

Overview and Scrutiny Committee for Resources Agenda

Thursday, 12 February 2015 at 6.00 pm

Town Hall, Queen's Square, Priory Meadow, Hastings TN34 1QR

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OVERVIEW AND SCRUTINY COMMITTEE FOR RESOURCES

13 NOVEMBER 2014

Present: Councillors Webb, Howard (Chair), Batsford, Sinden, Roberts, Beaver and Cooke (from 6.35pm)

12. DECLARATIONS OF INTEREST

The following Councillors declared an interest in the minutes:

Councillor	Minute Number	Interest
Batsford	14	Personal – Governor of St Paul’s Church of England Primary Personal – registered for the Switched On Hastings campaign in October 2014
Roberts	14	Personal – Chair of Governors at Churchwood Primary Academy
Sinden	14	Personal - Governor of Robsack Wood Primary Academy

13. MINUTES OF THE MEETING HELD ON 11 SEPTEMBER 2014

RESOLVED that the minutes of the meeting held on 11 September 2014 be approved as a correct record.

14. QUARTER TWO PERFORMANCE AND FINANCIAL MONITORING REPORT

The Head of Corporate Services presented a report to advise Members of the performance against the 2014/15 targets and performance indicators in Part II of the corporate plan. The report included a summary of financial information.

Discussion took place regarding the planned customer first and efficiency reviews of the Revenues and Benefits service. The Director of Corporate Resources explained that the review of the Revenues service had been completed, and an action plan of improvements compiled. It had been necessary to begin the review of the Benefits service after the Revenues review had been completed. The council had commissioned Shelter to carry out the review of the Benefits service, and this work was due to begin shortly.

Members noted that council tax collection rates were currently below target for this quarter. The Director of Corporate Resources advised that the council had adopted a new method for collecting council tax arrears, which reduced the number of cases

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referred to bailiffs. It was anticipated that the council tax collection rate would meet the year end target.

The committee noted that the shared Fraud Investigation Services had transferred to the Department for Work and Pensions Single Fraud Investigation Services on 1 November 2014. Prior to the transfer, the service had achieved its target by investigating 19 serious fraud cases between 1 April 2014 and 30 September 2014. Consideration was given to the capacity of the service to meet the council's ongoing requirements for fraud investigation. The Director of Corporate Resources said that the council was currently bidding for funding to support this activity in the future.

The Head of Corporate Services updated Members on the transition to Individual Electoral Registration. The door to door canvass, which was the final stage of the transitional canvass, was nearing completion and a revised register of electors was due to be published on 1 December 2014. Members acknowledged that the new system was very complex, and the workload of the team had increased significantly since the introduction of Individual Electoral Registration. The team had dealt with an increased number of enquiries from electors and addressed a number of software issues which had arisen during the transition period. The Head of Corporate Services agreed to circulate a briefing note on progress with the transition to Individual Electoral Registration. The committee thanked the Electoral Services team for their efforts to administer the new system.

Members noted that the October meeting of the Local Strategic Partnership had focused on education. The meeting had included presentations by the principals of the William Parker Academy and Hastings and St Leonards Academy, as well as Stuart Gallimore, Director of Children's Services at East Sussex County Council. Members noted that a group of Overview and Scrutiny Members were currently undertaking a review on education provision, the recommendations of which may be reported back to the Local Strategic Partnership.

Discussion took place regarding the Switched On Hastings campaign. In Hastings, 217 households had registered for the most recent auction, which was held on 14 October 2014. Although the sign up rate was lower than the previous auction, it still compared favourably with that of other nearby authorities. Those who took part also received competitive offers, as three major energy suppliers had participated in the auction. The Head of Corporate Services noted that sign up rates were often affected by the weather conditions at the time of the auction. The next auction would take place in February 2015, efforts were underway with the council's Anti-Poverty Officer and East Sussex County Council's Fuel Poverty Officer, to raise awareness of the scheme amongst vulnerable groups. The council would also continue to work with local housing associations, to encourage their tenants to participate in the scheme. Members suggested that further research be undertaken into the ways other authorities had promoted the scheme.

Members noted that LED lighting was due to be installed in a number of council-owned car parks around the town. LED lighting was environmentally friendly and cost effective to run. East Sussex County Council was also due to replace its existing street lighting around the town with LED lighting on a ward by ward basis, public

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consultations would be held in each of the wards, prior to the new lighting being installed.

The committee acknowledged that all staff directly contracted to work for the council were paid the living wage. Members had previously been advised that the council had contacted its contractors for further information regarding their pay structures. Procurement legislation could prevent the council from including a requirement for a contractor to pay the living wage as part of future tenders, however, consideration would be given as to how contractors might be encouraged to pay the living wage.

Consideration was given to the council's continued development of a customer first approach. Members noted that the digital by design project would enable improved handling and monitoring of the complaints and comments the council received. The committee discussed how best to use this data to ensure the council met the needs of service users. Members suggested that it may be helpful to examine trends in the complaints the council has received and to seek opportunities for feedback from service users.

As part of the 2013/14 Overview and Scrutiny work programme, a group of Members had undertaken a review of changes to the welfare system. The review team had considered the possible impact of an increase in inward migration from London councils to coastal towns. Although inward migration to Hastings had been less than expected, the council continued to work to facilitate communication with London councils; which had included developing a protocol for out of area placements. A further meeting between representatives of Hastings Borough Council and London councils was scheduled for December 2014, and the committee requested that Overview and Scrutiny Members be provided with an update following this meeting.

RESOLVED that: -

- 1) the committees comments on quarter 2 performance be addressed by the relevant Lead Member(s) with appropriate action and report back, and;**
- 2) staff in the Corporate Resources Directorate be thanked for their hard work and achievements in this quarter.**

The reason for this decision was:

To enable the Overview and Scrutiny Committee to undertake their performance management function.

15. FORWARD PLAN OF CABINET DECISIONS FROM 1 NOVEMBER 2014 TO 28 FEBRUARY 2015

The Senior Corporate and Democratic Services Officer submitted the latest forward plan of Cabinet decisions, for Members to consider.

The Leader of the Council provided an update on the process for setting the council taxbase for 2015/16, which would be considered by Cabinet at its meeting on 5 January 2015.

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16. UPDATE ON OVERVIEW AND SCRUTINY WORK PROGRAMME 2014/15

The Senior Corporate and Democratic Services Officer provided an update on the Overview and Scrutiny work programme 2014/15. Members had begun all three pieces of work that they had identified as a high priority at their annual meeting in June.

(The Chair declared the meeting closed at. 7.32 pm)

Agenda Item 4



Agenda Item No: 4

Report to: Overview and Scrutiny (Resources)

Date of Meeting: 12 February 2015

Report Title: Quarter Three Performance and Financial Monitoring Report

Report By: Jane Hartnell
Head of Corporate Services

Purpose of Report

To advise Members of the performance against the 2014/15 targets and performance indicators in Part II of the Corporate Plan and provide a summary of financial information.

Recommendation(s)

1. That the Committee's comments on Quarter 3 performance be addressed by the relevant Lead Member(s) with appropriate action and report back.
2. That staff in the Corporate Resources Directorate be thanked for their hard work and achievements in this quarter.

Reasons for Recommendations

To enable the Overview and Scrutiny Committee to undertake their performance management function

Introduction

1. Part II of the Council's Corporate Plan sets out the targets and milestones which the Council is committed to achieving during 2014/15. The Overview and Scrutiny Committees play a key role in publicly reviewing performance against these targets on a quarterly basis.
2. The Corporate Plan was agreed by Full Council in February 2014 alongside the Budget for the same period.

Performance in Quarter 3 2014/15 (30th September - 31st December)

3. The performance report attached sets out progress against targets and performance indicators for the period.
4. An exceptions summary is included for those annual targets by service. 'Exceptions' are defined as those targets that are not meeting expected performance and those that have been achieved or exceeded target.
5. The Council agreed a set of Performance Indicators (PIs) for 2014/15 to focus performance management on those issues that are important to local people and that give an overview of the Council's performance. Performance against these PIs is reported in the main body of the text.
6. Each of the Corporate Plan targets is tagged with a status comment as either:
 - Achieved: Target has been delivered successfully – as defined by the measure listed
 - On Target: Confident target will be delivered as worded by year-end or by date specified.
 - Slippage Possible: There are concerns about ability to deliver within the year
 - Will not meet target: Either due to change in external circumstances or for internal reason e.g. resources, re-prioritised etc.
7. Progress against Performances Indicator targets for the year up to the end of the quarter shown as either 'Met' or 'Not Met'.
8. 'Direction of Travel' shows whether performance for the year up to the end of the quarter is Better, Worse or Same as for the same period the previous year. For different indicators better performance may be shown by higher or lower figures (e.g. recycling collection rates vs crime rates). All figures shown in the tables are the totals from the beginning of the year (April 1st) to the end of the quarter.

Current Consultation

9. To assist the Committees to undertake their Scrutiny role effectively and to enable Members to input into decision making at an appropriate stage, current consultations are highlighted at the link below:

http://www.hastings.gov.uk/decisions_democracy/voting_petitioning_having_your_say/consultation/current_consultations/

Summary of Council-Wide Financial Information

10. At the Joint Overview and Scrutiny meeting on the 29th of January, Members were updated on the position with the council's revised budget.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	Yes
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	Yes
Organisational Consequences	Yes
Local People's Views	Yes

Background Information

Corporate Plan Part II 2014/15 – 2016/17

Officer to Contact

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Quarter 3 2014/15 Exception Report Summary

The following targets for this committee's area of responsibility in Part II of the Council's 2014/15 Corporate Plan have been identified as exceptions.

Please note, 'Exceptions' are defined as those targets not meeting expected performance and targets achieved. Full details of 'Target Status' are listed in the accompanying covering report.

Target no./Service	Target Status
1. Financial Services – Achieve an unqualified audit opinion	Achieved
4. Financial Services - Review the current Council Tax support scheme	Achieved
5. Financial Services – Revenues and Benefits service review outcomes	Will not meet target
6. Financial Services – Shared Fraud Investigation service prioritisation	Achieved
9. Financial Services – Identify new bank for council transactions	Achieved
2. Corporate Services – Individual Elector Registration preparations	Achieved

Quarter 3 progress - to end December 2014/15

The following updates are given against targets in the Council's Corporate Plan 2014/15 – 2016/17.

Targets are listed under the service responsible for delivery. By achieving these targets, the Council will be delivering our overarching priorities for 2014/15 shown below. These are listed in no particular order:

Fairness and Equality

To provide high quality services that meet the needs and improve the quality of life of all our citizens, promoting equality of opportunity through a culture of openness, fairness and transparency, enabling local people to hold us to account.

Economic & Physical Regeneration

To secure economic & physical regeneration that produces high quality new developments while preserving the best of our heritage, promoting infrastructure improvements, economic growth and employment, particularly in tourism, creative industries, and high-tech manufacturing & research

Narrowing the Gap

To 'narrow the gap' between the opportunities of our most deprived communities and those of the rest of the town, as well as between Hastings and the rest of the South East.

Facing Financial Challenges

To meet the current financial challenges by maximising the resources available to us through efficiency improvements, income generation, attracting external funding and investigate sharing services, maintaining an organisation that values its staff and is good to work for.

Interventionist Council

To keep the town clean, safe and attractive, using direct actions to tackle environmental crime, poor housing, eyesore properties, derelict land and improvements to the public realm.

Environmental Sustainability

To tackle climate change and improve the borough's environment by reducing our own carbon footprint, maintaining high-quality green spaces, promoting sustainable transport, and encouraging 'green' industries.

FINANCIAL SERVICES

1. Achieve an unqualified audit opinion for the annual statement of accounts.

Measure: Unqualified audit opinion gained by 30th September.

Performance @ QTR 3 – Achieved

Progress – An unqualified opinion on the 2013/14 accounts has been achieved.

2. Maintain the high occupancy of industrial units against a background of an uncertain economic environment.

Measures: Percentage of void industrial units and actual income versus the budget.

Performance @ QTR 3 – On target

Progress –

Void units

Factory units 0 out of 62 vacant = 0% void (Q2 4.8% void)

Castleham Business Centre East (new) 3 out of 17 vacant = 17.6% void (Q2 17.6% void)

Castleham Business Centre West 1 out of 20 vacant = 5% void (Q2 10% void)

Income vs Budget

Actual income at year end is not expected to vary significantly from the revised budget.

3. Monitor developments in the potential rollout of the Government's new 'Universal Credit' scheme and take appropriate preparatory action as necessary.

Measure: Submit updates to Cabinet and Overview and Scrutiny Committees when further steps are clarified and detail the implications for the Council and the community.

Performance @ QTR 3 – On Target

Progress – We have been advised that Universal Credit will be rolled out to new, single claimants with effect from 20 April 2015 in the Hastings & Rother areas. Discussions have starting with the Department for Work and Pensions with regards to the Council's role, training requirements and a Delivery Partnership Agreement.

4. Review the current Council Tax Support Scheme and consider implications for 2015/16 onwards.

Measure: Current Council Tax Support System reviewed.

Performance @ QTR 3 – Achieved

Progress – Agreed to continue with existing scheme for 2015/16.

5. Implement the outcomes of the Revenues and Benefits ‘Customer First and Efficiency’ Service Reviews.

Measure: Both reviews to be completed in the early part of 2015 and subsequent actions implemented as timetabled.

Performance @ QTR 3 – Will not meet target

Progress – Revenues Review completed. The start of the Benefits Service review has commenced and will run into 2015/16.

6. Give priority within the shared Fraud Investigation Service to more serious cases, working within the Single Fraud Investigation Service requirements.

Measure: Number of serious cases investigated.

Performance @ QTR 3 – Achieved

Progress – As reported at the end of quarter 2, the mid-year targets were achieved. The Housing and Council Tax Benefit Investigators transferred to the Department for Work and Pensions Single Fraud Investigation Service on 1 November 2014.

7. Continue to deliver the annual Audit Plan and report outcomes to the Audit Committee.

Measure: Comparison of audits completed against those on the published audit plan reported in the annual audit report.

Performance @ QTR 3 – On target

Progress – Completion of the annual audit plan is on profile.

8. Continue to maximise the benefits from the Council’s procurement arrangements, working in collaboration with other local authorities, the East Sussex Procurement Hub and other partners.

Measures: Value for money contracts secured, savings achieved and procurement arrangements completed.

Performance @ QTR 3 – On target

Progress – The following procurement activity was concluded during quarter 3 by the East Sussex Procurement Hub

Contract title	Date	Outcomes
Aquila House Furniture and Office Planning	Oct 2014	Contract awarded in line with timescales and budget estimate.
CCTV camera replacement and upgrade	Dec 2014	Awarded contract with cost within capital budget. Should realise estimated annual revenue saving of £24,000.
White Rock Baths (Works Package)	Dec 2014	Contractor appointed to work with project team on works to White Rock Baths.
Cashless (Pay by Phone)	Dec 2014	Contract awarded for introduction of

Parking

pay by phone parking technology.

The East Sussex Procurement Hub held its second 'Understand the Buyer' Event, this time at the Sussex Exchange, in Hastings. The event was opened by Cllr Jeremy Birch and 50 businesses attended. The East Sussex Procurement Hub also provided support to Hastings Borough Council for the procurement workstream of the 'SAFE-ICE project (a project to share environmental best practice).

9. Following the decision by the Cooperative Bank to terminate local authority banking services, identify a new bank for the Council's financial transactions.

Measure: New banking arrangements established by March 2015.

Performance @ QTR 3 – Achieved

Progress – New banking arrangements with Lloyds bank went live on 1 December 2014. Arrangements with the COOP bank continue where payments are made through the Post office or through Paypoint.

PERFORMANCE INDICATORS

Indicators in the shaded section of the table are internal management indicators reported at the Performance Review meeting only, not at Overview and Scrutiny meetings, and are not published in the Corporate Plan.

M6.101 figures will be updated when they are available

Name	Improvement Direction	Actual Dec 2013	Direction of Travel	Actual Dec 2014	Status Dec 2014	Target Dec 2014	Yearend Target Mar 2015
6.1 % Council Tax collected in year	Bigger is better	89.4%	Worse	89.2%*	Not Met	90.2%	96.0%
6.2 % Non domestic rates collected in year	Bigger is better	90.3%	Worse	86.8%	Met	84.1%	97.5%
6.3 Average number of days to process new housing benefit claims	Smaller is better	12.9	Worse	13.8	Met	15.0	15.0
6.4 Average number of days to process changes to housing benefit claims	Smaller is better	4.1	Worse	7.5	Not Met	5.0	5.0

Name	Improvement Direction	Actual Dec 2013	Direction of Travel	Actual Dec 2014	Status Dec 2014	Target Dec 2014	Yearend Target Mar 2015
6.5 Average number of days to process new Council Tax Reduction claims	Smaller is better	12.5	Worse	14.5	Met	15.0	15.0
6.6 Average number of days to process changes to Council Tax Reduction claims	Smaller is better	2.6	Worse	6.0	Not Met	5.0	5.0
M6.101 % invoices paid within 30 days (L377)	Bigger is better	98.2%	Better	98.3%	Not Met	99.0%	99.0%
M6.102 Collection rate for sundry debts (M390)	Bigger is better	95.9%	Worse	88.1%	Met	80.0%	95.3%

* Whilst the Council Tax collection rate is marginally below last years 'in year' collection rate at 89.2% compared to 89.41% (13/14), the council has been very successful in recovering Council Tax monies from prior years. £1,409,000 had been recovered by the end of December 2014. This compares to a total of £1,396,000 as at the end of March 2014.

CORPORATE SERVICES

1. Continue to support local democracy by the effective delivery of electoral services activities.

Measures:

- a) All statutory timetables and performance standards met in line with Electoral Commission requirements for:
 - a) Successful management of the 2014 European Parliamentary and Borough Council elections.
 - b) Successful completion of annual absent voter Personal Identifier (PI) refresh in spring 2015.
 - c) Preparation for UK Parliamentary election in May 2015.

Performance @ QTR 3 – On target

Progress –

- a) Achieved
- b) Absent vote PI refresh is currently undergoing preparation for despatch late January 2015. We estimate up to approximately 1500 personal identifiers may require refreshing.
- c) Preparations for the UK Parliamentary election are already underway and a core project team has been set up to manage the planning process.

2. Prepare for a successful transition to Individual Elector Registration during autumn 2014.

Measures:

- a) Meet the performance standards and timescales as determined and prescribed by the Cabinet Office.

Performance @ QTR 3 – Achieved

Progress:

- The transition to Individual Electoral Registration (IER) has been successfully completed, with publication of the first IER electoral register on 1 December 2014.
- Approximately 2.5% of the 2013/14 electorate have been removed under the transition process, equating to around 1,500 electors. (NB This is consistent with the numbers of electors removed in previous years, mainly due to a two year non-response, under the household canvass.)
- Existing electors who responded to the household canvass in 2013, but who have not successfully registered under IER, will remain on the electoral register until 30 November 2015. These electors must register under IER to remain registered after this date.
- Any existing elector (as above) with an absent vote who had not successfully registered under IER by 1 December 2014 will have lost their absent vote. There are approximately 250 electors affected by this. Each elector has been contacted with fresh Invitation to Register and absent vote forms.

3. Continue to facilitate the Local Strategic Partnership (LSP) to act as the principal strategic forum for collaboration between service providers, community representatives, the voluntary and private sectors.

Measures:

- a) LSP Board supported to work effectively; work in partnership with key stakeholders to deliver services which respond to locally identified need, and act as a collective voice with a shared vision for shaping the town.

Performance @ QTR 3 – On Target

Progress: The January 2015 Board meeting focussed on Community Safety. Sussex Police gave a presentation on the future of policing in Hastings in view of savings that need to be made across the force and on crime figures for Hastings.

Also on the theme of community safety the Board heard about PREVENT, the counter terrorism initiative. Working examples were used to outline the challenges in the context of Hastings. Changes to the anti-social behaviour Crime and Policing Act including Community Triggers was also reported. Finally, representatives from Brighton Housing Trust gave an update on the Fulfilling Lives project.

4. Support the Council's transformation to a leaner, more resilient organisation which remains focussed on delivering outcomes for local people as well as supporting and valuing its staff.

Measures:

- a) Support managers and staff to ensure the Council's workforce is equipped to meet new challenges and ways of working.
- b) Assist teams to undertake service process re-design and identify opportunities for efficiency, maintaining service quality and improving customer service.
- c) Support staff throughout the change process, work with the Staff Commission and solicit regular staff feedback to inform strategic planning.

Performance @ QTR 3 – On Target

Progress –

a) Activity included:

- Following the Investors in People (IiP) internal review, received notification in January 2015 that we have successfully retained IiP accreditation.
- Following review of our recruitment practices 'Two Ticks' recertification confirmed.
- White Ribbon accreditation work included policy development, staff survey undertaken and action plan prepared to include training.
- Senior Officer restructure process underway.
- In conjunction with the Local Safeguarding Children's Board set up pilot training sessions for housing staff, other agencies, B& B providers and landlords for Feb, 2015.
- Shared Parental Leave policy drafted – managers briefings to be held in QTR 4.

b) Activity included:

- Implementation of uniflow system to enable accurate financial reporting relating to print costs and officer time.
- Restructure of Finance Service implemented

- Town Hall duty officer rota implemented (POD/Business Support).
 - National pay award implemented –payments made in December salary.
- c) New smarter working practices drafted for use by managers staff – to be implemented in tandem with accommodation refurbishment works.

5. Support and equip Members to effectively undertake their roles and responsibilities.

Measures:

- a) Annual work programme of Scrutiny Reviews completed to time, cost and specification.
- b) Progress against Corporate Plan targets reviewed quarterly by Overview and Scrutiny Committees to aid transparency about Council performance.
- c) Comprehensive programme of Member training and briefings delivered according to priorities set by the Training and Development Group.
- d) Following the conclusions of the i-pad trial and the roll out of the new Mod Gov committee administration system, support Members to contribute to the achievement of modern and paper-light working arrangements.

Performance @ QTR 3 – On Target

Progress:

- a) The scrutiny review of outsourced contracts is on schedule to report to the Resources Committee this quarter, and the review considering the engagement of academies is running to plan. Work continues by a cross section of scrutiny members on organisational transformation and it is envisaged that this ties in with the Council's developing transformation and efficiency programme.
- b) Scrutiny Steering Group met to agree agendas for quarter three scrutiny meetings and to follow up on any outstanding performance related issues from quarter two.
- c) Thirty of thirty two councillors are now using tablet devices and accessing their meeting papers via Mod Gov. During this quarter we have ended printing meeting papers for the vast majority of members.

6. Continue the rolling programme of reviewing the Council's Constitution with elected members, to make our decision making processes as transparent and accessible as possible.

Measure:

- a) Working Arrangements Group (WAG) convened and recommendations made to Council for appropriate changes to the Constitution arising from practical experience, feedback, legislative requirements, and to make it more user friendly.

Performance @ QTR 3 – On Target

Progress –

Regular meetings of WAG have to discuss ways to facilitate better decision making - a report recommending a range of constitutional amendments will go to full Council in April.

7. Facilitate and promote ‘Switched On Hastings’ to encourage local people to take part in collective energy switching, whereby bulk buying power at an energy auction may result in individuals saving money on their energy bills.

Measure:

- a) Participate in at least two further energy auctions.

Performance @ QTR 3 – On target

Progress – the second round of collective switching for this winter was launched on the 9th December 2014 and runs until midnight 2nd February 2015. The scheme has been widely promoted and advertised locally; e.g. posters have been distributed to local community groups and organisations & displayed along the seafront; the Stade Open Space electronic noticeboard includes regular information about the scheme; adverts have been placed in the Hastings Observer and Friday-Ad; articles have been hosted in partners newsletter including HVA and the Community Veg Box. Switch on Hastings was also discussed at the Anti-Poverty Steering group to raise awareness with all of our partners. Residents can expect to receive their offers from the 13th February 2015, and will have until the 16th March to accept their offer.

8. Project manage the European-funded ‘Future Cities’ project to support climate change adaptation activities.

Measures:

- a) Build upon the successful development of the ‘Adaptation Compass’ tool for developing climate-proof cities, by engaging with other local authority areas to assist them to understand and use the tools to visualise the social, economic and business benefits of adapting our towns and cities.
- b) Work with European partners to build upon project delivery experience and excellent networks to develop environmental and low carbon project proposals for the Interreg V 2014 – 2020 regional development funding stream.

Performance @ QTR 3 – On target

Progress:

- a) Achieved
- b) Discussions continue with our existing European partners and new emerging potential partners to develop project ideas for the next rounds of EU funding.

9. Contribute to the Council’s Customer First priority by delivering a high quality, effective and efficient Community Contact Centre and Tourist Information Centre.

Measures:

- a) Continue to improve the quality and timeliness of personal and telephone caller’s experience of using our service, with a focus on ‘right first time’.
- b) Work with colleagues to continually refine and improve the whole customer journey, from first point of contact to resolution, based on intelligence gained from monitoring customer enquiries and feedback.

Performance @ QTR 3 – On Target

Progress:

a) Despite fluctuating levels of demand, staff are continuing to gradually reduce the call and face to face wait times. The service is continuing to work with service departments to even out peaks whenever possible and thereby enable a more consistent service for customers.

b) Significant work has been undertaken this quarter in preparing for the implementation of the Firmstep platform from April 2015 which will enable residents to undertake a wider range of functions on-line in the first phase of the Digital by Design Project. Process-mapping involving colleagues from the CCC, service departments and the transformation team has identified more efficient and customer focussed ways to meet demand and manage contact. A detailed update on actions to date and future plans is being prepared to share with internal stakeholders in quarter 4.

10. Promote a culture of transparency in everything the Council does.

Measures:

- a) Details of Council assets, pay policy, senior management salaries, resources, decision making, contracts and spending published to aid transparency.
- b) Freedom of Information and other data requests responded to within legislative timescales.
- c) Implement a refreshed corporate complaints process following a detailed review in 2013/14.

Performance @ QTR 3 – On Target

Progress:

- a) The council has been consistently meeting the requirements for transparency standards. We have recently undertaken a detailed audit of our published information and practices in advance of the new requirements in the local government transparency code 2014, which comes into effect on 2nd February 2015. We are confident that we are meeting the new requirements.

11. Deliver an effective Legal Service that plays a key role in delivery of Council priorities.

Measures:

- a) Provision of strategic legal advice for key projects, policies and procedures (including standards, Freedom of Information, Data Protection etc).
- b) Activity to support enforcement and secure prosecutions; robustly defend the Council against actions brought against it.
- c) Activity to ensure the Council is appropriately protected in terms of contracts and property transactions and planning and is effective at collection of debts and charges against property.
- d) Ensure effective Corporate Governance – appropriate legal advice given to all to support decision making, including quasi-judicial committees and boards.

Performance @ QTR 3 – On Target

Progress: Examples of activity include:

- a) Prepared Byelaws for the Foreshore & Promenade and 7 Nature Reserves – these are now with the relevant Secretary of State for

comment approval. Advised on the policy for sexual establishments during the consultation period.

b) Examples:

- The Supreme Court have given the Council permission to appeal the Court of Appeal decision in respect of Hastings Pier.
- Successfully encouraged an appellant to withdraw their appeal against a Housing improvement notice, thereby stopping a Residential Property Tribunal hearing and saving costs.
- Completed 3 prosecutions for litter offences and achieved £450 fines and £675 costs.
- 5 dog prosecutions £1470 fines £1225 costs
- Issued 12 summonses for non-compliance with an abatement notice for 'filthy premises' - £900 fine £68 costs
- Issued a summons for non-compliance with a planning notice requiring works to be carried out £150 fines £150 costs
- 2 Noise prosecutions £1400 fines £360 costs plus a forfeiture order in respect of the noisy equipment

c) Examples include:

- Completed 9 contracts, 6 leases including Aquila House and completed a Deed of Variation for Hastings College
- Achieved repayment of 2 Housing grants (totalling over £30,000) as a result of putting a charge on the property
- Obtained an attachment of earnings order, issued 7 more summonses in respect of debt and charged 7 more properties in respect of Council tax arrears. A further £30,000 has been received in respect of work chasing bad debts and Council tax.

d) Achieved.

PERFORMANCE INDICATORS

7.1 Overall proportion of days lost to sickness

7.1a and 7.1b - At request of O&S additional information is now shown setting out the proportion of days lost to sickness due to both short term and long term sickness. (No targets have been set for these indicators, they are simply provided for additional information and context.)

Name	Improvement Direction	Actual Dec 2013	Direction of Travel	Actual Dec 2014	Status Dec 2014	Target Dec 2014	Yearend Target Mar 2015
7.1 The proportion of working days/shifts lost due to sickness absence	Smaller is better	5.31	Better	4.85	Not Met	4.70	6.25

Name	Improvement Direction	Actual Dec 2013	Direction of Travel	Actual Dec 2014	Status Dec 2014	Target Dec 2014	Yearend Target Mar 2015
7.1a The proportion of working days/shifts lost due to short term sickness absence	Smaller is better			2.48			
7.1b The proportion of working days/shifts lost due to long term sickness absence	Smaller is better			2.37			

CROSS CUTTING TARGETS 2014/15

1. DELIVERING SERVICES INTO THE FUTURE

Brief: Prepare for further significant reductions in Council spending in the future whilst prioritising the activities and projects the Council has capacity to deliver.

Director: Neil Dart

Contributions: Strategic Leadership Board and all HBC staff

Lead Member: Cllr Birch

O & S: Resources

2014/15 Targets

- a) Undertake a programme of Customer First and Efficiency reviews, prioritising those with the potential for biggest gains in efficiency, cost savings, and/or resilience.
- b) Seek out and explore opportunities for new service delivery models, including shared services where this will provide efficiencies or resilience.
- c) Deliver a programme of consultation to test local priorities with local people and staff.
- d) Complete a Priority Income Efficiency Review process to inform the 2015/16 budget.
- e) Produce and publish a Medium Term Financial Strategy.
- f) Agree a significantly revised Corporate Plan and a Budget for 2015/16 onwards in February 2015.

Performance @ QTR 3 – On Target

Progress –

- a) The Revenues and the Housing Options reviews have both been completed and the recommendations and action plans are being implemented. A review of the Benefits Service should be completed by spring 2015.
- b) Shared Service discussions are explored whenever opportunities arise. However, there is no significant progress to report this quarter.

- c) Consultation on the draft Budget and Corporate Plan was launched on 16 January.
- d) The corporate PIER process commenced significantly earlier this year and led to a balanced budget for 2015/16 being produced.
- e) A Medium Term Financial Strategy was presented to Cabinet on 3 November 2014.
- f) The Corporate Plan and Budget will be considered by Cabinet on 16 February and Council on 25 February

2. CORPORATE RISK MANAGEMENT

Brief: To maintain an environment where risk management is an integral part of planning and performance management processes and the general culture of the Authority.

Director: Richard Homewood

Contributions: All Heads of Service

Lead Member: Cllr Birch

O & S: Resources

2013/14 Targets

- a) **To maintain an overview of Corporate and Operational risks to the Council.**
- b) **To formally review the Corporate Risk Register and report to Audit Committee during 2014/15.**
- c) **To formally review the Operational Risk Register and report to Audit Committee during 2014/15.**
- d) **To maintain an overview of the Council's Health and Safety Risk Management Policy and procedures.**

Performance @ QTR 3 – on target

- a) The Corporate Risk Management Group meet quarterly and reviews the Strategic and Operational risk registers, monitors insurance claims and procedures for mitigating risk.
- b) The Strategic Risk Register was reviewed by the Corporate Risk Management group on 11th December and will be reported to Corporate Management group on 5th March 2015 and the Audit committee 22nd June 2015.
- c) The Operational Risk Register was reviewed by the Corporate Risk Management group on 11th December and will be reported to Corporate Management group on 5th March 2015 and the Audit committee 22nd June 2015.
- d) The Health and Safety and Risk Management Policy and procedures are routinely reviewed throughout the year. The Fire risk management and Alert Scheme have been reviewed during the last quarter.

3. ENVIRONMENT AND SUSTAINABILITY

Brief: To provide strategic coordination and advice to the Council's policy and forward planning processes, ensuring the Council is maximizing opportunities to tackle climate change and make Hastings more environmentally sustainable.

Director: Richard Homewood
Contributions: All Heads of Service
Lead Member: Cllr Birch
O & S: Resources

2013/14 Target(s) **a) Oversee and coordinate the implementation of the 2014/15 actions in the HBC Environmental Policy and Climate Change Action Plan.**
b) Review opportunities for exploiting external funding to support corporate environmental objectives.
c) Deliver our 2014/15 Climate Local Commitments.

Performance @ QTR 3 –on target

a). Completed round 2 of ‘Switched on Hastings’ – average local savings were £180 or more and began preparation for the 3rd winter switch which began on the 9th December running until 3rd February 2015.

Completed the final financial claim and monitoring report for Future Cities – awaiting feedback from the lead partner.

Hosted the FLAG conference in October – ‘Regenerating Hastings: the Place for Fishing, Learning & Tourism and Tourism in a Maritime Environment’

Explored potential sites for the establishment of a car club for Hastings in partnership with ‘Co-Wheels’

b) Continued discussions with our European partners to develop project ideas for future rounds of EU funding and considering the key priorities for funding for HBC and the town.

Progress continues with the projects under the Fisheries Local Action Group (FLAG) programme with work on the ‘BIG Beach Project’ expected to start in February weather dependant.

c) We continue to progress with energy saving initiatives. Following installation of the energy saving measures previously reported, further works have been put into effect, and some further studies initiated to determine the practicality and potential economic benefit of installing measures in other buildings, these include;

1. A scheme has been developed and finance secured for installing a rapid charging point suitable for recharging two electrically powered vehicles located in the Marina Public Car Park. Works are expected to commence on site during the Spring of 2015.
2. Low energy lighting has been installed above the Town Hall contact centre mezzanine office to replace incandescent desk lamps and poorly arranged wall lights providing a more energy efficient and effective staff working environment.
3. The recently installed Town Hall electric traction passenger lift is a significant improvement over the original hydraulic powered unit. The

new design is expected to require substantially less energy to operate and light.

4. An option for installing LED lighting in the proposed CCTV Control Room on the lower ground floor of Aquila House has been obtained and is being considered. The possibility of installing low energy / LED lighting as part of the landlord's refurbishment of Aquila House is also being explored.
5. An assessment of possible options for a low energy LED lighting installation along Bottle Alley to replace the existing life expired fluorescent system is currently being considered.
6. A sustainability site audit report has been carried out by The Sustainable Business partnership CIC on the Hastings Museum as part of the South East Museum Development Programme which identifies areas where energy savings may be made including the addition of LED lighting and the management of energy tariffs.
7. The potential for installing magnetic fuel conditioning devices on the Council's building's gas supply pipes which are claimed to be capable of delivering annual gas consumption savings in excess of 8% are also being investigated.

4. CORPORATE EQUALITIES

Brief: Put the needs of service users at the heart of delivery so that we are responsive to the needs of people with protected characteristics.

NB Under the Equality Act 2010 the Council has a duty to:

- Eliminate unlawful discrimination.
- Advance equality of opportunity between people in our town.
- Foster good relations.
- Identify priority actions for each year.

Director: Neil Dart
Contributions: All Heads of Service
Lead Member: Cllr Chowney
O & S: Resources

2014/15 Target(s) Our equality objective is to: *"To provide high quality services that meet the needs and improve the quality of life of all our citizens, promoting equality of opportunity through a culture of openness, fairness and transparency, enabling local people to hold us to account"*

Specific 2014/15 actions include:

- a) The Corporate Equalities Steering Group to oversee how well services are meeting the needs of our communities.
- b) Carry out Equality Impact Assessments on major new Council policies to make sure that where possible, policies and services do not disadvantage any one part of the community more than the rest.
- c) To comply with the specific duties of the Equality Act 2010, and produce an annual equality statistical report which includes statistical information on our workforce including

- recruitment, promotions and staff turnover (by 31st January each year).
- d) Ensure our workforce profile reflects best practice in recruitment, and that through open and honest dialogue with staff we develop a culture of inclusion and openness.
 - e) Ensure HBC continues to be an employer that pays a 'Living Wage' and work with our contractors to enable them to achieve this accreditation over appropriate time periods.
 - f) Promote communications which celebrate diversity and showcase residents' contributions to their community and to cohesion on an ongoing basis.

Performance @ QTR 3 – On Target

Progress –

a) The October Equalities Steering Group received the findings of work undertaken across all services to review any areas of possible inequality and was content the council is acting appropriately and following good practice.

b) An Equality Impact Assessments is in place and senior managers advise of additional EIAs as work develops. These represent scrutiny of significant changes or new policies/developments such as the development of a new policy around sexual establishments. A revised protocol for capturing assessments of impact on poverty in Council decision-making reports has been developed and will be implemented shortly.

c) Achieved – analysis of this information will also be reported to the next Equality Steering Group for consideration of any further actions required.

d) As c) above

e) No extra information to report this quarter

f) No extra information to report this quarter

5. ORGANISATIONAL DEVELOPMENT GROUP

Brief: To oversee the transformation of HBC to a 'Customer First' Council that operates as 'One Team'

Director: Neil Dart

Contributions: All Heads of Service and HBC Staff

Lead Member: Cllr Birch

O & S: Resources

- 2014/15 Target(s)**
- a) Develop a Customer First Strategy for HBC setting out our vision and approach to customer service across HBC, and publish a Customer Charter clarifying the level of service our service users should expect.
 - b) Develop and manage a programme of culture change and improvement activity (including the incubation of new ideas and innovations).
 - c) Maximise opportunities for the efficient use of office floor space in parallel with smarter working including flexible,

mobile and home working, where possible release space for sub-letting to third parties

d) Maximise use of electronic communications and technology to assist smooth service delivery and customer care.

e) Receive and respond to feedback from staff engagement including the Staff Commission.

f) Oversee complaints and compliments trends and ensure learning points are shared.

Performance @ QTR 3 – On Target

Progress:

a) The principles of the Customer First Strategy are set out in the draft Corporate Plan for 2015/16. The detailed strategy and implementation plan is being formulated as a work package within the Transformation and Efficiency Programme.

b) As a) above

c) The project work packages for implementing new working layouts, furniture and technology in parallel with the refurbishment of Aquila House are progressing well, the start date for works is circa 23rd February 2015.

d) See c) above and implementation of the Firmstep platform has been reported above in Corporate Services target 9b).

e) Staff are being engaged on an on-going basis with key decisions and choices regarding the refurbishments to Aquila House and new working practices.

f) Significant progress will be made in implementing the Complaints Review now that an appropriate software has been identified to assist with the reporting, tracking and management of complaints and compliments (i.e. Firmstep).

6. ANTI POVERTY AND WELFARE REFORM

Continue to monitor and co-ordinate HBC and partnership activity in response to the impact of welfare reform on our local residents

Director: Simon Hubbard

Contributions: All Heads of Service

Lead Member: Cllr Forward

O & S: Resources

2014/15 Targets

a) Take forward with statutory and voluntary sector partners the implementation of the Hastings & St Leonards Anti Poverty Strategy Action Plan.

b) Continue to assess and monitor the impact of welfare benefit changes upon inward migration and proactively work with partners to develop adequate responses to emerging trends.

c) Review progress and adjust the action plan accordingly by September 2014

Performance @ QTR 3 - On target

- a) The anti-poverty steering group have identified key priorities for a revised strategy and action plan. The new documents will be subject to consultation in the Spring
- b) Partners meet regularly to share information on Housing Benefit and DHP claims, statistics on rent arrears in the social sector and the imminent introduction of Universal Credit.
Representatives from the London Housing Authorities visited Hastings in December 2014 to witness the challenges faced by the council and see the regeneration activity in different areas of the Borough. As result the representatives agreed to raise our concerns with those councils placing homeless households in Hastings and urge them to share information in a timely manner.
- c) The current anti-poverty action plan is regularly monitored and key successes and lessons learned will help inform the new strategy.

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Agenda Item 5

Agenda Item No: 5

Report to: Overview and Scrutiny (Resources)

Date of Meeting: 12 February 2015

Report Title: Final report of the Overview and Scrutiny review of outsourced contracts

Report By: Tom Davies
Chief Auditor

Purpose of Report

To report on the work of the review team set up by the Overview and Scrutiny Committee (Resources) on outsourced contracts.

Recommendation(s)

- 1. That the Sustainable Procurement Policy is updated and submitted to Cabinet for approval.**
- 2. That procedures are embedded to readily assist transparency of social value built into procurement through the procurement initiation document template.**
- 3. That Overview & Scrutiny Committee are informed when the training on Public Contracts Regulations 2015 has been delivered.**

Reasons for Recommendations

To ensure that the review findings and recommendations are reported and will be followed up.

Introduction

1. A scrutiny review on outsourced contract arrangements was included in the 2014/15 Overview and Scrutiny annual work programme. The review began in August 2014 and concluded in February 2015 and fell within the remit of the Resources Overview and Scrutiny Committee.

Background information

2. Hastings Borough Council is one of the biggest employers in East Sussex and spends about £19m every year on works, goods and services. We are required to seek `best value` in all of our purchasing activity. This not only takes account of cost but other factors including sustainable procurement which covers areas such as environmental considerations, equality issues and engaging with small and medium sized enterprises (SMEs) particularly from the local area wherever possible.
3. As a public body, we also have access to a number of framework agreements which are organised by other public sector partners, and this method of purchasing will continue. In addition, there is a drive by central government for local authorities to collaborate more, particularly in the area of procurement where there are benefits to be gained for the local community and council tax payer.
4. We support the ethos of encouraging firms to sell and buy Fairtrade products. The Council purchases such goods itself, particularly tea and coffee, for its Council meetings.

Review

5. The overall objective of the review was to examine whether Hastings Borough Council is achieving best practice in procurement and then to examine the interaction between `best practice in procurement` and `effective contract monitoring and control`.
6. The review evaluated the policies and procedures for:
 - a. Securing best value deals
 - b. Promoting local enterprise and employment
 - c. Promoting apprenticeships
 - d. Providing opportunities for economically vulnerable groups
 - e. Paying the living wage
 - f. Adopting the Lord Young Reforms in January 2015
 - g. Implementing the changes to Public Contract Regulations to be introduced in January 2015.
 - h. Public Services Social Value Act - 2012
 - i. Embedding procedures for contract management

7. The Members of the Review team were:
 - a. Cllr Liam Atkins (part)
 - b. Cllr Tania Charman
 - c. Cllr Robert Cooke (part)
 - d. Cllr Warren Davies (Chair of Overview & Scrutiny (Services))
 - e. Cllr Colin Fitzgerald
 - f. Cllr Mike Howard
 - g. Cllr Alan Roberts (Chair)
 - h. Cllr Phil Scott
 - i. Cllr Mike Turner

8. The following officers provided support:
 - a. Michael Courts, Democratic Services Support
 - b. Ian Roadnight, East Sussex Procurement Hub, Procurement Advisor
 - c. Mike Hepworth, Head of Environmental Services
 - d. Murray Davidson, Environment and Natural Resources Manager
 - e. Terry Drinkwater, Grounds Maintenance Contract Monitoring Manager
 - f. Dave Spillett, Group Auditor

9. The following methodology was adopted.
 - a. The East Sussex Procurement Hub gave a presentation to the committee providing an overview of the procurement process and describing the new reforms under the Public Contracts Regulations 2015 that are due to come into effect during 2015. The review team wished to examine a recent contract that was completed and in contrast, a contract procurement exercise that was live. The procurement process leading up to the new Banking Services contract was examined as this was a completed contract and also the procurement process around the new Minor Works Maintenance contract was reviewed as the work in progress.
 - b. The review team interviewed senior regional representatives from the Federation of Small Businesses.
 - c. The review team interviewed a panel of Contract Monitoring Officers.

Procurement Process

Procurement savings

10. Hastings Borough Council has been targeting procurement savings through its Priorities, Income and Efficiency Reviews (PIER) for over 8 years now. Despite the 'low hanging fruit' having been picked, the East Sussex Procurement Hub has generated in excess of £8m in savings and revenue since it was established in 2010 for all members and created efficiencies in procurement across the County. Performance of the East Sussex Procurement Hub is monitored by the East Sussex Finance Officers Association.

11. The savings are mainly due to higher combined purchasing power by purchasing collectively and through competitive tendering.

Procurement processes and compliance with regulations

12. The East Sussex Procurement Hub has assisted its members meet new legislative requirements such as assisting with posting opportunities on Contracts Finder and has enabled access to the South East Shared Services e-Sourcing Portal. The South East Shared Services e-Sourcing Portal is a superb opportunity for businesses in Hastings to have a chance to supply a wide range of local authorities. Registered businesses will get free email alerts when councils are looking to buy goods and services. Registration is free.
13. The banking services contract was completed on 1 December 2014. Hastings Borough Council previously banked with the Co-operative Bank and the contract was due to expire in March 2014. However, the Board of the Co-operative Bank announced on 5 November 2013 that it was withdrawing from local authority business. The East Sussex Procurement Hub collated transactional analysis across all East Sussex District and Borough Councils and Crawley Borough Council and benchmarked the results. A report was submitted to Cabinet on 9 June 2014 informing them of the procurement process and particularly that the contract was going to be let as 2 lots - Corporate Banking Services (lot 1) and Merchant Services (lot 2). It was the first contract that was tendered for that information on the 'living wage' was requested as part of the evaluation criteria. Lloyd's Banking Group won the bid and the transfer has been seamless. Projected savings are £6,000 per annum.
14. The live contract that the review team examined was the Minor Works Maintenance contract worth about £500,000 per annum. A report outlining the procurement process was submitted to Cabinet on 7 July 2014. Again, it included a commitment from tenderers to the 'living wage'. The review team saw how the opportunity had been advertised on the South East Shared Services e-Sourcing Portal and concluded that it was fair, efficient and transparent.

Contract documentation

15. All contracts requiring signature on behalf of the Council are examined and signed by Legal Services only after they are satisfied that the Council is adequately protected.

Significant contracts

16. A list of the Council's most significant contracts is shown at appendix A.

East Sussex Procurement Hub Work Programme 2014/15

17. The East Sussex Procurement Hub Work Programme for current year 2014/15 is shown at appendix B.

Localism

Local Small and Medium Enterprises (SME's)

18. The Federation of Small Businesses attended the Overview and Scrutiny Committee for Outsourced Contracts on 17 November 2014. They commented that "Hastings Borough Council continued to perform well through its procurement process, achieving a 61% spend with SME's compared to a national average of 47%".
19. Whilst the Council's approach to all contracts over £20,000 is correct, there is a perception that it can be difficult for a SME to be considered for lower value contracts, typically of £2 - £3k. This was a view voiced by the private sector about all councils at the 'Understanding the Buyer Event' held by the East Sussex Procurement Hub at the Sussex Exchange on 19 November 2014
20. Officers who have the requisite delegated authority can buy goods or services up to £20,000 without the need to go to controlled quotation or competitive tender. They are, however, expected to obtain 3 written estimates to be able to demonstrate best value.
21. Requirements of the Public Contracts Regulations 2015 combined with take-up of the South East Shared Services e-Sourcing Portal should better address concerns that SME's might not be considered (please see paragraphs 34-36).

Barriers to working for the Council

22. It was noted that there are sometimes obstacles that deter small and medium size organisations from submitting an interest to work for the Council, for example, detailed questionnaires. Officers are mindful that they should identify blocks and engage with businesses to remove barriers.

Apprenticeships and local labour

23. Hastings Borough Council is committed to developing its workforce through a variety of methods, including apprenticeships and wants to be seen as a role model for other employers throughout the town. It has a protocol in place and also supports work placements. The Council also has an Employment Initiatives Co-ordinator that facilitates apprenticeships within the area. The East Sussex Procurement Hub has just facilitated its first apprenticeship through the procurement process for an apprentice surveyor to be employed by the successful contractor.
24. The review team quoted examples of construction projects commissioned by the Council where all of the labour was brought in from outside the borough. Whilst the level of buildings work procured by the Council has declined over recent years and it is no longer a main force in the construction industry locally, the review team would like to promote inclusion of local labour through procurement wherever appropriate. It is expected that the Public Contracts Regulations 2015 will encourage this when they come into force (please see paragraphs 34-36).

Policy and Regulations

Sustainable Procurement Policy

25. The Sustainable Procurement Policy was approved by Cabinet on 9 June 2008. It is recognised that there have been changes in consumerism and in the market place, for example, it has just become as economical to purchase green electricity in certain cases as it is for ordinary electricity whereas green electricity was always more expensive just a year ago.
26. Other new areas that have emerged since 2008 include 'social inclusion' and 'living wage' which are absent from the Sustainable Procurement Policy.
27. It is therefore appropriate to update the Sustainable Procurement Policy so that social value at all levels of procurement is embedded.

Recommendation 1

That the Sustainable Procurement Policy is updated and submitted to Cabinet for approval.

Transparency

28. An independent internal review has been carried out to assess whether the Council is compliant with the Local Government Transparency Code 2014 procurement requirements.
29. Members would like assurance that the Council deals with organisations with similar ethical standards as its own, in particular, it would like there to be additional transparency over social value through procurement than is contained in the Local Government Transparency Code 2014.
30. The Public Social Value Act 2012 requires Hastings Borough Council to demonstrate social value in all contracts greater in value than £50,000. Hastings Borough Council does not have many contracts in excess of £50,000 but the East Sussex Procurement Hub demonstrated to the review team examples of where social value had been obtained.
31. The East Sussex Procurement Hub produces an annual procurement programme for internal use. This programme contains details about the larger procurement activities scheduled (Appendix B).
32. The East Sussex Procurement Hub is in the process of introducing a Procurement Initiation Document for completion by Officers for contracts over £5,000. It is a template document containing useful details (including evidence of providing social value) at the outset of a procurement exercise.
33. Members could draw from the annual procurement programme and satisfy themselves that social value has been included in the procurement process by reference to the procurement initiation document for those contracts of interest.

Recommendation 2

That procedures are embedded to readily assist transparency of social value built into procurement through the procurement initiation document template

Public Contracts Regulations 2015

34. The Cabinet Office is moving to finalise the Public Contracts Regulations 2015 with the aim of them coming into force in spring 2015. In practice, this will require completion of the parliamentary procedure before the pre-election dissolution of parliament on 30 March 2015.
35. One of the main objectives of the Public Contract Regulations 2015 was to make public contracts open to more suppliers.
36. There are a number of areas where officers will need to be trained in order for the Council to comply with the new regulations. Fundamentally, this will involve opening up opportunities for SME's. However, for the training to be effective, it will need to be provided close to when the Public Contracts Regulations 2015 become statutory.

Recommendation 3

That Overview & Scrutiny Committee are informed when the training on Public Contracts Regulations 2015 has been delivered.

Contract Management

37. The Environment and Natural Resources Manager and Grounds Maintenance Contract Monitoring Manager gave a PowerPoint presentation to the review team on monitoring the grounds maintenance contract and the Head of Environmental Services gave a comprehensive verbal account of how the Waste Management and Recycling Contract is managed.
38. Both contracts led to significant financial savings and had august governance arrangements in place.
39. The Grounds Maintenance Contract is a partnership between Hastings Borough Council (lead authority), Rother District Council, Amicus Horizon Housing Association and The Landscape Group, and the Waste and Recycling Contract is a partnership between Rother District Council (lead authority), Eastbourne Borough Council, Wealden District Council, Hastings Borough Council and Kier Services Ltd.
40. This partnership working with more than one external partner is still relatively new to the Council. A key feature is that performance of the contracts is now outcomes based rather than measured by outputs. The Council is realising the added value the contractor can make when incentivised through partnership working.
41. It is an aspiration that stakeholders will be able to have an input to contract monitoring of the Grounds Maintenance Contract once elementary training can be given and the scheme piloted.

42. Partnership working has also led to new unforeseen challenges that are being resolved, for example, we did not expect the Waste and Recycling contract to become so reliant on unsupervised agency labour and so we are looking to cap the level of agency staff that future firms contracting with the Council might use. The underlying performance for street cleanliness, however, has been quoted as being some of the best it has been for 6 years.

~~~~~end~~~~~

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**Wards Affected**

None

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**Area(s) Affected**

None

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**Policy Implications**

Please identify if this report contains any implications for the following:

|                                       |     |
|---------------------------------------|-----|
| Equalities and Community Cohesiveness | No  |
| Crime and Fear of Crime (Section 17)  | No  |
| Risk Management                       | No  |
| Environmental Issues                  | No  |
| Economic/Financial Implications       | Yes |
| Human Rights Act                      | No  |
| Organisational Consequences           | No  |
| Local People's Views                  | No  |

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**Background Information**

Appendix A - Significant Contracts Schedule

Appendix B - East Sussex Procurement Hub Work Programme 2014/15

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**Officer to Contact**

Tom Davies

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Telephone: 01424 451524

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### Significant Contracts Schedule

| Contract         | 2015     | 2016     | 2017 | 2018     | 2019     | 2020 | 2021 | 2022    | 2023     | Value |
|------------------|----------|----------|------|----------|----------|------|------|---------|----------|-------|
| Cleaning, WC's   |          | 31/12/16 |      |          |          |      |      |         |          | £300k |
| Office Cleaning  |          | 31/12/16 |      |          |          |      |      |         |          | £120k |
| Stationery       | 15/12/15 |          |      |          |          |      |      |         |          | £15k  |
| Banking Services |          |          |      | 30/11/18 |          |      |      |         |          | £25k  |
| Leisure Mgt      |          | 31/03/16 |      |          |          |      |      |         |          | £250k |
| Minor Works      | 31/03/15 |          |      |          |          |      |      |         |          | £500k |
| Stray Dogs       |          | 31/03/16 |      |          |          |      |      |         |          | £38k  |
| Cash Collection  | 31/03/15 |          |      |          |          |      |      |         |          | £65k  |
| Arboriculture    |          |          |      |          |          |      |      | 4/11/22 |          | £180k |
| Insurance        |          |          |      | 31/03/18 |          |      |      |         |          | £200k |
| Grounds Mtce     |          |          |      |          |          |      |      | 4/11/22 |          | £0.9m |
| Welfare Funerals |          |          |      | 31/03/18 |          |      |      |         |          | £30k  |
| Waste Contract   |          |          |      |          |          |      |      |         | 31/03/23 | £3m   |
| Theatre Mgt      |          |          |      |          | 31/01/19 |      |      |         |          | £500k |

- All values are approximate annual contract values.

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# East Sussex Procurement Hub

## 2014 / 15 Work Programme (draft v2)

"From April 2013 to March 2014 Hub activities have generated over £5.5million in savings, revenue and efficiencies through collaborative procurement across East Sussex Councils. The 2014/15 programme seeks to achieve a further £2million across the partner organisations whilst supporting individual procurements through the shared service and creating commercial best practice in procurement and contract management in Hastings, Rother and Wealden"



| Title                                               | Councils            | Value p.a.                                         | Start Date for scope  | Award Date     | Contract Start | Notes on progress and outcome                                        |
|-----------------------------------------------------|---------------------|----------------------------------------------------|-----------------------|----------------|----------------|----------------------------------------------------------------------|
| Banking & Merchant Services                         | All                 | £250,000                                           | Feb-14                | Jul-14         | Oct-14         | OJEU Notice Issued 17/03                                             |
| Council Tax Daily and Annual Billing                | All                 | £115,000                                           | Apr-14                | Nov-14         | Dec-14         |                                                                      |
| Payment Services                                    | HB, WD, RD          | £100,000                                           | Mar-14                | Apr-14         | Apr-14         |                                                                      |
| Empty Homes Review 2014-17                          | All inc ESCC        | £135,000                                           | Jan-14                | Feb-14         | Mar-14         | Agreements currently in place for WDC and RDC, EBC and LDC to follow |
| Tenancy Verification                                | EB, LD, WD          | risk / reward service                              | May / June 2014       |                | Oct-14         |                                                                      |
| Offsite Storage / Electronic Storage                | All inc ESCC        | £50,000                                            | Apr-14                | Jul-14         | Sep-14         |                                                                      |
| Electoral Registration                              | All                 | £65,000                                            | Apr 14 & Jan 15       |                |                |                                                                      |
| Stationery & Furniture                              | All inc ESCC        | £100,000                                           | Jun-14                | Dec-14         | Jan-15         |                                                                      |
| E-tendering                                         | All                 | £10,000 - £20,000                                  | Apr-14                | tbc            | tbc            |                                                                      |
| Mobile Phones                                       | All                 | c. £200,000                                        | Jun / Jul 14          | Dec-14         |                |                                                                      |
| Housing Adaptations                                 | HB, RD (others tbc) | £115,000                                           | Jul-14                | Jan-15         | Apr-15         |                                                                      |
| Advertising Revenue Streams                         | All inc ESCC        | % share of revenue to be determined by competition | Jun-14                |                | Jan-15         |                                                                      |
| Treasury Management                                 | All inc ESCC        | £100,000                                           | Jun-14                | tbc            | Apr-15         |                                                                      |
| Emergency response and winter contingency equipment | All                 | £30,000                                            | Apr-14                | Oct-14         | Nov-14         |                                                                      |
| Royal Mail Postage                                  | All                 | £250,000                                           | Apr-14                |                |                |                                                                      |
| EU procurement reform                               | All                 | n/a                                                | May-14                |                | Jan-15         |                                                                      |
| Understand the Buyer Event - 2nd Annual Event       | All                 | n/a                                                | Apr / May / June 2014 |                |                |                                                                      |
| <b>Shared Service</b>                               |                     |                                                    |                       |                |                |                                                                      |
| Hastings Castle Improvements - Design               | HB                  | £180,000                                           | Feb-14                | Jun / Jul 2014 | Jul-14         | OJEU and PQQ issued for Stage 1                                      |
| CCTV upgrade and maintenance                        | HB                  | c£300,000                                          | Feb-14                |                | Jul-14         |                                                                      |

| Title                                                                        | Councils   | Value p.a.    | Start Date for scope | Award Date | Contract Start | Notes on progress and outcome |
|------------------------------------------------------------------------------|------------|---------------|----------------------|------------|----------------|-------------------------------|
| Welfare Funerals                                                             | HB & WD    | c£30,000 pa   | Jan-14               | Mar-14     | Apr-14         | Contract Awarded 21/03/14     |
| Cash Collection                                                              | HB         | c£50,000 pa   | Sep-14               | Jan-15     | Mar-15         |                               |
| Consultancy and Professional Services                                        | HB, RD, WD | tbc c£500,000 | May-14               | Dec-14     | Jan-15         |                               |
| Legal Services framework                                                     | HB, RD, WD | £1,400,000    | Jan-15               |            | Apr-16         |                               |
| Pest Control                                                                 | WD         | £38,000       | ?                    | ?          | ?              |                               |
| Tourist Information                                                          | RD         | £30,000       | Apr-14               | Oct-14     | Apr-15         |                               |
| Air conditioning maintenance                                                 | HB, RD     |               |                      |            |                |                               |
| Advertising and Public Notices                                               | HB, RD     | c. £75,000    | Mar / Apr 14         | Summer 14  | Oct-14         |                               |
| Minor Works                                                                  | HB (tbc)   | c. £380,000   | Jun-14               | Feb-15     | Apr-15         |                               |
| Bailiff Services                                                             | HB, RD     |               | Feb-14               | Apr-14     | tbc            |                               |
| Out of Hours Emergency Calls                                                 | HB, RD, WD | £50,000       | Apr-14               | Sep-14     | Jan-14         |                               |
| Veterinary Services                                                          | WD, RD     | £3,500        | Sep-14               | Jan-15     | Mar-15         |                               |
| Taxi Licensing                                                               | WD, RD     | £20,000       | Apr-14               | ?          | ?              |                               |
| Leisure Centre Management                                                    | RD         |               | May-14               |            |                |                               |
| Environmental Health Software                                                | RD, WD     | £45,000       | Mar-14               | ?          | ?              |                               |
| Business Training (EH)                                                       | RD, WD     | £10,000       | Mar-14               | Summer 14  | Sep-14         |                               |
| Joint IT Projects (inc Telephony Network, Citrix or Laptop/Mobile Solutions) | RD, WD     | £250,000      | Apr-14               | ?          |                |                               |
| Hastings Castle Improvements - Works                                         | HB         | £2,000,000    | Dec-14               | Apr-14     | Jun-14         |                               |
| White Rock Sound Equipment                                                   | HB         | £60,000       | Mar-14               | May-14     | Jun-14         | PQQ issued 06/03/14           |
| One Account                                                                  | RD         | £50,000       | tbc                  | tbc        | tbc            |                               |

| <b>Overview &amp; Scrutiny Work Programme 2014-15</b> |                                  |                                                                               |                                                                                                                                                    |                                                                        |                           |
|-------------------------------------------------------|----------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------|
|                                                       | <b>TOPIC</b>                     | <b>LEAD OFFICER</b>                                                           | <b>TIMESCALE</b>                                                                                                                                   | <b>MEMBERSHIP</b>                                                      | <b>REPORTS TO</b>         |
| 1.                                                    | Engaging with Academies          | Simon Hubbard,<br>Director of<br>Regeneration                                 | Review commenced<br>October 2014                                                                                                                   | Batsford<br>Charman<br>Edwards<br>Sinden<br>Turner<br>Webb             | Services                  |
| 2.                                                    | Outsourced Contracts             | Tom Davies, Chief<br>Auditor                                                  | Due to report to<br>Quarter 3 Overview<br>and Scrutiny<br>Committee for<br>Resources                                                               | Charman<br>Cooke<br>Fitzgerald<br>Howard<br>Roberts<br>Scott<br>Turner | Resources                 |
| 3.                                                    | Organisational<br>Transformation | A working group of<br>Members met in<br>August 2014 to plan<br>for this item. | Following a meeting<br>with the Leader and<br>Deputy Leader of the<br>Council, Members<br>agreed to form a sub-<br>group to progress this<br>item. | All Overview and Scrutiny<br>Members                                   | Services and<br>Resources |

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