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As well as seeking to provide quality and efficient services, the Directorate aims to provide the strategic and co-ordinated leadership in financial management, property asset management and information and communication management over the short and medium term.

The Directorate's key role is to support departments, and to provide overall co-ordination, to ensure the effective management of resources across the Council

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1. Introduction

The Corporate Resources Directorate covers four separate Divisions. Three of those four divisions, namely: the Finance, Audit and Performance and the Property Division – comprise the responsibility of the Deputy Leader. The ICT Service division forms part of the portfolio responsibility of the Lead Member for Community Services.

All the Divisions are managed as one Directorate in terms of performance management and priority setting in particular.

The Directorate's key role is to ensure overall co-ordination and effective management of resources across the Council, but also to work with departments. Regarding the former of these, as well as seeking to provide quality and efficient services, the Directorate aims to provide the strategic and co-ordinated leadership in financial management, property asset management and information and communication management over the short and medium term.

The challenges going forward will be significant not least as a result of the worsening economic climate. The Directorate will need to live with the probability of a further cash freeze position over the next 4 years. At the same time, the Directorate 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. In particular ensuring core aims and core capacity is protected and that staff expertise is enhanced to increase efficiency.

In this context effective risk and performance management will be crucial as well as effective support and encouragement for all the staff in the Directorate.

While there are undoubted challenges in the future, the current assessment by the Audit Commission of '4 out of 4' for Use of Resources (which covers effectively all of CRD in some way or another as well as some other parts of the organisation) is a very strong achievement.

2. Strategic Direction (Policy Steers)

Finance

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.

- 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.
- 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.

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

The Finance division is very highly regarded within the County Council and externally. Over the last few years there have been a wide range of improvements, both to processes and outcomes, under the “Excellence in Financial Management” initiative.

In 2007/08 we achieved a score of 4 out of 4 in the Use of Resources assessment within the Comprehensive Performance Assessment. This is the first time we have achieved this score and it recognises the high performance in resources management across the County Council. In total 8 other County Councils out of 37 achieved this score. The move to the new Comprehensive Area Assessment will include major changes to the criteria of this test.

Many areas of the Divisions work 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 - Capital Programme	Variance Outturn to Base Budget	%	Low	N/A		22.75%	21.77%		G
	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

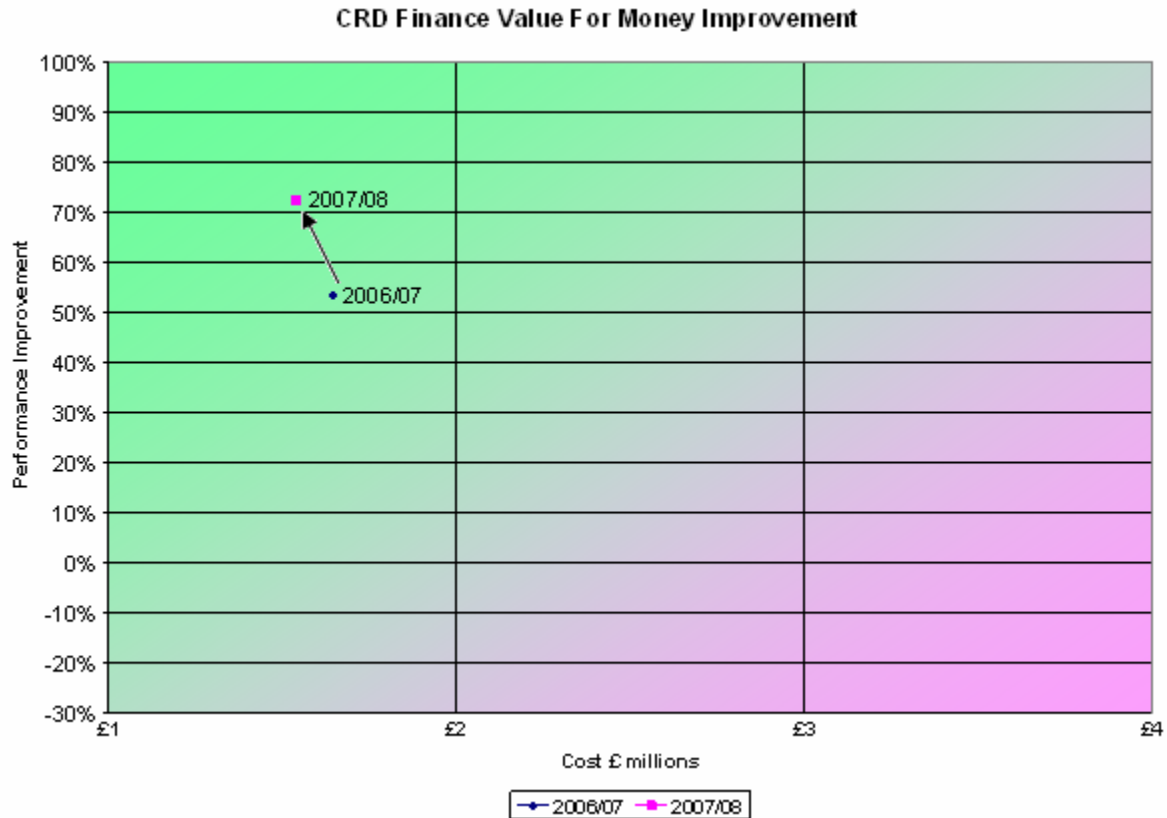
<u>Summary for Performance Indicators</u>	Categories	2006/07	2007/08	Percentage Yr 1 to Yr2	Percentage Yr 2 to Yr3
	Number of Indicators - Red - Worsened	3	4	16%	12%

	Number of Indicators - Green - Improved	10	23	53%	72%
	Number of Indicators - Amber - Static	6	5	31%	16%

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 the Division's staff and the previous table shows how the proportion of professionally qualified staff has been increased. Over the same period, the employee costs of the Finance Division have reduced each year as savings have been made and the staffing structure reorganised.



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 2007/08 including:

- East Sussex Financial Briefing booklet produced for Members, MPs, Town and Parish Councils and other interested parties (May 2007).
- City and Guilds training scheme introduced for all finance staff currently without a formal finance qualification.
- Revised Budget Managers Guidance Manual launched with associated training.

- Further enhancements to budget monitoring reports to COMT and Cabinet (e.g. movements in variance analysis).
- “Getting the Most from Income” project completed and new Income Generation and Charging Policy adopted by Cabinet.
- Further targeted improvements in debt collection achieved including collection by direct debit, and credit and debit card by telephone.
- Annual Governance statement (and Statement of Internal Control) included in Statement of Accounts.
- Revised Risk Management Strategy adopted including new risk escalation processes and associated training delivered, including Members.
- Review of highways claims carried out – resulting improvement plan for implementation during 2008/09.

Developments affecting our service delivery include proposed changes to the accounting framework and reporting standards, potential introduction of Sustainability accounting requirements and changes to the timescales in legal actions.

Audit and Performance

Where are we now?

Internal audit is well regarded both internally and externally. In 2007/08 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. 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 has been maintained at just over 22% (maximum 30%) for the last 3 years. This has resulted in the Council having the 2nd lowest core audit fees for any county council in 2007/08. Customer feedback has exceeded our target of 80% for the last 3 years and both Cabinet and Audit and Best Value Scrutiny Committee have confirmed that internal audit arrangements are effective.

During 2008, 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 a 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.

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 is leading a regional project on sustainable procurement and the Council has approved its own Sustainable Procurement Policy. There is good collaboration with other councils through the Sussex Procurement Group and the Sussex "Best Deals" Programme. The Council is leading a project to examine the potential for shared procurement services on behalf of the Sussex Improvement Partnership.

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. By working closely with departments, levels of retrospective orders have been reduced from over 26.7% (06/07) to 18.3% (07/08) and the percentage of order raised using corporate catalogues on EBP rose to 30% in 2007/08. Savings from corporate contracts have exceeded £200,000 in each of the last 3 years.

The department's ICT requirements are well managed via the corporate SLA, adequate provision continues to be made for PC refresh programme and compliance with DPA and FOI requirements remains high.

We are working with ICT and the other divisions to establish a prioritised 3-5 year development programme in line with the department's needs and the developing corporate ICT strategy.

The department has achieved a significant improvement in its attendance management – absences peaked at 11.57 days per fte in 2004/05 and have been steadily improved since, falling to 5.16 days per fte in 2007/08.

Property

In support of major capital projects, we have:

- Completed Rye and Tideway is due on 5 Feb;
- completed the of acquisition of land at North Quay, Newhaven; and
- acquired Moorhurst, Westfield for the Agewell project

Other capital projects work has included the successful handover to agreed timescale of the new Wivelsfield primary school, refurbished Marshlands School, Hailsham and new White House school, Hailsham. We have also completed Phase 2 of Children's centres well within Government deadline.

We have seen an improving trend for delivery of capital projects with +/- 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%

Performance for delivery of capital projects within 5% of timescales has not improved to the same extent:

Year	All projects over £50k	Target
2004/05	83.3%	73%
2005/06	69.6%	80%
2006/07	81%	77%
2007/08	55%	78%

Analysis of the 20 projects in the sample reveal that there was no adverse impact on service delivery. In fact, 2 of the projects only failed to hit the 5% target by a very small margin (figures were 5.39% and 6.46% respectively). Furthermore, 3 projects were completed well within Government funding deadlines but suffered slight slippage due to either poor contractor performance or adverse ground conditions.

Nevertheless a series of actions are planned to address the difficulties we encountered last year including:

- 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 2 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.
- re-tender for 2011 the list of Approved Contractors.
- review during 2010/11 the framework agreements for planned maintenance and design consultancy services
- secure a contract procurement and cost management resource for the capital and maintenance projects teams
- direct resources towards post project reviews

During the last year we have achieved over £7 million capital receipts from disposals against a target of £0.75 million and vacated 5 office buildings during phased implementation of office accommodation strategy. 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.

Disposal of surplus property		
Year	Target value of disposals	Actual
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

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

Office space m ² per employee	
Year	Net Internal Area
2003/04	8.67
2004/05	8.56
2005/06	8.65
2006/07	9.33
2007/08	9.26
2008/09	8.31

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

We also exceeded our target of buildings accessible to users with a disability (an outturn of 61% against a target of 60%). The development of more efficient office accommodation will continue throughout 2008/09 with a need to be a focus on staff development and succession planning.

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

Ratio of planned/responsive maintenance spend (target of planned = 70%)		
Year	Planned	Responsive
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%

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

Since our carbon footprint baseline was established in 2001/02, we have achieved a reduction of 19.7% through our Carbon Management Action Plan. Target was 14% reduction by 2009/10 so target exceeded early.

ESCC Carbon Footprint		
Year	Tonnes CO ₂	% 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

However, we will not be complacent and the Sustainability agenda continues to develop an ever higher profile with additional emphasis being places 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 draft Sustainable Buildings Brief will need to be rolled out to consultants and contractors together with other stakeholders.

Key drivers

Finance

There are a number of key drivers going forward including:

- The “Excellence” agenda and ensuring specialist support, advice and challenge for the increasing number of complex projects.

- Continuing financial pressures and an ongoing requirement for efficiency savings.
- Successful delivery of the Capital Programme.
- The change from Comprehensive Performance Assessment (CPA) to Comprehensive Area Assessment (CAA) including major changes to the use of resources test.
- The move to significant funding via the Area Based Grants mechanism.
- Proposed changes to the accounting framework and reporting standards.
- The aim to produce audited accounts earlier each year.
- The CBOSS SAP system development and a decision on whether to extend the existing contract beyond 2011.
- Regulatory and statutory changes including the new local government pension scheme.
- Potential introduction of Sustainability accounting requirements.
- Existing contracts ending and new tenders.
- The need to further embed risk management and reduce the number of claims against the council particularly for issues relating to Highways.

Much of our work is the vital 'day to day' management of financial systems and processes and the performance of our main contracting partner Serco, together with the 'routine' activities of Treasury Management, Insurance and the Pension fund. Good governance, high standards and effective control are critical. These functions form the foundations of the whole Council's finance and cannot be neglected – they will never be high profile unless something goes wrong!

Audit and Performance

Changing expectations of internal audit:

External:

- Development of CAA and Use of Resources assessment, revised CIPFA / SOLACE guidance on governance, CIPFA guidance on audit committees and fraud and corruption; external audit & international standards for auditing, Financial Management in Schools, LAA requirements; new Code of Practice for Internal Audit.

Internal:

- Dealing with the control / risk implications of new services / systems / developments, and balancing this with the need to provide an overall assurance, continued expansion of partnership working.

- Continuing to support development of ESCC risk management arrangements and place further reliance on this as part of audit planning.
- Impact of restructure and development of specialisms.
- Changes in working practices and audit approach, in particular, reviewing reporting arrangements.
- Recruiting, retaining and developing sufficient skilled and qualified internal audit staff to meet changing expectations.
- Potential for further increase in investigation work in light of improved anti fraud and corruption arrangements and increased publicity.
- Financial Management Standards in Schools and development of new Schools Audit Strategy.

Procurement:

- Procurement Strategy focused on fit for purpose, efficient and sustainable procurement;
- External expectations e.g. development of shared services for Procurement, CAA incl use of resources / value for money assessment, higher efficiency savings expectations under CSR07 and sustainability priorities;
- Need to fully exploit existing and potential e-procurement systems;
- Increased demand / expectation on limited resources within the Corporate Procurement Team.

E-business and Performance:

- Maximise the return on the infrastructure development by looking at information and service delivery options to streamline processes:
 - delivery via web, intranet & czone;
 - development of 3-5 year development programme
 - self-service for customers, staff & partners.
- Use ICT resources more efficiently to drive down costs and improve service productivity, quality and availability:
 - corporate projects, Flexible Working, NGN, EDRM, CRM;.
 - Options for refreshing departmental hardware.
- Improve the flexibility of service planning and delivery to match the reality of demand and constraint;
- Improve our reputation with our customers and to improve our consistency and professionalism:

- key line of business systems;
- customer care standards.
- Meet external expectations/assessments:
 - Corporate Assessment / developing CAA regime;
 - liP;
 - Equalities Standard.
- Maintain low sickness absence to meet departmental target / minimise business impact / cost.
- Maximise effectiveness of training and development investment / improve skills and capacity through Training and Development plan.
- Continue to provide effective and flexible secretarial support.

Property

External

- Availability of significant funding streams for the transformation of all secondary schools and half of the primary schools and other factors which will substantially 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 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 trusts.
- The need for better customer service, particularly concerning reactive maintenance.

Internal

- The need to build capacity in key areas such as the capital projects and maintenance teams

- 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 release 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 section D for more details of content)

4. Our customers' views

Finance

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.

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.

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.

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:

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

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.

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.

Specific consultation held with Finance Management Team as part of improved reporting initiative.

Positive feedback received from Audit & Best Value Scrutiny Committee following

last review of effectiveness.

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

Procurement:

The Council's Procurement Strategy and Improvement Plan which forms the basis of the 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. Work is in progress to develop a customer satisfaction survey so we can improve our feedback mechanisms.

E-business and Performance:

CRD DMT are the 'customers' for the E-Business & Performance team and there is and will be 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.
- Consultation with CRD customers and staff to establish customer care standards that are realistic and consistent.
- Consultation with staff in workshops and service area meetings (i.e. PSG) on the Intranet information architecture (IA) and content. Ongoing customer consultation and feedback on IA and content to continuously improve.

Property

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

Customer satisfaction Capital Projects average quality of service and product					
Year	ESCC	(Service)	(Product)	All councils COPROP average	Target
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%

Customer satisfaction Building Maintenance				
Survey date	Score for service	ESCC totals (less consultants scores)	All councils COPROP average (less consultants scores)	Local target for improvement
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%

Customer satisfaction Estates			
Year	ESCC	All councils COPROP average	Local target for improvement
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%

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.

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%

Average scores for the quality of the finished product are:

End User average	Client average
90%	90%

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:

- Internal finishes to one of the early children’s centres did not enable fullest exploitation of wall space for learning activities. The specification was changed on subsequent projects.
- Inadequate communication by one of the internal Project Officers during one project. The officer has been reminded of the importance of good and timely communication and the line manager has provided increased support and supervision of this aspect of work.
- There is a trend for lower satisfaction levels for the way that defects and snags are dealt with. A workshop has been held with all consultants to stress the need to manage these issues as the job progresses and to remind them of the need for a heightened focus on this aspect in the run-up to handover. In addition where projects are being procured using collaborative working as part of the selection process contractors have been required to detail their approach and methods in managing this aspect.
- Where appropriate lessons learnt have been taken into account in the drafting of the revised specification for design, cost control and project management consultancy services which will be tendered later this year.
- A key area of focus going forward will be better management to avoid snags and defects and better advice to building users.

However customer feedback and other concerns has 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
Initial views were canvassed early in 2008/09 and consultation on a new structure commenced on XX
- 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.

5. 2012/13 – Where we aim to be

Finance

As a division of CRD, and as a key function of all departments we are trying to achieve “Excellence in Financial Management”. We are trying to be a model of best practice working to the highest professional standards to help the Council achieve its objectives.

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:

- The current restructuring of CRD Finance will have been completed resulting in more qualified accountants and a significant reduction in the risk caused by “single person specialist” posts.
- The division will have 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.
- 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 Division continues to be held in high regard.

Audit and Performance

Internal Audit:

To continue to provide assurance on Council’s control framework that meets changing statutory requirements and internal / external expectations, from the same or less resources, we will need to:

- continue to develop a closer link to Council’s own risk assessment, and greater focus on corporate rather than departmental risks / systems;

- develop the role of specialist auditors to continue to improve the quality of the audit product;
- improve the efficiency of our audit processes – improve the provision of information and advice to the client via the intranet, review funding and resourcing arrangements, wider use of control self assessment and risk workshops, remove non chargeable activities that don't add value;
- continue to review our position in the light of benchmarking against other authorities.

Procurement:

Our overall aim is to achieve fit for purpose, efficient and sustainable procurement across the council - the key changes we need to make are aligned with the 5 supporting themes of the Procurement Strategy Action Plan as follows:

- Effective supplier and contract management
- Effective market management
- Suitable procurement strategy and tactics
- High quality skills and training
- Clear policy framework

E-business and Performance:

The overall aspiration is for our customers, staff, partners and contractors to be able to access information and services for themselves wherever and whenever they need.

To achieve this and make best use of our assets/resources we will need to:

- Ensure the default for the provision of information is to publish electronically and deliver via web technology with particular emphasis on the intranet;
- Further develop the use of web front-end delivery linked to improved LOB systems to automate customer delivery processes where possible;
- Implement web-based on-line collaboration to facilitate more efficient information sharing and group working wherever possible for employees and partners;
- Improve responsiveness and quality by using performance management information derived from use of web delivery and LOB systems and customer feedback;
- Improve security and resilience of service delivery particularly around the use of sensitive and confidential data.

In terms of our human resources we will:

Work closely with PAT to improve the value that their services add, especially through professional support for managers.

Continue to develop our performance management arrangements with particular focus on:

- Proactive / supportive management of attendance and lower / sustainable levels of sickness absence;
- Supporting the enhancement of skills / capacity through effective use and evaluation of training and development resources.

Property

Construction & Maintenance

- Use of Sussex-wide framework for contractors, with ESCC seen as a sub-regional resource.
- Collaborative working, standardised solutions, off-site and modular working mainstreamed.
- Better delivery to time and cost.
- Energy purchasing at steady state and time freed up to develop service and carbon management measures.
- BSF pilot complete and engagement with mainstream BSF.
- Sustainable building solutions routinely implemented
- Schools routinely performing their devolved maintenance responsibilities
- Clear definition of roles between departments.

Policy, Performance & Asset Management

- Area property reviews integrated into service planning.
- BLISS giving better information to enable improved maintenance service
- Identification of opportunities for dynamic management of the property estate and for disposal of surplus property.

Estates

- Proactive advice given to enable property solutions to help improve service delivery.
- Longer term focus on the property portfolio, to anticipate change.

Corporate Accommodation

- Best use of office accommodation including flexible working.

- Well managed buildings.

General

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

6. Budget and key targets for the next three years

Current Staffing levels

	Finance	Audit & Performance	Property
ESCC Employees (payroll)	41	33	60
Contractors / Agency (non Payroll)	0	0	13

Information to be provided after the January Cabinet meeting

CRD Budget Plans 2009/10 to 2012/13 (detail for each portfolio will be disaggregated prior to January Cabinet Report)

	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s
Cash limit (net budget) (Includes allowed cash increase of)	10,534 164	10,555 21	10,576 21	10,454 21
Total spending pressures to be funded	445	590	570	325
Efficiency savings	-54	-69	-60	-60
Other savings	-227	-500	-489	-244
Total savings	-281	-569	-549	-304
Cash change (allowed increase)	164	21	21	21

The Directorate has been working to the existing four year allocation (of which 2009/10 is the last year) in the knowledge of a cash freeze save for excess inflation allocations for Building Maintenance. Our approach has been focussed completely on maximising efficiencies and income so as to protect the core service offers. That has involved and will involve again next year, some team

restructuring to achieve the savings. At the same time we have sought to improve our services and manage risk by raising skills, training and specialist knowledge. This minimises the impact of savings in terms of the overall service offer.

The main spending pressures to be funded within the budget plan relate to inflation, including excess inflation for building maintenance and across property functions more generally e.g. utilities costs.

We have also identified a range of other demands on services that will need to be addressed in the medium term:

- Expansion of the capital programme to incorporate initiatives such as the Primary Capital Programme, Building Schools for the Future, Academies and 14-19 funding;
- An imbalance of capacity within some teams in the Property Division, with rising demands in particular on the Maintenance and Capital in terms of high profile projects with a high immediate impact on services;
- Growth in use of both existing and new ICT services e.g. GPRS devices, websense licenses, remote access, central file storage;
- Impact of developments in Information Security Management, including the requirements for joining Government Connect;
- More complex and innovative projects which require high level professional advice and support.

The main areas that we are focussing on to deliver the required savings for 2009/10 are:

Building maintenance - the maintenance backlog has reduced for the first time in 2008/09 due to investment in new facilities and our planned maintenance programme. Should ESCC successfully engage with the Primary Capital Programme and Building Schools for the Future, as well as succeed with bids to build a new archives centre and secure unit the backlog will reduce significantly. Consequently savings of £127,000 are being prioritised within the Building maintenance budget – whilst this is viewed as a medium risk it is preferable to other alternative option i.e. reductions in already hard pressed core capacity, and can also be mitigated by improved procurement.

ICT – negotiations with departments over the shape of the SLA have started and will continue into 2009/10. In tandem with a range of productivity and efficiency gains across the Division, this will deliver additional income of £100,000

The balance of the savings consists of efficiencies flowing from the Finance and Internal Audit restructures and a number of smaller scale efficiencies across the directorate. Savings from CRD managed contracts e.g. telecoms and insurance have also benefited all departments. A detailed analysis of planned savings is included at Appendix A.

In addition capital bids have been submitted for funding for capacity to support expected pressures from the developments in information security management.

Other proposals under investigation include:

- Use of consortia to purchase energy;
- Installation of advanced meter reading;
- Property Improvement Project to balance resource requirements;
- Review of model for delivery of capital projects;
- Continuous improvement and savings requirement from Kier contract;
- Further reviews of office and other accommodation;
- Use of contractor and consultant frameworks to generate build cost and time efficiencies;
- Audit of NNDR payments and appeals of individual assessments;
- Gradual reduction in the use of ICT contracting staff and replacement with lower cost permanent posts;
- Consolidation of servers, known as Virtualisation, should reduce the cost of energy to power the data centre.

Workforce Planning

Finance

We have adopted a strategy of recruiting trainee accountants and developing them. This has worked well and we hope to continue this scheme.

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

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

Recruitment and retention of suitably skilled and qualified staff has been an ongoing issue over recent years, particularly within internal audit, although our most recent recruitment appears to have been successful in filling a number of longer term vacancies. This will, however, continue to be a key issue over the medium term as developing the skills of our staff across all of our services is essential if we are to deliver our vision for 2009/10.

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

Property has in recent years suffered problems in recruitment and retention of staff with key skills where the private sector were 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 applicants are of the right quality.

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

The Corporate Accommodation Consultant's contract 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.

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

Budgets

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

	Finance	Risk Management	CBOSS Contract	Pension Fund Administration	Management & Support	Total Amount	Total (%)
	£'000	£'000	£'000	£'000	£'000	£'000	
Expenditure							
Employees	1091.66	167.60	372.00	0.00	217.90	1849.16	14.77%
Premises	0.00	831.90	0.00	0.00	13.60	845.5	6.75%
Transport	5.40	188.80	1.00	1.00	2.60	198.8	1.59%
Supplies and Services	42.30	2557.90	3369.00	542.00	233.40	6744.6	53.88%
Support Service Recharges (Exp)	495.50	2.00	118.90	1195.30	365.02	2176.715	17.39%
Capital Financing Costs	0.00	0.00	703.00	0.00	0.00	703	5.62%
Gross Expenditure Total	1,634.86	3,748.20	4,563.90	1,738.30	832.52	12517.775	100%

	Finance	Risk Management	CBOSS Contract	Pension Fund Administration	Management & Support	Total Amount	Total (%)
	£'000	£'000	£'000	£'000	£'000	£'000	
Income							
Other Grants and Contributions	(58.80)	0.00	(114.40)	(1,738.30)	(16.30)	(1,927.80)	18.21%
Customer and Client Receipts	(184.23)	(25.70)	0.00	0.00	(13.60)	(223.53)	2.11%
Support Service Recharges (Inc)	(995.00)	(3,554.00)	(3,184.00)	0.00	(702.60)	(8,435.60)	79.68%
Income Total	(1,238.03)	(3,579.70)	(3,298.40)	(1,738.30)	(732.50)	(10,586.93)	100%
Net Expenditure Total	396.84	168.50	1,265.50	0.00	100.02	1930.85	

Audit and Performance – Budget summary for 2008/09 (based on November 2008 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 (%)
Expenditure									
Employees	0.00	167.20	631.70	232.30	77.50	118.20	95.30	1322.2	57.71%
Transport	0.00	0.00	2.70	0.60	0.00	0.00	0.00	3.3	0.14%
Supplies & Services	280.30	37.00	48.30	3.20	0.00	0.00	0.00	368.8	16.10%
Support Service Recharges (Exp)	21.20	164.40	148.70	53.70	158.10	10.80	40.10	597	26.06%
Gross Expenditure Total	301.50	368.60	831.40	289.80	235.60	129.00	135.40	2,291.30	100%

	External Audit	E-Business and Performance	Internal Audit	Procurement	CRD Training	CRD Secretarial	Management and Support	Total	Total (%)
Income	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	
Other Grants and Contributions	0.00	0.00	(19.70)	0.00	0.00	0.00	0.00	(19.70)	1.84%
Customer and Client Receipts	0.00	0.00	(37.50)	(35.10)	0.00	0.00	0.00	(72.60)	6.77%
Support Service Recharges (Inc)	(67.70)	(368.60)	(105.50)	(73.50)	(235.60)	(129.00)	0.00	(979.90)	91.39 %
Income Total	(67.70)	(368.60)	(162.70)	(108.60)	(235.60)	(129.00)	0.00	(1,072.2)	100%
Net Expenditure Total	233.80	0.00	668.70	181.20	0.00	0.00	135.40	1,219.10	

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 (%)
Expenditure									
Employees	174.3	0	480.4	232.9	0	1292.5	174.8	2354.9	17.29%
Premises	3272.2	0	29.5	0	4125.7	0	0	7427.4	54.54%
Transport	1.7	0	1.8	0.9	0	16.6	1.5	22.5	0.17%
Supplies and Services	298.5	699	195.6	21.8	333.8	45	168.1	1761.8	12.94%
Support Service Recharges (Exp)	577.6	0	219.9	18.8	539	76.4	177.4	1609.1	11.82%
Capital Financing Costs	376	0	67	0	0	0	0	443	3.25%
Gross Expenditure Total	4,700.30	699.00	994.20	274.40	4,998.50	1,430.50	521.80	13,618.70	100%

	Corporate Offices	Delivery Services	Estates	Policy & Performance	Buildings Maintenance	Construction & Maintenance	Management and Support	Total	Total (%)
Income	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Customer and Client Receipts	(589.80)	(35.20)	(194.80)	0.00	(5.90)	(166.80)	(0.20)	(992.7)	11.45 %
Support Service Recharges (Inc)	(4,478.50)	(667.70)	(514.50)	0.00	(360.50)	(1,649.70)	(3.10)	(7,674)	88.55 %
Income Total	(5,068.30)	(702.90)	(709.30)	0.00	(366.40)	(1,816.50)	(3.30)	(8,666.7)	100%
Net Expenditure Total	(368.00)	(3.90)	284.90	274.40	4,632.10	(386.00)	518.50	4,952.00	

Key targets for the next three years

Policy Steer: • Deliver the lowest level of council tax consistent with the Council's core priorities in line with the Council's policy steers								
CRD Ref.	What we will do	Performance Measure	Council Plan Measure	Contact	Risk no.	Target 2009/10	Target 2010/11	Target 2011/12
	Use Medium Term Financial Planning and the process of Reconciling Policy & resources to deliver Council Tax targets	Delivery of target Council Tax rise	*	Richard Hemsley		3.5%	tbc	tbc
		Core services delivered within agreed budgets	*	Richard Hemsley		Achieved	Achieved	Achieved

- **Policy Steer:**
 - 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

CRD Ref.	What we will do	Performance Measure	Council Plan	Contact	Risk no.	Target 2009/10	Target 2010/11	Target 2011/12
	Continue the pursuit of excellence in financial management based round an improvement plan and targeted increases in elements of CPA Use of Resources score whilst at least maintaining overall 3 / 4	Targeted CPA score for Use of Resources achieved	*	Richard Hemsley		To be determined once new CAA arrangements are clear	To be determined once new CAA arrangements are clear	To be determined once new CAA arrangements are clear
		Invoices paid within agreed terms (BVPI 8)	*	Janyce Danielczyk		93%	94%	
		Unqualified audit opinion on the annual Statement of Accounts	*	Ola Owalabi		Achieved	Achieved	Achieved

- **Policy Steer:**
 - 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

CRD Ref.	What we will do	Performance Measure	Council Plan	Contact	Risk no.	Target 2009/10	Target 2010/11	Target 2011/12
		Final revenue outturn for each department within tolerances of their budget allocation	*	Ola Owalabi		+1 / - 2.5%	+1 / - 2.5%	+1 / - 2.5%
		Final Capital outturn for each department compared to mid term review		Rachel Hopkinson		+5 / - 5%	+5 / - 5%	+5 / - 5%
		Completion of statutory returns within deadlines		Ola Owalabi		100%	100%	100%

Policy Steer: • Maintain and improve high standards of governance, internal control and risk management

CRD Ref.	What we will do	Performance Measure	Council Plan Measure	Contact	Risk no.	Target 2009/10	Target 2010/11	Target 2011/12
		Maintain CPA risk management score at least at 3/4	*	Rawdon Philips		To be determined once new CAA arrangements are clear	To be determined once new CAA arrangements are clear	To be determined once new CAA arrangements are clear
	Maintain our rating for internal control within the CPA at least at 3/4	Maintain CPA internal control score at least at 3/4	*	Duncan Savage		To be determined once new CAA arrangements are clear	To be determined once new CAA arrangements are clear	To be determined once new CAA arrangements are clear
	Maintain external audit reliance on the work of internal audit	Maintain the 'positive' opinion received in 2007/08 on internal audit from external audit in the annual audit & inspection report	*	Duncan Savage		Achieved	Achieved	Achieved

Policy Steer: •Manage risk and uncertainties in future resourcing through realistic planning and maximising lobbying and influencing opportunities for a fairer grant settlement for ESCC.

CRD Ref.	What we will do	Performance Measure	Council Plan Measure	Contact	Risk no.	Target 2009/10	Target 2010/11	Target 2011/12
		Ongoing improvements to the Reconciling Policy & Resources process with annual timetable introduced				Achieved	Achieved	Achieved

Policy Steer: • Drive (in partnership with others) improvements in efficiency, productivity and procurement to maximise value for money								
CRD Ref.	What we will do	Performance Measure	Council Plan Measure	Contact	Risk no.	Target 2009/10	Target 2010/11	Target 2011/12
		Efficiency targets achieved for the whole Council and progress regularly reported	*	Steve Potts		Achieved	Achieved	Achieved
		Deliver the targets for improvement set out in the Council's Procurement Strategy	*	Duncan Savage		achieved	Revised Strategy in place for 2010/13	Revised Strategy in place for 2010/13
		New corporate arrangements for agency staff in place and targeted savings achieved	*	Duncan Savage		achieved	n/a	n/a
		Sustainable Procurement Policy and action plan in place **	*	Jonathan Campbell		n/a	n/a	
		new target re delivering outcomes from sustainable procurement work	*			tbc		

** This performance measure also feeds into the following Strategic Management Policy Steer;
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.

Policy Steer:

- 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

CRD Ref.	What we will do	Performance Measure	Council Plan Measure	Contact	Risk no.	Target 2009/10	Target 2010/11	Target 2011/12
	Realign existing capital investment with need.	Achieve disposals targets in line with the Council's Asset Management Plan.	*	John Morris		£0.5m	£1.5m	
	Implement our office accommodation strategy	Reduction in number of buildings occupied	*	David Church		-2	-1	
	Increase the number of buildings accessible by people with a disability	The percentage of public buildings accessible to people with mobility disabilities.	*	Alex Sava		60%	62%	

Policy Steer:

- 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

CRD Ref.	What we will do	Performance Measure	Council Plan Measure	Contact	Risk no.	Target 2009/10	Target 2010/11	Target 2011/12
	Reduce CO ² emissions	Annual reduction of carbon emission by 0.5% each year in line with the Council's Carbon Plan targets **	*	Alex Sava		-14%	-19%	
		Reduction in per capita CO ₂ emissions in the local authority area.	*	Alex Sava		6% reduction (6.1 tonnes per capita)	10% reduction (5.9 tonnes per capita)	
	Better delivery of capital projects	Percentage of capital building projects completed within +/-5% of agreed timescale	*	Rex Heasman		80%	85%	

** This performance measure also feeds into the following Strategic Management Policy Steer;

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.

7. Key risks and how we will manage them

Finance

Number	Risk	Mitigation
FR-1	The reputation of the council suffers as a result of a poor audit report and / or CPA score, due to errors and missed deadlines.	
FR-2	Loss of indirect financial freedoms resulting from a poor CPA UoR score. Expectation of closer scrutiny from external auditors.	
FR-3	Loss of external income from Fire Authority and schools requiring additional savings to be made.	
FR-4	Lack of internal SAP knowledge and single person specialisms acting as a limit on service development.	
FR-5	Financial and reputational loss due to inadequate governance and financial controls in relationship to Partnership working and major projects.	

Number	Risk	Mitigation
FR-6	Failure to successfully implement the SAP upgrade, meaning a missed opportunity to improve the service, resulting in the increased likelihood of loss of service or service interruption.	
FR-7	Failure to provide sound budgetary management / guidance resulting in lack of budgetary control and reputational loss for CRD Finance.	
FR-8	Loss of reputation due to poor implementation of new Local Government Pension scheme.	
FR-9 (Esc.)	Inability to recover VAT in full should 5% de minimus limit be exceeded.	
FR-10 (Esc)	Inability to maintain service standards in relation to Third Party claims handling with reference to the new MoJ Pre Action Protocol time table.	

Audit and Performance

Number	Risk	Mitigation
APR1	Council's reputation suffers as result of critical external audit report and / or poor CPA UoR score due to failure to provide adequate internal audit service	<ul style="list-style-type: none"> • Regular review of internal audit resources; • Robust training and development for IA staff • Use of agency staff • Quality standards for IA work and strong performance management regime • Regular review of compliance with Code of Practice. • Regular risk based review of the audit plan • Restructure of internal audit function with focus on specialist skills
APR2	Increase in external audit fee if Audit Commission / PKF cannot rely on internal audit service, taking in account an expanded programme of fundamental accounting system reviews.	<ul style="list-style-type: none"> • See above. • Ongoing an regular liaison with external auditors. • Strong feedback mechanisms following external audit review of FAS work. • Action plans for any issues arising. • External audit protocol. • Agreed programme of FAS reviews, including use of interim reviews.
APR3	Loss of external income from internal audit contracts / FMSiS external assessments leading to compensating savings being needed.	<ul style="list-style-type: none"> • Ensure quality of service maintained – see above. • Effective audit management of external contract activity and client liaison. • Use of flexible staffing options – e.g. fixed term contracts, agency staff. • Regular review of resources. • Close working with CS Finance to ensure prompt completion of FMSiS self assessments.
APR4	Lack of sufficient suitably skilled internal audit resources limits ability to deliver / develop service	<ul style="list-style-type: none"> • Investment in training and development for audit staff. • Support for professional training. • CPD for IA staff. • Development of specialist roles following 2008 restructure. • Staff rotation. • Use of audit competency framework. • Joint working / shared resources with other LAs.

Number	Risk	Mitigation
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"> • Effective consultation and risk assessment during audit planning to focus on highest priority areas. • Appropriate coverage across organisation in audit plan. • Flexible audit plan which is subject to amendment as new risks/issues arise. • See above.
APR6	Loss of internal and external procurement income leading to compensating savings being needed.	<ul style="list-style-type: none"> • Increase income from other retrospective rebates • Retain % of savings on corporate contracts re-lets • Charge for work outside of SLA
APR7	Reputational, legal and financial risk arising from failure to comply with EU, national or Council procurement regulations	<ul style="list-style-type: none"> • Clear procurement framework incl. CSOs • Cascade of info on new legislation via Procurement Steering Group. • Responsibility for compliance with deptl teams • depts refer to JRW/JC for advice/ decision • Increased awareness through lunchtime sessions
APR8	Reputational risk from failure to maintain CPA UoR value for money score	<ul style="list-style-type: none"> • Council's procurement strategy includes focus on efficiency • Best Deal programme linked to IESE 3% cashable savings programme for Commodities
APR9	Procurement efficiencies not delivered due to lack of capacity / lack of dept buy in to procurement priorities	<ul style="list-style-type: none"> • Agreed savings target for CPT • Use of invest to save / management capacity bids • Monitoring via PSG • SIP Shared services project • Close liaison with IESE
APR10	Reputational risk and service impact of failure to successfully implement new agency staffing contract	<ul style="list-style-type: none"> • Proper project management arrangements being developed • Implementation Manager in place • Delay to implementation phase agreed with Comensura • Discussions with CRD Finance to secure input from SAP stream leaders.
APR11	Expected benefits from investment in new technology not delivered	<ul style="list-style-type: none"> • Departmental priorities agreed • realistic business case is in place prior to project in accordance with the corporate proc.

Number	Risk	Mitigation
APR12	Council's reputation suffers and legal or financial penalty incurred through failure to comply with DPA / FOI	<ul style="list-style-type: none"> • Corporate processes in place and followed for DPA / FOI incl. clear targets for turnaround • Responsibility for co-ordination assigned to single officer but with back up for leave etc
APR13	Council's reputation suffers and legal or financial penalty incurred through failure to comply with Information Management standards	<ul style="list-style-type: none"> • 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 & internal security] • Chaired by Deputy CX / DCR • Funding bid for technical solution submitted to CAPS
APR14	Workforce skills not adequate to deliver CRD services / improvement agenda	<ul style="list-style-type: none"> • Regular appraisals and 1-1s • Identification and delivery of training needs via T&D Plan • Divisional structures reviewed to match business needs • Focus on grow your own / professional development • Development of apprenticeship scheme
APR15	Impact on service and individual of failure to properly manage attendance	<ul style="list-style-type: none"> • Clear corporate policy and approach • Clear targets set • Regular monitoring and reporting to managers / DMT • Access to employee well being programme and other OH services

Property

Number	Risk	Mitigation
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"> Professional development training of Estates, Capital and Maintenance officers
PR2	Insufficient quality of building contractors	<ul style="list-style-type: none"> Development of framework agreements and collaborative working
PR3	Insufficient quality of external consultants	<ul style="list-style-type: none"> Renewed framework agreement with better definition of duties and separation of roles Performance management of consultants and appointment based on quality assessment
PR4	BSF Pathfinder proceeds badly, impacting negatively on reputation and model for mainstream	<ul style="list-style-type: none"> Recruitment of suitable consultants and contractor Effective project management
PR5	Failure to deliver high profile projects impacts on reputation	<ul style="list-style-type: none"> Strengthening of Capital Projects team and development with clients of sustainable delivery model
PR6	Inclusion in capital programme of projects with unachievable timescales and/or insufficient budgets	<ul style="list-style-type: none"> Greater level of feasibility work prior to CAPS bid
PR7	Provider of outsourced FM services fails to deliver quality services	<ul style="list-style-type: none"> Continuing use of structured performance assessment and management
PR8	Security of corporate buildings compromised	<ul style="list-style-type: none"> Recruitment of quality security provider and structured performance assessment and management
PR9	Failure to grasp opportunity to improve service delivery through effective property asset management	<ul style="list-style-type: none"> Instigation of area based property reviews

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