

CABINET MEMBER REPORT TO COUNCIL – 12th APRIL 2010**CABINET MEMBER: Cllr Michael Lager****CABINET PORTFOLIO: Efficiency & Resources**

Portfolio covers:-

- Financial and Treasury Management Strategy
- Asset Management Strategy
- Exchequer (Council Tax and Benefits)
- Business Efficiency Programme
- Business Systems inc. performance
- Procurement Strategy
- Information Technology
- Risk Management/Business Continuity
- HR and Organisational Development
- Health and Safety

REPORT COVERS ACTIVITY DURING PERIOD COMMENCING 16th February 2010 AND ENDING 30th MARCH 2010**Financial & Treasury:**

We have complained to the government that their decision to refuse our application to charge eventual Icelandic banking losses to capital instead of revenue was flawed in that they failed to keep to the criteria and procedure they had announced. We are likely to join with other authorities in pursuing this further. In the meantime, the recovery process is moving on, albeit slowly. We continue to seek opportunities to invest capital in income-producing assets: an example, subject to Council approval, is the purchase of property we lease in Witham providing an effective yield of 4.85% from rent no longer payable.

Interest rates are low and are expected to stay low for longer than expected when we did the budgets, leading to some shortfall in interest income. At the end of February, deposits totalled £37m.

Asset Management:

Consultants have been appointed to advise on the specification for works to bring Causeway House up to modern standards over the next year.

Council Tax and Benefits:

Collection rates are showing some signs of weakening towards the end of the year and claims for benefits have reached new highs. We continue to offer a good service to applicants but it is beginning to take longer to settle claims and handle changes in circumstances. At the end of February 2010 housing benefit overpayments due to the Council were £691k reflecting perhaps the depth of the recession.

Business Efficiency Programme:

This is monitored through the PI&E Programme Board and reported to the Cabinet. The business reviews started in 2009 are now complete and have delivered the savings (approximately £0.5m) required in time for inclusion in the budget. Service to customers will be maintained. One lesson is that we should spend more time when planning such a programme to get enough time and resource allocated to it. There still remain areas where our service is costly or could be bettered which will need attention in the future, particularly around waste handling and the operations accommodation presently at the Millennium Tower site.

As mentioned in my last report, we are now looking more actively at ways to cut our costs and improve resilience by joining up with others in a similar line of business to achieve critical mass and scale savings. We already cooperate with Colchester CBC on parking services and use companies like Serco and D C Leisure to manage services, but with Essex County Council seeking to transform itself into more of a commissioning model with a “corporate core” and less direct in-house provision there are opportunities to move up a gear. Our “dual-hatted” members are in good position to help push this agenda on to the benefit of the users of public services.

Business Performance:

As reported to Cabinet through P&IE, delivery of projects is in the main where we want and performance indicators are either at satisfactory levels or improving, with a few exceptions often outside our control. We are for instance now targeting domestic refuse recycling in 2010-11 at 53% with recent performance at this level. The general fund is under pressure with income more affected by the recession than expected earlier.

Procurement:

The procurement hub operated by BDC on behalf of several councils continues to operate above plan: rebate income figure is £216k at month 6 against a full year target of £154k.

IT:

With advice from the procurement hub, BDC and 4 other councils are looking to prepare a common specification for IT service management when current contracts end. Maldon and Uttlesford are also understood to be interested.

31000 unique visits were made to the website in February.

The Customer Services Centre answer calls in an average of 9 seconds (no "menu" system or "music while you wait") and are consistently able to solve 90% or more of incoming calls there and then.

Staff:

At the end of December 2009 there were just under 500 FTE staff. Sickness absences rose in 2009Q3 to 2.95 days per head.

Other:

I have attended the LGA Urban Commission and meetings of Improvement East (the East of England's Regional Improvement and Efficiency Panel) as the Council's representative, and have addressed the Essex Legal Partnership. I also attend the Essex Pension Fund Board and Investment Steering Committee (as an ECC Member), which adds value to this Council's own arrangements. I also act as a Member peer with the Audit Commission's CAA Lead for York and North Yorkshire.

These outside activities help me contribute more usefully to our Council here in Braintree.