



## Council 25 February 2014

### 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 last couple of months have been a time of significant change for the customer service team. Since the team was restructured in November a new customer support centre has been established and the team has taken on work for a number of service areas. The team now provides support to the Building Control team and delivers face-to-face and telephone advice to housing customers. This is in addition to the wide range of services already provided by the team, including council tax and benefits advice.
- 1.2 A new telephone system has been installed, known as an Automated Call Distributor (ACD), which enables the team to direct calls to the appropriately trained staff and to improve monitoring so that we get a better understanding of peaks and troughs of demand. Work has also begun on reducing the number of generic email addresses by redirecting them to a central customer service inbox. Again, this helps us to monitor demand and ensure that customer queries are being dealt with by the correct staff.

#### **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 performance against our corporate priorities.

2.1.2 The third quarter's figures for 2013/14 were reported to the Performance and Audit Scrutiny Committee in January 2014. Of the 36 St Edmundsbury Borough Council (SEBC) KPIs, 16 were on or significantly above the target, 2 were below the target but within tolerated levels and 8 were significantly below the target. The other 10 KPIs are for information only and have no targets attached to them.

## **2.2 New Shared Financial Management System**

2.2.1 Work continues on the testing of the new Agresso financial management system. Migration of data from the existing systems to Agresso remains a major piece of work: however this situation has been improved by some re-adjustment of team resource and supplier support.

2.2.2 Feedback from the user community has been very positive and a number of training familiarisation sessions have been delivered to business areas. Users will also be involved in Acceptance Testing which will begin shortly. Despite some setbacks the project remains on track to be up and running on 1 April 2014.

## **2.3 Budget setting 2014/2015**

2.3.1 The work has now been completed on the 2014/2015 budget with a balanced budget being proposed along with a council tax freeze for fifth time in the last six years. The budget paper is considered elsewhere on this agenda.

## **2.4 Strategic Plan and Medium Term Financial Strategy 2014-16**

2.4.1 The West Suffolk Medium Term Financial Strategy (MTFS) covering 2014 to 2016 has been prepared alongside the West Suffolk Strategic Plan. The MTFS states the assumptions about the likely future financial context for both Councils and seeks to identify areas where future pressures will be addressed. These papers were reviewed by Overview and Scrutiny Committee in January 2014, with a number of revisions proposed and incorporated into the plan which was reviewed at the Extraordinary Overview and Scrutiny Committee meeting in February 2014 where it was recommended to Cabinet: these papers are considered elsewhere on this agenda.

## **2.5 Behaving more commercially**

2.5.1 As we look ahead to the next couple of years and the challenge of balancing our budget, given the diminishing levels of support from central government, we are not only looking at where we can make savings but also where we can increase our income, for example through commercial activity.

2.5.2 In light of this we have established a theme of "Behaving more commercially" in our draft MTFS and have set up a Task and Finish group for Members and officers across West Suffolk. In particular, the Group has established:

- (a) the baseline for our current commercial activity
- (b) heard about lessons from other councils who have achieved savings and increased income from behaving more commercially
- (c) learned about the legal framework for councils engaging in commercial activity.

### 2.5.3 Next phase of work is to:

- (a) establish a workstream around the skills, learning and behaviours needed for becoming more commercial across all of our work
- (b) develop specific proposals for where we could behave more commercially and achieve savings and benefits for the councils.
- (c) analyse information about our customer base to explore potential for new commercial opportunities
- (d) engage with other partners and colleagues through meetings and conferences to learn about existing best practice in local government

2.5.4 We have also appointed two commercial managers in our biggest areas of service delivery (Leisure, culture and communities; and waste and property).

## **2.6 Budget Monitoring**

2.6.1 Budget monitoring continues to be undertaken on a monthly basis with budget holders.

2.6.2 The third quarter's figures were reported to the Performance and Audit Scrutiny Committee in January 2014.

2.6.3 The forecast position for the year end is showing a revenue under spend of £163,000. The Council's capital financial position for the first nine months of 2013/2014 shows expenditure of £1,410,000. Following discussions with budget holders, it is not expected that the full year capital budget will be spent. This is due to some high value capital schemes being unlikely to commence in the financial year (for example, Bury Community Football Project and Haverhill High Street Improvements).

2.6.4 Business rates monitoring is showing that the overall business rate yield anticipated for 2013/14 is below that forecasted as part of the NNDR1 return back in January 2013. Work will continue with the Anglia Revenues Partnership team to understand the variances within the overall yield.

## **2.7 Procurement**

2.7.1 Work continues on the alignment to a single set of contract procedural rules across both councils; along with the work to create a single West Suffolk Procurement Strategy and accompanying guidance and templates.

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

### **3.1 ARP Strategic Review**

3.1.1 The strategic review is still awaiting clarification around pensions. Partnership Councils have agreed to three new partners, Waveney, Suffolk Coastal and Fenland, joining ARP from April 2014 with significant saving predicted for 2015/16.

### **3.2 Benefits**

3.2.1 Housing Benefit claims and changes of circumstances for St Edmundsbury were being processed on average within 6.88 days as at the end of December 2013

and 7.67 days for Council Tax Reductions, both within the target of nine days. These figures are all actual days not working days.

3.2.2 On-line claims continue to increase. In this financial year to date 2,272 new benefit claim forms have been received on line, and a total of 5,438 forms across Benefits, Council tax and NNDR, and comments on the use of the on line forms is very positive.

3.2.3 On request, landlords can now have the records of their payments/schedules sent via e-mail instead of by post so they receive them quicker and have less paperwork.

3.2.4 Regular liaison meetings are ongoing with Suffolk County Council (SCC), housing associations and other agencies to help the understanding of each others work and awareness of our mutual customers' needs.

### 3.3 Revenues

3.3.1 Collection rates are as follows:

	Collected by 3 December 2013	Target to 31 December 2013	Comparator figure for 2011/2012 (to 31 December 2012)
Council Tax Net Liability: £53,045,637	87.08%	84.0%	87.3%
NNDR (Business Rates) Net liability: £45,957,143	88.39%	86.70%	87.18%

3.3.2 Council Tax collection for the year remains slightly lower than at the same point last year. As anticipated, collection on cases where residents were previously on 100% benefit is significantly lower than on general cases (61.3%). Those on full CTS collection is also substantially lower than among other groups (74.4%). Collection is particularly difficult from these groups where previously there was no liability for Council Tax. The recovery team continue to work with residents to help them meet payments without incurring additional recovery costs where possible.

3.3.3 E-billing is being promoted with the annual billing as a convenient option for customers, a saving to the tax payer in paper and postage and the 'green' option.

### 3.4 Business Rates

3.4.1 National Non Domestic Rates (NNDR) collection is slightly above last year's rate but is being monitored closely.

3.4.2 The Business Rates team is working with other services within the Council to ensure that all business intelligence is shared with the business rates team to ensure all potential changes to the business rates database are reflected in our records at the earliest opportunity.

3.4.3 Data is now being received from our data matching exercise for investigation by the team to ensure all local businesses are correctly represented in the Business Rates database.

### **3.5 Collection of Housing Benefit Overpayments**

3.5.1 The Overpayment Collection team has over the past 18 months worked on improving processes and methods of recovery. This has resulted in an increase in monies recovered, circa £70,000 per annum for St Edmundsbury. This complements the work of the Fraud team to ensure where fraud is detected, monies are recovered.

## **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 as outlined in the Business Transformation section below. We are now nearing completion of infrastructure work to upgrade desktop and Office systems across West Suffolk with only very few computers still running the older versions of MS Windows and MS Office.

4.2 The migration of Suffolk Coastal DC Revenues and Benefits system onto West Suffolk servers at ARP in Thetford has been completed.

## **5. Business Transformation**

5.1 In order to coordinate the substantial amount of ICT-enabled business change that is planned and in progress, a Transformation Programme has been set up under the governance of a new Transformation Programme Board chaired by a West Suffolk Director (Liz Watts). An experienced external Programme Manager has been engaged on a short-term contract to:

- (a) pull together all work relating to business transformation into a single programme (whilst maintaining accountability for project delivery with project managers), thereby providing visibility of all change activities that will impact on the way services are run;
- (b) work with Project Managers and Sponsors to ensure that projects are properly constituted, governed and managed through their lifecycle using 'light touch' approaches tailored to the scale and complexity of each project, thereby ensuring that project risks are minimised;
- (c) ensure that dependencies between projects are identified and actively managed, and that overall business resource requirements (eg for testing and training) are evaluated and managed within reasonable bounds; and
- (d) support the definition and initiation of new projects and control their entry into the programme.

5.2 Key in-flight ongoing projects within the Transformation Programme are:

- (a) the Customer Access project, which will deliver radical changes to the ways of interacting with the Council's customers through the separation of 'front office' and 'back office' functions. This will allow service areas to focus on using their professional expertise to deliver the services that

require the application of their judgement whilst dealing with the more straightforward but high-volume tasks in a shared customer service centre. This is being enabled by a new CRM system, which has been procured and is being rolled out on a service-by-service basis over the coming months;

- (b) implementation of the new Finance system and associated business processes. Testing is well under way and the project is on target to go live at the end March 2014;
- (c) work is progressing on merging our existing Northgate M3 Public Protection systems into a single shared system supporting the Environmental Health teams and initially the FHDC Waste Management service;
- (d) a new project has started recently to migrate our existing Northgate and Swift land charges systems onto a new Idox Total Land Charges system, which will enable changes in working practices;
- (e) HR/Payroll self service project, which will automate many transactions that are currently processed manually by HR staff by allowing staff to execute them online via the intranet; and
- (f) A new project in the Waste area has recently started which will deliver a new ICT system that will enable changes to be made in the way work is performed through in-cab technology and other features.

5.3 A significant number of further ICT-enabled business changes are being planned in support of our corporate service transformation aspirations, including website redevelopment, intranet redevelopment, new shared waste management system, merging of our existing Elections systems, migration of land & property gazetteers onto a shared platform, merging of existing licensing systems, a new mobile device management system, and replacement of the ICT helpdesk management system.

## **6. Internal Audit**

### **6.1 Corporate Work**

6.1.1 Internal Audit's involvement in corporate project work has recently included:

- (a) Liaising with our external auditors and the Financial Management System Project Manager regarding implementation of the new Financial Management System to agree areas where audit review can add value, including review of key controls in the new procedures, review of data migration technology, and review of testing plans for the new system and outcomes of this testing.
- (b) Internal Audit has continued to assist and support Finance, Legal and Procurement colleagues in the procurement exercise to determine a new banking provider from 1 April 2014. This has included drafting the Tender Evaluation Plan, supporting the tender evaluation process, arranging meetings for the project team, and drafting project updates and presenting these at Programme Board.

## 6.2 **Statutory Annual Internal Audit Plan**

6.2.1 The Internal Audit Plan continues to progress well and it is expected that the approved plan of work will be completed on time. In relation to the St Edmundsbury element of the Audit Plan, eight Internal Audit reports had been issued by the end of December, while a further nine audits were well advanced work in progress or at draft report stage.

## 6.3 **Probity**

6.3.1 Work is continuing on raising fraud awareness within the council, for example, the annual fraud messages have been published in the West Suffolk internal staff newsletter (Wavelength): the main objective of these messages is to raise awareness and provide information on declaring interests, offers and acceptance of gifts and hospitality, and completing expense claims. In addition, a message has also appeared in this newsletter reminding staff of the Joint Anti-Money Laundering Policy.

## 7. **Human Resources**

7.1 Having completed the majority of the restructuring to bring together a single team of staff delivering the full range of Council services across West Suffolk the HR team has continued to support those who are leaving the organisation whilst commencing work on the values and behaviours that will be needed to underpin the cultural change required to deliver the council's priorities.

7.2 55 employees have left the employment of the partner councils in this period of restructuring, and we are pleased to report that there have been no appeals against the process and outcomes. The handling of this significant piece of organisational change was noted in the local media who described it as 'professional, thorough and honest'. Work is ongoing to put in place the service delivery models, backed up by the introduction of improved information and data systems.

7.3 Five more apprentices have secured permanent employment with the partner councils.

7.4 Review of HR Policies across the two Councils has focussed on the policy, payments, and arrangements for Travel and Disturbance, Maternity and Paternity, and Organisation Change. The Organisation Change Policy and associated practices has been drafted to incorporate the learning, feedback and experiences of the recent period of change and reorganisation. Consultation on these new policies has taken place with Unison and Members at the West Suffolk Joint Staff Consultation Panel in January, and they were approved by Cabinet on 11 February 2014.

7.5 The HR team supported the recruitment of the new Head of Planning and Regulatory Services and we welcomed Mr Steven Wood to the Leadership team on 3 February 2014.

7.6 The Head of Human Resources has facilitated several development sessions with the Joint Leadership Team who have focussed on the business benefits of engaging with staff, the outcomes and actions to be taken following the Corporate Peer Review feedback, the development of a new performance

reward scheme, and the identification of the values that will make the difference whilst we deliver today but focus on tomorrow.

- 7.7 Two Service Manager and Business Manager Forums have taken place to develop the expectations and new ways of working corporately, and across traditional boundaries, and maximise the contribution to cultural change that this key group will make.
- 7.8 We are also taking part in the Integrated Leadership Development initiative being run collaboratively for a range of diverse public sector leaders across Suffolk.
- 7.9 A staff survey was carried out during December 2013, focussing on the psychological contract between the staff and the Council as an employer following this period of considerable change. The response rate was good, giving meaningful results which are currently being collated and analysed to inform future workforce strategy.
- 7.10 The HR and Health and Safety Team provided full support to the successful December 2013 Christmas Fair weekend, which involves a comprehensive Event Safety Plan, and the recruitment of 60 new stewards this year.

## **8. *Member Development Programme (June 2013 to May 2014)***

- 8.1 A series of three events have been scheduled for February, March and April 2014 to offer all Councillors the opportunity to engage with senior staff and exchange ideas and knowledge in the context of recent changes. The first session (on 6 February 2014) focussed on the organisation, the finances and the peer review feedback. The following sessions are designed to build on key priorities with a focus on; families and communities and sustainable growth. These events are being held in local community venues and will also offer councillors informal networking opportunities with colleagues and staff.
- 8.2 Following a recommendation from the joint member development group it has been agreed to pilot the 360° reviews for councillors. This will be open to all Councillors and it is hoped that all members of the Cabinets will take part in this process. All members will be asked to complete a training needs analysis form in March 2014. This will be used to identify any skill gaps that members identify as requirements for development sessions 2014-15.
- 8.3 The member development programme of events started this year with a focus on local government finance and development control with sessions delivered at both West Suffolk House and Forest Heath District Council (FHDC). A series of development sessions on neighbourhood working is being led by Councillor Millar of FHDC and supported by the newly appointed locality officers. This spring will see a session on 'welfare reform one year on' to be presented by the recently appointed Head of ARP, Paul Corney, and this year's programme will end in May 2014 with a session on licensing and business regulation.
- 8.4 To respond adequately to the number of councillors elected mid-term in 2013 and 2014 a new induction programme specific to their needs has been developed and introduced. This is managed by Democratic Services and supported by the Learning and Development Officer. Based on a check list approach it has been designed to ensure that all new members are: meeting



the right people, know where to find the right information, and have a clear understanding of their role.

- 8.5 Councillors are encouraged to attend LGA and other relevant seminars and conferences such as the recent Housing and Economic Growth Summit recently attended by six councillors from West Suffolk. Other events attended include: Future Councils Suffolk, Community Land Trust Conference – Inspiring Communities, and Universal Credit face-to-face pilots. Feedback from these events is distributed to other Councillors via the Bulletin.

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