



**Committee:** BUDGET AND PERFORMANCE PANEL

**Date:** TUESDAY, 25 JULY 2006

**Venue:** LANCASTER TOWN HALL

**Time:** 4.30 P.M.

Councillors are reminded that as Members of overview and scrutiny they may not be subjected to the Party Whip, which is prohibited under the Local Government Act 2000.

## **A G E N D A**

1. **Apologies for absence.**
2. **Declaration of interests.**
3. **Minutes**  
Minutes of the meeting held on 13<sup>th</sup> June, 2006 (previously circulated).
4. **Items of Urgent Business authorised by the Chairman.**
5. **Risk Management Strategy - Report of the Head of Financial Services (Pages 3 - 16)**
6. **Decriminalised Parking Enforcement - Report of the Head of Property Services (Pages 19 - 24)**
7. **Corporate Property and Energy Strategy Review - Report of the Head of Property Services (Pages 27 - 72)**
8. **Backward Annual Efficiency Statement - Gershon Targets - Report of the Accountancy Services Manager (Pages 75 - 84)**
9. **New Performance Management Framework - A presentation by the Head of Corporate Strategy. (Pages 87 - 98)**
10. **Performance Variance Report - Corporate Performance Plan (BVPP) - Report of the Best Value Officer (Pages 101 - 106)**

## **ADMINISTRATIVE ARRANGEMENTS**

### **(i) Membership**

Councillors Keith Budden (Chairman), Jim Blakely, Tina Clifford, John Day, Mike Greenall, Tony Johnson, Stuart Langhorn, Roger Sherlock and John Whitelegg

**(ii) Substitute Membership**

Councillors Evelyn Ashworth, Susan Bray, Ian Clift, Chris Coates, Jean Dent, Paul Gardner, Rebekah Gerrard and Sylvia Rogerson

**(iii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk).

**(iv) Changes to Membership, substitutions or apologies**

Please contact Members' Secretary, telephone 582170, or alternatively email [memberservices@lancaster.gov.uk](mailto:memberservices@lancaster.gov.uk).

MARK CULLINAN  
CHIEF EXECUTIVE  
TOWN HALL,  
LANCASTER LA1 1 PJ

Published on 14<sup>TH</sup> July, 2006

**BUDGET AND PERFORMANCE PANEL**

**Risk Management Strategy Review**

**25<sup>th</sup> July 2006**

The Risk and Insurance Manager will introduce a report in relation to Risk Management Strategy Review.

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**BUDGET & PERFORMANCE PANEL****Risk Management Strategy Update****25 July 2006****Report of Head of Financial Services****PURPOSE OF REPORT**

To inform members of the Panel of progress and developments with the Council's Risk Management Strategy with particular regard to its relationship with the VFM and Efficiency Strategy.

**This report is public**

**RECOMMENDATIONS**

**(1) That the report is noted**

**1.0 Introduction**

1.1 The Council's Risk Management Strategy was introduced in December 2003 and last updated on 27 July 2005 (a copy of the strategy approved by the Audit Committee is attached as Appendix A). The Audit Committee, under a responsibility to monitor the effectiveness of the Council's Corporate Governance arrangements, receives reports on the effectiveness of risk management from both external and internal audit and on progress with the implementation of the strategy from the Head of Financial Services.

1.2 The Value For Money (Efficiency) Strategy describes the Risk Management Strategy's contribution in the following terms: *"The Council's Risk Management Strategy and Policy Statement effectively sets out how the Council has embedded risk assessment into its strategic and operational decision making. It seeks to ensure that the Council is always informed what are the risks in any course of action it is considering. The introduction of a computerised risk management system and the development of service risk registers have brought about major improvements in the identification of potential risks and how they can be mitigated, thus ensuring VfM in the delivery of service objectives. The strategy is monitored by the officer Risk Management Group and progress on implementing the Risk Management Action Plan is reported to the Audit Committee on a quarterly basis."*

- 1.3 Whilst risk management considerations may play a part in the implementation of any of the other strategies identified as contributing to the VFM Strategy, there is a particularly strong relationship between risk management and the performance management framework, the identification and management of new risks and opportunities being an important element in raising and sustaining standards of performance. Recognising this, work programmes to implement the risk management strategy are developed so as to complement those relating to performance management and particularly the introduction of the Escendency performance management system.
- 1.4 This reports sets out the progress made in implementing the strategy and details a number of areas in which risk management activities have contributed to efficiency within the Council.

**2.0 Details**

**Implementation of the Risk Management Strategy**

- 2.1 As alluded to in the extract from the VFM Strategy (§1.2 above), a significant element in implementing the strategy is concerned with establishing and maintaining a computerised risk register which facilitates the management of the Council's significant strategic and operational risks. Corporate strategic risks have now been maintained and updated on this system for two years, drawing on objectives and targets set out in the Council's Corporate Plans. Over the past twelve months, the system has been extended to include strategic risks identified within individual Service's business plans and operational (day-to-day) risks that may not otherwise be identified.
- 2.2 The process of building up and "rolling-out" the use of this system is ongoing, with a target date for completion of 31 December 2006. Where possible, the opportunity is being taken to combine the approach with workshops being held to introduce the Escendency system. The following work programme was approved by Audit Committee at its last meeting on 28 June 2006.

Task	PROVISIONAL Target Date
Develop robust risk management procedures for partnership working.	1 August 06
Complete operational risk registers for each service.	31 December 06
Reassess the risks associated with 2006/07 Corporate Plan.	30 June 06
Ensure that project initiation documents include an adequate risk assessment.	TBC
Develop and deliver further appropriate training.	31 March 07

- 2.3 In terms of a contribution to effective decision making, corporate report writing guidance has been updated to ensure that risk and opportunity are properly identified and considered in Committee reports. The formal identification and evaluation of potential risks and opportunities are key elements in enabling and supporting well informed decision making. This reviewed guidance on risk is being included in training being delivered this year to relevant officers by Democratic Services.

- 2.4 Risk Management considerations will be evident in quarterly reports produced under the new performance management framework. Emerging risks and opportunities, their potential implications for existing work programmes and performance targets, and proposals on how to address them are elements to be included in the quarterly managers' reports to Performance Review Teams and the Budget & Performance Panel. As with other elements of these reports, it is envisaged that the nature and quality of the information will evolve and improve as the risk management and performance management systems are implemented.

### **Contribution to VFM and Efficiency**

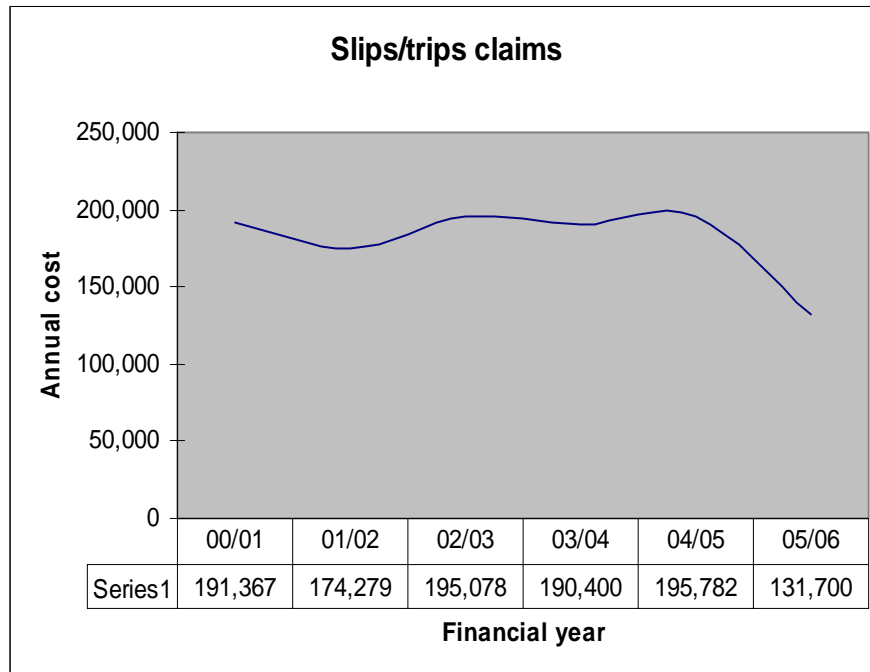
- 2.5 Whilst the risk management strategy's primary objective may not specifically be to deliver efficiencies, the implementation of sound and comprehensive risk management processes and techniques will help achieve this objective in a number of ways, for example by:

- identifying and avoiding/managing potentially hazardous activities and costly courses of action;
- identifying and taking advantage of opportunities;
- focussing on priorities, key objectives and risks, thereby identifying the potential to divert resources from less significant activities;
- where insurable risks are involved, identifying the potential for savings in terms of insurance premiums and/or payouts.

- 2.6 In this latter area, the Risk & Insurance Manager seeks to identify, using the results of risk analysis and claims history information, to identify possible efficiencies and savings. Recent outcomes have included the following:

### **2.7 Trips and slips**

- 2.7.1 The Council's Public Liability insurance policy has a £10,000 excess for each and every claim. That means, for every successful liability claim made, the Council has to pay the first £10,000 of the compensation payment that is made. It therefore makes sense both financially and in reputation/community terms, to reduce the incidence of these claims wherever possible.
- 2.7.2 It was identified two years ago that a major financial burden to the authority was in the payment of slips/trips claims, where the accident occurred on Council owned land (as opposed to on the highway, which is County Council responsibility). The cost of these claims, at the time, was regularly averaging £190,000 per year.
- 2.7.3 A thorough risk assessment was carried out and it became apparent that, whilst it was not easy to prevent the slipping/tripping accident occurring, many claims were succeeding purely due to the fact that the Council had insufficient documentation to defend itself. A valid defence in these types of liability claims is that the area in question is regularly inspected and that documentary evidence is available to support this.
- 2.7.4 A working group identified the areas of land in Council ownership, ascertained which services had responsibility for them, and determined how often they should be inspected and how the inspections should be recorded. Most services have now adopted regular systems of inspection and produce suitable records. As a result, claims are now regularly defended successfully and this has resulted in substantially reduced claims costs. This last financial year (2005/06) has seen a 30% reduction in claims payments compared to previous years. Claims costs have been just £131,700, as opposed to the £190,000 average in previous years, as shown in the following graph. This is one measurable example of the benefits of risk management that have been gained so far.



## 2.8 Assessing the viability of a self funding option

- 2.8.1 The Council has always purchased traditional insurance cover as a way of transferring its insurable risks. There is, however, another method of financing these risks, namely a total self funding option. At present, the Council has a £10,000 excess on liability claims, a £2,500 excess on material damage claims and a £500 excess on motor claims. As such, the Excess Provision Fund was created 14 years ago to finance the cost of the claims within these excess levels.
- 2.8.2 In order to consider the viability of a total self funding option, it is necessary to consider the cost/benefit of total self funding against the cost/benefit of the current insurance arrangements. Options were considered by Finance Star Chamber on 3 May 2006. Whilst at this time it seems likely that maintaining the existing insurance arrangements is probably the most cost effective option, a major factor that needs to be taken into account is the cost of reinsurance. The Council's brokers have been asked to undertake a full broking exercise to provide a more accurate quotation for the Aggregate Stop Loss and Excess of Loss policies. Only once these figures are known more accurately can a well informed decision be made. Also, the uncertainty posed by the employment of external claims handlers must be taken into account when deciding which option provides best value. The vested interest that the insurers' claims handlers have, adds weight to the option of maintaining existing arrangements.
- 2.8.3 In addition to considering the viability of the total self funding option, the Risk and Insurance Manager regularly considers other "alternative risk transfer" options. For instance, at renewal, quotations are regularly sought for increasing the levels of excesses on each policy. The resulting possible premium saving is then compared to the claims history and the expected average cost of claims. To date, none of the options offered have been economically viable, but this exercise will continue to be taken as part of each renewal exercise.

- 2.8.4 Also, over the past two years, several large Public Sector organisations in the South of England have “pooled” their insurable risks and created a mutual insurance company. Whilst this is not currently considered to be a viable option for an authority the size of Lancaster, the Risk and Insurance Manager will continue to monitor the progress of this developing area of the insurance market.

## **2.9 Outcome of recent renewal process**

### **Policy alterations/ premium savings**

- 2.9.1 There were several options available to the Council this year that would produce savings and deliver best value.
- 2.9.2 Professional negligence “run off” cover has been in place for Building Design for seven years now, since Building Design transferred to Cumbria County Council and then to Capita. The cover was taken out because professional negligence policies are written on a “claims made” basis as opposed to the usual “claims occurring basis”. This meant that a policy needed to be in place should a claim be made relating to an incident that occurred whilst Building Design Services were part of Lancaster City Council. As time has passed, it has become apparent that there is very little likelihood that a claim will now be received and the remaining risk is considered to be minimal. As such, a decision was made not to renew this policy, which has resulted in an annual saving of £7,560.
- 2.9.3 The Personal Accident policy has only had two claims made on it in over 15 years. The policy covers injury to staff in cases where the Council has not necessarily acted negligently. However, when staff are injured through no fault of the Council, they still receive sick pay and so suffer no financial loss. Theoretically, the Council could seek reimbursement of the sick pay outlay, but, in practise, this is not beneficial as there is a £2,500 excess on the policy. As such, it was considered that the policy in its current format was not required. A quotation was received to reduce the cover to just “assault only” i.e. compensation for injury as a result of an assault during Council business. Two options were available, either including or excluding weekly benefits. As the first option was just £86 more expensive, at £1,199, a decision was made to accept this cover. This renegotiation of the policy has resulted in an annual saving of £9,972.
- 2.9.4 As the sum insured for Civic Regalia on the All Risks policy is £358,710 and yet very few items are ever taken out of the Banqueting Suite, consideration was given to the necessity of having the items insured on an “All Risks” basis rather than just basic Fire and Special Perils cover. A quotation was received for this reduction in cover but the resulting saving would have been just £724 per annum. As such, the existing cover represents excellent value for money and the saving opportunity did not justify the substantial reduction in policy cover. A decision was made, therefore, to maintain the Civic Regalia insurance on an All Risks basis.
- 2.9.5 A review of Council Housing sums insured was undertaken prior to renewal terms being offered. There was an overall reduction in the sum insured of £36,149,441. This meant that, whilst the property rate had been increased due to poor claims experience, the actual premium still reduced by £14,693.

## **2.10 Future considerations**

- 2.10.1 The sums insured on the buildings schedule have not been reviewed for a long time. It is essential that property values are as accurate as possible because under-insuring can lead to an application of the “average” doctrine i.e. in the event of a major loss, the Insurers may determine that a property is under-insured and could reduce payment pro-rata to the level of under-insurance.

**3.0 Conclusion**

- 3.1 Work on implementing the Risk Management Strategy has already raised the profile and contribution of risk management processes and techniques within the Council, and this is reflected in assessments provided by the Audit Commission. There is, however, still some way to go and full implementation of the Risk Management Strategy is being actively pursued, with challenging targets being set in the current work programme to have complete risk registers in place by the end of 2006.
- 3.2 In relation to VFM and efficiency, embedding risk management will help provide greater confidence in decision making; contribute to innovation in identifying new opportunities; and help highlight how and where resources can be used more efficiently and effectively by being diverted to higher priority activities.

<p><b>CONCLUSION OF IMPACT ASSESSMENT</b>  <b>(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</b></p> <p>None identified arising from this report</p>	
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>None arising directly from this report</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b></p> <p>The Deputy s151 Officer's comments are incorporated within the report</p>	
<p><b>LEGAL IMPLICATIONS</b></p> <p>Legal Services have been consulted and have no further comments to add.</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b></p> <p>The Monitoring Officer has been consulted and has no further comments.</p>	
<p><b>BACKGROUND PAPERS</b></p> <p>Risk Management Strategy July 2005</p>	<p><b>Contact Officer:</b> Derek Whiteway  <b>Telephone:</b> 01524 582045  <b>E-mail:</b> dwhiteway@lancaster.gov.uk  <b>Ref:</b> aud/com/b&amp;pp/250706</p>



## RISK MANAGEMENT STRATEGY

### Introduction

Risk management is a key task for managers in every organisation. Identifying and evaluating the consequences of policies or actions is not always referred to as risk management. However, failure to pay proper attention to the likelihood and consequences of risks can cause serious problems. Financial cost, service disruption, bad publicity, threats to public health or claims for compensation are among the most obvious. The effective management of risk is therefore a critical part of the Council's approach to delivering Best Value and maintaining high standards of governance.

A systematic assessment of risk needs to be undertaken as part of the Council's strategic, business and financial planning, its performance management, and during policy making/review.

This strategy is drawn up in order to ensure that areas of high risk are identified, appropriate remedial action is considered and where appropriate, financial provision is made to implement risk reduction measures. The Risk Management Steering Group will play a crucial role in achieving this, by consulting, liaising with, and guiding service managers in their risk management duties.

### Definition

*Risk management* is the process of identifying, evaluating and taking appropriate actions to minimise the hazards, reduce the risks, and maximise the opportunities presented by the Council's activities in providing Community Leadership and public services.

It is not an end in itself. Rather, risk management is a key everyday management task aimed at minimising the costs and disruption caused by undesirable events and maximising the benefit from opportunities. The objective is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they do occur. Even when the likelihood of an event occurring (such as a severe storm) cannot be controlled, steps can be taken to minimise the consequences (for example, by having an effective and robust Emergency Plan and Business Continuity Plan in place).

**Objectives**

The key objectives of the risk management strategy, in relation to the Council's aims and objectives, are:

- a) To minimise the costs, disruption to services and harm to the reputation of the Council;
- b) To embed risk management into the culture and operations of the Council;
- c) To support sustainable improvements in service and the achievement of Best Value;
- d) To encourage innovation and improvement through decision-making that is based on a sound awareness of business and other risks;
- e) To anticipate and respond to changing social, environmental and legislative requirements.

These objectives will be achieved by:

- a) Establishing a corporate approach to proactive risk management in accordance with shared best practice;
- b) Ensuring that officers and elected Members have clear accountability for the ownership, control and cost of risk and the tools to manage them effectively.
- c) Adopting a systematic approach to risk management as an integral element of business planning and performance management.
- d) Adopting a systematic approach to the identification and management of operational risks;
- e) Applying risk management techniques in the conduct of Best Value reviews and in project management generally;
- f) Developing programmes that provide effective training and guidance in risk management practices to enable staff to take responsibility for risk within their own working environment.
- g) Adopting a systematic approach to risk management as an integral element of financial planning.
- h) Adopting a systematic approach to risk management as an integral element of the corporate planning process i.e. by identifying corporate business risks, linking them with strategic objectives, and assigning ownership for each risk.
- i) Ensuring that reports to support strategic policy decisions and project initiation documents include a risk assessment that evaluates both threats and opportunities.
- j) Ensuring that the risk management process specifically identifies risks in relation to partnerships and provides for assurances to be obtained about the management of those risks.



## **Risk Management Processes**

The Council's Risk Management approach will involve the following 4 processes:

### *1. Identification of risk*

A systematic approach needs to be applied if all strategic and operational risks are to be identified and managed. By identifying areas of risk before an event or loss occurs, steps can be taken to prevent the event occurring and/or minimising the cost to the authority. Reacting to events only after they have occurred can be a costly method of risk identification. Identified risks and their assigned owners must be recorded on a risk register.

### *2. Analysis of risk*

Having identified areas of potential risk, they need to be systematically and accurately assessed. The process requires managers to make:

- An assessment of the probability of a risk event occurring
- An assessment of the potential severity of the consequences should such an event occur
- An estimate of the likely impact of incidents occurring.

### *3. Treatment of risk*

It is acknowledged that risk cannot be eliminated completely. Risk treatment is the process of taking economic action to minimise the likelihood of the risk event occurring and/or reduce the severity of the consequences should it occur. The agreed controls designed to mitigate the identified risk will be recorded in the risk register, together with the name of the officer responsible for implementing each control and the deadline date for completion.

There are four options for treating risk:

#### a) Retain (or Tolerate)

There comes a point in the treatment of most risks when further risk reduction or risk transfer measures are no longer economically justifiable. In these circumstances, a reasoned decision may be taken to accept (i.e. retain or tolerate) a certain level of risk.

#### b) Avoidance (or Termination)

Risk avoidance involves the authority opting to terminate a current or proposed activity because it believes it is too risky.

#### c) Reduction

Risk reduction is dependent on implementing economically justifiable projects or procedures that will minimise the likelihood of an event occurring or limit the severity of the consequences should it occur.

#### d) Transfer

Risk transfer involves transferring liability for the consequences of an event to another body. This can occur in two forms. Firstly, legal liability may be transferred to an alternative provider under contractual arrangements for service delivery. Secondly, transferring some or all of the financial risk to external insurance companies may reduce the costs associated with a damaging event.

*4. Monitoring and review of risk*

The risk management process does not finish when the risk control actions have been identified. There must be monitoring and review of:

- The implementation of the agreed treatment actions
- The effectiveness of the actions in controlling risks
- How risks have changed over time

**Funding**

The risk management reserve provides service managers with the encouragement to raise the level of risk awareness within their areas of responsibility by formally identifying risks and proposals for action. The reserve provides the opportunity to apply for financial support and creates an incentive for loss control, without adversely affecting service area budgets.

The embedding of risk management in the corporate planning and budgeting process will help ensure that scarce resources are directed to areas of highest priority in a systematic and transparent manner.

This investment in risk management measures should lead to a reduction in insured and uninsured losses and eventually to lower costs, including premiums, giving service managers a vested interest.

**Corporate Risk Management Steering Group**

The establishment of an effective corporate risk management steering group is seen as essential to the effectiveness of the risk management process.

Membership of the group is sufficiently senior within the organisation to ensure that risk management receives appropriate attention and that group members have influence and authority with service areas. To give authority to the group and facilitate real and effective work, the group is chaired by the Head of Financial Services and will report to Management Team as appropriate.

**Responsibilities**

The following have responsibilities for risk management:

***Elected Members:***

*Cabinet*

- To identify, analyse and profile high level strategic risks relating to their individual areas of responsibility
- To promote a risk management culture through Cabinet's activities and decision making.
- To develop / propose priorities based on robust risk analysis in accordance with the Budget and Policy Framework

*Audit Committee (As Member committee for risk management, by delegation from Council)*

- To agree the strategy, policy and processes for risk management and to review their effectiveness as a contribution towards providing assurance on the Council's standards of Corporate Governance.
- To monitor and review the effective management of risk by officers.
- To receive reports on the implementation of the strategy at least quarterly and to take appropriate action to ensure that corporate business risks are being actively managed.
- To report to full Council annually.
- To appoint the Chairman of the Audit Committee as the Council's Member Champion for Risk Management

*Overview and Scrutiny and other Review Boards*

- To consider risk management issues in the development of policy and analysis of possible options
- To consider risk management issues in reviewing and scrutinising decisions and performance

***Officers:***

*The Chief Executive:*

- To ensure that risk is managed effectively through the development and implementation of an all encompassing corporate strategy.
- To ensure that elected Members are appropriately advised on risk management matters.

**APPENDIX A**

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*The Monitoring Officer:*

- To act as the Council's Officer Risk Management Champion with responsibility for liaising between the Corporate Management Team and the Risk Management Steering Group.
- To ensure the Risk Management Policy and Strategy are effective in supporting high standards of corporate governance.

*Corporate Management Team*

- To ensure that managers implement and have regard to the Risk Management policy and strategy.
- To promote and co-ordinate risk management activity within their Service areas.
- To receive reports from the Risk Management Steering Group.

*The Head of Financial Services:*

- To Chair the Risk Management Steering Group.
- To advise on the development and implementation of the risk management strategy, both through the Risk Management Steering Group and in the wider corporate context.
- To ensure that an effective system of internal audit is carried out for the authority.
- To oversee the monitoring and control of the risk management reserve.
- To report on the implementation of the risk management, at least quarterly, to Audit Committee.

*Risk Management Steering Group*

- To effectively develop, implement and review the risk management strategy on a corporate basis.
- To co-ordinate loss control activities and in the process identify trends and priorities.
- To advise on the use of the risk management reserve to support funding necessary for projects, activities and initiatives that will reduce vandalism, arson, theft, damage to council property and personal injury to employees, visitors and persons under the care of the authority.
- To evaluate new approaches on risk management and the extent to which they would be helpful to the authority and its services.
- To advise on the development of loss prevention practices as a normal part of management.
- To support the provision of staff training in, and raise the level of, risk management
- To provide for information sharing and mutual support links with other groups at regional and national level.
- To promote good risk management practice throughout the authority by co-operation and liaison with managers and employees and relevant external agencies.
- To report to the Corporate Management Team as appropriate.

**APPENDIX A**

27 July 2005

*Risk and Insurance Manager*

- To consult regularly with service managers concerning risk issues, providing advice as appropriate.
- To assist in the promotion of good risk management practice throughout the authority through co-operation and liaison with managers, other employees and relevant external agencies.
- To undertake, where necessary, post-accident investigations.
- To support the provision of staff training in, and raise the level of, risk management throughout the authority.
- To act as lead support officer for the corporate risk management group.
- To ensure that appropriate insurance cover is in place and that a register of claims is maintained.
- To present insurance claims summary reports to service managers and to the corporate risk management group.
- To prepare reports to the Corporate Management Team and the Audit Committee on behalf of the Risk Management Steering Group / Head of Financial Services.

*Heads of Service*

- To identify risks of loss, damage or injury facing their service areas and minimise them through positive risk management action.
- To ensure that risk management issues are appropriately considered and recorded when developing Service Business Plans and to ensure that risk registers are kept up-to-date.
- To ensure that risk is managed effectively in each service area within the agreed corporate strategy.
- To ensure that the control environment relating to systems operated within service areas are secure and that the agreed recommendations of Internal Audit are implemented.
- To invest in risk management measures to reduce damage or loss to Council assets, or personal injury to employees, visitors and persons under the care of the authority.
- To carry out risk management surveys and recommend risk management measures to eliminate, transfer or reduce the impact of risk, and to seek funding for these measures.
- To ensure effective communication within their service area of the risk management strategy.

*Employees*

- To manage risk effectively in their job and report opportunities / risks to their service managers.
- To undertake their job within risk management guidelines.

*Internal Audit*

- To review the Council's risk management processes and provide an annual opinion as to the effectiveness of the Council's internal control system and corporate governance arrangements.
- To promote and support the development of the Council's risk management processes.

*This Strategy is to be approved by the Audit Committee on 27 July 2005*

**RISK MANAGEMENT STEERING GROUP**

**TERMS OF REFERENCE**

The terms of reference of the group are as follows:

- To identify those areas of strategic and operational practices that present the greatest risk to the authority and to make proposals for reducing the potential probability or scale of such loss.
- Carry out risk management surveys, co-ordinate data, analyse trends and recommend risk management measures to eliminate, transfer or reduce the impact of risk.
- Improve co-ordination of risk management activity throughout the authority
- To review both the Emergency Plan and the Business Continuity Plan on a regular basis to ensure its accuracy and overall effectiveness
- To advise on the use of the risk management reserve to support funding necessary for projects, activities and initiatives that will reduce vandalism, arson, theft, damage to council property and personal injury to employees, visitors and persons under the care of the authority.
- To report to the Corporate Management Team as appropriate.
- To evaluate new approaches on risk management and the extent to which they would be helpful to the Council and its services.
- To advise on the development of loss prevention practices as a normal part of management.
- Promote good risk management practice throughout the authority by co-operation and liaison with managers and employees, partnerships and external agencies.
- To support the provision of staff training in, and raise the level of, risk awareness.
- To provide for information sharing and mutual support links with other groups at regional and national level.

**BUDGET AND PERFORMANCE PANEL**

**Decriminalised Parking Enforcement**

**25<sup>th</sup> July 2006**

The Parking and Administration Officer will present a report to Members in relation to Decriminalised Parking Enforcement.

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## **Budget and Performance Panel**

### **Decriminalised Parking Enforcement 25<sup>th</sup> July 2006**

#### **Report of Head of Property Services**

##### **PURPOSE OF REPORT**

The purpose of the report is to provide the Panel with an update on Decriminalised Parking Enforcement and related financial issues.

This report is public

##### **RECOMMENDATIONS**

- (1) That the report be noted
- (2) That further reports be presented to Cabinet, Overview and Scrutiny and Budget and Performance Panel as required.

##### **1.0 Introduction**

- 1.1 Decriminalised Parking Enforcement (DPE) was introduced in the Lancaster district in September 2004. In approving the introduction of DPE Cabinet also confirmed the use of NCP Parking Attendants to deliver on-street and off-street parking enforcement services, subject to a formal review after 2 years. This review will take place later in the year and will be reported to Cabinet.
- 1.2 Cabinet also resolved that, as part of the approval of the detailed DPE agency agreement with the County Council, the Head of Engineering Services, in consultation with the Cabinet Member with responsibility for Transport, would request that all surplus income from the on-street enforcement account, including that intended to the Area Member Board, shall be returned to Lancaster directly. An update on this request is included in this report.

- 1.3 Members of the Panel were informed at the April meeting that Members of Overview and Scrutiny had recommended that the Panel consider incorporating DPE into their work programme. This emanated from concerns over the deficit on the on-street and off-street parking enforcement accounts and the number of unpaid parking tickets that had not been collected by Parkwise.
- 1.4 The purpose of this report is to provide the Panel with an update on the DPE agency agreement, the financial position with the on-street and off-street parking enforcement accounts and the current position regarding the collection of unpaid Penalty Charge Notices (PCNs).

## **2.0 DPE Agency Agreement**

- 2.1 The proposed Agency Agreement with the County Council is a standard agreement for the 12 district councils operating DPE across Lancashire. Lancaster's agreement has been substantially agreed but it has not been signed due to the outstanding issue on the allocation of the on-street parking enforcement surpluses. To date the agency agreements have not been signed by any of the other districts.
- 2.2 Full details of the Agency Agreement were included in the May 2004 Cabinet report. A summary of the proposed Agency Agreement which is in two parts is as follows:

### **Part 1: On Street Parking Agency Agreement**

This part establishes levels of service for administration and financial management across a range of on-street parking functions to be carried out by the City Council as Agents to the County Council.

### **Part 2: Off Street Parking Inter Authority Agreement**

This part establishes working relationships and financial arrangements in respect of the off-street parking enforcement function of the City Council

- 2.3 The standard Agency Agreement outlines the following allocation of surpluses when the on-street parking enforcement account operates in a cumulative surplus position:

50% shall be retained by the County Council for strategic transport related initiatives across the County Council administrative area

50% shall be passed to the Area Member Board of which Lancaster is a member.

A formal request has been submitted to the County Council in accordance with Cabinet's decision to see all surplus monies generated in Lancaster, including the 50% intended for strategic issues, be reinvested directly in the Lancaster district. This request has been refused on the basis that the standard agreement should apply and that reference to Area Member Boards would be substituted by Lancashire Local – Lancaster. This issue is being taken up through Lancashire Locals and the matter will be reported back to Cabinet if required before the Agency Agreement is signed.

## **3.0 Financial Position – Background Information**

- 3.1 As part of the preparatory work undertaken the County Council engaged RTA Associates to produce financial models of the likely impact of introducing DPE on

district councils. Cabinet considered an initial report in February 2002 and indicated their support, in principle, for entering into DPE at that time. Subsequently the approved budget projections were included in the relevant years budgets.

- 3.2 DPE has now operated since September 2004 and it is now possible to compare the financial outturn positions for 2004/05 and 2005/06 with the financial model and to look ahead to future years' financial implications.

Consequently in March this year officers met with RTA Associates to analyse Lancaster's financial position compared with the original model and to discuss the experience gained in the Lancaster district since DPE was introduced under the County wide Parkwise arrangements. This highlighted a number of areas where inaccurate assumptions were made in the model and where necessary operational arrangements for Lancaster were having a negative impact on the model. These can be summarised as follows:

- The model assumed a Penalty Charge Notice (PCN) issue rate of 1.125 PCN per operational hour for on-street based on the length and type of parking restrictions in the Lancaster area and did not allow for many streets being self enforcing. The actual issue rate is 0.84 per hour and this is considered to be a more realistic figure.
- The model assumed that PCNs would be issued at a rate of 80% on-street and 20% off-street, compared with experience of 55% on-street and 45% off-street.
- The model assumed a Supervisor to Parking Attendant ratio of 1:8 compared with the required ratio of 1:4.5 due to Lancaster's actual operational requirements that cover 7 days per week and evenings.
- The model assumed that Supervisors would be carrying out enforcement duties at all times and made no allowance for an administrative base with radio control facilities being established, which was again required due to the scope of Lancaster's operation.
- Although the model had allowed for off-street cash collection arrangements there was no provision made for when cash collection staff were unavailable due to holidays and sickness absence etc.
- The Parkwise Central Notice Processing Centre at Preston is providing effective administrative arrangements on behalf of all the districts. However, there has been a negative effect that cannot be quantified due to the delays in establishing electronic and web based payments (6 months late) and general enforcement recovery procedures including issuing warrants to bailiffs (12 months late).
- The increased off-street pay and display income as a result of additional on-street enforcement did not materialise as envisaged in the model.

## **4.0 Current Financial Position**

- 4.1 When Cabinet approved the introduction of DPE in May 2004 using NCP to deliver on-street and off-street parking enforcement, there was a detailed analysis of the financial implications. The model associated with this enforcement option was adopted and the combined financial impact on the on-street parking enforcement

account and the marginal impact on the off-street parking enforcement account was forecasted as follows:

Year	Estimated (Surplus) / Deficit £	Actual (Surplus) / Deficit £
2004/05 (part)	88,000	201,062
2005/06	(170,000)	30,803
2006/07	(122,000)	(estimate) 54,200

As the above table outlines, the Council's DPE account is currently running at a deficit. Since its introduction in September 2004 the cumulative deficit for Lancaster (to 31<sup>st</sup> March 2006) is £231,865 which currently have been funded by the City Council. The deficit is wholly attributable to the on-street account and as such, no marginal off-street surplus/deficit has been attained to offset this.

However, this is a common problem across a number of the districts within Lancashire. Parkwise are currently drafting information on the entire County operation which will shortly be available for the public domain. Meanwhile, Lancashire Chief Finance Officers discussed DPE at their last meeting (7<sup>th</sup> July) and agreed that the best way forward was to formulate a small working group comprising of a number CFO's to deal with the issues raised within the analysis. For information the Head of Financial Services will be a member of this working group. It is proposed that these findings will be incorporated into the report to Overview & Scrutiny Committee in due course.

It should also be noted that this matter has been raised by Lancashire County Council's Overview & Scrutiny Committee and it will be reported in Summer 2006. Again, these findings will be incorporated into the above mentioned report.

## 5.0 Unpaid Penalty Charge Notices (PCNs)

5.1 The pursual of unpaid PCNs is governed by the Road Traffic Act 1991 which grants powers to authorities that have introduced DPE to recover these as a civil debt through the County Court Traffic Enforcement Centre at Northampton. The recovery procedure is as follow:

If PCNs remain unpaid after informal and formal representations have been made to Parkwise, and the driver or keeper does not lodge an appeal with the National Parking Adjudication Service (NPAS), a Charge Certificate is sent to the registered keeper of the vehicle within 28 days and the Penalty Charge increases from £60 to £90. If the PCN remains unpaid for a further 14 days the debt is registered with the Traffic Enforcement Centre (TEC) and the charge increases from £90 to £95.

When the debt has been registered the Council, through Parkwise, will then send an Order of Recovery (PE2) and a Statutory Declaration (PE3) to the registered keeper. The Order of Recovery advises the respondent to pay the PCN or submit a Statutory Declaration within 21 days. A Statutory Declaration is the respondent's final opportunity to lodge an appeal with TEC and this can only be done in very restricted

circumstances, mainly associated with procedural issues required under the Road Traffic Act 1991.

If the PCN still remains unpaid and the respondent has not filed a Statutory Declaration the Council, through Parkwise, will apply to TEC for permission to issue a warrant of execution to certificated bailiffs.

- 5.2 The County Council on behalf of the Lancashire districts have appointed two bailiff companies to recover unpaid PCNs in accordance with the Road Traffic Act 1991. As previously mentioned this aspect of the recovery process started nearly 12 months behind schedule due to IT software and infrastructure problems and this has affected the bailiff companies' ability to recover some of the older debts. However, since these recovery procedures commenced in January this year £55,000 has been recovered in respect of PCNs issued in the Lancaster district.

Once a warrant of execution has been issued bailiffs are authorised to charge fees to the debtor (the keeper) in accordance with The Enforcement of Road Traffic Debts (Certificated Bailiffs) Regulations 1993. This allows the bailiff to charge for letters sent to the debtor, for attending and acting on a warrant, close possession (where the bailiff remains on the premises), walking possession, removal of goods and attending to remove and auctioneers charges.

The bailiffs do not receive commission and receive payment through their authorised charges. The Council receives £95 for every debt paid in full. The recovery procedures are robust and comprehensive and are administered in accordance with the Road Traffic Act 1991 as previously mentioned.

## **6.0 Conclusion**

- 6.1 DPE is a complex area from an operational and financial point of view. This report is intended to provide the Panel with an update on various issues following Overview and Scrutiny's recommendation to include DPE in the Panel's work programme.
- 6.2 The House of Commons Transport Committee has recently published a report on parking policy and enforcement that has been critical of how some authorities are managing DPE. After a period of consultation, the Government's proposals for a strengthened system of civil parking enforcement will come into effect through regulations made under the Traffic Management Act 2004. County's Overview and Scrutiny Committee are looking at DPE this summer and the City Council has requested that the Transport Committee report is considered as part of this review. This review should also feed into the City Council's 2-year review in the autumn. These reviews are particularly timely as the Traffic Management Act 2004 also gives powers to local authorities to produce regulations on the civil enforcement of traffic contraventions. These are effectively a potential extension of the current parking enforcement arrangements.
- 6.3 The City Council's 2-year review will also review the current operational arrangements and will examine the flexibility of these arrangements to ensure they are fit for purpose for the Council's likely changing operational requirements in the future.
- 6.4 When the Council approved DPE as part of the Budget and Policy Framework it was on the explicit basis that future year's implications were indicative only for this particular initiative and not 'fixed' as might be the case for other activities. There is

still further work required on financial matters and the working group to be established by Lancashire Chief Financial Officers will address these issues and further reports will be produced as required.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

The DPE operation has **Community Safety** impacts in terms of improving road safety, and vehicle and personal security. It has **Sustainability** impacts in terms of reducing traffic congestion, improving facilities and operating in financial balance.

**FINANCIAL IMPLICATIONS**

As included in the report

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has nothing further to add.

**LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has nothing further to add.

**BACKGROUND PAPERS**

Budget and Performance Panel:  
4<sup>th</sup> April 2006  
Cabinet: 25<sup>th</sup> May 2004,  
9<sup>th</sup> September 2003, 3<sup>rd</sup> September 2002,  
5<sup>th</sup> February 2002

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**BUDGET AND PERFORMANCE PANEL**

**Corporate Property and Energy Strategy Review**

**25<sup>th</sup> July 2006**

**The Head of Property Services will present a report on Corporate Property and Energy Strategy Review to Members.**

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**Budget and Performance Panel****Corporate Property Strategy  
25<sup>th</sup> July 2006****Report of Head of Property Services****PURPOSE OF REPORT**

To provide an update for the Panel on the Corporate Property Strategy.

**This report is public**

**RECOMMENDATIONS**

**(1) That the report be noted.**

**1.0 Introduction**

1.1 At their meeting on 18<sup>th</sup> October 2005, Cabinet resolved:

(1) That the Corporate Property Strategy be adopted to provide the framework for the management of the City Council's assets.

(2) That the Energy Strategy be approved as part of the Corporate Property Strategy to provide a framework for the Council's use of energy within its buildings, subject to the amendment of the priority level from Medium to High for the following proposals:

- (a) investigate the introduction of solar panels/photovoltaic cells on the Salt Ayre swimming pool roof
- (b) investigate the potential to utilise wind turbines at White Lund Depot.

**2.0 Details**

2.1 To achieve a step change in the way that assets are managed, good practice has moved away from a prescriptive form of Asset Management Plan as

prepared by Government Office, and progressed to a format that reflects the circumstances as they affect the City Council. The Corporate Property Strategy now meets these circumstances and reflects the need to deal with all the property assets of the Council in a corporate manner.

- 2.2 The content of the Strategy reflects the advice issued by the former ODPM and the Royal Institution of Chartered Surveyors. The separate sections cover the major areas of the Council's property management and identify a number of key issues that are of concern. An Action Plan then sets out how these issues can be dealt with in due course. This informs all Services Business Plans in the coming years to ensure that the appropriate aspects are dealt with.
- 2.3 Attached to this report is an updated version of the Action Plans that form part of the Strategy. The Plans have been adapted to provide information on each of the actions.
- 2.4 In summary there has been a lot of progress made with much of the work. However there are areas where further works are required.
- 2.5 The Council's Asset Management processes have been the subject of an IDeA Peer Review. The review report has been received in draft and the final report is now awaited. In many areas the Council's direction of travel is again good. There are however, areas where further work is required and in particular further support is required for the Head of Property Services as the Corporate Property Officer. This need has arisen as a result of the substantially increasing workload on major property schemes that has happened in the last 12 months. Discussions are being held as part of the Performance Review process to see how that support can be procured. Should this happen, then resource should be made available for the Action Plans to be progressed.

### **3.0 Conclusion**

- 3.1 Much progress has been made with the Corporate Property strategy, but there is still a need for further resource to be made available to ensure that the action plans are kept up to date.

#### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

There are no implications arising out of this report.

#### **FINANCIAL IMPLICATIONS**

Any additional resources needed to progress the action plans will need to be considered as part of the forthcoming 2007/08 Budget Process.

**SECTION 151 OFFICER'S COMMENTS**

The Deputy S151 Officer has been consulted and has not further comments to add.

**LEGAL IMPLICATIONS**

There are no legal implications arising out of the report.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

Cabinet reports and minutes October 2005.

**Contact Officer:** Graham Cox  
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CORPORATE PROPERTY STRATEGY					
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT	
<b>PROPERTY – THE CORPORATE RESOURCE</b>					
That as a matter of principal, all property is considered to be a corporate resource available to support the delivery of all services.		<b>H</b>	HPropS	Complete	
Consult with the Services to determine those that currently manage the City Council's property.	31/12/05	<b>H</b>	AMWG	Ongoing. This item has been included within the proposals for the Service Asset Management Plans	
Preparation of Service Asset Management Plans.	31/3/06	<b>H</b>	HPropS & Service Heads	This is ongoing. Drafts have been received from 6 Services. These drafts have shown that there will be benefits to future planning for property and other service investments. The process has proved to be more time consuming than anticipated for Services and a greater need for Property Service input than anticipated.	

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>PROPERTY – THE CORPORATE RESOURCE</b>				
That a series of Geographic Asset Management Plans be produced to facilitate approaches to the use of assets on an area basis by the Council and other agencies to the benefit of services and the local community	30/9/06	<b>M</b>	HPropS	Initial discussions held with County. GIS systems in property departments currently not compatible but will be by autumn. Delay expected until 31/3/07
That during and following the preparation of the Service and Area Plans, consideration be given to the disposal of any property that is no longer required for the purpose of providing Council services and meeting the requirements of the Corporate Plan	31/3/07	<b>M</b>	HPropS	Ongoing.
That decisions on acquisition and disposal of property are taken corporately.	1/10/05	<b>H</b>	HPropS	Complete. Reports are prepared for meetings of the AMWG on each acquisition and disposal of property prior to the matter being referred to Members for approval.

CORPORATE PROPERTY STRATEGY					
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT	
<b>PROPERTY – THE CORPORATE RESOURCE</b>					
That all Services of the council have access to appropriate property management information	31/3/06	<b>M</b>	HPropS & Property staff	The TechnologyForge web module to be utilised to provide property management information to all Services of the City Council requires further development by the supplier with no date yet agreed for implementation.	
That all Services of the City Council nominate an appropriate officer as the contact point for property matters.	31/12/05	<b>M</b>	HPropS & Service Heads	Complete. Service Heads have indicated that they wish to take on responsibility in most cases.	
That Property Services retain information on all forms of Property Agreements.	31/12/05	<b>H</b>	HPropS & Service Heads	Complete.	

<b>CORPORATE PROPERTY STRATEGY</b>				
<b>ISSUE</b>	<b>DATE</b>	<b>PRIORITY (LOW, MEDIUM, HIGH)</b>	<b>RESPON SIBILITY</b>	<b>COMMENT</b>
<b>FACILITIES MANAGEMENT</b>				
That all property owned by the Council is managed in a standard way that would ensure that all issues of maintenance, Health and Safety etc are dealt with in a consistent manner.	31/12/05	<b>H</b>	Premises Manager	Guidelines that form part of the Corporate Property Strategy are adopted for use by all Council Services
To manage premises in such a way as to prevent disruption of core activity within Services.	31/12/05	<b>H</b>	Premises Manager	Draft Service Asset Management Plans identify their critical core activities so that maintenance procedures can be identified or ensure that recovery procedures are in place should disruption take place.
To prioritise the functions of the facilities management staff.	31/12/05	<b>M</b>	Premises Manager	Complete



CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>FACILITIES MANAGEMENT</b>				
To maintain policies on room hire.	1/4/06	Complete	Buildings Manager	Largely complete.  Target for 2005/06 set at £38,500. Actual received £36,705  Future years' targets: to be based on quantity of lettings plus income
That consideration be given to a refurbishment of the Ashton Hall in partnership with users	31/12/06	<b>M</b>	Premises Manager	That upon completion of the options for the Access to Services Review, to enter into discussions with the Haffner Orchestra as a main user of the Ashton Hall to consider the future potential for the Hall and its refurbishment.
That a review of the cleaning function is undertaken.	31/3/06	<b>M</b>	Buildings Manager	Initial work complete following discussions with adjoining authorities. Remaining work to be considered with contractor.

<b>CORPORATE PROPERTY STRATEGY</b>				
<b>ISSUE</b>	<b>DATE</b>	<b>PRIORITY (LOW, MEDIUM, HIGH)</b>	<b>RESPON SIBILITY</b>	<b>COMMENT</b>
<b>FACILITIES MANAGEMENT</b>				
To consider the standard of all facilities, fixtures and fittings within Municipal Buildings	31/3/07	<b>M</b>	Premises Manager	That as part of the Access to Services Review, the requirement for facilities, fixtures and fittings are reviewed and are brought up to standard and subsequently maintained as fit for purpose.

CORPORATE PROPERTY STRATEGY					
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT	
<b>HEALTH &amp; SAFETY</b>					
To establish a hierarchy of control within the authority.	31/12/05	H	HProps	A draft hierarchy of control has been prepared that goes beyond the proposals of the Strategy. Following consideration by the Safety Committee and Management Team, the hierarchy has been agreed in principle subject to minor amendments.	
To ensure that Service Heads are aware of their responsibilities for Health & Safety	31/3/06	H	HProps	Complete. All Service Heads have received training via the Council's insurers which also analysed the various risks involved.	
To ensure that safety is adequately managed within Services	31/12/05	H	HProps	Complete. Service Heads have generally asked to be the contact point within their services.	

<b>CORPORATE PROPERTY STRATEGY</b>				
<b>ISSUE</b>	<b>DATE</b>	<b>PRIORITY (LOW, MEDIUM, HIGH)</b>	<b>RESPONSIBILITY</b>	<b>COMMENT</b>
<b>HEALTH &amp; SAFETY</b>				
The Safety Co-ordinator would work with the Corporate Landlord to enable a co-ordinated approach to be taken in respect of all Health and Safety matters.	31/3/06	<b>M</b>	Safety Committee	This has been included in the hierarchy of control referred to above.
To enable Services to concentrate on their own areas of expertise	31/3/06	<b>M</b>	Premises Manager	Ongoing. All aspects of property management, including relevant health and safety issues such as maintenance of an Asbestos Register, in most buildings are dealt with in a standard manner by Property Services as the Corporate Landlord. There remains a need to consider the management issues at certain premises such as White Lund depot.

<b>CORPORATE PROPERTY STRATEGY</b>					
<b>ISSUE</b>	<b>DATE</b>	<b>PRIORITY (LOW, MEDIUM, HIGH)</b>	<b>RESPONSIBILITY</b>	<b>COMMENT</b>	
<b>HEALTH &amp; SAFETY</b>					
Co-ordination of Health & Safety and asset management policies	31/3/06	<b>M</b>	HPropS	Ongoing. The final version of the hierarchy of control referred to above will need to be submitted to the Safety Committee and all subsequent similar policies will e prepared on the same guidelines.	
That policies and procedures are produced to control contractors working in buildings	31/3/06	<b>M</b>	HPropS	Draft proposals for a contractor control pack have been prepared.	
A baseline set of property information is prepared for monitoring compliance with legislation, regulations and Council policies	31/3/06	<b>M</b>	Premises Manager	Ongoing. Information is being input into the TechnologyForge asset management system.	

<b>CORPORATE PROPERTY STRATEGY</b>				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>HEALTH &amp; SAFETY</b>				
When the Council acquires property, guidelines are followed prior to any occupation of that property to ensure compliance with health and safety issues etc.	31/3/06	<b>M</b>	Premises Manager & Principal Valuer	Outstanding. In respect of <u>all</u> property to be acquired by the City Council, a Pre-Occupancy Plan (POP form) is being prepared that would be completed and made available to Property Services as Corporate Landlord.

CORPORATE PROPERTY STRATEGY					
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT	
<b>REPAIR MAINTENANCE AND IMPROVEMENT OF BUILDINGS</b>					
That the condition of the Council's property portfolio is ascertained	31/3/06	H	Premises Manager	Complete. Report to be prepared for Asset Management Working Group and Cabinet.	
That funding is in place to maintain the property portfolio and eradicate the backlog of repairs	31/3/06	H	HPropS	Ongoing. The condition surveys have been completed but there needs to be a fully funded plan prepared to undertake the required works over a five year period is agreed by the Council	
That the undertaking of repairs and maintenance is carried out in accordance with agreed priorities	31/3/06	H	HPropS	Complete. All repairs, maintenance and improvement funds are prioritised in accordance with current practice as set out in the Corporate Property Strategy, with particular emphasis on the outcomes of the condition surveys and Access to Services Review to ensure that	

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>REPAIR MAINTENANCE AND IMPROVEMENT OF BUILDINGS</b>				
				<p>the Council's retained properties are fit for purpose</p> <p>Current performance: % gross internal floor-space in condition categories A-C A - 20.87% B - 36.09% C - 43.04%</p> <p>in priority in levels 1 – 3 1 - 30.14% 2 - 46.2% 3 - 23.66%</p> <p>Targets 2010: A – 30% B – 70% C – 0% 1 – 0% 2 – 70% 3 – 30%</p>



CORPORATE PROPERTY STRATEGY					
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT	
<b>REPAIR MAINTENANCE AND IMPROVEMENT OF BUILDINGS</b>					
The ability to undertake the repairs programme is affected by capacity and training issues	30/9/05	<b>H</b>	HPropS	A new Premises Manager has been appointed with substantial maintenance experience.	
	30/6/06	<b>M</b>	HPropS	That staff involved with the repair and maintenance programme have received specific training for both project management skills. Further training for the corporate project management processes will be delivered in due course.	
That annual programmes of work are prepared each year and managed appropriately to ensure that there is a greater emphasis on planned as opposed to proactive maintenance	31/3/06	<b>M</b>	Premises Manager	Ongoing. The ratio of planned to reactive maintenance is now balanced in accordance with national guidelines. Further work is however required to improve the processes.	

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>REPAIR MAINTENANCE AND IMPROVEMENT OF BUILDINGS</b>				
That a new maintenance contract be prepared	31/3/06	H	Premises Manager	<p>Current performance: Planned : Reactive maintenance – 73:27 Target Performance: Planned : Reactive maintenance – 75:25 Ongoing. Discussions are taking place with Council Housing of their abilities to deliver under the terms of such a contract. Should this not be possible, the contract should be outsourced as soon as possible.</p>

<b>CORPORATE PROPERTY STRATEGY</b>				
<b>ISSUE</b>	<b>DATE</b>	<b>PRIORITY (LOW, MEDIUM, HIGH)</b>	<b>RESPON SIBILITY</b>	<b>COMMENT</b>
<b>REPAIR MAINTENANCE AND IMPROVEMENT OF BUILDINGS</b>				
To maintain premises in such a way as to prevent disruption of core activity within Services.	31/12/05	<b>H</b>	Premises Manager	Ongoing. Draft Service Asset Management Plans produced so far identify their critical core activities so that maintenance procedures can be identified that would prevent disruption of that activity.
To improve the knowledge of the spaces occupied by the Council's Services	31/5/06	<b>M</b>	Premises Manager	Ongoing. To be undertaken as part of the feasibility proposals that are to be part of the Access to Services Review.
To ensure that accommodation from which services are provided meets the need of the service providers	31/3/07	<b>M</b>	HPropS	Ongoing as part of the Access to Services Review.

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>REPAIR MAINTENANCE AND IMPROVEMENT OF BUILDINGS</b>				
That standard specifications are prepared for Council accommodation	9/04	Complete	HPropS	That any improvements to buildings, whether as part of the Access to Services Review or not, shall be based upon the principles contained within the accommodation specifications that form part of the Corporate Property Strategy.
				Current space per office user – 10.74 sq. mts Target – 8 sq. mts.
That all the Council's premises that are open to the public meet the standards of the Disability Discrimination Act	31/3/08	<b>Ongoing</b>	Premises Manager	That Disabled Access Surveys are undertaken and the outcome reported to the Asset Management Working Group to enable consideration of a prioritised programme of work to be prepared that would bring all the Council's buildings that are open to the public up to standard.

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>REPAIR MAINTENANCE AND IMPROVEMENT OF BUILDINGS</b>				
That energy management is introduced to all aspects of maintenance and improvement of buildings	31/3/06	<b>M</b>	Premises Manager	Current Performance: 75% (Upper quartile nationally)  Target: 96% by 2008  Ongoing. That in accordance with the Council's energy policy, maintenance and improvement to any of the Council's buildings reflects the need to reduce energy consumption at all times.  Targets: to be set in energy policy

<b>CORPORATE PROPERTY STRATEGY</b>				
<b>ISSUE</b>	<b>DATE</b>	<b>PRIORITY (LOW, MEDIUM, HIGH)</b>	<b>RESPON SIBILITY</b>	<b>COMMENT</b>
<b>DESIGN, PROCUREMENT AND CAPITAL PROGRAMME MONITORING</b>				
That the existing contract for design services has expired	31/3/06	<b>H</b>	Premises Manager	Not complete. A new contract for the design process is procured during 2006/07
That the Council adopts the principles of change within the construction industry	31/3/06	<b>M</b>	All Service Heads & Project Managers	Ongoing. For all existing major schemes, on the commencement of the procurement exercise, consideration is given to the benefits of strategic partnering.

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>DESIGN, PROCUREMENT AND CAPITAL PROGRAMME MONITORING</b>				
That all capital bids reflect the need to consider partnership working	31/3/06	<b>M</b>	All Service Heads & Project Managers	Not complete. Revised advice needs to be prepared for the 06/07 budget cycle so that upon submission of the bid for capital funds to the AMWG, an indication is given that the procurement methods have been/will be considered.
That the design process should reflect the increased need to reduce energy consumption	31/3/06	<b>M</b>	All Service Heads & Project Managers	Ongoing, Further advice needs to be issued to ensure that in all schemes to be procured, there is full compliance with the Council's energy policies.
That full prioritised option appraisals are undertaken for capital programme schemes	31/12/05	<b>H</b>	Head of Financial Services	Not complete. The Asset Management Peer Review has also highlighted that the existing appraisal mechanism is adapted to ensure that a scoring process can be used to help determine the

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>DESIGN, PROCUREMENT AND CAPITAL PROGRAMME MONITORING</b>				
The need to demonstrate good value for money in all schemes, that schemes are within budget and on time	31/3/06	H	All Service Heads & Project Managers	<p>appropriateness of capital bids, that schemes will be carried out to budget and on time, and that whole life costing is considered within the option process</p> <p>Ongoing. Appraisal forms for schemes submitted for approval demonstrate how value for money will be achieved as part of the appraisal process but this needs to be part of a continuing process of monitoring that is taking place in the Asset management Working Group</p> <p>Performance measures: % of projects where outturn is within +/- 5% of estimated</p>



<b>CORPORATE PROPERTY STRATEGY</b>				
<b>ISSUE</b>	<b>DATE</b>	<b>PRIORITY (LOW, MEDIUM, HIGH)</b>	<b>RESPON SIBILITY</b>	<b>COMMENT</b>
<b>DESIGN, PROCUREMENT AND CAPITAL PROGRAMME MONITORING</b>				
				outturn % of projects falling within + 5% of the estimated timescale

<b>CORPORATE PROPERTY STRATEGY</b>				
<b>ISSUE</b>	<b>DATE</b>	<b>PRIORITY (LOW, MEDIUM, HIGH)</b>	<b>RESPONSIBILITY</b>	<b>COMMENT</b>
<b>ACQUISITION AND DISPOSAL OF PROPERTY</b>				
To ensure that the acquisition of property is in line with corporate guidelines	31/3/06	<b>H</b>	HPropS & all appropriate Service Heads	Ongoing. Acquisitions must follow the capital programme procedures that link schemes to the Corporate Plan prior to funding being agreed but this also needs to be in accordance with the managing Service's asset management plan
That the acquisition of property should not be undertaken in an uncoordinated way	31/3/06	<b>H</b>	HPropS & all appropriate Service Heads	Ongoing. All projects requiring the acquisition of property should be guided by a project team that includes the sponsoring Service and Property Services as a minimum, but this needs reinforcing in certain areas.

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>ACQUISITION AND DISPOSAL OF PROPERTY</b>				
That professional support is appropriately obtained	31/3/06	<b>M</b>	HPropS & all appropriate Service Heads	Complete. Should it be appropriate to appoint external agents to undertake the acquisition process, the Council's procurement processes should be followed
That appropriate information is obtained to allow the acquisition to proceed	31/12/05	<b>M</b>	HPropS	Complete. Property Services advise on the information required from any appointed external agents so that sufficient information is available to inform the legal acquisition process and the subsequent management of the acquired property.

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>ACQUISITION AND DISPOSAL OF PROPERTY</b>				
That the Council's records are amended to reflect the acquisition of new assets	31/3/06	<b>M</b>	HProps & all appropriate Service Heads	Complete. As part of the process sufficient valuation information should be provided to enable the property to be insured and the Council's asset register to be updated  Current performance – 100% properties insured
To link in with the policies relating to Health & Safety, facilities management and property maintenance, suitable planning is undertaken prior to occupation of premises	31/3/06	<b>M</b>	HProps & all appropriate Service Heads	Outstanding. In respect of <u>all</u> property to be acquired by the City Council, a Pre-Occupancy Plan (POP form) is being prepared that would be completed and made available to Property Services as Corporate Landlord.
Corporate views should be taken on the disposal of property	1/9/05	<b>H</b>	HProps	Complete. Where property disposals are to take place, the Head of Property Services reports to the AMWG prior to the disposals taking place.

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>ACQUISITION AND DISPOSAL OF PROPERTY</b>				
To ensure that the Council retains control of development in strategic areas	1/9/05	<b>H</b>	HPropS	Complete. Where strategic disposals take place, Development Agreements are considered the appropriate method of disposal to ensure that the Council retains some form of control over the form of the development and the links that it has in relation to the Council's Corporate Plan.
To ensure that the most appropriate form of income is received upon disposal of property	1/12/05	<b>M</b>	HPropS & Head of Financial Services	Complete. In appropriate circumstances, the Council considers whether, on the disposal of property, a capital receipt is required or a stream of income is to be retained geared to the anticipated income from the scheme as a whole.

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>ENERGY EFFICIENCY</b>				
That the Council seeks to meet national guidelines on energy consumption	31/10/05	<b>H</b>	HPropS	Complete. Following completion of the energy audit, an energy policy has been prepared identifying a programme of works to the Council's buildings.
That the Council adapts its buildings as it seeks to meet national guidelines on energy consumption	31/12/05	<b>H</b>	Premises Manager	Ongoing. Recent schemes have been in the category of minor works. The AMWG needs to consider further the programme of works and prepare recommendations for the Council to undertake the most cost effective works required as part of the bids for the capital programme utilising where possible match funding from the Carbon Trust.  Current performance: Energy costs per sq. mt. GIA -

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>ENERGY EFFICIENCY</b>				
				£8.54 Water costs per sq. mt. GIA - £2.46 CO2 emissions in tonnes of CO2 per sq. mt. – 0.07  Targets: To be set in energy policy
That the Council meets future legislative requirements on energy conservation	TBA	L	Premises Manager	That the Council implements the requirements of the Energy Performance of Buildings Directive as soon as details are confirmed so as to be seen as an example of best practice.

CORPORATE PROPERTY STRATEGY				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>ENERGY EFFICIENCY</b>				
That the Council uses renewable energy where possible	TBA	<b>M</b>	Premises Manager	That the Council considers utilising alternative forms of energy e.g. wind turbines on receipt of a report from the LSP energy group.
				Current performance: All main municipal buildings supplied by green electricity supplies  Target: to be set in energy policy



CORPORATE PROPERTY STRATEGY				
ISSUE	COMMENT	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>PROFESSIONAL SUPPORT</b>				
That the Council manages its property portfolio in an effective, economic and efficient manner	31/3/06	<b>H</b>	HPropS	Not complete. The Asset Management Peer Review has identified that further support is required for the Corporate Property Officer to undertake his strategic management role.
That audit requirements are met in terms of required valuations	31/3/06	<b>H</b>	Principal Valuer	Complete. All asset valuations of both housing and non-housing stock are undertaken at a frequency agreed with Financial Services.
That the Council has adequate property insurance	31/3/06	<b>M</b>	Principal Valuer	Not complete. Discussions are being held with Financial Services with regard to the undertaking of a complete review of insurance valuations.  Target: 20% of valuations undertaken each year but may be 100% in current year.

CORPORATE PROPERTY STRATEGY				
ISSUE	COMMENT	PRIORITY (LOW, MEDIUM, HIGH)	RESPON SIBILITY	COMMENT
<b>PROFESSIONAL SUPPORT</b>				
That the Council seeks an appropriate return on the value of its property when let to third parties	31/12/05	<b>H</b>	Principal Valuer	<p>Complete. All property is let and that lettings of property are at market value</p> <p>Current performance: Internal rate of return (IRR) for retail premises – 8.9% Income from rental as a % due – 97.38% % of floor space vacant – 10.74%</p> <p>Targets for 2010: IRR for retail premises – 10% Income from rent – 100% % of floor space vacant – 0%</p>

<b>CORPORATE PROPERTY STRATEGY</b>				
<b>ISSUE</b>	<b>COMMENT</b>	<b>PRIORITY (LOW, MEDIUM, HIGH)</b>	<b>RESPON SIBILITY</b>	<b>COMMENT</b>
<b>PROFESSIONAL SUPPORT</b>				



CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>THE MANAGEMENT FRAMEWORK</b>				
Development of an energy strategy	31/10/05	H	Head of Property Services	Complete
Allocation of specific energy management functions: That the Cabinet Member with responsibility for Property is identified as having specific responsibility for energy and water management within the Council's property portfolio. That the Asset Management Working Group be responsible for monitoring the Council's energy and water management That the Head of Property Services is specifically identified as the senior officer in the Council for energy and water management issues. That the Premises Manager within Property Services be allocated the role of energy and water management	31/10/05	H	Cabinet	Complete
	31/10/05	H	HPropS	Complete
	31/10/05	H	HPropS	Complete
	31/10/05	H	HPropS	Complete

CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>THE MANAGEMENT FRAMEWORK</b>				
Allocation of site specific energy management functions: In accordance with the Corporate Property Strategy, staff identified as nominated property officers/health and safety co-ordinators in each of the Council's Services should be responsible for obtaining specific energy and water management statistics and for the dissemination of energy and water management to staff in each Service	31/3/06	<b>H</b>	HPropS	Complete in so far as statistical information is being received. Further work is needed on passing work out to the Services.
Acquisition of technical expertise to advise the Council on energy management issues and schemes. That a report is prepared for the Council to consider the appointment of consultants or opportunities for joint working with adjoining authorities.	31/3/06	<b>M</b>	HPropS	This work is outstanding.

CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>THE MANAGEMENT FRAMEWORK</b>				
<p>To obtain specific energy consumption statistics per floor area of individual buildings</p> <p>Obtain benchmarking figures which reflect the Council's differing building types to compare performance.</p> <p>Obtain benchmarking details from local authorities with similar portfolios based on the following units of measurement:</p> <p>CO2 emissions tonnes per m2 GIA</p> <p>Energy consumption kilowatt-hours per m2 GIA</p> <p>Energy spend £ per m2 GIA</p> <p>Water consumption m3 per m2 GIA</p>	31/3/06	<b>H</b>	Premises Manager	Complete
	31/3/06	<b>M</b>	Premises Manager	Ongoing
	31/3/06	<b>M</b>	Premises Manager	Complete

CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>THE MANAGEMENT FRAMEWORK</b>				
<p>Introduce staff training sessions regarding energy awareness with a view to maximising potential energy consumption savings</p> <p>Identify funding sources via the Carbon Trust for staff training.</p> <p>Staff identified as nominated property officers/health and safety co-ordinators in each of the Council's Services be selected for energy training along with all building management personnel within Property Services</p>	31/12/05	<b>H</b>	Premises Manager	Carbon Trust information packs received but training only on a self help basis. Alternative providers to be identified.
	31/12/05	<b>H</b>	Premises Manager	
<p>Consider the effect of energy issues in all property schemes.</p> <p>In all schemes that are property based, introduce energy efficiency impact assessments as part of the option appraisal process.</p> <p>In addition, all schemes should seek compliance with latest Building Regulations whilst seeking to achieve certification to e.g. BREEAM standards</p>	31/12/05	<b>M</b>	HPropS	Complete in so far as possible. No major new schemes have been undertaken to which this would apply, but the Access to Services scheme will have to reflect this. New Building Regulations deem such work as mandatory.



CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>THE MANAGEMENT FRAMEWORK</b>				
Ensure that innovations in energy and water conservation are identified. That the LSP Energy Forum investigate the potential for innovative energy and water conservation initiatives to determine their potential for use in the Council's buildings	Ongoing	<b>M</b>	LSP	Ongoing
Ensure consistent approach to energy procurement. Continue with the procurement of energy via the Yorkshire Purchasing Organisation and to report on progress to the AMWG Seek to maximise the proportion of green electricity procured	31/12/05 Ongoing	<b>M</b> <b>M</b>	Premises Manager Premises Manager	Complete Ongoing as part of the supply process.

CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>GENERAL BUILDING IMPROVEMENTS</b>				
<p>Implement measures to provide control of heating, ventilation and air conditioning systems within the portfolio.</p> <p>Investigate the potential to install a Building Energy Management system within the Council's buildings acknowledging that the outcome of the Access to Services Review will be required prior to considering the overall extent of the system.</p>	31/3/06	<b>M</b>	Premises Manager	Delays in the Access to services Review have resulted in no progress.
<p>Consider methods for introducing local control of radiator temperatures to achieve improved comfort and reduced energy consumption and cost</p> <p>Introduce thermostatic radiator valves throughout the Council's buildings.</p>	31/12/05	<b>H</b>	Technical Inspector	Delays in the Access to services Review have resulted in no progress.
<p>Consider the specification of fittings for lighting, water consumption etc. in maintenance, refurbishment or new projects</p>				

CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>GENERAL BUILDING IMPROVEMENTS</b>				
<p>Introduce high energy efficiency lighting into existing buildings where possible.</p> <p>For all new buildings, refurbishments or alterations, the use of high energy efficient lighting should be standard, whilst the increased use of natural light should be assessed to reduce the need for the use of lighting</p> <p>Introduce rainwater and greywater recycling on appropriate developments, whilst specifying waterless urinals, aerating taps and shower heads, and other low-flow appliances where possible.</p>	31/12/05	<b>M</b>	Technical Inspector	Ongoing throughout buildings
	31/3/06	<b>M</b>	Premises Manager	No new schemes to which this would apply have yet been undertaken
<p>Investigate the efficiency of the central heating boilers.</p> <p>Prepare a programme to replace old boiler units with more efficient systems reflecting the requirements of the Access to Services Review within the programme.</p>	31/12/06	<b>M</b>	Premises Manager	No new schemes to which this would apply have yet been undertaken
				Condition surveys identify need for replacements in main buildings but delays in Access to services Review have slowed progress

CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>GENERAL BUILDING IMPROVEMENTS</b>				
Investigate the heat loss through doors and windows				
Survey all buildings to identify opportunities to reduce draughts entering the buildings through entrance doors and windows.	31/10/05	H	Buildings Manager	Outstanding
Prepare a programme to undertake the works involved	31/10/05	H	Buildings Manager	Outstanding
Investigate the use of energy generating technology				
Investigate the potential to utilise wind turbines at White Lund Depot	30/06/06	H	Premises Manager	Some initial work undertaken

CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>SPECIFIC BUILDING IMPROVEMENTS</b>				
Improve level of insulation within the roof void of Lancaster Town Hall Implement insulation scheme	31/10/05	H	Technical Inspector	Complete
Rationalise the heating system within Lancaster Market Investigate the existing control strategy and optimise to most effective settings Reduce draughts from doors and ventilation grills by relocating warm air curtains, door sensors and considering a control system for use ventilation grills only when smoke detectors are activated	31/10/05 31/10/05	H H	Market Manager Market Manager	Both schemes have been investigated but the costs were prohibitive and therefore not in line with priorities of works in required in the market
Introduce Heating controls for fan convective heaters at White Lund Depot stores area Implement heating control scheme	31/10/05	H	Head of CCS	Outstanding

CORPORATE ENERGY STRATEGY – ACTION PLAN				
ISSUE	DATE	PRIORITY (LOW, MEDIUM, HIGH)	RESPONSIBILITY	COMMENT
<b>SPECIFIC BUILDING IMPROVEMENTS</b>				
Consider ways of reducing energy consumption at Salt Ayre Sports Centre	31/3/06	<b>H</b>	Chief Leisure Officer	Initial investigations undertaken but further work on funding required
Investigate the introduction of solar panels/photovoltaic cells on the swimming pool roof using potential grant aid from the Clear Skies funding programme				
Consider amendments to the hot water pumped system at St. Leonards House	31/3/06	<b>M</b>	Technical Inspector	Outstanding
Review the design of the heating system at St Leonards House and assess the implications of altering the pumping patterns	31/3/06	<b>M</b>	Technical Inspector	Outstanding
Establish the specific energy requirements of the building	31/3/06	<b>M</b>	Technical Inspector	Outstanding
Determine the introduction of variable speed drives for the induction motors on the pumps supplying the central heating network.	31/3/06	<b>M</b>	Technical Inspector	Outstanding

**BUDGET AND PERFORMANCE PANEL**

**Backward Annual Efficiency Statement**

**25<sup>th</sup> July 2006**

**The Accountancy Services Manager will present a report on the Backward Annual Efficiency Statement to Members.**

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**BUDGET AND PERFORMANCE PANEL****Annual Efficiency Statements****25 July 2006****Report of the Accountancy Services Manager****PURPOSE OF REPORT**

To provide the Panel with copies of the 2005/06 Backward Looking Annual Efficiency Statement and the 2006/07 Forward Looking Annual Efficiency Statement.

**This report is public**

**1. RECOMMENDATIONS**

- 1. That the Budget and Performance Panel consider and note the Annual Efficiency Statements submitted for 2005/06 and 2006/07.**

**2. Introduction**

At the meeting of the Budget and Performance Panel on 04 April 2006, it was agreed that a copy of the 2006/07 Forward Looking Annual Efficiency Statement (AES) would be circulated to Panel Members. In addition, it was also noted that the 2005/06 Backward Looking AES would also be presented to this meeting. Copies of both statements are appended to this report.

**3. 2005/06 Backward Looking AES**

Attached at **Appendix A** is a copy of the 2005/06 Backward Looking AES which shows that cumulative gains (including 2004/05 base year) were £1,196,691 against the original target of £960,000. The return was submitted to the ODPM on 06 July 2006, in line with the deadline. It should be noted however, that this will be the first return that is subject to external inspection by the Audit Commission. The exact date and details of the inspection have as yet to be finalised.

**4. 2006/07 Forward Looking AES**

The total cumulative Gershon efficiency target for 2006/07 was originally set at £1,912,000 of which 50% must be cashable. However, a recent notification from the ODPM stated that

this target had been reassessed and reduced to £1,168,000, and this has been reflected in the submission of the 2006/07 AES. Attached at **Appendix B** is a copy of the statement which shows that the Council is aiming to achieve total cumulative efficiency saving of £1,198,000 against the revised target.

As stated in the April report, the Panel has responsibility for monitoring progress through the year to check that the initiatives to achieve the targets are being pursued to ensure predicted outcomes. In this respect, the Panel's work programme includes the presentation of a mid-year progress report to the 31 October meeting.

**5. Conclusion**

Members are asked to consider and note both Annual Efficiency Statements. In addition, the outcome of the 2005/06 Backward Looking AES audit will be reported back to Members in due course.

<p><b>CONCLUSION OF IMPACT ASSESSMENT</b>  <b>(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</b></p> <p>None identified arising from this report.</p>	
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>There are no financial implications arising directly as a result of this report.</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b></p> <p>The Section 151 Officer has been consulted and has no further comments to add.</p>	
<p><b>LEGAL IMPLICATIONS</b></p> <p>There are no legal implications arising directly as a result of this report.</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b></p> <p>The Monitoring Officer has been consulted and has no further comments to add.</p>	
<p><b>BACKGROUND PAPERS</b></p> <p>Annual Efficiency Statements : 2006/07 Forward Looking &amp; 2005/06 Backward Looking.</p>	<p><b>Contact Officer: Andrew Clarke</b>  <b>Telephone: 582138</b>  <b>E-mail: aclarke@lancaster.gov.uk</b></p>

## Annual efficiency statement - backward look

## Details

## Local authority

Contact name Andrew Clarke  
 Job title Accountancy Services Manager  
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## Statement

## Key actions undertaken to achieve efficiency gain

Lancaster City Council has continually achieved efficiency savings year on year through the application of a wide range of strategies. However, it has not always been clear how these differing strategies inter-relate to deliver these savings/efficiencies that enable the various financial and Gershon targets included within the Medium Term Financial Strategy (MTFS) to be met. Therefore, in December 2005, the Council formally approved its Value for Money (Efficiency) Strategy with the aim of setting out a clear framework that links the relevant strategies together to support the delivery of a range of Council key objectives and initiatives that underpin the achievement of the Corporate Plan priorities and MTFS targets.

The Council has also further developed its Performance Management Framework in order to strengthen its approach to ensuring it gets the best use from its limited resources whilst seeking to achieve continuous improvement and targeting areas of identified poor performance. The strategies that are integral to the VfM framework are set out below :

- Corporate Property Strategy
- Star Chamber / Gershon Strategy
- Procurement Strategy
- Consultation Strategy
- E-Government Strategy
- Human Resources Strategy
- Risk Management Strategy
- Performance Management Framework

Key actions have been taken during 2005/06 as a result of these strategies which have resulted in cashable and non-cashable savings. Such actions include :

- A review of the Council Housing Repair and Maintenance Section resulting in an improvement of 13 days in the time taken to complete a standard repair job.
- A more proactive approach to sickness absence management resulting in an annual reduction of 636 days sick leave, equating to a non-cashable saving of £63K.
- Significant improvements in the processing of new benefit claims, which has reduced the processing time by 32 days per claim. Overall, combined cashable and non-cashable savings of £323K have been generated in this area.
- The adoption of new procedure have resulted in a reduction of bid costs totalling £100K for two major capital schemes.

These represent the main areas where actions have generated major savings, however there are various other key actions that have been implemented across the authority which have also contributed to the overall savings total. These are detailed in the following sections.

It should be noted that the majority of savings included in this statement relate to "other cross cutting efficiencies", as these are savings that cannot directly be attributable to front line services. Other service specific efficiencies are being progressed and will produce savings in future years.

Title	Ongoing gains sustained from 2004/05 (£)		Further gains achieved in 2005/06 (£)		...of which expected to be ongoing (£)		Cumulative gains as at end of 2005/06 (£)		Related links
	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	Total gains	...of which cashable (£)	
Adult social services	0	0	0	0	0	0	0	0	Documents People Projects
2005/06 Primary quality cross check									
Quality cross check							2004/05	2005/06	Quality cross check met?
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes
Overarching key actions taken:									
Overarching quality crosscheck information:									
Children's services	0	0	0	0	0	0	0	0	Documents People Projects
2005/06 Primary quality cross check									

	2005/06 Primary quality cross check									
	Quality cross check							2004/05	2005/06	Quality cross check met?
	No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes
	Overarching key actions taken:									
	Overarching quality crosscheck information:									
Culture and sport	0	0	0	0	0	0	0	0	0	Documents People Projects
	2005/06 Primary quality cross check									
	Quality cross check							2004/05	2005/06	Quality cross check met?
	No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes
	Overarching key actions taken:									
	Overarching quality crosscheck information:									
Environmental services	0	0	125,205	0	125,205	0	125,205	0	0	Documents People Projects
	2005/06 Primary quality cross check									
	Quality cross check							2004/05	2005/06	Quality cross check met?
	Percentage of households resident in the Authority's area served by kerbside collection of at least two recyclables (BV91b)							65	76.74	Yes
	Previous primary quality cross check (if different)									
	Previous primary quality crosscheck							2004/05	2005/06	Quality cross check met?
	Percentage sum of household waste arisings that have been:(a) sent by the Authority for recycling (BV82a i); (b) sent by the Authority for composting or treatment by anaerobic digestion (BV82b i); and (c) used to recover heat, power and other energy sources (BV82c i)							17.72	19.39	Yes
	Overarching key actions taken: A 10% improvement in Street Cleansing has been made in 2005/06 (BV199), for which the Council can count 3 Local Non-Cashable credits (equal to 1/32 of the Council's street cleansing budget of £1,335,500) equating to £125,205.									
	Overarching quality crosscheck information: The Council has continued to invest significant financial resources in recycling, waste collection and street cleansing. The implementation of the Three Stream Waste strategy is still continuing and will see the final phase rolled out during 2007/08.									
Local transport (highways)	0	0	0	0	0	0	0	0	0	Documents People Projects
	2005/06 Primary quality cross check									
	Quality cross check							2004/05	2005/06	Quality cross check met?
	No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes
	Overarching key actions taken:									
	Overarching quality crosscheck information:									
Local transport (non-highways)	0	0	0	0	0	0	0	0	0	Documents People Projects
	2005/06 Primary quality cross check									
	Quality cross check							2004/05	2005/06	Quality cross check met?
	No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes
	Overarching key actions taken:									
	Overarching quality crosscheck information:									
LA social housing (capex)	0	0	115,520	62,947	115,000	62,000	115,520	62,947	0	Documents People Projects
	2005/06 Primary quality cross check									
	Quality cross check				2004/05	2005/06	Quality cross check met?			
	Percentage of homes made decent				100	100	Yes			

	Percentage of homes made decent								100	100	Yes
	<p>Overarching key actions taken: In 2004/05 it was decided to merge the Area Housing Offices and centralise the service, which has subsequently generated efficiency saving of £52K. In addition, partnership working with the gas supplier has generated further savings of £3K, as a result of reducing the hours of one Housing Assistant post. It was envisaged that these savings would be greater, however problems with the I.T. system delayed the implementation until September 2005. The final key action relates to the modernisation of the Repair and Maintenance Section, with specific focus on increased productivity through more efficient working practices. Improvements in this area have seen the time taken to undertake standard repair jobs reduce from 22 days to 9 days, giving non-cashable productivity savings of £61K for 2005/06.</p> <p>Overarching quality crosscheck information: The percentage of homes that still meet the decent homes standard has been maintained at 100%.</p>										
LA social housing (other)	0	0	0	0	0	0	0	0	Documents		
									People		
									Projects		
	2005/06 Primary quality cross check										
	Quality cross check							2004/05	2005/06	Quality cross check met?	
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes		
Overarching key actions taken:											
Overarching quality crosscheck information:											
Non-school educational services	0	0	0	0	0	0	0	0	Documents		
									People		
									Projects		
	2005/06 Primary quality cross check										
	Quality cross check							2004/05	2005/06	Quality cross check met?	
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes		
Overarching key actions taken:											
Overarching quality crosscheck information:											
Supporting people	0	0	0	0	0	0	0	0	Documents		
									People		
									Projects		
	2005/06 Primary quality cross check										
	Quality cross check							2004/05	2005/06	Quality cross check met?	
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes		
Overarching key actions taken:											
Overarching quality crosscheck information:											
Homelessness	0	0	0	0	0	0	0	0			
	2005/06 Primary quality cross check										
	Quality cross check							2004/05	2005/06	Quality cross check met?	
	No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes	
	Previous primary quality cross check (if different)										
	Previous primary quality crosscheck							2004/05	2005/06	Quality cross check met?	
	Reduction in use of temporary accommodation, where exercising a duty under the homelessness legislation							6	4	Yes	
Overarching key actions taken:											
Overarching quality crosscheck information: During the last 12 months concerted effects have been made to tackle the issues around temporary accommodation. This involved restructuring of the housing advice team, with designated prevention officers and a more community focused service. These measures have seen a reduction in the use of temporary accommodation, and the Council will continue to focus on prevention and work with clients to explore all housing options and empower them to secure and sustain alternative accommodation.											
Other cross-cutting efficiencies not covered above											
Corporate services	0	0	28,678	28,678	28,000	28,000	28,678	28,678	Documents		
									People		
									Projects		
	2005/06 Primary quality cross check										
	Quality cross check							2004/05	2005/06	Quality cross check met?	
No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)							0	0	Yes		
Previous primary quality cross check (if different)											



	Previous primary quality cross check (if different)								
	Previous primary quality cross check				2004/05	2005/06	Quality cross check met?		
	No new qualifications on the financial accounts (0=No, 1=Yes)				1	1	Yes		
	<p>Overarching key actions taken: Financial Services undertook a review of the Exchequer function in order to facilitate the introduction of related e-government initiatives, and to plan for future changes to corporate systems such as Payroll and HR.</p> <p>Overarching quality crosscheck information: The Council has continued to meet the new statutory deadlines for closing its accounts whilst ensuring no new qualifications are received. The audit of the 2005/06 accounts has commenced and the audit report is due by the end of September 06.</p>								
Procurement	9,366	9,366	186,336	100,427	186,000	100,000	195,702	109,793	Documents People Projects
	2005/06 Primary quality cross check								
	Quality cross check				2004/05	2005/06	Quality cross check met?		
	Corporate procurement strategy in place and/or updated in the last year (0=No, 1=Yes)				1	1	Yes		
	<p>Overarching key actions taken: Significant savings have been achieved through the use of OGC Buying.Solutions as a result of being able to access competitive framework agreements and managed services. Overall, savings of £81K were generated on a variety of contract areas.</p> <p>Cash savings of £55K have also accrued from a review of recruitment and general advertising. However, the Council is still anticipating further efficiencies to develop through partnership arrangements and electronic procurement.</p> <p>Overarching quality crosscheck information: The Council continues to make progress in achieving the targets set out in the Procurement Strategy and regularly reviews and reports progress to Members.</p>								
Productive time	68,808	40,836	315,930	235,076	216,000	135,000	384,738	275,912	Documents People Projects
	2005/06 Primary quality cross check								
	Quality cross check				2004/05	2005/06	Quality cross check met?		
	Working days lost to sickness absence (BV12)				12.18	11.5	Yes		
	<p>Overarching key actions taken: Savings have been generated in certain Services through early retirements or reviewing current working practices. The main area of savings came from the closure of the cash offices which produced savings of £79K. Significant one-off gains of £100K were also realised on pre-contract costs on two major capital projects, as a result of adopting the Constructing Excellence culture.</p> <p>Reductions in sickness absence have generated non-cashable savings of £63K based on a reduction of 636 days at an average cost of £99 per employee per day.</p> <p>Overarching quality crosscheck information: The Council has actively managed its sickness absence by reviewing its Sickness Absence Management policy, improving awareness across the authority, providing training for line managers and producing monthly statistics. This combined approach has reduced the average number of days lost per employee in 2005/06 down to 11.5 days.</p>								
Transactions	0	0	336,160	49,357	336,000	49,000	336,160	49,357	Documents People Projects
	2005/06 Primary quality cross check								
	Quality cross check				2004/05	2005/06	Quality cross check met?		
	Speed of processing new HB/CTB claims (BV78a)				54	22	Yes		
	<p>Overarching key actions taken: The main area where savings have been generated has been in the administration of Housing Benefits. Overall, there has been a 63% improvement in efficiency in terms of the time taken to process claims, which has enabled the Service to improve the quality of service it provides.</p> <p>Overarching quality crosscheck information: New claims are now processed 32 days quicker, and changes in circumstance claims have seen an improvement of 12 days.</p>								
Miscellaneous efficiencies	0	0	10,688	10,688	0	0	10,688	10,688	
	2005/06 Primary quality cross check								
	Quality cross check				2004/05	2005/06	Quality cross check met?		
	No efficiency gains to be reported in this sector, (enter 0 in 2004/05 and 0 in 2005/06)				0	0	Yes		
	<p>Overarching key actions taken: In a review of assets, the Council has identified surplus property and land which generated capital receipts, and subsequently additional interest receipts through increased cash flows.</p> <p>Overarching quality crosscheck information: No specific cross check is available for this category.</p>								
Total	78,174	50,202	1,118,517	487,173	1,006,205	374,000	1,196,691	537,375	

## Annual efficiency statement - forward look

## Details

Local authority	Lancaster City Council
Contact name	Andrew Clarke
Job title	
Email address	aclarke@lancaster.gov.uk
Submitted date	18/04/2006 03:29 PM

## Statement

## Strategy for period to 2007/08

Lancaster City Council's strategy for securing efficiency gains is a key element of its wider Value for Money (Efficiency) Strategy, which was formally adopted by the Council in December 2005. This framework document recognises that many initiatives and other activities generate efficiency savings, and it sets out how all these differing strands contribute to the achievement of the Gershon targets, as well as other financial targets such as those contained with the Medium Term Financial Strategy – under this, the Council aims to limit Council Tax increases to below 5% each year for the next three years, whilst achieving its key priority outcomes as set out in the Corporate Plan.

The Value for Money (Efficiency) Strategy focuses particularly on cross cutting activities and processes that will contribute to meeting the efficiency targets. In particular the Strategy encompasses the following:

Corporate Property Strategy Procurement Strategy

e-Government Strategy

Risk Management Strategy

Human Resources Strategy

Corporate Consultation Strategy

Access to Services

Performance Management Framework and Budget Review

The role of Overview and Scrutiny

The role of Internal Audit

As part of the Council's recent Use of Resources Assessment undertaken by the Audit Commission, the Council's overall score was "3" but only scored '2 in the Value for Money element. The outcome of this, and other peer challenge reviews, will be used to inform and develop the Council's strategy for securing efficiency gains in current and future years.

## Key actions in 2006/07

Key actions to be taken during the year:

-The Customer Services Centre will be expanded to include other key front line services such as Local Taxation and Housing Benefits, Planning and Leisure. Community consultation will also be undertaken on the options identified for rationalising office accommodation, in line with Customer Services developments and the earlier Access to Services Review.

-Regarding procurement, the Council will continue with implementation and review of its Procurement Strategy in line with the National agenda and the results of its recent IDeA Healthcheck Review, encompassing:

Progressing the planned implementation of e-procurement solutions

Collaborative working with neighbouring Councils and other partners

-Following completion of the Senior Management restructure, further reviews will be completed to generate efficiencies in the following areas:

Cultural Services, encompassing Leisure, Arts, Events and Museums etc.

Council Housing Management and working practices, to support viability of the Business Plan

Grounds Maintenance and Street Cleansing, to achieve service integration.

-The Council's new Performance Management Framework will be embedded. To support this, a corporate approach to Project Management has been devised and will be implemented.

-The Council's Improvement Plan will be updated to take account of recent external assessments and inspections, with progress being monitored to ensure that any further efficiency opportunities are identified and taken forward as appropriate.

The Cabinet's continuous review of service delivery methods has already begun for 2006/07 in search of further efficiencies than those mentioned in this statement.

	Expected annual efficiency gains (£)	...of which cashable (£)	Related links
Adult social services	0	0	Documents People Projects
Strategy: Key actions:			
Children's services	0	0	Documents People Projects
Strategy: Key actions:			
Culture and sport	0	0	Documents People Projects
Strategy: Key actions:			
Environmental services	0	0	Documents People Projects
Strategy: Key actions:			
Local transport (highways)	0	0	Documents People Projects
Strategy: Key actions:			
Local transport (non-highways)	0	0	Documents People Projects
Strategy: Key actions:			
LA social housing (capex)	0	0	Documents People Projects
Strategy: Key actions:			



LA social housing (other)	204,000	101,000	Documents People Projects
<p><b>Strategy:</b> The Council has already achieved the Decent Homes Standard, and has its 30 year Business Plan approved and will retain its housing stock. In order to deliver it's Business Plan it is targetting areas where efficiencies can be delivered. The process has already started with the merging of the Building Maintenance function into Council Housing, a review of the Area Housing Offices and a review of partnering arrangements for responsive and planned maintenance.</p> <p><b>Key actions:</b> The aim is to build on new working practices for the maintenance function to ensure more efficient use of time and increase productivity. Linked to this, a new computerised appointments system will be introduced shortly to enable better management in the allocation of resources.</p>			
Non-school educational services	0	0	Documents People Projects
<p><b>Strategy:</b></p> <p><b>Key actions:</b></p>			
Supporting people	0	0	Documents People Projects
<p><b>Strategy:</b></p> <p><b>Key actions:</b></p>			
Homelessness	0	0	
<p><b>Strategy:</b></p> <p><b>Key actions:</b></p>			
<b>Other cross-cutting efficiencies not covered above</b>			
Corporate services	24,000	24,000	Documents People Projects
<p><b>Strategy:</b> One of the main drivers for efficiency has been the review of the senior management structure which came into effect on 01 April 2006.</p> <p>In 2004 the Council produced a Framework for Partnership Working and Procurement through Partnering Guidelines. These were produced in support of the Council's Procurement Strategy and set out clear guidance on how the Council will meet the strategic objectives of delivering better services to citizens through the creation of sustainable partnerships. The framework defines what are considered to be the main policy drivers, types of partnership and service delivery models.</p> <p>As part of the e-government strategy, Services are working together to implement simplified and more efficient processes.</p> <p><b>Key actions:</b> The Council has undertaken a review of the Exchequer function in order to facilitate the introduction of related e-government initiatives, and to plan for future changes to corporate systems such as payroll and HR.</p> <p>The Council has allocated resources to progress the electronic development of documentation and workflow practices in order to standardise processes.</p>			
Procurement	166,000	76,000	Documents People Projects
<p><b>Strategy:</b> The Council's Procurement Strategy is owned by Members (the Leader of the Council is the Member Procurement Champion) and senior officers, and scrutiny of progress and effectiveness towards implementation is monitored by the Budget and</p>			

	<p>and scrutiny of progress and effectiveness towards implementation is monitored by the Budget and Performance Panel. In addition, further initiatives will be progressed through the Regional Centre of Excellence.</p> <p>Key actions: The Council is anticipating efficiencies to develop through partnership arrangements and electronic procurement. Current working with the private sector and other invest to save measures are anticipated to generate energy efficiency savings.</p>		
Productive time	341,000	325,000	Documents People Projects
	<p><b>Strategy:</b> In order to fully support the current local government agenda for HR, which includes Pay and Grading Reviews, Workforce Development Planning, the Council's commitment to Investors in People and the Charter for Elected Member Development, the Human Resources and Organisational Development Service has been recently reorganised. In addition to the external strategic agenda, the Service is also committed to improving strategic HR planning, providing support to the Access to Services Review, and continuing to support the effective management of sickness absence.</p> <p>In addition to the specific HR initiatives, all Services are required to deliver improved efficiency as part of the Business Planning process. This in turn is monitored and reviewed as part of the newly implemented Performance Management Framework.</p> <p>Key actions: Savings continue to be accrued through early retirements or reviewing current working practices, however one of the main areas anticipated to generate significant cashable and non-cashable efficiencies is the creation of a Customer Contact Centre. This is directly linked to the Access to Services Review and a review of document and workflow management. Inevitably there will be an overlap with savings generated in transactions, however these have yet to be quantified.</p>		
Transactions	411,000	73,000	Documents People Projects
	<p><b>Strategy:</b> The Business Planning process provides the strategic link between the Corporate Plan, Service actions and performance measurement. As mentioned above the new Performance Management Framework will monitor Service performance against the Business Plans, and will focus monitoring on priorities and outcomes and enable Members and managers to understand variations against targets.</p> <p>The Business Planning process also directly links with the Employee Development process with the aim of encouraging staff to take part, learn and contribute towards driving forward service improvement.</p> <p>Key actions: Significant efficiencies have already been achieved in the processing of benefit claims, which have subsequently enabled three vacant posts to be deleted from the establishment. To date the Council has also been awarded a further £314,000 Planning Delivery Grant for 2006/07, on top of the £524,000 received for 2005/06.</p> <p>Future efficiencies are anticipated with the introduction of e-billing, and the extension of e-payment methods, which is directly linked to the closure of the Council's cash offices.</p>		
Miscellaneous efficiencies	52,000	52,000	
	<p><b>Strategy:</b> There is no specific strategy that is not covered in the areas detailed above.</p> <p>Key actions: The Council continues to review its assets and has identified surplus property and land which will generate capital receipts, and subsequently additional interest receipts through increased cash flows.</p>		
<b>Total</b>	<b>1,198,000</b>	<b>651,000</b>	

**BUDGET AND PERFORMANCE PANEL**

**New Performance Management Framework**

**25<sup>th</sup> July 2006**

**The Head of Corporate Strategy will provide Members with a presentation on the New Performance Management Framework.**

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**Members Briefing  
25 July 2006**

**Performance Management Framework**

**Introduction - Corporate Director (Finance and Performance)**

**New Arrangements (Head of Corporate Strategy)**

- What are the new arrangements?
- Performance Review Teams (Terms of Reference/timetable)
- Quarterly Reports
- Escendency
- Project Management

# Performance Management

## New Framework, New System

- CPA Assessment 2004
- *“The key issue facing Lancaster is whether or not it wants to be more radical in its approach to improvement - if so championing and challenging the management of performance is central to success”*
- Key area in Corporate Improvement Plan

# Background

- Audit Commission review February 2005
- " *.....a framework which outlines and clarifies roles and responsibilities.....* "

# Key Areas for Improvement

- Clarifying the PM Framework
- More regular evaluation of performance
- Clarify the Cabinet & Scrutiny roles in performance



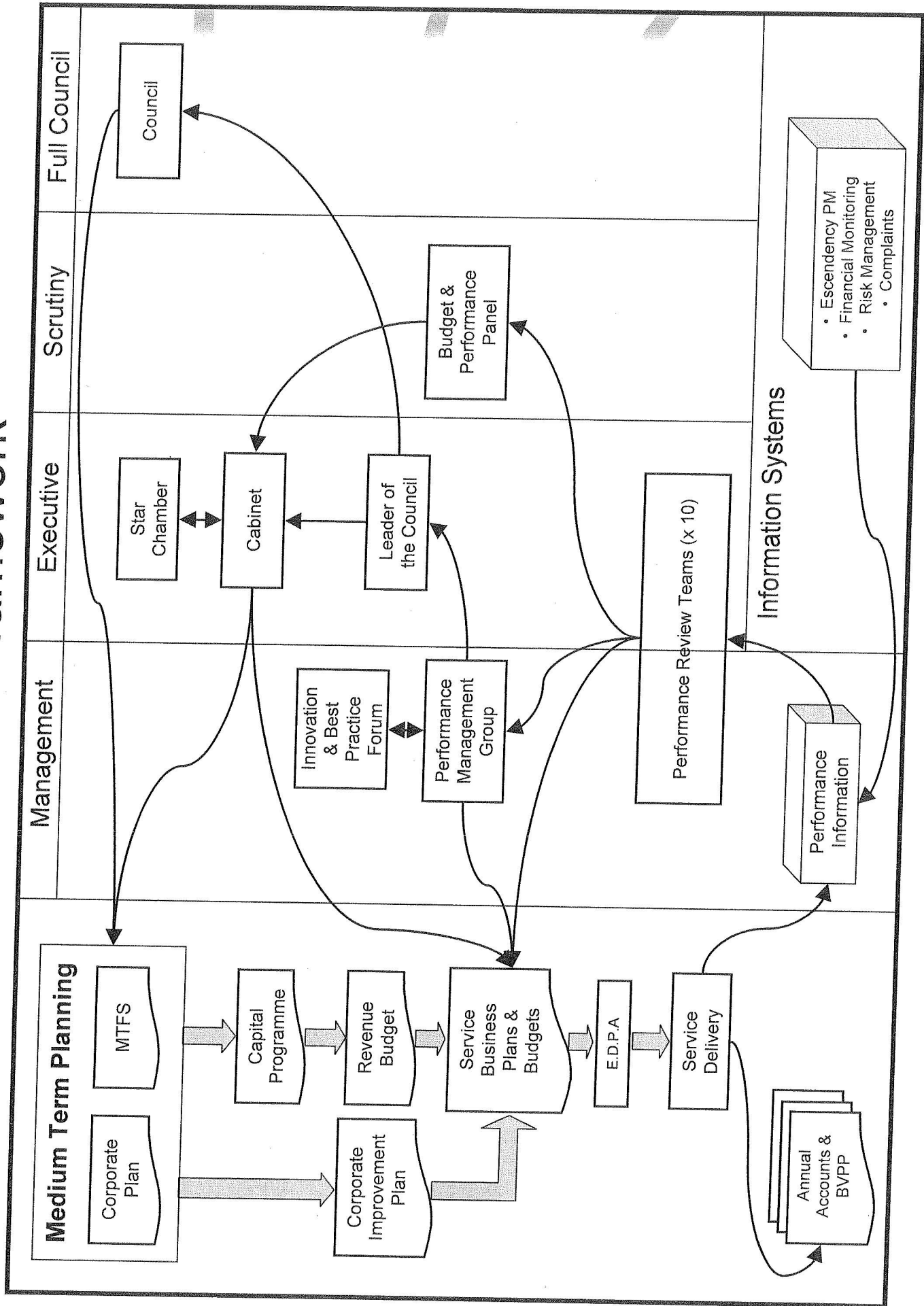
# New Framework – Key Principles

- Portfolio holder accountability for performance
- 14 Performance Review Teams (PRTs)
- Abolition of Performance Review Committee
- Budget and Performance Panel
- Consolidation and integration of plans - 1 Improvement Plan
- Consistent, simple, regular, exception reporting (no duplication)
- Performance Management Group (Management Team plus HoCS and HoFS)

# New Framework

- Approved by Cabinet on 13 December 2005
- Introduction from 1<sup>st</sup> January 2006
- First cycle of reporting due to commence in July 2006 and quarterly thereafter.

# New PM Framework



# What does this mean for us?

- Standard, quarterly “traffic light” reporting and officer/portfolio holder meetings
- PM information produced once, for all users using a standard template
- Quarterly meetings of Performance Review Teams (PRTs)
- Information available to Cabinet, members of O/S and BPP, all Councillors.
- Implementation of Escendency

# Performance Review Teams

- Terms of reference have been established
- Meet to discuss and focus on the Cabinet members portfolio responsibility
- Only a few Members have portfolio responsibility for a whole Service.

# ‘Escendency’

- **Escendency system** is our web based real-time approach to performance management linking organisational objectives right down to individual activity within Services

## **It will:**

- Standardise the planning and management approach across the Council.
- Culture change
- Real time reporting
- Provide a full audit trail for every target
- Improve accountability
- Improve scrutiny

# Timetable

- Now
- Corporate Plan 2006/07 -  
*“75% of Services reporting their  
performance through Escendency by  
March 2007” (All services by June 2007)*



**BUDGET AND PERFORMANCE PANEL**

**Performance Variance Report – Corporate Performance  
Plan (BVPP)**

**25<sup>th</sup> July 2006**

The Head of Corporate Strategy will present a report with regard to Performance Variation on behalf of the Best Value Officer.

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# Budget & Performance Panel

## Performance Variance Report Corporate Performance Plan (BVPP)

25<sup>th</sup> July 2006

### Report of Best Value Officer

#### PURPOSE OF REPORT

To provide Members with reasons for performance variations against targets within the BVPP and to identify how targets for future improvement will be met within service business plans.

This report is public

#### 1. RECOMMENDATIONS

- 1.1 That the report be noted
- 1.2 That the report be used as a base line reference document for considering the Council's performance in the coming year and where appropriate to inform the future work programme of the Panel.

#### 2. REPORT

- 2.1 The Council's Corporate Performance Plan (Best Value Performance Plan) was published on 30<sup>th</sup> June 2006.
- 2.2 The report attached at **Appendix A** highlights those indicators, both statutory and local where both performance worsened and targets for 04/05 were not met. In the BVPP these indicators were identified by two sad faces (or 'Double Glums').
- 2.3 It provides Members with reasons for the variations and identifies how targets for future improvement will be met within services business plans.
- 2.4 Extracts of this report have been sent for consideration to the relevant Performance Review Teams in line with the Council's new Performance Management Framework. The minutes of those meetings will be circulated at a later date and will further assist Members when considering the future work programme of this Panel.

**FINANCIAL IMPLICATIONS**

None

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments.

**LEGAL IMPLICATIONS**

The Council has a duty to continuously improve within the terms of the Local Government Act 1999 (the duty of Best Value). Legal Services have been consulted and have no further comments.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

None

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## PI Evaluation Report 2005/06

PI ref	Indicator description	Lancaster 04/05	All District Median	All District top quartile	Target 05/06	Actual 05/06	Target 06/07	Target 07/08	Target 08/09	Good to be High / Low	Getting Better	On target
<b>TO DELIVER VALUE FOR MONEY, CUSTOMER FOCUSED SERVICES</b>												
<b>Statutory BVPI's</b>												
<b>BV76a</b>	Benefits - Number of claimants visited/1000 caseload	596.91	222.00	296.60	600	596.75	610	620	620	High	☹	☹
<b>Comment:</b> BV76a: The actual number of visits carried out within the year has actually increased - from 7007 in 2004/5 to 7269 in 2005/6. Our average caseload has also increased which has meant that the actual appears to have decreased. However the actual is close to the target and does not represent a significant concern.												
<b>BV79b (iii)</b>	<b>New.</b> Overpayments written off during the year.	new	New	New	1.50%	9.38%	10%	10%	10%	Low	N/A	☹
<b>Comment</b> A comment has been provided for this indicator - however it should not have been reported as a 'double glum' at all as it is a new indicator and there is no existing performance trend. BV79b(iii):The reason there was a high variance between the target and the reported performance, was because 2005/6 was the first year that this BVPI existed. At the time the target was set at the beginning of 2005/6 no calculated performance had been reported or calculated nationally so the target was an estimate with no real data to compare to. Now that this years figures have been reported, the targets for 2006/7 have been amended accordingly.												
<b>BV109a</b>	% of major planning applications determined within 13 weeks	64.52%	59.00%	71.25%	62.00%	49%	63%	64%	65%	High	☹	☹
<b>Comments:</b> BV109a:During the 2005/06 decisions in relation to a significant number of long standing major applications were issued. These had been delayed for a significant period awaiting the signing of Section 106 Agreements and other planning related issues. These had the effect of distorting the figures negatively as expressed in the reduced performance figures and we were unable to recover from this early setback. A senior major applications officer was appointed during the period which it is anticipated will have a significant positive impact on the performance in this category.												
<b>BV170b</b>	The number of Museum visits that were in person per 1,000 population	639.65	237	463	632.28	468.32	460.86	487.19	501.82	High	☹	☹
<b>Comment:</b> BV170b: The out turn is down for the following reasons: A: Unable to sustain the impact of the previous years Dinosaur exhibition. B: Change in staff, unable to maintain high profile in local media. C: No Easter, traditional start of the tourist season (2 last year) D: A Lancaster based staff that concentrated on Lancaster City Museums are now working on a Countywide basis. E: National trend. However these visitor numbers still represent top quartile performance nationally.												
<b>BV170c</b>	The number of pupils visiting museums and galleries in organised school groups	3,351	1,179	3,181	3,800	3,049	3,175	3,300	3,425	High	☹	☹
<b>Comment:</b> BV170c: In retrospect, targets were over ambitious and have been revised to reflect the changing ways in which the Museums service carries out outreach work. National trend for schools to do less out of school visits. Concentration on piloting video conferencing into schools.												

PI ref	Indicator description	Lancaster 04/05	All District Median	All District top quartile	Target 05/06	Actual 05/06	Target 06/07	Target 07/08	Target 08/09	Good to be High / Low	Getting Better	On target
<b>Local Indicators</b>												
LCC26	Percentage of complaints where final response to complainant is given within 10 working days (legal)	89%	N/A	N/A	90%	83%	90%	90%	90%	High	☹	☹
<b>Comment:</b> One of the two Licensing Enforcement Officer posts was vacant from November 2005 to April 2006, following the resignation of the postholder and difficulties in recruitment. This inevitably meant that the other Enforcement Officer had a heavier workload, resulting in delays in dealing with complaints. In addition, in the summer/autumn of 2005, the Service's priority had to be the implementation of the Licensing Act 2003.												
<b>TO MAKE OUR DISTRICT A CLEANER AND HEALTHIER PLACE</b>												
<b>Local Indicators</b>												
LCC48	Progression rates in swimming lessons - Key Stage 2 attainment % (Cultural Services)	88%	N/A	N/A	89%	77%	80%	85%	90%	High	☹	☹
<b>Comment:</b> The original baseline target was set too high due to insufficient data available during 04/05. Improvements in data collection and assessments during 05/06 have now led to a clearer baseline / future targets. The quality of the programme has also increased which will be reflected in future indicators.												
LCC49	Participation rate as a % of maximum (Cultural Services) a:Sports Halls	80%	N/A	N/A	81%	54.80%	82%	82%	82%	High	☹	☹
<b>Comment:</b> The reporting mechanisms to produce the Utilisation figures are new to the computerised Leisure Management System (Scuba). It requires that staff reserve space on the computerised day book for times when the facility can not be utilised such as late evenings or times after major events, activity and event set-up and clear-up times. With staff training now in place with those responsible for entering bookings on to the system, future indicators will show major improvements. In addition the Main Hall receives a fall off during the summer months for those activities which move outdoors e.g Bowling & Football etc. Alternative opportunities for facility hire during these periods are being investigated.												
	b:Swimming Pools	82%	N/A	N/A	83%	77.05%	84%	84%	84%	High	☹	☹
<b>Comment:</b> The reporting mechanisms to produce the Utilisation figures are new to the computerised Leisure Management System (Scuba). It requires that staff reserve space on the computerised day book for times when the facility can not be utilised such as late evenings or times after major events, activity and event set-up and clear-up times. With staff training now in place with those responsible for entering bookings on to the system, future indicators will show major improvements.												
	c:Play Schemes	100%	N/A	N/A	100%	81.10%	100%	100%	100%	High	☹	☹
<b>Comment:</b> The programme in 05/06 was more in line with Council Priorities (Targeted Provision) rather than taking a "blanket approach". Places available during 05/06 were established based on the capacity of individual venues rather than the needs of the community. With increasing data available future programmes are now based on an improved understanding of community need.												

PI ref	Indicator description	Lancaster 04/05	All District Median	All District top quartile	Target 05/06	Actual 05/06	Target 06/07	Target 07/08	Target 08/09	Good to be High / Low	Getting Better	On target
<b>TO REDUCE CRIME AND THE FEAR OF CRIME</b>												
<b>Statutory BVPI's</b>												
<b>BV126</b>	Domestic burglaries per 1,000 households	8.06	8.19	6.18	8.06	<b>8.83</b>	8.06	8.06	8.06	Low	☹️	☹️
<b>Comment BV126:</b> The reason for not achieving the target is that one prolific offender was living in Morecambe. It is thought this offender committed over 38 burglaries. This offender is now going through the court process and is likely soon to be committed to prison. This was a spike in the figures and the figures have now reduced.												
<b>BV127a</b>	Violent offences per 1,000 population	10.05	4.31	2.42	8.448 - 8.382	<b>22.55</b>	8.096 - 7.964	7.744 - 7.546	7.392 - 7.128	Low	☹️	☹️
<b>Comment:</b> All crime community safety indicators are owned by the Community Safety Partnership and reported to the Council by the Police. With regards to violent crime - the Partnership is aware that these targets are not being met and an Alcohol Related Violent Crime Working Group has been set up. We are also accessing analytical support to better understand the issue.												
<b>BV128</b>	Vehicle crimes per 1,000 population	7.53	8.87	6.84	7.53	<b>8.30</b>	7.53	7.53	7.53	Low	☹️	☹️
<b>Comment: Vehicle Crime -</b> This target relates to criminal damage to vehicles and the Community Safety Partnership is aware that this target is not being met. A Multi-Agency Problem Solving Team has been set up which concentrates on key hotspot areas. We are also accessing analytical support.												
<b>TO SUPPORT SUSTAINABLE COMMUNITIES</b>												
<b>Statutory BVPI's</b>												
<b>BV203</b>	% change in average no of families placed in temp accomm	23.4% (62 households)	6.31	6.94	<30.5%	<b>72.58%</b> (107 households)	+10% Increase	-5% Reduction	-10% Reduction	Low	☹️	☹️
<b>BV203:</b> Initially the authority had no other temporary housing provision for families other than B&B, which was deemed unsuitable. In accordance with ODPM guidelines, provisions were made to improve temporary accommodation, which resulted in an increase in the temporary dispersed accommodation for families. The substantial increase in this year's target relates to the miscalculation last year. The previous 2004/05 figure related to dispersed temporary accommodation, failing to take into account other forms of temporary accommodation. As a consequence of the miscalculation the set target was not achievable, resulting in an increase in this years percentage change.												

PI ref	Indicator description	Lancaster 04/05	All District Median	All District top quartile	Target 05/06	Actual 05/06	Target 06/07	Target 07/08	Target 08/09	Good to be High / Low	Getting Better	On target
<b>TO CONTINUE TO IMPROVE THE COUNCIL</b>												
<b>Statutory BVPI's</b>												
<b>BV8</b>	% of correct invoices paid within 30 days	84.33%	94.69%	97.00%	95.00%	<b>80.63%</b>	90%	90%	90%	High	☹	☹
<p><b>Comment:</b> The failure to meet this corporate target was largely due to difficulties in on particular service (CCS) as reported to Budget and Performance Panel on 4th April 06. Generally it is a very small number of services which do not perform well in this area and Exchequer Services will be taking a much more proactive approach from now on. Corrective action regarding CCS has already been taken. Every month CCS pay about 850+ invoices which represents more than 30% of the Council's total monthly invoices. Work has taken place to analyse which invoices aren't paid within 30days and how far beyond the target these invoices are paid. It appears that while the majority of invoices are entered onto the system within less than 30 days that doesn't necessarily mean they will be paid within 30 days. Therefore staff have been instructed to enter invoices within 21 days in future.</p> <p>Furthermore individual responsibility for payment of invoices has been reviewed. Problems are also experienced when suppliers wait several days and sent ot a batch of invoices which means an invoices issued on a certain date won't sometimes reach until 2 weeks later. We also have situations where suppliers will sent out invoices prior to delivery of the item, which is also problematic. These issues are being addressed with individual suppliers.</p>												
<b>BV9</b>	% of Council Tax collected by the authority	96.50%	98.10%	98.50%	96.90%	<b>96.40%</b>	96.90%	97.40%	98.00%	High	☹	☹
<p><b>Comment:</b> BV9: Shortfall attributed in part to the closure of our cash offices at the start of 2005/06 requiring a change in payment culture for a large number of our customers.</p>												
<b>BV11a</b>	% of top 5% of earners that are women	20.41%	23.07%	28.93%	26%	<b>19.57%</b>	24%	25%	26%	High	☹	☹
<p><b>Comment:</b> The variance between the 2005/06 target and actual is -24.73%. In 2005/06 two female employees in the top 5% of earners left the council's employment.</p>												
<b>Local Indicators</b>												
LCC81	Recruitment (HR&OD) b) All candidates given 5 days notice of interview	<b>93.65%</b>	N/A	N/A	90%	89.86%	90%	90%	90%	High	☹	☹
<p><b>Comment:</b> LCC81b: The reason for this fail is that a lot of interview dates are advertised, therefore candidates are not notified of the interview within this timescale.</p>												