



# Corporate Resources

## Portfolio Plan

2010/11 - 2013/14

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# 1. Introduction

1.1 The Corporate Resources Portfolio is delivered within the Corporate Resources Directorate and has two 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.

1.2 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. Strategic Direction

### Finance and Audit & Performance

2.1 On behalf of the County Council to maintain an effective system which seeks to strike the appropriate balance between the provision of services to all residents, especially the most vulnerable, and the ability of council tax payers to afford.

2.2 Our Policy Steers are:

- 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.

*\*\*policy steer guiding project with significant economic development impact*

## 3. Current Position and Key Drivers

### Current position

#### Finance, Insurance and Risk Management

3.1 This year we again met our target of 3 out of 4 in the Use of Resources assessment. An achievement that is more significant since the move to the new Comprehensive Area Assessment has made this a much harder test.

3.2 Many areas of the portfolio are subject to internal and/or external assessment and review (e.g. Comprehensive Area 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.

3.3 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 less valid.

3.4 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.

3.5 In 2007/08 we improved performance on 18 of our 38 indicators (our performance worsened on 11). In 2008/09 we improved performance on 18 of 39 and it worsened on 9. Clearly each year it becomes harder and harder to improve on the previous years performance.

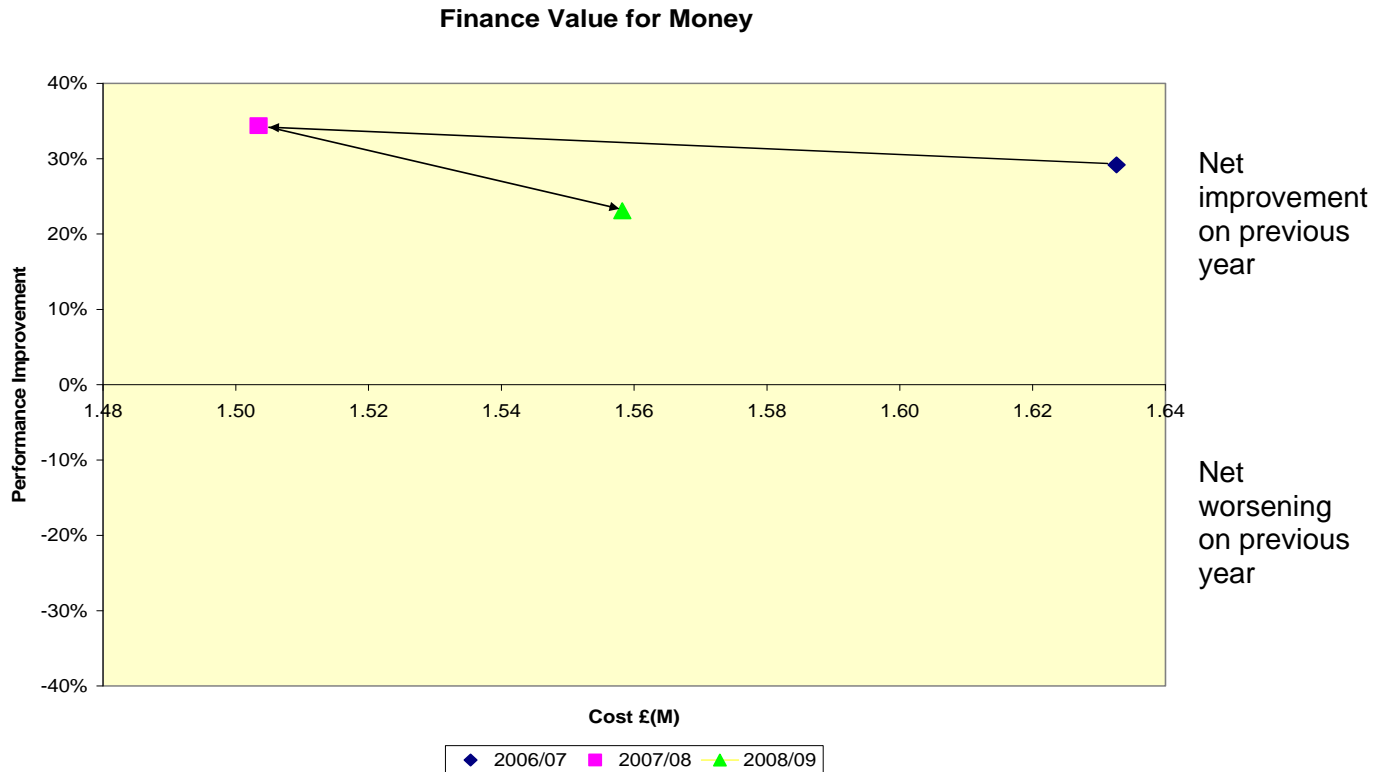
**Corporate Resources Finance - Value for Money Performance Indicator Basket 2009**

Service Area	Indicator Ref	Indicator	Unit	Aim	2006/07 Result	2007/08 Result	2008/09 Result
Comprehensive Performance Assessment	1	Overall	Score	High	3	4	4
Use of Resources	2	Financial reporting	Score	High	3	3	3
	3	Financial management	Score	High	3	4	4
	4	Financial standing	Score	High	3	3	3
	5	Internal control	Score	High	3	4	4
	6	Value for money	Score	High	3	3	3
	Debtors - Accounts Receivable	7	Debt over 5 months	Value	Low	£721,681	£587,573
8		Debtor Days	Days	Low	N/A	N/A	N/A
9		Bad debts written-off	£'000	Low	404	184	187
10		Cost of raising an invoice	£	Low	30	17	10
11		Average Payment Days	Days	Low	N/A	N/A	23
Creditors - Accounts Payable	12	Cost of paying an invoice	£	Low	2.3	2.11	2.45
	13	Payments using BACS Method	%	High	87.00%	87.00%	89.00%
	14	Net cost per employee	£	Low	20.47	20.09	22.03
	15	Payroll Accuracy ((errors as a % of total payments)	%	Low	0.14%	0.16%	0.14%
	16	Off cycle payments (extra payments as a % of total payments)	%	Low	0.41%	0.28%	0.32%
Exchequer Managed Service	17	Service Credits for Not meeting Performance Targets	£'000	Low	114	59	72
	18	Contract Monitoring Average RAG Score	Number	High	3.48	3.82	3.87
Pensions Admin	19	Staff Admin Cost/LGPS Member	£	Low	9.48	8.61	8.50
	20	Net Cost/LGPS Member	£	Low	20.44	19.33	18.18
Pensions Investment	21	Comparison to other Local Authorities	Position	High	55/88	34/88	27/87

	22	Audit Opinion of Pension Fund - Internal Audit	Score	High	N/A	Satisfactory	Substantial Assurance
Budget Management - Capital Programme	23	Variance Outturn to Base Budget - All Departments	%	Low	23.10%	25.10%	2.00%
	24	Variance Outturn to Mid Term Review - All Departments	%	Low	8.70%	20.60%	5.60%
	25	Variance Outturn to January Forecast - All Departments	%	Low	-2.10%	2.50%	4.90%
Budget Management - Capital Programme	26	Variance Outturn to Base Budget - Corporate Resources	%	Low	12.10%	15.70%	25.40%
	27	Variance Outturn to Mid Term Review - Corporate Resources	%	Low	-20.30%	25.20%	6.90%
	28	Variance Outturn to January Forecast - Corporate Resources	%	Low	-0.70%	4.90%	0.20%
Budget Management - Revenue (excl TM)	29	Variance Outturn to Base Budget - All Departments	%	Low	-1.80%	-2.40%	-0.20%
	30	Variance Outturn to January Forecast - All Departments	%	Low	-0.80%	-1.50%	-1.20%
Budget Management - Revenue (excl TM)	31	Variance Outturn to Base Budget - Corporate Resources	%	Low	-4.70%	-3.80%	-2.80%
	32	Variance Outturn to January Forecast - Corporate Resources	%	Low	-1.90%	-0.70%	-1.20%
Treasury Management	33	New Borrowing within 0.25% of lowest rate	RAG	High	G	G	G
	34	Lending Investment margin over Bank of England base rate	Yes/No	Yes	Yes	Yes	Yes
Finance Service	35	Qualified Staff CCAB or equivalent - % of FTE	%	High	34.00%	40.00%	41.00%
	36	Qualified Staff AAT or equivalent - % of FTE	%	High	34.00%	27.00%	30.00%
Internal Audit Opinion of Finance	37	Internal Audit Opinion - Fundamental Accounting Systems	Score	High	9.00	9.00	9.00
External Audit Opinion of Financial Accounts	38	Are there any qualifications raised to the accounts	Yes/No	No	No	No	No
	39	Material issues identified in governance report	Number	Low	0	2	2

Insurance & Risk Management Team	40	Number of Claims handled by In-House Team - per FTE	Number	High	188	190	133
	41	Repudiation of Claims Rate - successful defence Public Liability	%	High	65.00%	64.50%	71.00%
<b>Cost Indicator</b>							
<b>Service Area</b>		<b>Indicator</b>	<b>Unit</b>	<b>Aim</b>		<b>2007/08</b>	<b>2008/09</b>
Finance		Employee Costs	£'000	Low		1503	1558

3.6 The key to improved performance is our staff and indicator 35 in the previous table shows how the proportion of professionally qualified finance staff has been increased. The graph below plots the net percentage of PIs which have improved over the previous 12 months against the employee costs and illustrates the improvement in value for money.



- 3.7 There have been a number of new improvements and achievements in 2009/10 including:
- The employee costs of our finance function whilst higher in 2008/09 than 2007/08 are still lower than 2006/07.
  - A score of 3 out of 4 within the new Use of Resources assessment as part of the CAA.
  - Successful closure of 2008/09 accounts according to agreed timetable including positive audit opinion.
  - A new risk based approach to the financial appraisals of potential suppliers to East Sussex County Council.
  - Enhanced the 'East Sussex Financial Briefing' booklet for use by Members and Officers.
  - Worked closely with T&E to improve the claims handling process for Highways related insurance claims. This will mean the Council is better able to defend claims.
  - Securing an excess liability insurance facility for contractors providing services to the Council.
  - Analysed the financial consequences of the Carbon Reduction Commitment credit trading scheme and put preliminary arrangements in place.
  - Introduced a new approach to Financial Training for Members including interactive DVD training.
  - Continued prudent and safe management of the Council's cash balances through extremely volatile financial conditions.

- Provided financial support and advice to a range of major projects.
- Organised a series of pensions AVC roadshows for the Council and other LGPS employers.
- Commenced projects looking at new approaches to e-invoicing and procurement.
- Improved performance on payment of invoices to local Small and Medium Enterprises (SMEs).
- Increased the number of ESCC customers paying by Direct Debit.
- Completed a payroll tax compliance health check.
- Continued close working with the Credit Union and others to help people through the recession and increase financial inclusion.
- Prudent management of the Council's/ESFA cash flow and Treasury Management activities (i.e. cashflow management, borrowing and investments) on the best terms consistent with the latest 'Treasury Management Strategy'. The Council has not lost any money and the policy strategy has been revised four times during the year to reflect the changing financial environment.
- Minimised risk to ESCC by undertaking company appraisals of contract applicants.
- We have taken the lead and set up a joint working group on IFRS with two neighbouring authorities.
- Participated corporately in the production of a Business Case Toolkit (to supplement the Project Management toolkit), this is planned to go live in April 2010.
- All capital returns to central government provided within timescales and no significant challenges to quality received.
- Comprehensive guidance in 'Fixed Asset Accounting' drafted and launched in time for 2009/10 closing of accounts process.
- Projects Systems User Group interaction improvement with best practice now being shared regularly at meetings.
- Successful audit on Pension Processes & Systems, substantial assurance.
- Working with Children's Services to review their procure to pay process in order to help them adhere to best practice in order to improve their payment performance.
- Increased the number of customers paying by direct debit.

## **Audit and Performance**

### **Internal Audit**

3.8 Internal audit is well regarded both internally and externally. In 2009/10 the Council's internal control arrangements (including internal audit, governance, risk management and anti fraud and corruption) were assessed as being 3 out of 4 within the Audit Commission's Use of Resources assessment, meeting the target for the third 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.

3.9 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.

3.10 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 County Council staff, revised internal procedures for receiving and handling allegations and the development of a programme of proactive anti fraud and corruption activities. A significant investment has also been made in formally accredited investigations training for two members of internal audit staff which was completed in 2009/10.

3.11 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. In addition to this, Internal Audit has also been providing awareness sessions as part of induction arrangements for new staff across the County Council.

## **Procurement**

3.12 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.

3.13 Overall the Council's arrangements for procurement and commissioning were judged to be performing well and scored 3 out of 4 under the Audit Commission's Use of Resources assessment for 2009. 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 Enterprise Buyer Professional (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. We have also conducted a detailed spend analysis exercise which along with a current procurement review being conducted by Serco will help shape our revised Procurement Strategy for 2010–14. There has been significant progress in 2009/10 in formal procurement training with a doubling of numbers of staff starting professional qualifications; this together with planned access to an IESE led Regional Training & Skills initiative during 2010/11 will give the Council a higher level of procurement expertise and capacity.

## **E-Business and Performance**

3.14 Provision for the department's ICT requirements are well managed via the corporate Service Level Agreements (SLAs). The new arrangements for reporting are now in place to enable better monitoring of performance. The PC refresh programme is being reviewed taking into account new technologies and ways of working to ensure fit-for-purpose provision.

3.15 Compliance with Data Protection Act and Freedom of Information requirements remains at 100%. Arrangements for the security of data in transit have been overhauled with a new policy in place and long-term technical solutions being implemented.

## Property

3.16 Our focus on improving delivery of capital projects continues, following successful completions at Rye Primary School and Tideway. We have during 2009/10 completed schemes at Hawkes Farm Primary School, Bridies Tan Transit site, Highfield School, Heathfield Community College and Milton Grange. Projects in the Primary Capital Programme are proceeding well and the first scheme at Castledown is complete. Other Primary Capital Programme projects are either on site or soon due to start.

3.17 We have seen an improving trend for delivery of capital projects within +/- 5% of planned costs:

Year	All projects over £50k	Target
2004/05	50%	30%
2005/06	63%	60%
2006/07	80%	65%
2007/08	75%	65%
2008/09	64%	67%
2009/10 (to date)	75%	69%

3.18 Performance for delivery of capital projects within 5% of timescales has not improved to the same extent over the same period but has risen in recent years:

Year	All projects over £50k	Target
2004/05	83.3%	73%
2005/06	69.6%	80%
2006/07	81%	77%
2007/08	55%	78%
2008/09	85%	78%
2009/10 (to date)	75%	80%

3.19 Nevertheless a series of actions are planned to improve performance:

- develop, with client sponsors, a sustainable model for better planning, management and delivery of capital projects.
- adopt, with assistance from IESE, framework agreements for contractors in two tiers covering projects from £100k to £3m, review procurement methods to suit and make these available to all public bodies in Sussex.
- complete 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.
- review in 2010 the need for and configuration of the list of Approved Contractors.
- review during 2010/11 the framework agreements for planned maintenance.
- secure a procurement and programme management resource for the capital and maintenance projects teams.
- develop supply chain management to ensure that local companies maximise involvement in our programmes.

3.20 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.

<b>Disposal of surplus property</b>		
<b>Year</b>	<b>Target value of disposals</b>	<b>Actual</b>
2003/04	£5.6m	£7.4m
2004/05	£1.0m	£3.8m
2005/06	£1.5m	£2.0m
2006/07	£1.0m	£1.4m
2007/08	£1.7m	£7.1m
2008/09	£0.8m	£0.98m
2009/10	£0.9m	

3.21 We are continuing to make efficient use of our office space with better use of the Net Internal Area per employee than our benchmarks.

<b>Office space m<sup>2</sup> per employee</b>	
<b>Year</b>	<b>Net Internal Area</b>
2003/04	8.67
2004/05	8.56
2005/06	8.65
2006/07	9.33
2007/08	8.92
2008/09	8.10

*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

3.22 We also exceeded our target of buildings accessible to users with a disability (an outturn of 64% against a target of 60%). The development of more efficient office accommodation will continue throughout the plan period.

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

<b>Ratio of planned/responsive maintenance spend (target of planned = 70%)</b>		
<b>Year</b>	<b>Planned</b>	<b>Responsive</b>
1999/00	60%	40%
2000/01	62%	38%
2001/02	60%	40%
2002/03	53%	47%
2003/04	70%	30%
2004/05	80%	20%
2005/06	78%	22%
2006/07	82%	18%
2007/08	81%	19%
2008/09	82%	18%

Local Authority upper quartile threshold for 2007/08 is 61%.

3.24 Since our carbon footprint baseline was established in 2001/02, we have achieved a reduction of 21.7% through our Carbon Management Action Plan. Target was 14% reduction by 2009/10 so the target was exceeded early.

ESCC Carbon Footprint		
Year	Tonnes CO <sub>2</sub>	% Change from base year
2001/02 (base year)	37,977	-
2002/03	37,675	-0.8
2003/04	37,159	-2.2
2004/05	36,978	-2.6
2005/06	33,876	-10.8
2006/07	32,443	-14.6
2007/08	30,509	-19.7
2008/09	29,723	-21.7

3.25 However, we will not be complacent and the Sustainability agenda continues to develop an ever higher profile with additional emphasis being placed on environmental performance within inspection regimes. We will need to review working methods and services offered by the Energy Team according to the demands placed upon them. The Sustainable Buildings Brief has been rolled out to consultants and contractors together with other stakeholders – and this needs to be embedded. The emerging carbon trading scheme known as the Carbon Trading Commitment will require a corporate focus on driving down energy consumption and the plan period will see development and implementation of an action plan in respect of our properties.

## Equalities

3.26 The department has a strong commitment to the Council's equality and diversity agenda. We are currently completing a self assessment against the new Equalities Framework for Local Government and developing a new programme of Equality Impact Assessments using the new corporate toolkit, and improvement actions from both of these exercises will feed into our departmental business planning processes. Key elements of the department's contribution to equalities include:

- promotion and high take up of equalities training primarily through the e-learning package
  - support for the Traveller's Strategy, specifically through the refurbishment and redevelopment of several of our traveller's sites.
- a strong focus on promoting (and through the capital programme investing in) accessibility of our public buildings.
- putting in place a clear framework to ensure that equality and diversity issues are mainstreamed into our procurement practice.
- facilitating effective communication with the public and service users through a Sussex-wide contract for translation and interpreting services.
- setting up and supporting a highly successful benefits take up project with Age Concern.

## Key drivers

### Finance

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

- Reconciling Policy and Resources in 2010/11 and the following 3 years.
- Quicker closure of accounts and positive audit opinion.
- The financial excellence agenda – particularly focusing on achieving savings, budget management (both revenue and capital) and financial development of staff.
- Maintaining 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 financial plan under the '1' + '3' model.
- Responding pro-actively to the impacts of the recession and recovery.
- 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".
- Closer working with T&E, resulting in a reduction of highways claims payments.
- 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.
- Through FMT leading the achievement of savings in support services.
- Wider roll out of Direct Debit facility for customer payments in ASC & T&E and other departments if suitable opportunities can be identified.
- Benchmarking – use benchmarking returns to identify areas of strength and weakness, and compare ourselves to other, similar County Councils.
- Review contract risk management and partnership risk management to ensure that the Council is fully meeting its obligations and duties in these areas. Particular emphasis on 'Supply Chain' risk management.
- Successful response to Carbon Reduction Commitment to minimise the risk of penalties, fines and losses from carbon trading and maximise performance in carbon reduction achievement.
- The Pension Fund Accounts & Annual Reports comply with IAS 16 accounting as required by IFRS.

## **Audit and Performance**

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

- Targeting a Use of Resources score of 3 out of 4 under new CAA requirements.
- Ensuring that the County Council's external auditors can continue to place reliance on the work of internal audit.
- 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.
- Improving our relative position on benchmarked costs for internal audit following the restructure.
- Providing an assurance on the Council's control framework that meets changing statutory requirements and internal/external expectations, from the same or less resources.
- Strengthening the role of procurement in the delivery of efficiencies and sustainability through the revision of the Council's Procurement Strategy.
- Increasing the professionalism in procurement through wide-ranging training opportunities.
- 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.
- Improving information management and security.
- Reviewing the department's approach to equality impact assessments.
- Using apprenticeships and Future Jobs Funds to develop our workforce.

3.28 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.

## **Property**

3.29 There are external and internal drivers which signify the priorities for change and improvement:

### **External**

- Availability of significant funding streams for the transformation of all secondary schools and half of the primary schools and other factors which could increase the size of the capital programme.
- The need to engage with national and regional procurement frameworks as a pre-requisite of funding.
- The increasing drive towards sustainability and to mitigate and adapt to the effects of climate change.
- The need to use our spending programmes to support local businesses during the recession.
- The impact of changes in the economic climate on costs, capacity and skills availability.

- Changing assessment frameworks such as CAA.
- The state of the property market and market values.
- Schools failing to perform adequately their devolved maintenance responsibilities.
- Transfer of Learning Disability Homes to the County Council from NHS trust.
- The need for better customer service, particularly concerning reactive maintenance.
- The depressed property market and its impact on capital receipts.

### **Internal**

- The need to build capacity in key areas such as the capital projects team.
- The need for a programme management approach in the delivery of projects.
- The need to mainstream data collection and maintenance for BLISS.
- Improvement in energy invoice processing and creation of capacity to drive down energy consumption.
- A proactive estates and asset management function which identifies opportunities for service improvement through good property asset management.
- The need to find efficiencies whilst improving service delivery.
- The Property Improvement Project (see the section on “Our customers’ views” for more details of content).

## 4. Our Customers' Views

### Finance

4.1 Translating a good understanding of local need into appropriate action requires an effective communication framework through which to consult, listen, plan, lobby and inform. Our Communications Strategy provides the coherent context for all aspects of our communication and consultation work linked to RPR.

4.2 RPR enables us to integrate communication and regular consultation with prioritisation, business planning and performance management. Our consultation processes are robust and flexible to ensure information collected in one forum is considered in all appropriate contexts, whether strategic or operational.

4.3 On a more local level one of the areas we wish to develop further is a more systematic approach to obtaining and assessing customer feedback. Whilst we already receive a good deal of feedback which is generally very positive we want to improve customer confidence and perception further through benchmarking and target setting.

4.4 The user or professional officer groups we have established for each of our main activities provide useful forums for sharing ideas and obtaining feedback. Similar opportunities are delivered through our regular discussions with main contractors (SERCO) and customers such as the East Sussex Fire and Rescue Service.

### Audit and Performance

#### Internal Audit

4.5 Feedback from customer surveys following individual audit assignments is positive. All negative feedback is followed up to ensure any issues are addressed.

4.6 An annual Client Satisfaction Survey is now carried out each year with Chief Officers and results are also positive. Comments received are used to inform future planning and service development.

4.7 The development of the internal audit strategy involves extensive consultation with client departments and external customers, Members and the external auditors – there is also regular liaison with these groups during the year.

4.8 Specific consultation is held with Finance Management Team as part of improved reporting initiative and an action plan for service improvement has been developed as a result.

4.9 Positive feedback received from Audit & Best Value Scrutiny Committee following last review of effectiveness.

4.10 Revised reporting arrangements are now in place as a result of customer feedback and following extensive client consultation.

## **Procurement**

4.11 The Council's Procurement Strategy and Improvement Plan which forms the basis of the Corporate Procurement Team's (CPT) business plan is based on extensive consultation across the Council and takes account of Central Government requirements. Most improvement plan actions / projects are consulted on via Procurement Steering Group (PSG). A customer satisfaction survey on CPT services was undertaken through PSG during 2009 and has resulted in further planned improvements including better signposting of guidance, further developments in provision of procurement training and improved feedback on external activities / partnership working.

4.12 A detailed 2008/9 Spend Analysis review through Consultants Tribal Helm during 2009 is leading to a number of Category spend reviews.

4.13 A number of high level procurement reviews are being conducted by Serco during 2009/10 and these are likely to lead to recommended improvements and action in some specific areas e.g. Procure to Pay processes.

4.14 A funded initiative to increase the professionalism and skills of procurement staff has commenced during 2009/10.

## **E-business and Performance**

4.15 CRD DMT are the 'customers' for the E-Business & Performance team and there is a process of continuous consultation with them and the relevant parts of the department as necessary. We have further streamlined the business planning/monitoring process based on positive feedback and suggestions from DMT.

- Consultation with divisions to establish business priorities/need. Prioritise ICT investment & plan development to meet those needs and contributing to the corporate 3-5 year ICT Strategy.
- ICT run continuous and annual customer consultations which show performance satisfaction and provide feedback. Feedback from customers about poor service results in a follow up call to the individual concerned to identify cause and improvement.
- Ongoing monitoring and consultation with CRD customers and staff to maintain customer care standards and to drive service improvements where necessary.
- Consultation with staff in workshops and service area meetings (i.e. PSG) on the Web & Intranet information architecture (IA) and content. Ongoing customer consultation and feedback on IA and content to continuously improve.

## Property

4.16 Customer satisfaction remains high in the areas of Estates, Capital Projects and Building Maintenance, with all areas above the average of all authorities within COPROP

<b>Customer satisfaction Capital Projects average quality of service and product</b>					
<b>Year</b>	<b>ESCC</b>	<b>(Service)</b>	<b>(Product)</b>	<b>All councils COPROP average</b>	<b>Target</b>
2003/04	68.6%	60.2%	77.0%	74.7%	69.0%
2004/05	78.0%	76.2%	79.8%	77.8%	73.0%
2005/06	86.0%	85.6%	86.3%	82.3%	80.0%
2006/07	89.9%	92.5%	87.3%	79.9%	86.0%
2007/08	82.8%	77.8%	87.7%	82.5%	86.0%
2008/09	82.7%	81.9%	83.6%	85.2%	86.0%
<b>Customer satisfaction Building Maintenance</b>					
<b>Survey date</b>	<b>Score for service</b>	<b>ESCC totals (less consultants scores)</b>	<b>All councils COPROP average (less consultants scores)</b>	<b>Local target for improvement</b>	
October 2003	80.0%	79.0%	82.2%	n/a	
April 2004	78.3%	77.5%	81.4%	n/a	
October 2004	74.5%	75.6%	80.9%	n/a	
April 2005	80.1%	81.8%	80.8%	n/a	
October 2005	83.3%	83.8%	83.7%	85.0%	
April 2006	83.3%	84.1%	Not available	85.0%	
October 2006	84.0%	85.0%	84.3%	85.0%	
July 2007	89.3%	88.0%	84.3%	86.0%	
Jan 2008	85.6%	85.2%	84.1%	86.0%	
Jan 2009	87%	80.1%	85.5%	87.0%	
<b>Customer satisfaction Estates</b>					
<b>Year</b>	<b>ESCC</b>	<b>All councils COPROP average</b>		<b>Local target for improvement</b>	
2003/04	75.7%	71.0%		n/a	
2004/05	77.8%	76.7%		n/a	
2005/06	79.6%	78.0%		80.0%	
2006/07	83.9%	83.3%		80.0%	
2007/08	84.2%	74.9%		84.0%	
2008/09	82.3%	Not available		85.0%	

4.17 Customer surveys are dispatched on completion of each project apart from maintenance projects where due to the volumes we send a survey for a sample proportion of projects.

4.18 For capital projects each is followed by a post project review which gauges satisfaction levels of the in-house team, consultant and contractor. From this it can be seen that the average satisfaction scores for service delivered are as follows:

Satisfaction with internal Project Officer	Satisfaction with Consultant	Satisfaction with Contractor
90%	70%	70%

4.19 Average scores for the quality of the finished product are:

End User average	Client average
90%	90%

4.20 Feedback from the post project reviews carried out so far has in the main been positive. Some points for learning have arisen and these have all been reviewed and corrective action taken.

4.21 However customer feedback and other concerns have led to some adjustments in managerial responsibility and the development of the Property Improvement Project with 3 themes:

**1 Staff improvement suggestions**

Each team has submitted it's priority actions to enable them to improve service delivery. An action plan is in place for each team and actions are monitored, added to and adjusted at bi-annual meetings with the AD – Property.

**2 Review of the Senior Management Structure**

This is complete and recruitment to new posts is well advanced.

**3 Development of a sustainable model for delivery of capital projects**

A comparative study was commissioned from 4Ps to establish how the 'Best of the Rest' develop and deliver their capital programmes. The lessons learnt were applied in consideration of the organisational requirements and structures necessary to deliver the bedrock capital programme as well as major special programmes of work. This has informed reviews of the structure of both the CRD Property Capital Projects team and the Children's Services Department Capital Strategy team.

**Complaints**

4.22 As a Directorate, Corporate Resources receive relatively few complaints (in 2008/09 we received 5 complaints and 91 recorded compliments and 4 complaints in 2007/08 along with 52 compliments).

4.23 Despite the low figures, we do take all feedback seriously. All complaints are investigated thoroughly and any areas for improvement identified are acted upon to avoid the issue occurring again. An example of this is the better working practices that have been developed between Transport & Environment's Highways Team and our own Insurance and Risk Management staff to make the claims handling process more efficient and straightforward for the public.

## 5. 2013/14 Where we aim to be

### Finance

5.1 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.

5.2 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.

5.3 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.
- E-invoicing will have been introduced and the procure to pay processes will have been streamlined using ICT.
- 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.
- A range of new functionalities will be in use on our core business system, SAP.

5.4 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.

### Audit and Performance

5.5 Our vision statement is to;

- 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 securely wherever and whenever they need.

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

5.7 In terms of how the service will look in 2010/14 compared to now, the way that we work and the tools that we use will have changed significantly. These include:

- 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.
- Maximising the benefits of collaborative working especially in procurement.
- Better use of web technology for provision of information, automation of customer processes (self-service) 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.
- Customer care and equalities are embedded in day-to-day service management.

5.8 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 division continue to be held in high regard.

## **Property**

5.9 Our vision statement is to improve the effective and efficient utilisation of property assets and resources in order to support the County Council's corporate objectives and key service delivery goals.

5.10 We aim to deliver first class support services and to lead in the field of corporate asset management so that the most effective and efficient estate is used for the established level of service delivery.

5.11 By 2013/14 we intend to be characterised by the following:

### **Construction**

- Use of Sussex-wide framework for contractors, with ESCC seen as a sub-regional resource.
- Management of the supply chain to increase local contractor involvement.
- Collaborative working, standardised solutions, off-site and modular working mainstreamed.
- Building Schools for the Future (BSF) pilot complete and lessons learnt.
- Sustainable building solutions routinely implemented.
- Clear definition of roles between departments.
- Better delivery to time and cost.

### **Estates & Asset Management**

- Area property reviews integrated into service planning.

- Identification of opportunities for dynamic management of the property estate and for disposal of surplus property.
- Contraction in the overall property portfolio.
- 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.
- Well managed buildings.

### **Programmes & Procurement**

- Energy purchasing at steady state and time freed up to develop service and carbon management measures.
- Improved information flow to clients and stakeholders.
- Development of a centre of expertise in construction-related procurement.

### **Maintenance**

- SAP Property giving better information to enable improved maintenance service.
- Continuing focus on ensuring no disruption to service users.
- Development of efficiencies in the interface between consultants and the Council.

### **General**

- Investment in staff development leading to greater job satisfaction and lower levels of turnover.
- New buildings will fully reflect the objectives and guidance in the Sustainable Buildings Policy.

## 6. Service Review Programme

6.1 The service review programme for CRD set out below has been established based on relative priorities. The priorities for review have been informed by:

- Service areas showing above average unit costs.
- Priority service areas where current performance is low.
- Services with high value spend.
- Timing opportunities.
- Existing review plans or recent and current reviews.

Service / Activity	Reason for priority	Review mechanism	Timing
<b>Finance</b>			
Accounts Payable	High unit costs Existing review plans	Review of SAP approval for low value payments - FMT	2010/11
		Review of Accounts Payable function and its operation across the Authority including e-invoicing - FMT	2010/11
Insurance	Existing review plans	Review of processes and possible self-service	2010/11
Core Back Office Systems Solution (CBOSS) – Managed Services	Timing opportunity (end of existing contract March 2013) Existing review plans	Re-procurement of CBOSS contract for core back office systems and managed services, including an investigation into the viability of joint procurement with other authorities / Sussex Police – CBOSS Board	2010/13
<b>Audit &amp; Performance</b>			
Procurement	High unit costs High value spend Existing review plans	P-cards project to reduce the volume of invoices – FMT	2010/11
		Serco Procurement-to-Pay review – FMT	2010/11
		Print procurement review- tba	2010/11

		Consultancy procurement review - tba	2010/11
		Review of CRD procurement structure – CRD DMT.	2010/11
		Partnership procurement review – East / West Sussex Chief Execs Groups	2009/10
<b>Property</b>			
ESCC Property function	Timing opportunity Existing review plans	Property division restructure.	2010/11
		Integration of functions in other departments.	2010/12
Energy Management	Low performance High value spend Existing review plans	Review measures to decrease energy usage – Climate Change Board / CRC Steering Group/CAPS	2011/14
		Review monitoring and invoice processes -	2011/12
Facilities Management	Timing opportunity (end of current contract in 2012) Existing review plans	Re-tender of outsourced facilities management contract - tba	2011/12
		Review of various services (post, security, waste).	
		Review of accommodation/roll out of flexible working – ADs Accommodation Group.	2010/14

6.2 Key ingredients of each service review will be:

- clarity about the actual and comparative cost and performance of the service currently received by customers;
- the value customers place on it;
- that the options for the levels of service (quality and quantity) that could be provided have been explored with clarity about the different service standards customers would receive;
- that the options for how the service could be delivered and managed and by whom (including consideration of outsourcing, shared services and the improved use of technology) have been explored;

- that the review has involved critical friend or external challenge and consideration of external best practice;
- that links to services which are provided across departments or in more than one department have been identified and considered as part of the review; and
- that the recommended future approach has been subject to peer review.

## 7. Budget and Service Plan Targets

### CRD Budget Plans 2010/11 Budget information (This relates to the whole of the Corporate Resources Directorate, including ICT Services)

7.1 The department's overall savings requirement to meet the pressures and cash limit for 2010/11 is £124,000 and will be met in full as follows:

- Savings from senior staff changes / ending of some pensions augmentation costs = £43,000
- Adjustment to the staffing structure and other savings within the Property Maintenance Team = £25,000
- Increased ICT income, a reduction in contribution to reserves and other small savings = £44,000
- Other savings in miscellaneous budgets = £12,000

7.2 The planning target for savings for the 3 years from 2011/12 – 2013/14 is 10% and amounts to £2.1m. It is intended that these savings will be identified through a programme of service reviews which is currently under development and is shown in an earlier section of this plan.

	<b>2010/11 £000s</b>
<b>Cash limit (net budget) (Includes allowed cash increase of)</b>	10,672 48
<b>Total spending pressures to be funded</b>	172
<b>Efficiency savings</b>	-27
<b>Other savings</b>	-97
<b>Total savings</b>	-124
<b>Cash change (allowed increase)</b>	48

## Budgets

### 7.3 Finance – Budget summary for 2009/10 (based on November 2009 monitoring information)

	Finance	Risk Management	CBOSS Contract	Pension Fund Administration	Management & Support	Total Amount	Total (%)
Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	
Employees	1182.75	175.00	392.40	0.00	237.70	1987.85	15.86%
Premises	0.00	762.90	0.00	0.00	0.00	762.9	6.09%
Transport	5.50	192.50	0.50	1.00	2.60	202.1	1.61%
Supplies and Services	43.40	2410.20	3396.50	688.30	195.00	6733.4	53.72%
Support Service Recharges (Exp)	485.60	2.00	97.10	1211.70	326.20	2122.6	16.93%
Capital Financing Costs	0.00	0.00	725.00	0.00	0.00	725	5.78%
<b>Gross Expenditure Total</b>	<b>1,717.25</b>	<b>3,542.60</b>	<b>4,611.50</b>	<b>1,901.00</b>	<b>761.50</b>	<b>12533.85</b>	<b>100%</b>

	<b>Finance</b>	<b>Risk Management</b>	<b>CBOSS Contract</b>	<b>Pension Fund Administration</b>	<b>Management &amp; Support</b>	<b>Total Amount</b>	<b>Total (%)</b>
<b>Income</b>	£'000	£'000	£'000	£'000	£'000	£'000	
Other Grants and Contributions	(60.00)	0.00	(170.00)	(1,901.00)	(10.60)	(2,141.60)	20.35%
Customer and Client Receipts	(187.90)	(30.80)	(975.00)	0.00	(13.90)	(1,207.60)	11.48%
Support Service Recharges (Inc)	(993.00)	(3,425.50)	(2,180.00)	0.00	(574.20)	(7,172.70)	68.17%
<b>Income Total</b>	<b>(1,240.90)</b>	<b>(3,456.30)</b>	<b>(3,325.00)</b>	<b>(1,901.00)</b>	<b>(598.70)</b>	<b>(10,521.90)</b>	<b>100%</b>
<b>Net Expenditure Total</b>	<b>476.35</b>	<b>86.30</b>	<b>1,286.50</b>	<b>0.00</b>	<b>162.80</b>	<b>2011.95</b>	

7.4 Audit and Performance – Budget summary for 2009/10 (based on November 2009 monitoring information)

	External Audit £'000	E-Business and Performance £'000	Internal Audit £'000	Procurement £'000	CRD Training £'000	CRD Secretarial £'000	Management and Support £'000	Total £'000	Total (%)
<b>Expenditure</b>									
Employees	0.00	162.70	615.70	197.00	84.00	121.50	119.10	1300	58.91%
Transport	0.00	0.00	3.10	1.20	0.00	0.00	1.00	5.3	0.24%
Supplies & Services	239.10	60.10	54.10	48.00	0.00	0.00	12.80	414.1	18.77%
Support Service Recharges (Exp)	7.50	101.30	120.40	43.70	168.30	11.30	34.80	487.3	22.08%
<b>Gross Expenditure Total</b>	<b>246.60</b>	<b>324.10</b>	<b>793.30</b>	<b>289.90</b>	<b>252.30</b>	<b>132.80</b>	<b>167.70</b>	<b>2,206.70</b>	<b>100%</b>

	External Audit	E-Business and Performance	Internal Audit	Procurement	CRD Training	CRD Secretarial	Management and Support	Total	Total (%)
<b>Income</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Other Grants and Contributions	0.00	0.00	(23.90)	0.00	0.00	0.00	0.00	(23.90)	2.47%
Customer and Client Receipts	(1.00)	0.00	(29.00)	(35.80)	0.00	0.00	0.00	(65.80)	6.79%
Support Service Recharges (Inc)	(30.40)	(376.10)	(44.00)	(37.20)	(258.60)	(132.80)	0.00	(879.10)	90.74 %
<b>Income Total</b>	<b>(31.40)</b>	<b>(376.10)</b>	<b>(96.90)</b>	<b>(73.00)</b>	<b>(258.60)</b>	<b>(132.80)</b>	<b>0.00</b>	<b>(968.80)</b>	<b>100%</b>
<b>Net Expenditure Total</b>	<b>215.20</b>	<b>(52.00)</b>	<b>696.40</b>	<b>216.90</b>	<b>(6.30)</b>	<b>0.00</b>	<b>167.70</b>	<b>1,237.90</b>	

7.5 Property – Budget summary for 2008/09 (based on November 2008 monitoring information)

	Corporate Offices £'000	Delivery Services £'000	Estates £'000	Policy & Performance £'000	Buildings Maintenance £'000	Construction & Maintenance £'000	Management and Support £'000	Total £'000	Total (%)
<b>Expenditure</b>									
Employees	177.9	0	479.5	255.9	0	1331.4	190	2434.7	16.79%
Premises	3735.6	0	0	0	4049.9	0	0	7785.5	53.70%
Transport	0.6	0	1.8	0.8	0	18.9	1.1	23.2	0.16%
Supplies and Services	391.9	725	40.5	22.2	683	95.3	266.9	2224.8	15.35%
Support Service Recharges (Exp)	651.9	0	97.8	44.9	590.4	0	218.7	1603.7	11.06%
Capital Financing Costs	425	0	0	0	0	0	0	425	2.93%
<b>Gross Expenditure Total</b>	<b>5,382.90</b>	<b>725.00</b>	<b>619.60</b>	<b>323.80</b>	<b>5,323.30</b>	<b>1,445.60</b>	<b>676.70</b>	<b>14,496.90</b>	<b>100%</b>

	Corporate Offices	Delivery Services	Estates	Policy & Performance	Buildings Maintenance	Construction & Maintenance	Management and Support	Total	Total (%)
<b>Income</b>	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Customer and Client Receipts	(626.60)	(35.60)	(54.20)	0.00	(39.00)	(163.10)	(0.20)	(918.70)	10.31%
Support Service Recharges (Inc)	(4,881.80)	(693.40)	(525.80)	0.00	(413.40)	(1,477.40)	(3.20)	(7,995.00)	89.69%
				0					
<b>Income Total</b>	<b>(5,508.40)</b>	<b>(729.00)</b>	<b>(580.00)</b>	<b>0.00</b>	<b>(452.40)</b>	<b>(1,640.50)</b>	<b>(3.40)</b>	<b>(8,913.70)</b>	<b>100%</b>
<b>Net Expenditure Total</b>	<b>(125.50)</b>	<b>(4.00)</b>	<b>39.60</b>	<b>323.80</b>	<b>4,870.90</b>	<b>(194.90)</b>	<b>673.30</b>	<b>5,583.20</b>	

## Performance Targets 2010/11 – 2012/13

<b>Deliver the lowest level of council tax consistent with the Council's core priorities in line with the Council's policy steers</b>				
Performance Measures	Our result for 2009/10	Our target for 2010/11	Our target for 2011/12	Our target for 2012/13
Delivery of target Council Tax rise	Achieved	3%	tbc	tbc
Core services delivered within agreed budgets		Achieved	Achieved	Achieved
<b>Maintain and improve high standards of resources management across the County Council through:</b>				
<ul style="list-style-type: none"> <li>- Reconciling Policy and Resources,</li> <li>- High quality financial management and control, including the pursuit of "Excellence in Financial Management",</li> <li>- Maximising appropriate and fair local income generation opportunities,</li> <li>- Integrated and effective medium term planning,</li> <li>- Proactive management of outsourced services contracts,</li> <li>- Full involvement of scrutiny, and</li> <li>- Effective consultation and communication with residents and partners.</li> </ul>				
Performance Measures	Our result for 2009/10	Our target for 2010/11	Our target for 2011/12	Our target for 2012/13
Targeted CAA score for Use of Resources achieved		3 out of 4 under new regime	3 out of 4 under new regime	3 out of 4 under new regime
The average period for payment of invoices		To be set	To be set	To be set
The average period for payment of invoices	New indicator	tbc	tbc	tbc
Average payment period for local SMEs	New indicator	10 days	10 days	10 days
Satisfactory audit opinion on the annual Statement of Accounts	Achieved	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
Final revenue outturn for each department within tolerances of their budget allocation		+1 / -2.5%	+1 / -2.5%	+1 / -2.5%
<b>Maintain and improve high standards of governance, internal control and risk management.</b>				
Performance Measures	Our result for 2009/10	Our target for 2010/11	Our target for 2011/12	Our target for 2012/13
Medium Term Financial Plan (MTFP) is kept up to date and provides the basis for the budget strategy.		Plan approved and strategy agreed by 31 July 2010	Plan approved and strategy agreed by 31 July 2011	Plan approved and strategy agreed by 31 July 2012
Maintain CAA risk	Achieved	3 out of 4	3 out of 4	3 out of 4

management and sound systems of internal control score at least at 3 out of 4		under new regime	under new regime	under new regime
Maintain the 'opinion received on internal audit from external audit in the annual audit and inspection report	Achieved	Positive opinion	Positive opinion	Positive opinion
<b>Drive, in partnership, improvements in efficiency, productivity and procurement that maximise value for money and are sustainable</b>				
Performance Measures	Our result for 2009/10	Our target for 2010/11	Our target for 2011/12	Our target for 2012/13
Improved Value for Money through improvements in performance against basket of finance indicators and/or cost reductions		Improved Value for Money	Improved Value for Money	Improved Value for Money
Efficiency targets achieved for the whole Council and progress regularly reported (NI 179) £'000		4% efficiency saving	4% efficiency saving	4% efficiency saving
Deliver the targets for improvement set out in the Council's Procurement Strategy		New Strategy for 2010/12 agreed	Revised Strategy in place and efficiency and sustainability targets achieved	Procurement efficiency and sustainability targets achieved
Sustainability criteria used in procurement exercises where appropriate and allowable		Agreed targets achieved	Agreed targets achieved	Agreed targets achieved
Increase the proportion of procurement spend with local SMEs and third sector	New indicator	Agreed targets achieved	Agreed targets achieved	Agreed targets achieved
Agreed procurement contribution to savings targets delivered	New indicator	Agreed targets achieved	Agreed targets achieved	Agreed targets achieved

**Manage risk and uncertainties in future resourcing through realistic planning and maximising lobbying and influencing opportunities for a fairer grant settlement for ESCC**

Performance Measures	Our result for 2009/10	Our target for 2010/11	Our target for 2011/12	Our target for 2012/13
Ongoing improvements to the Reconciling Policy and Resources process and medium term service and financial plans		Achieved	Achieved	Achieved
Cabinet's four year challenge successfully resolved and service cash limits approved		To be set	To be set	To be set

**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\*\*; and
- 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**

Performance Measures	Our result for 2009/10	Our target for 2010/11	Our target for 2011/12	Our target for 2012/13
Achieve disposals targets in line with the Council's Asset Management Plan.		£1.5m	£2m	£3m
Corporate Asset Management Plan updated for adoption October each year		30 <sup>th</sup> Oct	30 <sup>th</sup> Oct	30 <sup>th</sup> Oct
Percentage spent on 'planned' maintenance within budget available		85%	85%	85%
Reduction in number of buildings occupied		-2	tbc	tbc
Carry out post project reviews on 100% of capital projects		100%	100%	100%
Percentage of capital building projects completed within +/- 5% of agreed timescale		85%	87%	88%

## **Workforce Planning**

7.6 As well as seeking to provide high quality and efficient services that are focussed on our customers' needs, Corporate Resources aim to provide strategic and co-ordinated leadership in financial management, property asset management and information and communication management over the short and medium term.

7.7 Our workforce is fundamental to our ability to deliver these services and we are committed to investing time and resource in ensuring that they have the skills, experience, capacity and support to deliver what is expected of them. Key to this has been an ongoing programme of training and development which is driven by the priorities set out in our business plan and in each individual's appraisal.

7.8 We have also reviewed and restructured a number of our services to ensure that they are fit for purpose and provide better opportunities for workforce development. A range of other initiatives such as the development of customer service standards and action plans responding to issues identified through the staff survey have also supported the development of our workforce.

## **Finance**

7.9 We have adopted a strategy of recruiting trainee accountants and developing them. This has worked well and has enabled vacancies to be filled.

7.10 Supporting Finance staff to achieve CCAB, AAT and City and Guilds qualifications remains a priority.

7.11 We have adopted a risk management approach to the sharing of knowledge and skills with a view to minimising the impact of temporary or permanent staff absences. This should help with succession planning and contribute to business continuity.

## **Audit and Performance**

7.12 Pressures associated with the recruitment and retention of suitably skilled and qualified staff have reduced more recently although developing the skills and experience of audit staff at a time of increasing expectation remains a priority for the medium term if we are to deliver our vision for 2009/10.

7.13 Support for training and development will continue to be key for us with more focus on developing specialist skills in the new audit structure and a commitment to professional training in the procurement team.

## **Property**

7.14 Property has in recent years suffered problems in recruitment and retention of staff with key skills where the private sector was able to pay very competitive salaries. We are experiencing an increasing number of applicants during the economic downturn but it remains to be seen whether we can retain staff of the right quality.

7.15 In Maintenance more key staff attain retirement age during the plan period and will need replacement.

7.16 The Corporate Accommodation team will be reviewed against future work priorities. The Facilities Manager will continue to be supported in his development and will need high-level advice, probably from a consultant, from time to time and may need some junior back-up.

7.17 The development of a generic contact centre may see staff transfer out of Property.

## 8. Key Risks and how we will manage them

### Finance

No.	Risk	Mitigation actions	Officer
FR-1	The reputation of the Council suffers as the result of a poor audit report and/or CAA score, due to errors and missed deadlines	<ul style="list-style-type: none"> <li>• Close liaison with external auditors.</li> <li>• Achievable service delivery plans in place.</li> <li>• Recruitment of staff to new / vacant posts to maintain standards of service delivery.</li> <li>• Appropriate training and support for staff.</li> <li>• Ensure compliance with specific KLOE to achieve higher score / maintain score.</li> <li>• Target an unqualified audit opinion on Governance arrangements and Year End Accounts via robust and deliverable business plans.</li> <li>• Co ordinate service delivery plans and maintain close liaison with Auditors.</li> <li>• Develop a strong regime of self assessment.</li> </ul>	Richard Hemsley
FR-2	Loss of external income from Fire Authority and schools, requiring additional savings to be made	<ul style="list-style-type: none"> <li>• Provide a quality service to the Fire Authority and schools, ensuring service requirements are met.</li> <li>• Maintain appropriate SLA's with Fire Authority and schools.</li> </ul>	Desmond Broadbridge
FR-3	Lack of internal SAP knowledge and single person specialisms acting as a limit on service development or on day to day delivery.	<ul style="list-style-type: none"> <li>• Appropriate training of staff across different functions within the Finance division.</li> <li>• 'Up skilling' of SAP users.</li> <li>• Reduce reliance on individual professionals.</li> <li>• Flourishing trainee schemes and appropriate support for professional training schemes.</li> <li>• Introduce 'back up' arrangements.</li> <li>• Document all standard processes.</li> </ul>	Richard Hemsley / FUMT, Janyce Danielczyk, Wendy Neller, Ann Stagg

FR-4	Financial and reputational loss due to inadequate governance and financial controls in relation to partnership working and major projects.	<ul style="list-style-type: none"> <li>• Appropriate training devised and delivered, including financial management training for Strategic Managers and technical updates.</li> <li>• Guidance approved, available and publicised.</li> <li>• Appropriate financial support delivered to all lead officers of major corporate projects.</li> </ul>	Neil Foley
FR-5	Failure to provide sound budgetary management / guidance resulting in lack of budgetary control and reputational loss for CRD Finance.	<ul style="list-style-type: none"> <li>• Appropriate budget management focus, including appropriate training.</li> <li>• Schedules of regular meetings with budget holders.</li> <li>• Appropriate budget monitoring reports to COMT and Cabinet.</li> <li>• Rigorous investigation / challenge to information supplied by Budget holders.</li> <li>• Variance reporting.</li> </ul>	Neil Foley Rachel Jarvis Ola Owolabi Ross Sutton
FR-6	Loss of reputation due to poor implementation of new Local Government Pension scheme.	<ul style="list-style-type: none"> <li>• Clear and timely communication with scheme members.</li> <li>• Availability of dedicated staff helpline.</li> <li>• Close liaison with external pensions administrators, Serco.</li> <li>• Involvement of Senior County Council staff.</li> </ul>	Steve Wickham Wendy Neller
FR-7	Inability to recover VAT in full should de minimus limit be exceeded	<ul style="list-style-type: none"> <li>• Close liaison with CAPS manager.</li> <li>• Keep capital Programme under review.</li> </ul>	Karen Regan

## Audit and Performance

No.	Risk	Mitigation actions	Officer
APR1	Council's reputation suffers as result of critical external audit report and / or poor CAA UoR score due to failure to provide adequate internal audit service	<ul style="list-style-type: none"> <li>• Regular review of internal audit resources.</li> <li>• Robust training and development for IA staff.</li> <li>• Use of agency staff.</li> <li>• Quality standards for IA work and strong performance management regime.</li> <li>• Regular review of compliance with Code of Practice.</li> <li>• Planning and preparation for Triennial Review.</li> <li>• Peer Review.</li> <li>• Regular risk based review of the audit plan.</li> <li>• Development of specialist skills for Senior Auditors.</li> </ul>	Duncan Savage Russell Banks
APR2	Increase in external audit fee if Audit Commission / PKF cannot rely on internal audit service.	<ul style="list-style-type: none"> <li>• See above.</li> <li>• Ongoing and regular liaison with external auditors.</li> <li>• Strong review and feedback mechanisms following external audit review of FAS work.</li> <li>• Action plans for any issues arising.</li> <li>• External audit protocol.</li> <li>• Agreed programme of FAS reviews, including use of interim reviews.</li> </ul>	Duncan Savage Russell Banks
APR3	Loss of external income from internal audit contracts / FMSiS external assessments leading to compensating savings being needed.	<ul style="list-style-type: none"> <li>• Ensure quality of service maintained – see above.</li> <li>• Effective audit management of external contract activity and client liaison.</li> <li>• Use of flexible staffing options – e.g. fixed term contracts, agency staff.</li> <li>• Regular review of resources.</li> <li>• Close working with CS Finance to ensure prompt completion of FMSiS self assessments.</li> <li>• Participation and input to national working FMSiS working groups.</li> </ul>	Richard Seager
APR4	Lack of sufficient suitably skilled internal audit resources limits ability to deliver / develop service	<ul style="list-style-type: none"> <li>• Investment in training and development for audit staff, including shared training with neighbouring IA sections.</li> <li>• Support for professional training.</li> <li>• CPD for IA staff.</li> <li>• Development of specialism roles.</li> <li>• Staff rotation.</li> <li>• Use of audit competency framework.</li> <li>• Joint working / shared resources with other LAs.</li> </ul>	Russell Banks Nick Bond

APR5	Failure to deliver the internal audit plan resulting in an inability to provide adequate assurance on the organisation's control environment.	<ul style="list-style-type: none"> <li>• Effective consultation and risk assessment during audit planning to focus on highest priority areas.</li> <li>• Appropriate coverage across organisation in audit plan – reference to Strategic Risk Register.</li> <li>• Flexible audit plan which is subject to amendment as new risks/issues arise.</li> <li>• See above.</li> </ul>	Duncan Savage Russell Banks Nick Bond
APR6	Ability to deliver internal audit plan and associated assurance with reduced resources.	<ul style="list-style-type: none"> <li>• See above.</li> <li>• Identification of non essential activities.</li> <li>• Increased use of alternative audit techniques inc. analytical review, interim audits, joint client reviews.</li> </ul>	Russell Banks
APR7	Reputational, legal and financial risk arising from failure to comply with EU, national or Council procurement regulations	<ul style="list-style-type: none"> <li>• Clear procurement framework incl. CSOs.</li> <li>• Cascade of info on new legislation via Procurement Steering Group.</li> <li>• Responsibility for compliance with departmental teams.</li> <li>• depts. refer to JRW/JC for advice/ decision.</li> <li>• Increased awareness through Professional &amp; Technical sessions.</li> </ul>	Jonathan Campbell
APR8	Reputational risk from failure to maintain the CAA UoR value for money score	<ul style="list-style-type: none"> <li>• Council's procurement strategy includes focus on efficiency.</li> <li>• Best Deal programme linked to IESE 3% cashable savings programme for Commodities.</li> <li>• Council has completed a major Spend Prioritisation exercise, linking sustainability to procurement as required under KLOE CAA &amp; OEP.</li> </ul>	Jonathan Campbell
APR9	Procurement efficiencies not delivered due to lack of capacity / lack of dept buy in to procurement priorities	<ul style="list-style-type: none"> <li>• Agreed savings target for CPT.</li> <li>• Use of invest to save / management capacity bids for professional skills training.</li> <li>• Monitoring via PSG.</li> <li>• SIP Shared services project.</li> <li>• Close liaison with IESE.</li> <li>• Close liaison with ESFOA.</li> <li>• Use of Serco Procurement Review</li> <li>• Use of Tribal Helm spend analysis report.</li> </ul>	Duncan Savage Jonathan Campbell Chris Andrews
APR10	EBP reaches capacity	<ul style="list-style-type: none"> <li>• P2P review to be carried out by Serco by end Dec 2009.</li> <li>• Suspension of EBP roll out.</li> <li>• Decision by end of Feb 2010 on EBP upgrade and P2P strategy.</li> </ul>	Duncan Savage Jonathan Campbell Chris Andrews

APR11	Expected benefits from investment in new technology not delivered	<ul style="list-style-type: none"> <li>• Departmental priorities agreed</li> <li>• Valid business case is in place prior to project inception.</li> </ul>	Ian Millican
APR12	ICT service delivery adversely affected during implementation of ITIL changeover	<ul style="list-style-type: none"> <li>• Targets reviewed and agreed.</li> <li>• Monitoring processes in place.</li> <li>• Communication processes to and from customers in place.</li> </ul>	Ian Millican
APR13	Council's reputation suffers and legal or financial penalty incurred through failure to comply with DPA / FOI	<ul style="list-style-type: none"> <li>• Corporate processes in place and followed for DPA / FOI incl. clear targets for turnaround.</li> <li>• Responsibility for co-ordination assigned to single officer but with back up for leave etc.</li> </ul>	Darren Elliott
APR14	Council's reputation suffers and legal or financial penalty incurred through failure to comply with Information Management standards	<ul style="list-style-type: none"> <li>• CRD led project in place to review info management security / standards and practice [this is data in transit, other work going on in ICT re: Gov Connect &amp; internal security].</li> <li>• Chaired by Deputy CX / DCR.</li> <li>• IG Manager 1 year secondment funded and recruited</li> </ul>	Ian Millican
APR15	Workforce skills not adequate to deliver CRD services / improvement agenda	<ul style="list-style-type: none"> <li>• Regular appraisals and 1-1s.</li> <li>• Identification and delivery of training needs via T&amp;D Plan.</li> <li>• Divisional structures reviewed to match business needs.</li> <li>• Focus on grow your own / professional development.</li> <li>• Development of apprenticeship scheme.</li> </ul>	Duncan Savage Darren Elliott
APR16	Impact on service and individual of failure to properly manage attendance	<ul style="list-style-type: none"> <li>• Clear corporate policy and approach.</li> <li>• Clear targets set.</li> <li>• Regular monitoring and reporting to managers / DMT.</li> <li>• Access to employee well being programme and other OH services.</li> </ul>	Duncan Savage Darren Elliott
APR17	Loss of service through failure to properly implement planned EBP upgrade for procurement stream	<ul style="list-style-type: none"> <li>• Project management approach to any implementation.</li> <li>• P2P review to be carried out by Serco by end Dec 2009.</li> <li>• Suspension of EBP roll out.</li> <li>• Decision by end of Feb 2010 on EBP upgrade and P2P strategy.</li> </ul>	Chris Andrews

## Property

No.	Risk	Mitigation actions	Officer
PR1	Insufficient skills to ensure generation of capital receipts, delivery of projects to time and budget and effective estates management	<ul style="list-style-type: none"> <li>Professional development training of Estates, Capital and Maintenance officers.</li> </ul>	
PR2	Insufficient quality of building contractors	<ul style="list-style-type: none"> <li>Development of framework agreements and collaborative working.</li> </ul>	
PR3	Insufficient quality of external consultants	<ul style="list-style-type: none"> <li>Renewed framework agreement with better definition of duties and separation of roles.</li> <li>Performance management of consultants and appointment based on quality assessment.</li> </ul>	
PR4	BSF Pathfinder proceeds badly, impacting negatively on reputation and model for mainstream	<ul style="list-style-type: none"> <li>Recruitment of suitable consultants and contractor.</li> <li>Effective project management.</li> </ul>	
PR5	Failure to deliver high profile projects impacts on reputation	<ul style="list-style-type: none"> <li>Strengthening of Capital Projects team and development with clients of sustainable delivery model.</li> </ul>	
PR6	Inclusion in capital programme of projects with unachievable timescales and/or insufficient budgets	<ul style="list-style-type: none"> <li>Greater level of feasibility work prior to CAPS bid.</li> </ul>	
PR7	Provider of outsourced FM services fails to deliver quality services	<ul style="list-style-type: none"> <li>Continuing use of structured performance assessment and management.</li> </ul>	
PR8	Security of corporate buildings compromised	<ul style="list-style-type: none"> <li>Recruitment of quality security provider and structured performance assessment and management.</li> </ul>	
PR9	Failure to grasp opportunity to	<ul style="list-style-type: none"> <li>Instigation of area based property reviews.</li> </ul>	

	improve service delivery through effective property asset management		
PR10	Failure to secure sufficient energy efficiency projects to satisfy external funder and meet CO <sup>2</sup> reduction targets	<ul style="list-style-type: none"> <li>Promotion of fund to schools and other facilities. Identification of projects for corporate accommodation.</li> </ul>	
PR11	Injury of staff on building site or on site visit	<ul style="list-style-type: none"> <li>Use of PPE. Staff required to complete site visit forms and telephone office from site.</li> </ul>	
PR12	Failure of schools to carry out devolved maintenance responsibilities	<ul style="list-style-type: none"> <li>Recruitment of compliance officer, provision of advice and agreement of maintenance plan.</li> </ul>	
PR13	Outbreak of Legionella, asbestos contamination or similar non-compliance	<ul style="list-style-type: none"> <li>Conduct asbestos surveys, implement actions in legionella management report and conduct term servicing.</li> </ul>	