

**CABINET MEMBER REPORT TO COUNCIL – 28<sup>th</sup> June 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 1<sup>st</sup> April 2010 AND ENDING 15<sup>th</sup> June 2010**

**Finance and Treasury:**

A refund of VAT from 1973 together with interest, £966k in all, has been received and will be added to revenue balances. The Council is to seek compound interest instead of the simple interest paid so far. Further substantial VAT reclaims remain in the courts.

Icelandic issues continue their slow progress through the legal and administration system. Losses will be provided against in 2009-10 but then under government authority carried forward to 2011-12 for, probably, final determination and write-off. We are considering whether a further application to charge losses against capital rather than revenue can be made then.

With allegations of misconduct made in relation to Goldman Sachs, the money invested in the Money Market Fund has been recalled with a view to using similar funds managed elsewhere. Until these are identified and approved, the money is held at the Bank of England.

Interest rates remain low and are signalling an underperformance in 2010-11 on interest income. There is ongoing uncertainty around whether the recession has or will end with the concern shifting towards rising inflation, or become “double-dip”, pointing to either higher or low interest rates. Balances on deposit are more or less as expected.

**Asset Management:**

Capital values have hardened recently as yields have fallen, with rents reasonably stable. Previously agreed purchases and sales are being progressed, although the scheme at Riverside is being re-thought. Mayland House is due to be handed over to the Council at the end of this month and a tenant or buyer is actively being sought, with a preference for rental income as opposed to a capital receipt. In the meantime, maintenance costs are the minimum compatible with being able to offer a building in an attractive state.

Plans for refurbishing Causeway House will be re-assessed following receipt of initial costings in order to keep within budget. The County Council has confirmed in writing their in-principle wish to use the building.

CCTV at Halstead is now working, albeit some months late due to issues with BT services. There is effective monitoring at high risk times.

**Revenues & Benefits:**

New and revised claims continue to be handled at target standards, offering a high quality service to those most in need.

A regional survey of the scope for councils to join in a shared operation on collecting business rates or NNDR has concluded that there are insufficient savings to justify taking it forward.

**Business Reviews and Performance:**

These are supervised by the PI&E Board and reported on to the Cabinet. Work is proceeding as planned. Performance continues to improve with improved facilities provided across the District through completed projects.

The new government is busy deciding and announcing its approach to local services and the money available. For 2010-11, there is as yet limited impact. For 2011-12 and later a Council Tax freeze is intended, although details about implementation are awaited. To meet the new environment and take advantage of the opportunities opening up, we are intending to look at everything the Council does in the light of what is required by law, the minimum practicable standards, the actual standards in place, and the costs in each case. We will then be setting these against our residents' priorities and making budgetary decisions in relation to the available funding. All Members will be engaged in this process.

There are now a large number of projects involving councils sharing one or more services in different ways, including in some cases complete mergers. In addition Essex CC is moving towards an operating model involving configuring back office services so that others can subscribe to them.

**Information Technology:**

We've saved money by reducing the number of phone lines rented.

We are planning to extend the IT contract to enable us to join with other councils using a similar IT configuration to procure a new contract together.

**Staffing:**

Sickness absence in 2009-10 was worse than target, largely due to a few cases of long-term illness. The new regulations with doctors certifying ability to work rather than confirming illness are being bedded in. The emphasis is on helping our staff do something useful to the Council even if it's not exactly what they have been used to. Together with measures on shorter absences, it is hoped to bring the figures down.

**Other:**

On 8<sup>th</sup> April, I was part of a team from SE Employers on behalf of EELGA assessing an application by Broadland DC in Norwich to renew their Member Development Charter, which we agreed to do.

Through working with Improvement East it is clear that a large amount of local government efficiency work is taking place across the eastern counties, centred around business process improvement including staff training and development, awareness of relative services costs, and many aspects of working together. For instance, 35 councils are taking part in e-learning saving £875k pa for a setup cost of £575k. Legal services are increasingly organised county-wide (Essex, with Norfolk and Cambridgeshire in line). 20 councils are exploring ways of joint working, including also sharing accommodation. E-auctions have realised savings of 4 times the cost of running them.

**FURTHER INFORMATION ON THE CONTENTS OF THIS REPORT CAN BE OBTAINED BY CONTACTING:**

**Cllr Michael Lager – 01376 513747; [cllr.mlager@braintree.gov.uk](mailto:cllr.mlager@braintree.gov.uk)**