular with many customers, especially when the initial claim can be followed up with a phone call from a knowledgeable member of staff. Nearly 16,000 ARP customers have now made on-line claims.
- 3.1.3 Havebury are sharing the cost of a member of staff from the Benefits team to be based in their offices but working on all the host authorities' claims if the Havebury cases are up-to-date. Initially this is for 18 months and so far it has had a positive effect on the speed of Havebury claims being put into payment and it has also improved liaison. A similar offer has been made to other housing associations but at the present time it has not been taken up.
- 3.1.4 Use of self service for landlords is being encouraged so that they can check the payments made to them rather than calling the office before the schedules arrive in the post.

3.2 Revenues

- 3.2.1 Collection rates are as follows:

	Collected by 31 October 2013	Target to 31 October 2013	Comparator figure for 2011/2012 (to 31 October 2012)
Council Tax Net liability: £53,078,488	68.13%	68.55%	68.55%
NNDR (business rates) Net liability: £46,054,585	70.52%	69.77%	69.77%

- 3.2.2 Council Tax collection for the year is slightly lower than at the same point last year. Factors contributing to this are an increase in the collectable debt and the increase in use of 12 monthly instalments. Collection rates are closely monitored to ensure any dips are considered for action as soon as possible.
- 3.2.3 National Non Domestic Rates (NNDR) collection is slightly above last year's rate but is being monitored closely.

3.3 **Fraud and Visits Team**

3.3.1 The Fraud and Visits team won the prestigious Gold Award for Excellence in Anti Fraud at the IRRV (Institute of Revenues, Rating and Valuation) Performance Awards. This award involved a submission and subsequent inspection by the awards panel and was awarded on the basis of the organisation's demonstration of having excelled in the area of Anti-Fraud.

3.4 **Business Rates**

3.4.1 A project is underway to identify any extended or new businesses/premises which have had a change of use, of which we were unaware, to ensure income is maximised.

4. **Information and Communication Technology (ICT)**

4.1 The main focus of work in ICT continues to concentrate on the joining up of services across Forest Heath and St Edmundsbury. In terms of infrastructure development tasks, work to upgrade desktop and Office systems across West Suffolk is now well advanced and progressing nicely. The benefits of running these more modern systems on updated hardware are already being realised.

4.2 In terms of the line-of-business systems, we are continuing to work with the various services to help bring the IT systems together in their new shared services, and this overall work plan is now being overseen by the new Transformation Board. Specifically:

- The Planning team is already using a single system and the data from the old Northgate FHDC planning solution has now been migrated into the new shared IDOX planning system.
- Significant progress has been made in the implementation of the new Agresso general ledger solution which is due to go live at the end March 2014.
- The new customer access solution procurement process is nearing completion and the contract has been awarded. [*x-refer para 1.2 – this is the same system I think*]. Work to implement this should be underway by early January.
- We have now signed a new 3-year contract with Northgate for a single M3 Public Protection (M3PP) system. This will replace the existing separate M3PP systems currently in use by the Environmental Health service, which will be merged into a single system on new servers and a new database platform. Work is due to start on the migration imminently.
- Other ICT projects already underway include the HR/Payroll self service module, online forms system migration, and migration of Suffolk Coastal DC Revenues and Benefits system onto West Suffolk servers at ARP in Thetford.

4.3 A significant number of further ICT system projects are being scheduled to start in 2014 in support of our corporate service transformation aspirations.

5. Internal Audit

5.1 Corporate Work

5.1.1 Internal Audit's involvement in corporate project work has significantly increased during 2013/14, and this work currently includes:

- implementation of the new financial management system – at the commencement of this important project we provided dedicated project assurance support, and will continue to provide support throughout the life of the project, including advice on necessary controls;
- review of cash collection arrangements – we have been responsible for sourcing and documenting information regarding cash collection arrangements across both SEBC and FHDC, as well as determining the procurement options available for the cash collection service in the future;
- review of Contract Procedure Rules – we continue to assist this review which aims to update and align these rules across SEBC and FHDC;
- tender for the provision of banking services - we have acted as key contact for co-ordinating and collating information / data to prepare for this procurement exercise; and
- review of treasury management activities – we are assisting in the drafting of an operating guide for staff to refer to when undertaking daily treasury management activities, and also evaluating opportunities to streamline treasury management activities in order to identify common, simplified and efficient processes for use across both councils.

5.1.2 The 2012/13 Annual Governance Statement, prepared by the Joint Governance Group with significant input from Internal Audit, was duly presented to, and approved by, the Performance and Audit Scrutiny Committee on 26 September 2013. This is an important document designed to provide stakeholders of the Council with assurance that the Council has operated within the law and that the Council has met the requirements of the Accounts and Audit Regulations 2011.

5.2 Statutory Annual Internal Audit Plan

5.2.1 The team unfortunately lost one full time plus one part time member of staff early in the third quarter; future staff resource requirements are currently being considered. In relation to the St Edmundsbury element of the Audit Plan, seven Internal Audit reports had been issued by mid-November, as follows:

- ICT – Software Licences
- Treasury Management
- Compliance with Anti-Money Laundering Legislation
- Compliance with Bribery Act Legislation
- Members' Allowances and Expenses and Members' and Officers' Gifts & Hospitality
- Review of CCTV Systems
- Payment Card Industry Data Security

5.2.2 A further nine St Edmundsbury audits are in progress.

5.2.3 In addition to the above, Internal Audit undertakes a number of audits on behalf of East Cambs DC as well as undertaking the revenues and benefits audits (council tax, business rates, and housing benefits) on behalf of all four ARP authorities. Audits in all these areas are progressing well.

6. Human Resources

- 6.1 We are now very close to completing the full shared services restructuring that has brought together a single staff team for the West Suffolk Councils, St Edmundsbury and Forest Heath. Teams have been brought together after consultation in Leisure, Culture and Communities, Waste Policy, Fleet and Strategy, Housing, Customer Services, and Planning Support. The new structures deliver services very differently and build a structure fit to meet future challenges whilst focussing on the needs of our communities.
- 6.2 As each staffing structure has been implemented, staff in those services have been moved (not the new pay, terms and conditions), so 95% of the staff now have new contracts reflecting their new pay and reward package.
- 6.3 Support continues to be given, by the HR and L&D teams, to those employees leaving the Council as a result of the restructuring. 100 employees have accessed the support provided to enable them to either secure roles in the new structures; or to work through the skills and information they need if their future now lies outside the employment of the Council. This support has been largely funded through EC funding, with some supplementary advice and outplacement provided where required. It has included help with CV and interview skills, advice on self-employment and coaching for future challenges.
- 6.4 Human Resources has also been reviewing over the last 12 months the separate HR policies at each partner Council to produce effective, up-to-date and joint policies for people management. This will enable our service managers to deal with any issues in a timely and consistent way, in line with the latest employment law changes and best practice. New HR policies are agreed at the Joint Staff Consultation Panel, at which both Unison and Members discuss the proposals being made, before approval by both FHDC and SEBC Cabinets.
- 6.5 There is now in place a single Joint Appeals Policy and Procedure; which has modernised the Appeal process that can be used to appeal against any disciplinary sanction or dismissal.
- 6.6 There is also now in place a Joint Grievance Policy and Procedure, which can be used to deal with any grievances raised by staff in relation to their employment with the Council.
- 6.7 As required by the Pensions Regulator, St Edmundsbury Borough Council is now fully compliant with the new Auto-enrolment requirements, implemented from 1st November 2013.

7. Learning and Development

7.1 Member Development Programme (June 2013 to May 2014)

- 7.1.1 Following the Members' training needs analysis, a schedule of learning events have been offered at FHDC and West Suffolk House. These include; ICT support sessions on the new Microsoft 2010 packages, Social Media, Public Speaking, Housing and Welfare Reform, and Understanding the Organisation (following restructuring). Forthcoming events include a focus on the work of Development Control and Licensing Committees, and Local Government Finance.

- 7.1.2 The Joint Member Development Group is working on the new requirements for the Member Development Charter application due in September 2014. They are looking at a number of recommendations including; a joint Charter application and 360° reviews for Members.
- 7.1.3 Following consultation with the Joint Member Development Group a new protocol for booking and information sharing from seminars and conferences is currently being piloted across both West Suffolk Councils.
- 7.1.4 Councillors Anne Gower, Rona Burt and Robert Everitt have been involved in the design and development of a Suffolk County Member Development programme on local leadership. The programme of 5 modules is due to start in November 2013, two of which will be hosted by West Suffolk Councils in February and April.

8 Staff Learning and Development programme

8.1 Work based learning

- 8.1.1 There are currently 31 employees working towards level 2 and level 3 apprenticeships and 9 employees who completed their apprenticeship qualifications. These are in a range of subjects including; finance, waste management and customer services.
- 8.1.2 Two employees have successfully completed their Institute of Leadership and Management (ILM) Level 5 Course being delivered jointly across Suffolk. We hope to have a new cohort on level 3 and level 5 for this management qualification in spring 2014.
- 8.1.3 Three employees have successfully completed the ILM Level 5 Coaching and Mentoring in Management Course; we now have 5 qualified coaches and are participating in the Suffolk Coaching and Mentoring Partnership which provides coaching across Suffolk to develop high performing employees in both the public and private sector. The Head of HR and OD is now on the Board of the Partnership.
- 8.1.4 A programme of ICT support has been rolled out across the depots and car parks with individual training for all depot staff to access email and intranet information.

8.2 Corporate Training

- 8.2.1 A series of half day ICT training sessions were delivered to support staff with the roll out of Microsoft Office 2010. These were well attended and well received, and the half day format appeared to work particularly well. A total of 80 Members of staff engaged in this training.
- 8.2.2 The new Learning Zone has been launched to deliver training through e-learning. Modules currently available include: Safeguarding, Information Security, Microsoft ICT packages and dealing with difficult customers. Emergency Planning, Environmental responsibility and Money Laundering/Fraud awareness programmes are planned for launch in January 2014. The first blended-learning solution combining e-learning and ½ day workshop sessions

on dealing with difficult customers is currently running. Work will continue to develop new packages for this efficient and effective method of learning.

8.2.3 Following restructure, team building workshops have been taken up by most of the service areas. These ½ day sessions are the foundation for ongoing team training sessions within the service areas supported by L&D.

8.2.4 The first phase of the management training programme will start in December and run through to May 2014. The programme combines key management and leadership skills sessions with specialist training on; Time management, Stress awareness, and Equality and Diversity for managers. It is anticipated that 72 members of staff will access this training, which also includes an offer of coaching.

8.3 **Employability skills support**

8.3.1 To support staff working through the restructuring, a programme of independent one-to-one advice and guidance, followed by one-day employability skills workshops have been offered to all staff. These funded sessions include the offer of additional training for those who are not successful in their applications. To date 100 individuals have received one-to-one advice and guidance, and attended workshop sessions.

T:\SEBC Democratic Services\Democratic WP Services\Committee\Reports\Council\2013\13.12.17\E210 Cllr Ray - Resources and Performance Portfolio.doc