

Middlesbrough Council

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EXECUTIVE MEMBER'S REPORT TO COUNCIL WEDNESDAY 5TH SEPTEMBER 2007

Investors in People

Strategic Resources have been recognised as achieving Investors in People status. Feedback from the panel offered "congratulations on achieving the standard so comprehensively".

Well done to all staff who for their hard work in reaching this standard.

1st Quarter's Budget Clinics

I chaired the 1st quarter's budget clinics, which took place during the last week of July and first week in August. Analysis is still taking place and I shall include a summary in my next report to Council.

Whilst it is too early in the financial year to accurately predict the final outturn, indications from the budget clinic suggest that sound financial management has been maintained and that it is projected that the Council will, once again, spend within budget this year.

Housing/Council Tax Benefit Performance 2006/07

Figures released by the Department for Work and Pensions, shows a marked improvement in performance in relation to processing Housing and Council Tax benefits.

The average time for processing new claims was 23 days over the year. This gives Middlesbrough a clear Grade 4 rating allotted to those who achieve 30 days or less. It is an improvement on 27 days for the previous year.

The average days it took to process changes in circumstances also improved from 13 days to 8 days, also achieving a Grade 4.

The percentage of new claims decided within 14 days of the receipt of all necessary information was 92%, also meriting a Grade 4.

96% of new rent allowance claims had their first payment made on time, again a Grade 4. 98% of a sample of cases were calculated correctly giving a grade 3. In relation to the

percentage of new claims outstanding over 50 days, a Grade 2 was awarded, Middlesbrough just missing a grade 3.

Procurement

Middlesbrough Council spends approximately £118 million per year on purchasing goods and services. Computer software has enabled our Corporate Procurement Team to analyse by postcode where this money is spent. A breakdown of this data for 2006/07 is provided below:

Postcode	Percentage
Middlesbrough	20.4%
Tees Valley (ex M'bro)	23.4%
North East (ex TV)	7.8%
National	48.4%
Total	100%

It can be seen that over 40% is spent within the Tees Valley and more than half in the NorthEast. This demonstrates that local firms have dealt successfully with the complex laws and regulations which govern procurement and are assisting Middlesbrough Council in delivering Value for Money.

It reflects measures, which I have included in previous reports, such as use of the Council's website, the Small Business Friendly Concordat which helps inform local businesses of opportunities to engage with the council and procurement staff providing training and assistance on how to engage with the council. It also demonstrates the ability of local businesses to compete with others nationally in tendering for goods and services.

Annual Efficiency Statement

Under the 'Gershon' agenda, each council is required to make 2.5% efficiency gains each year. This is against a baseline figure based on the 2004/05 budget, excluding schools. Of these at least 50% must be 'cashable' savings ie resources actually able to be redirected to frontline services, rather than securing improved efficiency through heightened productivity which are known as 'non-cashable'. NB Cuts in services do not count as efficiency gains.

Three key aspects underpin Middlesbrough's rationale for delivering efficiency gains:

1. Clear Vision and Priorities
2. Performance Management
3. Procurement Strategy

All local authorities in England are required to submit Annual Efficiency Statements to Communities and Local Government, which are formed of two parts; the Forward and Backward look statements. The Forward Look is for authorities to set out their strategy

for making efficiency gains during the forthcoming year and the Backward Look is for authorities to set out the value of efficiency gains actually achieved at the end of the year.

2006/07 Backward Look

As I reported to council last year, efficiency gains totalling £4,837,000 were set as targets for 2006/07. I am pleased to report that Middlesbrough reported savings exceeded this target by delivering a total of £5,220,000.

£3,012,000 of the target were 'cashable', this target was also reached with £3,121,000 being achieved.

Over half of the total gains, £2,366,000 were expected to come from procurement of goods and services, (all of which are cashable). End of year data indicates that this was achieved with £2,445,000 being recorded.

Forward Look

Over and above efficiency gains made during the last two years, Middlesbrough's Forward Look for 2007/08, identifies a total of £5,096,000 worth of savings.

Of this figure, £3,904,000 (77%) are cashable savings, with £2,110,000 related to the purchase of goods and services.

Member Induction Programme

Finally a thankyou to those councillors who attended the Resources training event. All made a valuable contribution and their input will be taken on board when presenting future events.

NICKY WALKER
EXECUTIVE MEMBER FOR RESOURCES