

COUNTY COUNCIL MEETING – 18 MAY 2012

Statement from: Councillor K Smith, Executive Councilor for Finance and Human Resources

Local Government Resource Review – Retention of Business Rate Income/Localising Support for the Council Tax in England

I have previously alerted the Council to the fundamental changes to the funding regime for English local authorities due to be implemented in April 2013. In essence, formula grant will be replaced by a system of local retention of business rates whilst, at the same time, the Government will devolve funding for local support to those who cannot afford to meet their Council tax bills to local authorities. There is much detail yet to emerge on the nature and impact of both these proposals, and various Government consultation exercises on these are anticipated over the coming months. The nature of the changes mean that there will be undoubted benefit in working collectively with colleagues in the Lincolnshire district councils on these issues. Work in that regard has commenced at both member and officer level. We are all very much aware that Government funding for local government is likely to continue to decrease over the medium term and, in addition, these proposals are likely to introduce a significant year on year volatility into our funding base. Dealing with that will require retaining more flexibility in our financial standing than we have had in the past. Clearly, I will ensure members are kept up to date on developments in this area. We have already scheduled a finance briefing session for all members on 29 November to cover both the impact of these proposals and the general financial position of the Council prior to the formal budget process for 2013/14.

Appointment of a New External Auditor

I am able to update the Council on the appointment of a new external auditor to replace the District Audit Service (DAS) later this year. This change follows the present Government's decision in August 2010 to abolish the Audit Commission, of which the DAS is a major component. Prior to its abolition, the Commission has run a major procurement exercise to appoint external auditors to a range of public bodies. A total of 10 regional contracts have been awarded for England, with KPMG being awarded a five year contract for the East Midlands region starting formally on 1 September 2012. Existing local DAS staff will transfer to KPMG in due course. The audit of the 2011/12 financial statements will be undertaken by DAS in line with normal arrangements. At the end of this new contract the Council will be free to appoint its own external auditors in line with national guidance. Officers attended an initial liaison meeting with KPMG on 10 May.

Support to Local Businesses

A series of free workshops for local businesses, held in April and May across the county, offered top tips on winning public sector contracts. The workshops provided practical advice to help businesses to successfully bid for contracts worth up to £75,000, and should help to dispel the myth that dealing with the public sector inevitably means red-tape by showing businesses just how easy it is to bid for some of the Council's contracts. The County Council and District Councils in Lincolnshire spend around £750M a year on goods and services, and around half of that spend goes to local businesses. The workshops are part of a wider programme of work to encourage more local businesses to bid for public sector contracts which could further increase the amount of Council spend that goes to Lincolnshire businesses.

Customer Services

The Customer Service Centre (CSC) has received confirmation from the Customer Contact Association (CCA) that they have been successful in their reassessment to the CCA Global Standard v5.

This national accreditation has been achieved by the CSC since February 2009 and demonstrates their commitment to customer focus, performance and employee focus amongst other key criteria.

The assessor was particularly keen to highlight the positive customer feedback, the communication approach adopted across the centre, and the open style of management.

Information Management and Technology

Progress continues to manage information securely across the Council. Employees are currently working through mandatory Information Governance training. Specific support is also being designed for Members.

Our investment in improved technology is on track through the 'Next Generation Platform' programme. Updating end user technology (laptops and desktop computers) is ahead of plan. Several major software applications are under review to ensure that we receive the right service and value.

Contracts have now been signed to replace the Council's Wide Area Network that was procured through a regional consortium last year. The new contract will reduce costs by over £2M a year on a like-for-like basis for the Council and schools.

We will start to procure a private sector partner to deliver superfast broadband to the county during the summer. All match funding from district council partners is now in place.

People Management

Implementation of employee reductions from the 'core offer' budget are almost complete, and I can confirm that the required ongoing budget savings will be made.

At the end of March, we employed just under 4,580 full time equivalent staff. That is a reduction of 16% (845 fte) from January 2011 when we launched major consultations. The overall reduction since we started to manage vacancies tighter in response to the economic downturn in mid 2009 is 19.5% (1,115 fte).

As reported to previous Council meetings, diversity ratios have remained the same except for the fact that there has been a reduction in the proportion of female employees by just under 2% to 61.8%. There has been only one successful appeal against dismissal.

A new People Strategy is in development and will be considered by the Executive shortly. This will act as the framework for developing and managing our employees in the new public sector environment in which we are now working.

Performance and Programmes

Activities to deliver the changes set out in the Organisational Strategy agreed at February's Council meeting will be finalised in the next few weeks, and will be reported to Scrutiny Committees.