

Report to: **Audit and Best Value Scrutiny Committee**

Date: **2 September 2009**

By: **Director of Law and Personnel**

Title of report: **Reconciling Policy and Resources (RPR)**

Purpose of report: **To enable the Committee to consider and comment on the detailed planning for 2010/11 and beyond as outlined in the State of the County report.**

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## **RECOMMENDATIONS:**

The Committee is recommended to:

1. **Send Cabinet any comments or changes it wishes to propose to the policy steers and their contribution to the objectives of the whole Council, especially in light of work carried out during the last year; and**
  2. **Establish a scrutiny board to act on behalf of the Committee to provide input into the RPR process until March 2010 and in particular to consider the detailed departmental portfolio plan.**
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## **1. Background**

1.1 The State of the County 2009 report was presented to Cabinet on 28 July 2009. That report outlined the national and local context providing an overview of the main issues which will affect the County Council in the coming year. The report listed all the policy steers (which provide the structure within which business and financial planning is developed) agreed by the County Council last year along with 'performance stories' which set out what we achieved subsequently against each policy steer. This information forms the focus for RPR scrutiny at this first stage. The Committee is also asked to take into account its deliberations on the Risk Management Annual Report – see separate agenda item.

## **2. Scrutiny's role in RPR**

2.1 Scrutiny's engagement in the RPR process is important as scrutiny Members bring the experience to bear that they have gained through their work during the year. It is an opportunity for the scrutiny committees to use the information provided to inform their future work programmes.

2.2 The Committee is asked to review the current policy steers which lie within the committee's remit. Cabinet will then agree any changes to the 'Promise' and policy steers in the light of scrutiny proposals at its meeting in October. To assist, there are specific points which scrutiny may wish to bear in mind when undertaking this task, and later work:

- Cabinet wants the new policy steers to contain *more* specific and realistic medium term aims, and *less* activity description
- The 'Promise' is likely to include an amendment to reflect the severity of the economic outlook

- There are three newly added political priorities: community transport, activities for young people and the “Place priority” which is designed to analyse total public expenditure and how services are delivered within a given area, in order to see what improvements can be made
- Scrutiny commentary is valuable on issues where there is a particular tension between universal services and those for vulnerable people – either within a service or between departments
- Scrutiny is invited to make judgements about value for money for areas of above-average costs, and provide challenge to ensure return on investment by increased performance (establishing what ‘good performance’ will look like, preferably before initiatives are put in place)
- Scrutiny is well placed to recommend potential savings through cross-council initiatives as well as within departments.

2.3 Appendix 1 contains the policy steers within the remit of this committee. Appendix 2 contains the performance stories.

### **3. Next steps**

3.1 In November or December the scrutiny committees, or their RPR scrutiny boards, will be asked to consider detailed portfolio and budget plans and the emerging savings strategy. The scrutiny task then will be to consider:

- whether the amended policy steers are reflected satisfactorily within the proposed key areas of budget spending for 2009/10 and beyond
- whether all possible efficiencies are identified, and the likely impact of those savings on services provided to County Council customers.

3.2 Previous Member feedback has resulted in the following provisions which apply to the detailed draft portfolio and budget plans when presented to scrutiny:

- Each proposed saving should show the percentage the saving represents of the total appropriate budget to help Members visualise the scale of proposed changes.
- Sufficient detail is required about the pressures and the likely impact of proposed savings to enable Members to gain a full understanding of proposals being put forward.
- The terms 'high', 'medium' and 'low' used to describe the general impact of savings should relate to the impact upon customers.

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Local Member: All

### **BACKGROUND DOCUMENTS**

None

## POLICY STEERS 2008/09

### **Pride of Place - The East Sussex County Council Promise**

We will be an efficient, customer focused, accountable authority working with partners and local communities to:

- Make a positive difference to local people's lives
- Create a prosperous and safe County
- Provide affordable, high quality services at lowest possible council tax.

This vision for the whole authority is supported by policy steers for each portfolio.

\*\*Policy Steers with significant economic development impact have been marked with a double asterisk.

### **Portfolio for Strategic Management and Economic Development Cllr Peter Jones**

#### Strategic Economic Development (Cllrs Jones and Maynard)

- Raise the prosperity of East Sussex through improved work force skills, enterprise creation, access to funding and increased investment in infrastructure. \*\*

#### Strategic Management

- Take account of the effect of the economic downturn on residents, businesses and services in the County Council's business and financial plans to ensure that the effects for local people are minimised as far as possible in the short term and that, in the longer term, the area is well placed to emerge in a strengthened position at the end of the current period of economic uncertainty.
- To make positive progress towards tackling climate change in East Sussex, both in the County Council's own activities and through work with partners, to influence the behaviour of others.
- Create sustainable communities by providing strategic leadership, empowering people, delivering locally and making sure the three tiers of local authorities in East Sussex work, commission and deliver services together effectively.
- Support the delivery of the Council's policy steers and improvement of services through effective policy development and performance management.
- Further improve the quality of services through effective scrutiny and legal support for Councillors.
- Provide a consistently high quality Personnel and Training service, recruiting, retaining and developing the highest quality staff to their full potential in order to achieve the Council's objectives.

- Continue to improve equity and equality of opportunity for all through our service delivery and as an employer.
- Improve the County Council's reputation by explaining our policies and decisions clearly and ensuring consistent information and messages using the full range of communication methods.
- Involve local communities by ensuring residents have well informed expectations and their views about services, policies and priorities are taken into account.
- Maintain an effective emergency planning service.

## **Corporate Resources**

### **Cllr Tony Reid**

#### Policy and Finance

- Deliver the lowest level of council tax consistent with the Council's core priorities in line with the Council's policy steers.
- Maintain and improve high standards of resources management across the County Council through:
  - Reconciling Policy and Resources;
  - High quality financial management and control, including the pursuit of "Excellence in Financial Management";
  - Maximising appropriate and fair local income generation opportunities;
  - Integrated and effective medium term planning;
  - Proactive management of outsourced services contracts;
  - Full involvement of scrutiny; and
  - Effective consultation and communication with residents and partners.
- Maintain and improve high standards of governance, internal control and risk management.
- Drive, in partnership, improvements in efficiency, productivity and procurement that maximise value for money and are sustainable.
- Manage risk and uncertainties in future resourcing through realistic planning and maximising lobbying and influencing opportunities for a fairer grant settlement for ESCC.

#### Effective Property Management

- Maximise the efficiency of the property portfolio on behalf of the council through:
  - Effective asset management covering, utilization, maintenance, accessibility and disposals;
  - Effective county-wide capital planning linked to the property necessary to deliver service priorities;
  - Provision of office accommodation better suited to service delivery including modern ways of working, and new HQ possibilities; \*\*
  - Effective energy management as a contribution to addressing global warming;
- In conjunction with appropriate client sponsor roles, ensure effective and efficient delivery of capital projects.

## Appendix 2

# Strategic Management and Economic Development Portfolio

### 1. Introduction by Lead Member

We are committed to improving the prosperity of East Sussex and are actively working in close partnership with the District and Borough Councils, partners, private and voluntary sectors and the public to strengthen the local economy and tackle deprivation throughout the County. We have already succeeded in revitalising and “re-shaping” our most deprived areas by encouraging investment and innovation, creating a healthy economy with high quality employment opportunities for local people. Working with partners to achieve the planned improvements in education, skills, business and employment opportunities, together with a better transport infrastructure, will be our focus as we expand this work throughout East Sussex.

Effective strategic management is vital in ensuring that the Council carries out its functions and that our planned improvements are achieved. Strategic management plans for this year include continuing our support and training programme for Members, further improving our customer focus and continuing to provide workforce planning information and support to all departments.

### 2. Policy Steer relating to Economic Development

- ❖ Raise the prosperity of East Sussex through improved work force skills, enterprise creation, access to funding and increased investment in infrastructure

#### 2.1 What are we trying to achieve?

The focus of the Strategic Economic Development & Skills team is on the following areas:-

- Hastings & Bexhill – continuing to support the work of the Task Force and the implementation of the 5 point plan. Key associated activity includes supporting the promotion of the Bexhill to Hastings Link Road; transport planning; the Sussex Coast College build following the post-16 Hastings review; improving skill qualification levels; and educational attainment standards particularly at Key Stages 3 and 4.
- Newhaven - The Newhaven 10 year Masterplan was launched in January 2006. In economic terms it focuses on the key issues of skills, site development and business support. Key associated activity includes renewing Tideway School after the fire, transport and related planning. In order to realise the land development ambitions of the Newhaven Masterplan requires a major strategic influencing role involving the owners of Newhaven Port and Properties Limited, the French authorities and other local landowners.

- Eastbourne/Hailsham triangle – master planning to maximise the potential of this area as a new housing and economic growth focus commenced winter 2007 following a partnership agreed Brief. This potential of this area was highlighted within the draft South East Plan. The focus of the work will be to demonstrate how the area can contribute to making the step change in the economic performance required for the Sussex coastal sub-region of the Draft South East Plan.
- Skills – The County Council attaches great importance to learning and skills as a key economic driver in delivering the vision for a prosperous County as well as their fundamental importance for the wellbeing of individuals and communities.

## **2.2 Where are we now?**

Across the County as a whole:

- 78% of businesses in East Sussex now have access to the Internet, 71% of businesses have a broadband connection and 64% have a website
- Over 200 funding enquiries were made on behalf of organisations based in East Sussex and 240 individuals received direct training to increase their bidding skills

and in Hastings specifically:

- In 2005 Hastings Average (median) annual income was 86% of the East Sussex figure (£25,299/£21,791) - by 2008 Hastings was 89% of the East Sussex figure (£28,334/£25,394)
- One Priory Square has been completed in Hastings town centre. The seven-storey building adds a further 44,883 sq ft of Grade A offices to Hastings' new Priory Quarter business district. This is on top of the recently completed adjoining Lacuna Place (last September) – 31,398 sq ft of offices over four floors plus 6,017 sq ft of ground floor retail units
- Hastings College, now renamed Sussex Coast College, will be moving to two new sites - Station Plaza and the Ore Valley. The Ore Valley provision will specialise in business, construction, engineering and technology, with all other courses at Station Plaza. The new 'Sussex Coast College Hastings' at Station Plaza is due to open in the autumn of 2009.

## **2.3 What are our Key Areas for Improvement?**

Our work to create a more prosperous economy must be based on strong evidence. The third East Sussex Economic Study was produced in 2008 with the Study increasingly being used in support of local authority objections to change of use from business to residential via planning applications.

In order to capture East Sussex Business views and needs in 2008 SEDS commissioned the second survey of businesses in the County (nearly 1,000 surveyed). The survey, available on East Sussex in Figures, identifies the priorities and issues for East Sussex businesses and will guide future business support investment. This is an annual survey however because of the recession it has not been undertaken in 2009 as results would not reflect standard issues/priorities for business and would not be suitable for trend analysis. A recession business survey took place early February/March 2009 to identify the actual impact on East Sussex

Business and inform business support and policy accordingly. This may be followed up later this year.

### **3. Policy Steer relating to the Recession**

- ❖ Take account of the effect of the economic downturn on residents, businesses and services in the County Council's business and financial plans to ensure that the effects for local people are minimised as far as possible in the short term and that, in the longer term, the area is well placed to emerge in a strengthened position at the end of the current period of economic uncertainty.

#### **3.1 What are we trying to achieve?**

The Council, with its partners is delivering and developing action based on a robust, local evidence base. We aim to provide support for local businesses, in both the short term to help them through the recession and in the longer term to grow and thrive in the upturn. We also wish to mitigate the effect of the recession on residents by helping them to deal with impacts on their immediate lifestyles (access to affordable credit and protection against loan sharks for example). Help is also being targeted at the Voluntary and Community Sector and at communities more broadly.

#### **3.2 Where are we now?**

Cabinet has received three reports on the effects of the recession on the County. The first, in January this year, gave an initial analysis of potential impacts and set out a broad action plan for the coming year. The second, in April, established criteria for allocation of the £1m fund which had been set aside as part of the RP&R process to help local businesses, residents and communities through the effects of the recession. The latest report is elsewhere on this agenda, which gives a complete update on the action plan.

Surveys have recently been carried out on the effects of the recession on both businesses and local residents. The business survey showed that in the main, with the exception of the construction sector, businesses were stable or growing. There are, however, a considerable minority that are facing difficulties. Our residents' survey showed that for a third felt their quality of life had become worse; with the highest number of people saying that they had been affected by increased household bills and falling house prices.

As part of our work on the recession the Audit & Best Value Scrutiny Committee have been reviewing the effectiveness of County Council Procurement with SMEs to ensure procurement processes are fair and whether the processes designed to increase the participation of SMEs are working in practice.

The Council has a positive record in relation to procurement and the local economy and was assessed by the Federation of Small Businesses to be the 6th most small business friendly south-east council in 2007. We have ensured our tender information is available to all companies via the South East Business Portal and are assessing changes to our tender thresholds, reductions in payment timescales and opportunities for repackaging of contracts into smaller lots more attractive to smaller companies. The Council has also reviewed its payment arrangements for local SME

and has reduced average payment days to 15 days. The other actions set out in the interim report of the Scrutiny Committee are being put in place and will be monitored.

### **3.3 What are our Key Areas for Improvement?**

The Council has clear long term aims for the economy of the County (see elsewhere in this Performance Story). Care will need to be taken to ensure that we continue to make the improvements to infrastructure of the County and the economy which will yield results in the long term and are not distracted by the pressures of the recessions into making decisions that have only short term benefits.

## **4. Policy Steer relating to Climate Change**

- ❖ To make positive progress towards tackling climate change in East Sussex, both in the County Council's own activities and through work with partners, to influence the behaviour of others.

### **4.1 What are we trying to achieve?**

Given the current global attention on climate change this will continue to be a key focus this year and beyond. We have agreed with our partners in the East Sussex Strategic Partnership (ESSP) to a community-wide target for climate change mitigation of a 10% reduction in carbon emissions per person in the county by 2010/11 (LAA target for NI 186).

### **4.2 Where are we now?**

A Climate Change Strategy was developed and adopted by County Council in June 2009 to follow up on the commitments ESCC made by signing the Nottingham Declaration on Climate Change in 2008. Adapting to the impacts of climate change is a key component of our Climate Change Strategy. Progress in assessing and managing risks and opportunities and planning actions with our local partners is measured by NI 188. In 2008/09, ESCC and all of our LAA partners have achieved the requirements of the baseline level of NI 188 and some aspects of level 1. ESCC is well placed to achieve the LAA target of reaching level 1 by the end of 2009/10. Important steps taken include:

- Made significant progress with developing a Local Climate Change Profile (LCLIP) to analyse the impacts of weather events over the last 10-30 years.
- Conducted a high level review of 71 ESCC strategies and policies to identify climate change risks and gaps in our planning.

Our LAA target is to achieve a 10% reduction in emissions measured by 2010/11 against the 2005 baseline of 6.22 tonnes of CO<sub>2</sub> per person (NI 186). Our local contribution to this by all agencies has been agreed as a reduction of 25,000 tonnes of CO<sub>2</sub> per year for three years. ESCC's agreed contribution towards the LAA target is an annual reduction of 500 tonnes of CO<sub>2</sub> per year from its operations and estates. Our provisional estimate for our achievement in 2008/09 is a reduction of over 2,000 tonnes.

Unfortunately data on carbon emissions (NI 186) is published by DEFRA two years in arrears so we will not be able to report our performance against our LAA targets until



2010 when the 2008 carbon emissions data is published. However the most recent data from 2006 indicates that carbon emissions have increased slightly to 6.24 tonnes of CO<sub>2</sub> per person in the county.

ESCC has taken important steps to agree the process for collecting the data needed to calculate carbon dioxide, oxides of nitrogen and particle pollution from the local authority's estate and operations (NI 185 and NI 194) with district and borough councils. We organised a successful training session this year to help local authority partners and key contractors measure and manage their carbon footprint and collectively report the results of our efforts to reduce carbon emissions.

### **4.3 What are our Key Areas for Improvement?**

Having established a County Council Climate Change Board we now need to broaden our horizons and work more in partnership with others to deliver local outcomes. We need to develop the East Sussex Strategic Partnership in this respect and agree actions that will contribute to our local targets.

## **5. Policy Steer relating to Strategic Activities**

- ❖ Create sustainable communities by providing strategic leadership, empowering people, delivering locally and making sure the three tiers of local authorities in East Sussex work together effectively

### **5.1 What are we trying to achieve?**

This policy steer underpins all of the Council's strategic activities. It encompasses support to the Leader and Cabinet in representing the Council at national, regional and local level, and to lobbying activities in order to achieve better outcomes for the people of East Sussex. In order to maximise the benefits to local people from public services, the County Council is supporting the work of the Sussex Improvement Partnership (SIP) which is funded regionally to build capacity and examine how services can be improved by local authorities in the area working better together.

### **5.2 Where are we now?**

The Audit Commission said "Regional and national partners recognise (the County Council) as providing strong corporate and community leadership, with an outward looking and visible approach to fulfilling its shared vision for the community. The vision for the County is clear and ambitious, and is shared with statutory and voluntary sector partners and residents," The new National Indicator Set contains one indicator which tells us something of our performance under this policy steer. This is NI 4, the percentage of people who feel they can influence decisions in their locality. This indicator is measured by the Place Survey and is included in the LAA. The Place Survey results have yet to be published by the Department of Communities and Local Government and so it is not yet possible to make an assessment of the County's relative position on this indicator. A joint action plan has, however, been developed with our partners. In addition a review of all the actions the County Council is undertaking on the empowerment agenda is currently underway, so that any gaps can be identified and improvements made.

There will always be scope for the Council to improve in this area. Over the last year, regional funding has been used to support a number of projects aimed at improving joint work across the County with all public agencies. These include improving our knowledge of and ability to respond to the needs of residents through improved “customer insight”; looking at how we can co-ordinate consultation better and share data; building capacity and adding value through joint work on legal services and procurement. In addition to these initiatives which have benefited from external funding, there have been a wide range of issues which have benefited from a partnership approach across the County, for example our approach to the recession.

### **5.3 What are our Key Areas for Improvement?**

Given the likely public sector spending settlements in the next few years, it will be even more important the public sector bodies work together to maximise the benefits from available funding and to be as imaginative as possible in our approach to the design and provision of our services.

## **6. Policy Steer relating to Performance Management**

- ❖ Support the delivery of the Council’s policy steers through effective policy development and performance management

### **6.1 What are we trying to achieve?**

The Reconciling Policy and Resources (RP&R) initiative was developed to ensure that the Council’s policy steers were delivered. This requires the effective development, implementation and evaluation of corporate initiatives and policies, coupled with sound business planning and performance management processes that ensure that service improvements are achieved. Whilst the most important judges of the Council’s performance are our Members and the public, the Council values the challenge and assurance that comes from external audit and inspection. Our performance management and data quality systems have been recognised as a strength by our external auditors. Our aim is to be seen by the public as performing well in all the areas they consider to be priorities for the County.

### **6.2 Where are we now?**

The Council achieved) 78.6% of its Council Plan targets (compared to 79.4% last year), which is a measure of the delivery of the Policy Steers as part of RP&R. The County Council achieved a four star rating in the Comprehensive Performance Assessment this year and was judged to be improving well. The Council maintained its maximum 4/4 score for the Environment Block and in the Use of Resources judgement. Improved its score to 3/4 for Adult Social Care and maintained its 3/4 scores for Children’s Services and Culture.

The new National Indicator Set means that it is more difficult to measure our performance over time against national benchmarks, because so much of the set is new. Neither is it possible to make meaningful comparisons with other authorities at the moment as so few of the results have yet been published. We are however working with all public sector partners in the area to provide a shared database of national indicators, which should improve benchmarking information and, through increasingly close working, sharing of best practice and improved data quality. We

are continuing to work with other authorities, through PricewaterhouseCoopers (PwC), to improve value for money benchmarking.

### **6.3 What are our Key Areas for Improvement?**

We need to overcome the difficulties of the lack of nationally comparable data to ensure that we are clear about our relative costs and performance in all service areas. We need to improve the sharing of local performance indicators across the County to support the monitoring of the Sustainable Communities Strategy.

## **7. Policy Steer relating to Democratic Services**

- ❖ Further improve the quality of services through effective scrutiny and legal support for Members.

### **7.1 What are we trying to achieve?**

Councillors involvement in the Democratic process is enhanced by effective support and training. Support to Councillors will be continuously developed to meet the needs of their evolving roles. In particular, priority will be given to the following areas of work:

- Greater input into corporate staff training programmes and departmental inductions to continue to raise awareness of role of Councillors
- Increased support and electronic information available for Councillors to ensure they have the skills and knowledge to undertake their community leadership role
- Develop scrutiny programmes that are Councillor led and aligned with the Council's commitment to affordable, quality core services, prosperity and security
- Better involve the public and partners in scrutiny by increasing awareness of the existence of scrutiny, by developing creative engagement methods and ensuring effective publicity for scrutiny's outcomes
- Better ensure scrutiny's influence in making efficiency savings, developing and improving Council policies and improving services
- Increase the number of people accessing our webcast meetings
- Input into the development of the Councillors' area on the intranet, designed to provide enhanced information for Councillors
- Deliver an effective induction programme for all Councillors following the election to provide them with the skills and knowledge required to undertake their role as Councillors
- Make sure all decisions are made within the legal framework and on sound legal advice.
- Provide guidance to Councillors on the interpretation of the Code of Conduct and make sure that it is implemented efficiently.
- Implement the revised constitution and decision-making structure in light of Local Government and Public Involvement in Health Act.
- Review allowances in 2009/10 to make sure they remain in line with other similar authorities

- Consider the implications of new legislation where it relates to Councillor Call for Action, petitions, the scrutiny of the Local Area Agreement and scrutiny provisions for crime and disorder.

## **7.2 Where are we now?**

The Leader is responsible for the strategic leadership of the County Council. Key to this leadership function is ensuring Councillors are well supported. Achieving renewed accreditation against the South East Employers' Charter for Member Development has emphasised the Council's commitment to ensuring that Councillors have the right tools to do their job. The Council's democratic processes, its scrutiny arrangements and Member Development were praised by the latest Peer Review. Work has concentrated this year on the delivery of the elections and of an effective and comprehensive induction programme for all Councillors.

The support for Councillors has been improved by officers' understanding of the political environment and a continuing priority this year will be the raising of staff awareness of the decision-making processes across all departments.

Councillors are actively involved in a number of projects looking at improved services provided for them by the County Council. Projects groups leading key development areas currently under review include:

- Training and Development Group
- Members' Communication Group
- Members' ICT Group

## **7.3 What are our Key Areas for Improvement?**

There is no evidence that performance is particularly low in any area of the Team's services. Focus this year will be on establishing new Councillors into their new role as effectively as possible and to maintain the efficiency of the decision-making processes across the Council.

## **8. Policy Steer relating to Personnel and Training**

- ❖ Provide a consistently high quality Personnel and Training service, recruiting, retaining and developing the highest quality staff to their full potential in order to achieve the Council's objectives

### **8.1 What are we trying to achieve?**

Part of the County Council's promise is to be a customer focused organisation. Customer focus depends on the Council having the right numbers of people in the right places with the right skills to deliver improved services, better productivity and efficiency. This is delivered by providing:

- Appropriate training and development opportunities for staff at all stages of their careers, e.g. from an online induction package, through achievement of statutory minimum standards training for our staff providing direct social care provision, to our Inspirational Strategic Leadership programme;

- Workforce planning information to Departments to enable them to plan for future workforce requirements for the short, medium and long term;
- Pay and workforce strategies to support the overall performance of the Council.

## **8.2 Where are we now?**

In 2006 Personnel and Training (PAT) commissioned the Institute of Employment Studies to undertake a review of “Customer perceptions of HR”, and developed an internal set of quality standards as a result, designed to ensure a consistently high quality Personnel and Training Service.

The improvements made contributed to PAT being awarded the national Charter Mark for Excellence in Customer Service; the only team in the Council to have achieved this recognition. In spring 2009 PAT repeated the survey, to establish the extent to which PAT had met the five key qualities that customers had said they wanted the Personnel services to be:

- Reliable
- Consistent
- Efficient
- Pro-active
- Excellent

The survey results show that overall satisfaction with the level of service was high at 89%, of which 72% of respondents rated the service excellent or good. This represented a marked improvement from a 27% overall satisfaction rating in 2006. Customers now regard PAT services as *reliable, efficient and consistent*. There is still work to be done to demonstrate we are excellent and pro-active however we are moving strongly in the right direction. A new action plan for improvement, endorsed by Human Resources Management Board (HRMB) will ensure further improvements.

The quality of PAT services was confirmed when we were shortlisted recently for an “HR Excellence” award, open to organisations in the public and private sector, for the “Most Successful Change Management Programme” for our revised Service Offer in the Personnel Support Unit, and also shortlisted again in the “Health and Well-being” category. In addition, the highest professional standards are set for ensuring innovative management of the Council’s workforce via HR initiatives and the Council was a runner-up in the Local Employment Partnership award for Recruitment Innovation.

Reducing sickness absence in the workplace and promoting health and wellbeing is something the Council takes seriously. The Council won an award in 2008 from the Public Sector People Managers' Association for the outstanding contribution from HR in promoting well-being and managing attendance, demonstrating that we are leading the way across the public sector. The Council is also used as an exemplar of best practice in managing health at work by the Chartered Institute of Personnel and Development; Health and Safety Executive; and the Improvement and Development Agency.

We are proud of our success and the improvements we have achieved. Over a period of 4 years, there has been a dramatic reduction in absence rates with a reduction in sick pay of nearly £1 million identified over the period. We have delivered an outstanding “Well-being” programme. The facts and statistics speak for themselves:

- Absence rates have reduced over a 4 year period by 13.6% with active management of long term absence cases. The outturn figure for 2008/9 is 7.91 days which places us in the Audit Commission's top quartile (2007/08 benchmarking);
- Increase in productivity of 6,000 days leading to efficiency savings of nearly £1m;
- The pilot physiotherapy service treated over 300 employees and not only has staff feedback on the service been extremely positive, the efficiency savings by reducing staff absence are exceeding the expenditure on physiotherapy by at least 50%; and
- 37% of employees have had no sickness absence.

We have worked with Departments in areas of skill shortages, designing schemes to ensure they can 'grow their own' staff to meet service objectives, and schemes include Social Workers, Countryside Rangers, Teachers, ICT staff, Accountancy and Registration services staff.

We have also increased the number of younger employees in the workforce by 19%, offsetting the ageing workforce profile.

#### Strategic Workforce Performance Indicators, Targets and Benchmarking for 2008/09

Workforce Indicator	2008/09 OUTTURN	2008/09 TARGETS	Top Quartile % Results (All County Councils 2007/08)
Proportion of staff <1 year's service failing to pass probationary period	1.14%	In excess of 1.14%	unavailable
Proportion new starters <1 year's service undertaking e-learning induction	91%	90%	Benchmarking not applicable
Attrition rate for staff <1 year's service Number	23% 296	Not identified	
Completion rate for annual Appraisals	Ready 30/9/09	100%	unavailable
Sickness Absence. Days lost per fte	7.91 days	7.69 days	7.66 days <i>8.4 All England</i>

The table above shows the 2008/09 outcomes for the strategic workforce indicators agreed by the Human Resource Management Board (HRMB). Where possible these are benchmarked against the final BVPI outturns available for all County Councils, the 2007/08 results.

### **8.3 What are our Key Areas for Improvement?**

#### **Sickness Absence**

Although the corporate sickness absence outturn for 2008/09 was 7.91 days per FTE, a 0.6% reduction on last year, this was insufficient to meet the 2008/09 target of 7.69 days.

Initiatives to improve performance in 2009/10 include:

- Increase the level of attendance and effective management of ill-health cases to maximise productivity. Activity on sickness absence reduction in the last three years has focused on long term sickness with a reduction in cases from 300 to approx 70 per month. Short term absence will be the key target for the coming year.
- PAT will be providing breakdown trend reports on short term absence for departments to monitor employees having sickness levels above the corporate average, and the Attendance Management Team will liaise with individual managers regarding procedures
- To assist with the management of attendance and improve management information, an external partner has been sourced following a competitive process. Adult Social Care will be the first department to adopt this new arrangement and it is planned that it will be introduced from October 2009. The external partner has guaranteed to reduce current sickness absence levels in Adult Social Care by a minimum of 10%. If they fail to do so there will be no charge to the Council

## **9. Policy Steer relating to Equalities**

- ❖ Continue to improve equity and equality of opportunity for all through our service delivery and as an employer

### **9.1 What are we trying to achieve?**

The County Council has a range of activities across departments designed to ensure equity and equality of access to our services. It has identified the need, however, for a more integrated approach to knowing who our communities are and responding to their needs. As an employer we want to adopt approaches which encourage diversity and maximise the contribution and potential of everyone employed by the Council.

### **9.2 Where are we now?**

Under the Chairmanship of the Director of Policy and Communications a cross-departmental group of Assistant Directors has begun to integrate Equalities issues into the County Council's Reconciling Policy and Resources business planning process, to ensure that Impact Assessments are carried out consistently and systematically for all services and policies and that actions arising can be resourced and included in Business Plan targets. At the same time we have been trying to improve our knowledge of the communities in the County and their needs. The Council was involved in the piloting of the new Equalities Framework for Local Government (EFLG) last year and it is against this framework that it will assess progress in future.

A Single Equalities Scheme (SES), which brings together the Race Equality Scheme; Disability Equality Scheme; and Gender Equality Scheme has been drafted for consultation. The scheme has been drawn up to take account not only of current equalities legislation, but to anticipate the new Single Equalities Bill and the Human Rights Act. Two new Equality Impact Assessment (EqIA) forms have been developed, one that covers service delivery and one that covers policies and strategies, to ensure EqIAs are being carried out to a consistent and acceptable standard across the authority. These and the toolkit which accompanies them should

make it easier for managers to complete EqlAs. Training on EqlAs is being carried out for all Senior Management Teams in all Departments and EqlA training will in future form part of the core programme of training offered to all East Sussex County Council staff. An action plan across the whole authority is being developed over the summer through a self assessment of by each Department against the EFLG and incorporating existing equality actions that Departments have in place. The action plan will be finalised during the autumn so that actions can be taken into account as part of RP&R.

The new Single Equality Bill, due to be enacted in March 2010, brings together the different strands of equality law and will require public bodies to consider the diverse needs and requirements of their workforce and the communities they serve when developing employment policies and planning services. It will also extend positive action measures to allow employers to make their organisation more representative and reflective of the people they serve and deliver services in a more effective way to disadvantaged groups.

In preparation, PAT has continued to undertake Equality Impact Assessments on all new or amended employment policies. Further work to cover all policies will be undertaken this year.

In order to assist consultation with minority groups, a BME staff forum has been created in addition to the on-line discussion forum. This provides facilities similar to those already in place for disabled employees and for Lesbian, Gay, Bisexual and Transgender (LGBT) employees.

We have also introduced a process to record workplace adjustments for all staff, to ensure we are fulfilling our duty to make reasonable adjustments as specified under the Disability Discrimination Act. The database will also enable us to monitor the cost of adjustments and the funding received from "Access to Work".

Strategic Workforce Performance Indicators, Targets and Benchmarking for 2008/09

Workforce Indicator	2008/09 OUTTURN	2008/09 TARGETS	Top Quartile % Results (All County Councils 2007/08)
Disabled employees in the workforce	3.38%	3.9-4.25%	2.28%
BME employees in the workforce	2.25%	2.15-2.5%	3.9%

The table above shows the 2008/09 outcomes for the strategic workforce indicators for Equalities agreed by the Human Resource Management Board (HRMB). Where possible these are benchmarked against the final BVPI outturns available for all County Councils, the 2007/08 results.

Targets are set locally. Ensuring the Council is an attractive employer to all sections of the community provides the widest pool from which to select new staff. Performance success over the last year include:-

- Work on the sexuality strand has resulted in ESCC moving up from number 33 to number 26 in the Workplace Equality index, which ranks the top 100



employers for Lesbian, Gay and Bisexual staff. East Sussex is now the highest ranked County Council on the Index

- The Return to Work Programme in partnership with JobCentre Plus and voluntary sector organisations for unemployed individuals from disadvantaged groups (including disabled, young offenders, homeless) with pre-employment training and a week of work experience at the Council. Ten were employed, including six by the Council at the end of the programme
- Renewal of the “Positive about Disabled People” two ticks symbol was successfully achieved, demonstrating the Council’s commitment to equality in employment for disabled people.

### **9.3 What are our Key Areas for Improvement?**

The Council needs to continue on the journey it has begun to improve the co-ordination of its approach to equalities and in particular to ensure that it can demonstrate clearly how equalities issues are reflected in its business planning decisions in RP&R.

#### **The percentage of the workforce with disability**

The Outturn for 2008/09 of 3.51% did not meet the target of 3.92% - 4.25%; however East Sussex still exceeds the top quartile figure (all County Councils) for the proportion of disabled employees in the workforce. Action planning to increase the numbers employed to more closely match those available in the local area labour market will be taken forward via the Assistant Directors Performance Group.

### **10. Policy Steer relating to Communications**

- ❖ Improve the County Council’s reputation by explaining our policies and decisions clearly and ensuring consistent information and messages using the full range of communication methods

#### **10.1 What are we trying to achieve?**

At the heart of the County Council’s promise is the aim to be a more customer focused organisation. The Council Communications Strategy will support this work over the next 3 years. Our overall objectives are to:

- strengthen the strategic ‘one council’ approach (presenting the Council as one organisation) to communications;
- ensure our external and internal communications are two-way, joined up, timely, cost effective and easy to understand;
- make effective use of all communications methods, including web technology, video streaming, new media, etc;
- contribute to the Council’s drive to improve its customer focus and the key role that staff play;
- support our work with partners to deliver good services, help local communities and support the Council’s community leadership role;
- ensure East Sussex has a strong and effective voice at regional and national level; and
- review opportunities to offer communications services to other councils and partners and develop a business case where appropriate.

## **10.2 Where are we now?**

The Council's communications have continued to strengthen over the last three years. Our external communications (for residents and service users) are more effective and joined up. Work is underway to improve Councillor and staff communications. Partner communications have been considerably strengthened.

Improvements include:

- Better co-ordinated and planned media relations;
- Clearer messages about key Council issues and priorities;
- More accessible Council information through Plain English Campaign accreditation across a range of communications channels (including 'Your County') as well as retaining the Royal National Institute for the Blind 'See It Right' accessibility logo for the Council's website;
- More proactive non-media initiatives, including and improving our Residents' magazine ('Your County'). This publication continues to receive high satisfaction ratings amongst residents tested in recent consultation;
- Voted one of the best council websites in England by the Society of IT Managers;
- A developing new intranet that is providing better business tools for Councillors and staff; and
- A new briefing system for staff which is starting to join up our external and internal messages.

## **10.3 What are our Key Areas for Improvement?**

Although there are no areas where performance is poor there are some areas where improved performance would further enhance the reputation of the County Council

- **Maintaining website standards and reputation** - This will ensure the County Council remains one of the top local authority websites in the country.
- **Website refresh** - This will ensure that local residents remain the main driver for the Council's website, enabling the public to access more services on line and ensure that our website becomes a window on East Sussex.
- **Income Generation Agenda** - A Sponsorship and Advertising Manager has been appointed on a two year contract to look at sponsorship/advertising opportunities for the Council as a whole

## **11. Policy Steer relating to Consultation**

- ❖ Involve local communities by ensuring residents have well informed expectations and their views about services, policies and priorities are taken into account.

### **11.1 What are we trying to achieve?**

National research (MORI) has shown a close link between the quality and frequency of information supplied to the public and customer satisfaction with the Council.

Equally, better consultation and engagement with residents increases the reputation of the Council, builds trust with local communities and ensures that residents, service users and staff feel more involved in the decision making process about services.

The Council Communications Strategy will play an important role in this work. Key overall objectives are to:

- support the Council's diversity responsibilities to ensure that information about services is accessible to all and that all parts of the community are asked for their views;
- improve the quality and co-ordination of our consultation and engagement across departments. Consult and engage effectively with residents, partners and staff, demonstrating how their views are helping to shape services; and
- increase residents' understanding of what the Council provides, our priorities and the contribution the County Council makes (within the resources it has) in communities.

### **11.2 Where are we now?**

The strengthening of the Council's communications over the last three years has resulted in establishing improved standards across the Council when consultation is carried out, offering specialist advice to departments and working with departments to improve co-ordination of this work.

Significant developments include:

- the new e-consultation management system that will help to 'join up' consultation across the Council;
- an annual council satisfaction measure through the Resident's Panel; and
- contributing to the Customer Focus and place shaping agendas

### **11.3 What are our Key Areas for Improvement?**

Although there are no areas where performance is poor there are some areas where improved performance would further enable residents to have well informed expectations of the County Council

- **Improve 'Your County' (the Council's magazine for residents)**  
Raise standard of 'Your County' further by consulting with readers and reviewing best practice nationally
- **New electronic Consultation Management System**  
The longer term aim is that residents will be able to access this Management System through the Council's website, take part in more electronic consultations and understand how their views are influencing Council policy
- **Responding to Feedback from Customers**  
Identify examples of where the Council has listened to residents and service users by changing the way services are delivered and ensuring these initiatives are better promoted to East Sussex residents

## **12. Policy Steer relating to Emergency Planning**

- ❖ Maintain an effective emergency planning service

## **12.1 What are we trying to achieve?**

The County Council is a 'Category One Responder' under the Civil Contingencies Act 2004. This means the Council is required to work with partner organisations in Sussex to prepare for, and respond to, emergency situations. A key duty is the preparation of a 'Community Risk Register' showing what are the most likely and most serious situations that could occur.

The Register guides the priorities for developing plans and procedures, training and exercising etc., according to timescales set and monitored by an executive group known as the Sussex Resilience Forum. The Community Risk Register can be seen at <http://www.sussexemergency.info/cms.php>

The purpose of 'Emergency Planning' is to reduce the potential impact of disaster on the residents and environment of East Sussex. The Team seeks to achieve this by preparing the Council to respond in an appropriate and effective manner to any major emergency while, at the same time, maintaining, so far as possible, its normal services. Priorities include:

- Prepare and Exercise Plans for:
  - Pandemic influenza.
  - Flooding
  - Coastal Pollution
  - COMAH and Pipeline plans.
  - Managing fuel (petrol) shortages.
  - Sussex Emergency Mortuary
- Complete development of the two emergency centres, along with a training and exercising programme
- Embed a Business Continuity culture into the organisation
- Develop effective Corporate and Departmental Business Continuity Plans
- Work towards complying with British Standard for Business Continuity Planning (BS25999)

### **Key Issues**

Prioritisation is largely decided by the Community Risk Register and decisions of the Sussex Resilience Forum, along with internal priorities set by the Emergency Planning Group and Business Continuity Response Team. These are made up from the Emergency Planning managers and senior officers from each department, and chaired by the Director, Law & Personnel.

This next year will be particularly challenging. Given the current Swine Flu outbreak, a large proportion of our efforts will be concentrated on supporting our Category One partners across Sussex to ensure the pan-Sussex Pandemic Flu plans and preparations are robust. Following the Pitt review and the draft Floods and Water Bill we will be working closely with our Transport and Environment colleagues to ensure we understand any new responsibilities and actions and plan for their development. We will also continue with our work programme encompassing Flood plan exercises; Heat wave planning; and Humanitarian assistance centre plans. Much of our work will be driven by the Sussex Resilience Forum and we will continue to play an active part role in supporting this Forum and its work streams. The service is always vulnerable to sudden changes in the political situation (e.g. fuel disputes, terrorism

etc.) or local emergencies. We will continue to provide our Emergency Duty Officer service for such eventualities,

Business Continuity co-ordination is an aspect of the Team's work and we will continue to support the development of departmental plans to ensure critical services can continue during an emergency. We will also work closely with Corporate Resources to ensure corporate services and our corporate response capability is enhanced and full exercised.

## **12.2 Where are we now?**

The aim of Emergency Planning is to mitigate the potential impact of an emergency on the residents and environment of East Sussex. This has been achieved through working with professional partners on such projects as reviewing and exercising plans for the high flood risk areas of Pevensey and the plan for fuel shortages. We have also revised our plans for emergency mortuaries, animal diseases, pandemic influenza, and supporting vulnerable people during an incident. A series of training exercises have been held with schools and Children's Services developing the plan for assisting schools during a crisis. Progress has been achieved on developing the two emergency centre facilities at County Hall and Eastbourne, and an exercise in October showed the Council's preparations were moving forward steadily and provided direction on further requirements.

- The Council's current Pandemic Influenza Plan was first published in December 2007 and revised in May 2009.
- There are six high flood risk areas in the County and we have dedicated plans for each in association with the relevant Borough and District Council. Plans are revised and exercised each year in rotation - this year will be the turn of Lewes. In the meantime we are working with the Environment Agency and other partners to produce a Sussex-wide flood plan to replace the individual documents.
- The Coastal Pollution plan was revised in November 2008 following an exercise in June 2008. As a result of this, no changes will be made this year.
- There is one industrial site in the county subject to the Control of Major Accident Hazards (COMAH) Regulations. The offsite plan was exercised in November 2008 and a revised plan published in January 2009.
- The Sussex Major Accident Hazard Pipelines Emergency Plan was last published in March 2006. It will be reviewed in 2010.
- The National Emergency Plan for managing fuel (petrol) shortages was revised in May 2008. We have now developed and exercised our local plan in October 2008, and following the release of a revised draft national plan in December 2008 are in the process of reviewing and revising our current plan.
- In partnership with Brighton & Hove City Council, West Sussex County Council and Sussex Police we have developed a Sussex Emergency Mortuary, based upon extensions to the City mortuary at Woodvale, Brighton. A plan has been prepared and has been published in draft form. We plan to exercise the Emergency Mortuary arrangements in July 2009 in conjunction with Sussex Police.
- We are developing two emergency centre facilities, one at Eastbourne and one at Lewes. The prime requirement now is an upgrade to the telephone system. We carried out an exercise at Eastbourne in October 2008 and following telephony enhancements, will carry out a further exercise in November 2009.

- Corporate and Departmental Business Continuity plans have been completed and are constantly being reviewed. Plans for individual services are being written and exercises carried out in Adult Social Care, Chief Executives and Children's Services. We plan to complete Corporate Resources and Transport and Environment during 2009. We are working on enhanced corporate communication and incident management plans. This will gradually lead to an embedding of a Business Continuity culture into the organisation. The aim is for the Council to achieve British Standard BS25999 accreditation during 2010/11. Also, in association with Corporate Resources ICT, we have taken part in a disaster recovery exercise to restore our ICT services should our server room be destroyed. This was done by arranging a temporary server facility brought in by lorry at St Mary's House.

### **12.3 What are our Key Areas for Improvement?**

Key areas where it is required that the County Council has appropriate measures in place to minimise the effect on the residents of East Sussex at the current time are:

- Pandemic Flu
- Adverse Weather Conditions
- Fuel Shortage

# Corporate Resources Portfolio

## **1. Introduction by Lead Member**

The Corporate Resources Portfolio is delivered within the Corporate Resources Directorate and has 2 key aspects. Firstly, to assist departments to deliver effective and efficient services. Secondly, to ensure overall co-ordination and effective management of resources across the Council as a whole. Regarding the latter of these, as well as seeking to provide quality and efficient services, the Directorate aims to provide the strategic leadership in financial management, procurement and property asset management over the short and medium term.

The challenges going forward will be significant not least as a result of the perilous state of the public finances. The Portfolio will need to live with the probability of a further cash freeze position, if not more severe, over the next 4 years. At the same time, the Portfolio will work to maintain and improve on its strong record to date. The reality is increasing pressures on limited capacity. The challenge can only be met by a robust and continued attention to the necessary contribution of customer focus and maximising productivity and efficiency.

## **2. Finance**

- ❖ Deliver the lowest level of council tax consistent with the Council's core priorities in line with the Council's policy steers
- ❖ Maintain and improve high standards of resources management across the County Council through:
  - Reconciling Policy and Resources;
  - High quality financial management and control, including the pursuit of "Excellence in Financial Management" ;
  - Maximising appropriate and fair local income generation opportunities;
  - Integrated and effective medium term planning;
  - Proactive management of outsourced services contracts;
  - Full involvement of scrutiny;
  - Effective consultation and communication with residents and partners.
- ❖ Maintain and improve high standards of governance, internal control and risk management
- ❖ Drive, in partnership, improvements in efficiency, productivity and procurement that maximise value for money and are sustainable.
- ❖ Manage risk and uncertainties in future resourcing through realistic planning and maximising lobbying and influencing opportunities for a fairer grant settlement for ESCC.

## **2.1 What are we trying to achieve?**

Our vision statement is to;

- Use a proactive, innovative approach to deliver quality financial services to our customers.
- Give clear and professional guidance to ensure that the council makes best use of its assets and resources.
- Deliver the council's stated objectives while ensuring value for money for the council tax payers of East Sussex.
- Manage the council's changing risk profile in an innovative and cost effective manner.
- provide an assurance on Council's control framework that meets changing statutory requirements and internal / external expectations, from the same or less resources
- achieve fit for purpose, efficient and sustainable procurement across the council
- allow our customers, staff, partners and contractors to be able to access information and services for themselves wherever and whenever they need.

We want to be a model of best practice, working to the highest professional standards, providing leadership to the finance function and the procurement community across the Council and promoting high standards of governance, risk management and internal control.

In terms of how the service will look in 2012/13 compared to now, the way that we work and the tools that we use will have changed significantly. These include:

- Quicker closure of accounts, maintaining a positive audit opinion.
- Improved capacity to provide expert support to new initiatives at short notice.
- New steady state processes will be well established allowing greater concentration on "added value" activities.
- Less paper and greater use of technology to automate processes e.g. supplier access.
- Our core business system, SAP, will have been successfully upgraded and a range of new functionality will be in use.
- Greater focus on corporate risks within the internal audit plan, improved specialist skills, a more efficient audit process, improved benchmarked performance and a strengthened framework for counter fraud and corruption.
- Efficient and sustainable procurement through improved supplier, contract and market management, strategy, policy and tactics, skills and training.
- Better use of web technology for provision of information, automation of customer processes and collaborative working
- Improved security and resilience of service delivery particularly around the use of sensitive and confidential data.



- Working practices and the utilisation of office space will be even more flexible than the present day.
- The achievement of targeted results for external assessments and inspections will continue and the excellent reputation and positive feedback will be maintained demonstrating that the services within the portfolio continue to be held in high regard.

## **2.2 Where are we now?**

### *Finance, Insurance and Risk Management*

Last year we again achieved a score of 4 out of 4 in the Use of Resources assessment within the Comprehensive Performance Assessment. The move to the new Comprehensive Area Assessment has made this a much harder test.

Many areas of the portfolio are subject to internal and/or external assessment and review (e.g. CPA assessment, external audit, internal audit, VAT inspections) and we also participate in benchmarking exercises so that we can compare our performance and costs with other County Councils.

Much of our work does not fit readily into comparative measurement through quantitative performance indicators (PIs), for example giving financial advice and risk management, however we do have a number of PIs which help to assess our performance and how it is changing over time. Unfortunately many of these indicators are not available for all County Councils which makes inter authority comparison impossible.

The table below lists those PIs and, where available, performance over the last 3 years. This shows a significant improvement in year on year performance across the range of indicators.

### Corporate Resources Finance - Performance Indicators

Service Area	Indicator	Unit	Aim	2005/06	Count	2006/07	2007/08	RAG Year 1 to Year 2	RAG Year 2 to Year 3
Comprehensive Performance Assessment	Overall	Score	High	3		3	4	A	G
Use of Resources	Financial reporting	Score	High	3		3	3	A	A
	Financial management	Score	High	3		3	4	A	G
	Financial standing	Score	High	3		3	3	A	A
	Internal control	Score	High	3		3	4	A	G
	Value for money	Score	High	3		3	3	A	A
Debtors - Accounts Receivable	Debt over 5 months	%	Low	N/A		6.00%	4.00%		G
	Bad debt provision	£'000	Low	552		308	225	G	G
	Bad debts written-off	£'000	Low	534		404	184	G	G
	Invoices raised within 15 working days of service/goods provided	%	High	N/A		60.00%	79.00%		G
	Cost of raising an invoice	£	Low	44		30	17	G	G
Creditors - Accounts Payable	BVPI8 for whole ESCC	%	High	89%		93%	91%	G	R
	Cost of paying an invoice	£	Low	2.92		2.30	2.11	G	G
Payroll	Net cost per pay advice slip	£	Low	2.42		2.24	2.07	G	G
	Net cost per employee	£	Low	22.84		20.47	20.09	G	G
	Payroll Accuracy ((errors as a % of total payments)	%	Low	0.13%		0.14%	0.16%	R	R
	Off cycle payments (extra payments as a % of total payments)	%	Low	1.09%		0.41%	0.28%	G	G
Exchequer Managed Service	Service Credits for Not meeting Performance Targets	£'000	Low	125		114	59	G	G
Pensions Admin	Staff Admin Cost/LGPS Member	£	Low	N/A		12.55	9.48		G
	Net Cost/LGPS Member	£	Low	N/A		21.14	20.44		G
	Comparison to other Local Authorities	Position	High	38/87		55/88	34/88	R	G
Budget Management -	Variance Outturn to Base Budget	%	Low	N/A		22.75%	21.77%		G

Capital Programme									
	Variance Outturn to Mid Term Review	%	Low	N/A		7.16%	18.17%		R
	Variance Outturn to January Forecast	%	Low	N/A		0.95%	1.25%		R
Budget Management - Revenue (excl TM)	Variance Outturn to Base Budget	%	Low	N/A		1.79%	1.36%		G
	Variance Outturn to January Forecast	%	Low	N/A		0.56%	-0.14%		G
Treasury Management	New Borrowing within 0.25% of lowest rate	RAG	High	G		G	G	A	A
	Lending Investment margin over Bank of England base rate	%	High	0.23%		0.05%	0.20%	R	G
Finance Service	Qualified Staff CCAB - % of FTE	%	High	N/A		34.00%	40.00%		G
	Qualified Staff AAT - % of FTE	%	High	N/A		34.00%	36.00%		G
Internal Audit Opinion of Finance	Internal Audit Opinion - Fundamental Accounting Systems	Score	High	N/A		9.00	9.00		A
Insurance & Risk Management Team	Number of Claims handled by In-House Team	Number	High	281		342	345	G	G

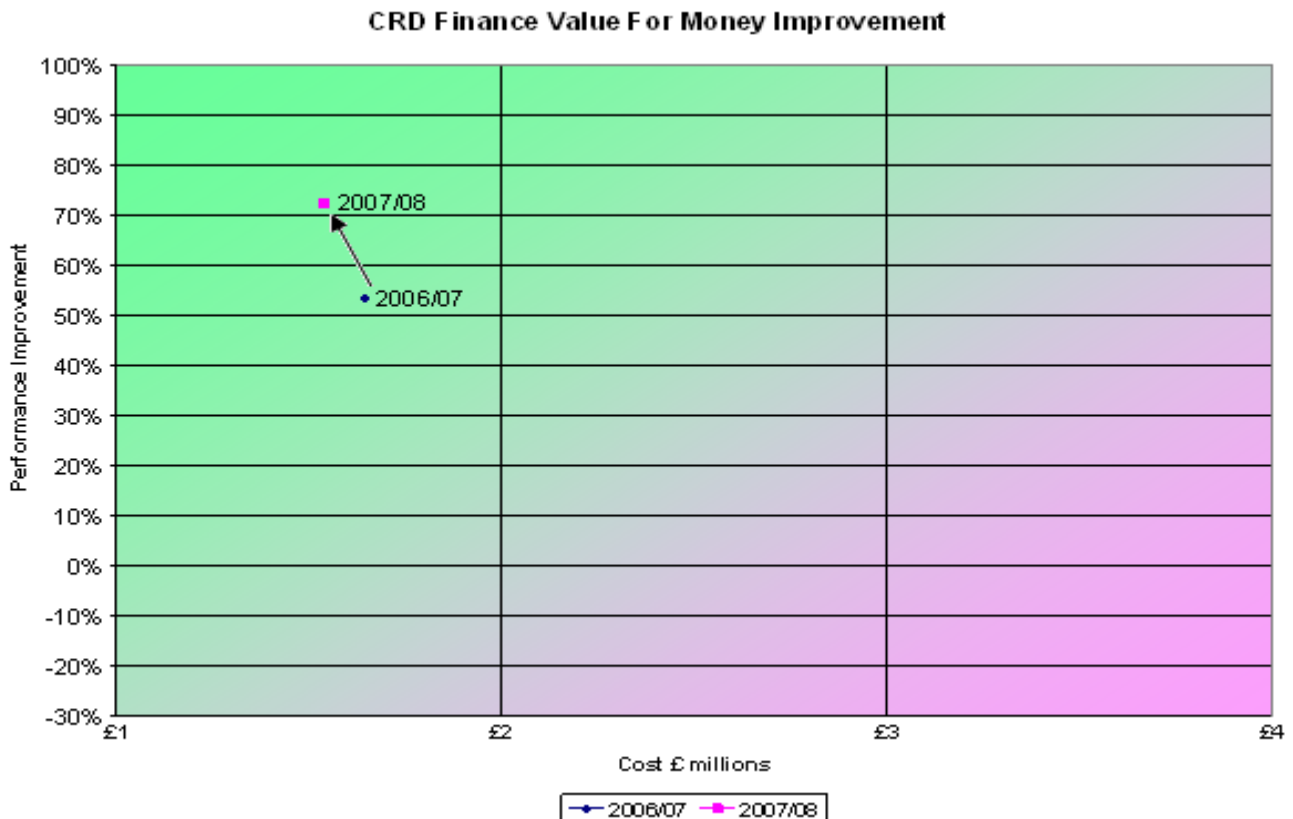
<b><u>Summary for Performance Indicators</u></b>	Categories	2006/07	2007/08	Percentage Yr 1 to Yr2	Percentage Yr 2 to Yr3
	<b>Number of Indicators - Red - Worsened</b>	3	4	<b>16%</b>	<b>12%</b>
	<b>Number of Indicators - Green - Improved</b>	10	23	<b>53%</b>	<b>72%</b>
	<b>Number of Indicators - Amber - Static</b>	6	5	<b>31%</b>	<b>16%</b>

**Key:**

N/A = Data Not Available	G = Green = Improved	A = Amber = No Movement	R = Red = Worsened
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The key to improved performance is our staff and the previous table shows how the proportion of professionally qualified finance staff has been increased. Over the same period, the employee costs of our finance function have reduced each year as savings have been made and the staffing structure reorganised.

**Please note that the previous table and the graph below are currently being updated with the figures for 2008/09**



The graph above plots the percentage of PIs which have improved against the employee costs and illustrates the improvement in value for money. The plan is to continue this direction of travel.

There have been a number of new improvements and achievements in 2008/09 including:

- A score of 4 out of 4 within the CPA Use of Resources framework – including individual scores of 4 for all of our targeted areas.
- Successful closure of 2007/08 accounts according to agreed timetable including positive audit opinion.
- Reconfiguration of SAP system and amendment of Accounts processes in compliance with the new VAT rules on change of rate to 15%, which came into effect on 1 December 2008.
- Further enhancements to budget monitoring reports to COMT and Cabinet (e.g. movements in variance analysis).
- Pensions – Carry out a re-tender exercise for Pensions investment services.
- Over £750k of VAT recovered through proactive work of the VAT manager

- Continued commitment to training and development with 17 people passing the new City & Guilds course organised for staff with no formal accounting qualifications
- The tendering of the Liability Insurance portfolio
- Delivering Risk Management training for Members.
- Further improvements in the Council's approach to risk management
- Roll out of Direct Debit facility for customer payments in Transport & Environment and Adult Social Care
- Successful implementation of SAP software upgrade to ECC 6 and hardware refresh

### Internal Audit

Internal audit is well regarded both internally and externally. In 2008/09 the Council's internal control arrangements (including internal audit, governance, risk management and anti fraud and corruption) were assessed as being 4 out of 4 within the Audit Commission's Use of Resources assessment for the second year running. Our external auditors continue to place reliance on the work of internal audit and this contributes to the high level of risk discount the Council receives on its annual audit and inspection fee, which is 17% in 2009/10 having been just over 22% (maximum 30%) for the last 3 years. Customer feedback has exceeded our target of 80% for the last 4 years and both Cabinet and Audit and Best Value Scrutiny Committee have confirmed that internal audit arrangements are effective.

During 2008/09, the internal audit team was subject to a restructure intended to provide an opportunity to improve the service still further whilst ensuring it remains cost effective. One of the drivers for this restructure was the results of previous benchmarking activity which indicated higher internal audit service costs in comparison to other similar councils. The new structure, implemented during the final quarter of 2008/09, has enabled the service to re-focus a number of roles in the team in order to provide more specialist audit activity whilst at the same time reducing costs.

Building on previous year's activity updating the Council's Local Code of Corporate Governance, Anti Fraud and Corruption Strategy and Anti Money Laundering Policies, a review and update of the Council's Confidential Reporting Policy ('Whistleblowing') was completed during 2008/09. This was undertaken as part of a wider programme of anti fraud and corruption activity which has so far also included development of Whistleblowing and Fraud Response Guidance for Managers, a whistleblowing awareness leaflet for all non schools staff and revised internal procedures for receiving and handling allegations. A significant investment has also been made in formally accredited investigations training for two members of internal audit staff which will be completed in 2009/10.

We have continued to promote our Standards of Behaviour e-learning package with the aim of increasing awareness of both new and existing staff of the Council's expectations on ethical standards and the Code of Conduct.

### Procurement

The Corporate Procurement Strategy which focuses on achieving fit for purpose, efficient and sustainable procurement and is delivered jointly with departments via the Procurement Steering Group, continues to be the main focus for our procurement team. The Council's Procurement Strategy Manager completed a well received regional project on sustainable procurement and the Council has approved its own Sustainable Procurement Policy and started to develop an action plan. There is good collaboration with other councils through the Sussex Procurement Group and the Sussex "Best Deals" Programme and this has been promoted through ESFOA.

We have improved the efficiency and compliance of the council's procurement arrangements through the development of SAP and have contributed to its successful upgrade this year. Levels of retrospective orders have been reduced from over 26.7% (06/07) to 18.3% (07/08) and 15.2% (08/09) and the percentage of order raised using corporate catalogues on EBP rose to 30% in 2007/08 and then 33.7% in 2008/09. Savings from corporate contracts have exceeded £200,000 in each of the last 4 years. Further savings are anticipated from the new agency staffing contract which went live in April 2009. We are also leading a project to identify opportunities for better collaboration on procurement across all Sussex authorities on behalf of the Sussex Improvement Partnership and Improvement and Efficiency South East.

### E-Business and Performance

The department's ICT requirements are well managed via the corporate SLA, adequate provision continues to be made for the PC refresh programme and compliance with DPA and FoI requirements remains high. Arrangements for the security of data in transit have been overhauled with a new policy in place and more robust technical solutions due for implementation in 2009/10.

## **2.3 What are our Key Areas for Improvement**

Key areas for further improvement and priorities for the near future within the portfolio division include:

- Quicker closure of accounts and positive audit opinion.
- The financial excellence agenda – particularly focusing on budget management (both revenue and capital) and financial development of staff
- Targeting a Use of Resources score of 3 ex 4 under new CAA requirements.
- Leading and enabling the development of the new administration's detailed medium term finance plan.
- Responding pro-actively to the potential impact of the recession and the new policy steer.
- Improvements to the quality of financial advice and support provided to Budget Managers and to major projects
- Continued improvements in Value for Money and our key finance indicators (including benchmarking results)

- Delivering the Council's SAP development plan and shared SAP services through the SAP "road map"
- Further changes to the structure of the team, ensuring flexibility of service delivery and a better match of resources and workload.
- Closer working with T&E, resulting in a reduction of highways claims
- Tendering of Insurance portfolios (due before 2012/13) to ensure that the council retains value for money in a challenging financial environment
- Successful transition to International Financial Reporting Standards (IFRS) from 2010 -11
- Automation of Accounts Payable invoices using E-invoicing technologies such as optical character recognition (OCR) to scan invoices and XML to receive supplier invoice data for automatic upload into SAP
- Deciding whether to implement ESS/MSS or alternative electronic processing for recording absence and other key information
- Wider roll out of Direct Debit facility for customer payments in ASC & T&E and other departments if suitable opportunities can be identified.
- The quality of internal audit, especially through the development of specialist roles
- Improving our relative position on benchmarked costs for internal audit following the restructure
- Continued development of our counter fraud and corruption work
- Strengthening the role of procurement in the delivery of efficiencies and sustainability through the revision of the Council's Procurement Strategy
- Expanding the range of corporate contracts to deliver targeted efficiency savings
- Evaluate the potential for more efficient use of the Council's e-procurement / P2P system and review the business case for upgrading EBP;
- Responding to the Council's recession action plan especially in relation to SMEs
- Implementation of improvements in security for data in transit
- Reviewing the department's approach to equality impact assessments
- Launch apprenticeship schemes in finance and ICT

Beyond this there is a wide range of services that we provide on a day to day basis primarily to other divisions in CRD such as secretarial support, business planning and performance management, ICT and HR (the latter two through corporate SLAs) and we will continue to develop and improve these in response to customer feedback.

### **3. Property**

- ❖ Maximise the efficiency of the property portfolio on behalf of the council through:

- Effective asset management covering, utilization, maintenance, accessibility and disposals;
  - Effective county-wide capital planning linked to the property necessary to deliver service priorities;
  - Provision of office accommodation better suited to service delivery including modern ways of working, and new HQ possibilities;\*\*
  - Effective energy management as a contribution to addressing global warming.
- ❖ In conjunction with appropriate client sponsor roles, ensure effective and efficient delivery of capital projects

### **3.1 What are we trying to achieve?**

#### *Construction*

- Use of Sussex-wide framework for contractors, with ESCC seen as a sub-regional resource
- Support to local contractors in gaining work on ESCC programmes
- Collaborative working, standardised solutions, off-site and modular working where appropriate
- Better delivery to time and cost
- Support of development of major investment programmes
- Procurement of resources and facilitation of BSF and Academies programmes
- Sustainable building solutions routinely implemented
- Clear definition of roles between departments
- Completion of a new framework agreement for design consultancy services which provides flexibility and choice, and separation of the contract administration, project management and cost planning roles.
- Re-tendering for 2011 of the list of Approved Contractors.
- Review during 2010/11 of the framework agreements for planned maintenance and design consultancy services
- Post project reviews of all our projects and learning from the outcome

#### *Maintenance*

- Delivery of maintenance programmes in support of on-site service delivery
- Management of inherent risks e.g. asbestos and legionella to secure health and safety
- Support to ensure resilience of key infrastructure
- Excellent support to schools in the carrying out of their devolved maintenance responsibilities



- Compliance with statutory and plant specific servicing regimes

#### *Estates & Asset Management*

- Area property reviews integrated into service planning
- BLISS giving better information to enable improved maintenance service
- Development of prioritised maintenance programmes which maximise planned investment
- Acquisition of property needed for service delivery
- Protection of the County Council's interests in land and property
- Identification of opportunities for dynamic management of the property estate and for disposal of surplus property
- Proactive advice given to enable property solutions to help improve service delivery
- Longer term focus on the property portfolio, to anticipate change
- Best use of office accommodation including flexible working
- Provision of suitable and well managed corporate office buildings

#### *Programmes and Procurement*

- Development of a programme office function for all property programmes
- Procurement of external resources necessary for delivery of programmes
- Energy purchasing at steady state and time freed up to develop service and carbon management measures
- Successful engagement in the statutory Carbon Reduction Commitment programme
- Support to all property teams in terms of procurement and tendering
- Early payment of invoices

### **3.2 Where are we now?**

We are part way through a restructuring of the Division and are currently recruiting to senior manager posts.

We have delivered significant projects successfully for example Rye and Tideway schools and the six form block at Ringmer CC.

We are directing considerable effort in support of major programmes of work for Children's Services in respect of the Primary Capital Programme, Building Schools for the Future and the proposed Academies.

We have also completed the of acquisition of land at North Quay, Newhaven; and acquired Moorhurst, Westfield for the Agewell project.

We are roughly half way through a five year programme to rationalise our office portfolio and have successfully completed development of the Eastbourne hubs.

During the past 12 months we have seen significant change in the construction environment due to recessionary factors and contractors being affected by issues such as the LSC funding crisis. This has produced volatility in pricing over this period.

Prudent management of our property stock has enabled us to exceed our disposals target each year since 2002/03, and this money has been used for reinvestment. Last year we secured £0.98 million of capital receipts which is a significant achievement in a depressed market. The current emphasis is on making surplus property ready for disposal when the market improves.

We are continuing to make efficient use of our office space with better use of the Net Internal Area per employee than our benchmarks. During 2008/09 we achieved 8.31 m<sup>2</sup> net internal area per employee.

This compares with the following benchmarks:

Audit Commission (Hot Property - 2000)	8 to 12
RICS 1999	15.8
British Council for Offices 2002	12 to 17

The ratio of our planned against response maintenance spend continues to be high with our performance being in the upper quartile against other authorities.

### **3.3 What are our Key Areas for Improvement**

- The increasing drive towards sustainability and to mitigate and adapt to the effects of climate change
- Help to schools to enable them to perform adequately their devolved maintenance responsibilities
- The need for better customer service, particularly concerning reactive maintenance.
- The need to build capacity in key areas such as the capital projects and maintenance teams
- Improvement in energy invoice processing and release of capacity to drive down energy consumption
- The need to find efficiencies whilst improving service delivery
- Development of a programme office approach