



Report of:	To:	Date	Item No.
Cllr. Alan Vincent, Resources Portfolio Holder	Council	1 December 2011	9(b)

<b>EXECUTIVE REPORT: RESOURCES PORTFOLIO HOLDER</b>
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**1. Purpose of Report**

1.1 To inform Council of progress on key objectives and the current position on issues within the Resources portfolio.

**2. Current and Future Issues**

2.1 Summary information is attached in Appendix 1 on the following key issues:

- Finance;
- Human Resources;
- Procurement; and
- Asset Management.

3. In accordance with procedure rule 11.3 any member of Council will be able to ask me a question or make a comment on the contents of my report or on any issue, which falls within my area of responsibility. I will respond to any such questions or comments in accordance with Procedure Rule 11.5.

**RESOURCES PORTFOLIO HOLDER PROGRESS UPDATE – DECEMBER 2011**

**1. Finance**

- 1.1 The budget preparation for 2012/13 is progressing well. There are only two potential capital growth bids for new schemes for the next financial year which have been considered by the Budget Scrutiny Group. Their recommendations will be presented together with the updated capital programme following the 3<sup>rd</sup> quarter review (as at 31 December 2011) to the Cabinet meeting 18 January 2012.
- 1.2 The Portfolio Holder's proposals for any increases in fees and charges have also been considered by the Budget Scrutiny Group and individual Portfolio Holders have been presented with relevant feedback which has assisted them in making their recommendations.
- 1.3 Members will be aware that the Government has recently published a consultation paper concerning technical reforms of council tax which relates to council tax discounts and exemption reform. Essentially, this will allow billing authorities from 2013/14:
- the power to levy full council tax on second homes (we currently allow a 10% discount);
  - to replace existing exemptions for uninhabitable homes (referred to as class A exemptions) and short term unfurnished properties (referred to as class C exemptions) which receive 100% discount currently although short term unfurnished properties are only exempt for the first 6 months, qualifying for a 50% discount thereafter;
  - to abolish the exemption for empty dwellings belonging to mortgagees in possession (referred to as class L exemptions) which is currently 100%;
  - to allow the levying of an empty homes premium for homes left empty for 2 years or more (we have 468 of these currently);
  - to allow the instalments for the collection of council tax to be made over 12 months rather than 10 as is currently the case; and
  - to allow information supplied with the demand notices to be published on line.

The Government has indicated that if authorities choose to levy council tax in circumstances in which, under the current rules, they could not, they would wish them to retain the additional revenue locally and keep the overall level of council tax down. The financial implications of the proposals are currently being evaluated.

**2. Human Resources**

- 2.1 A Pay and Workforce Programme has recently been developed which incorporates the Organisation Development Strategy. The action plan includes:
- A review of the appraisal and performance management process;
  - Establishing a workforce planning and succession process;
  - Developing an employee engagement programme;
  - Maintaining the IIP Gold standard;

- Developing the senior leadership team;
- Expanding the Management Essential training courses to encompass new skills such as change management and business process reengineering;
- Incorporating the competencies within the recruitment and selection process;
- Undertaking a staff survey; and
- Developing a total rewards package to retain and motivate people.

Progress against the plan will be monitored via the TEN performance management system.

### **3. Procurement**

- 3.1** The Council, in collaboration with five other Lancashire authorities (Chorley, South Ribble, Fylde, Lancaster and Rossendale) recently retendered its postal services (referred to as down-stream access). The contract has been awarded to our current provider TNT North Ltd for 12 months with an option to extend for a further 3 years. As a result of this procurement exercise prices for standard mail have been reduced from 25p to 23p. The new pricing structure offered by TNT North should generate additional savings for the Council of approximately £7,000 (based on last year's volumes) compared to current prices.
- 3.2** The Council currently receives around 30 invoices a month from United Utilities. With effect from 1st December the council will be transferring to their electronic billing system and receive one consolidated electronic invoice saving staff time and resource.
- 3.3** The short listing exercise for the demolition and design and build stages of the Council's new depot at Copse Road has been completed and I am happy to report that both lists contain suppliers based in Lancashire.
- 3.4** Other key procurement exercises that are currently ongoing include the purchase of mechanical sweepers, a joint contract with Fylde for the maintenance and servicing of pumping stations, the art work, fabrication and civil engineering works for the Mythic coast scheme and improvements to open spaces within Poulton town centre.

### **4. Asset Management**

- 4.1** There are no specific issues to report at this time.