



# AGENDA

## CABINET

**MONDAY, 6 SEPTEMBER 2004**

**10.30 AM**

**COUNCIL CHAMBER, COUNCIL OFFICES, ST PETERS HILL,  
GRANTHAM**

Duncan Kerr, Chief Executive

<b>CABINET MEMBERS:</b>	Councillor Mrs. Linda Neal (Leader), Councillor Peter Martin-Mayhew (Deputy Leader/Portfolio: Housing), Councillor Teri Bryant (Portfolio: Community Affairs), Councillor Ray Auger (Portfolio: Environmental), Councillor Paul Carpenter (Portfolio: Technology), Councillor Mrs Frances Cartwright (Portfolio: Cultural) and Councillor John Smith (Portfolio: Economic)
<b>Cabinet Support Officer:</b>	Lena Shuttlewood tel: 01476 406119 e-mail: l.shuttlewood@southkesteven.gov.uk

**Members of the public are entitled to attend the meeting of the Cabinet at which key decisions will be taken on the issues listed on the following page. Key decisions are marked \*.**

1. **Apologies**
2. **Minutes**  
To approve the record of the Cabinet meeting held on 9<sup>th</sup> August 2004.  
(attached)
3. **Declarations of Interest (if any)**
4. **Fly Tipping Prosecution**  
Report number CCS1 by the Head of Cleansing and Contract Services (attached)
5. **CPA Re-assessment**  
Joint report number CEX248 by the Leader and Chief Executive. (attached)
6. **\*Approval of Procurement: Current Position Statement**  
Report number FIN203 by the Director of Finance & Strategic Resources. (attached)
7. **\*Wharf Road Car Park, Stamford**  
Report number LEG167 by the Solicitor to the Council on behalf of the Property Performance Management Group. (attached)
8. **\*E-Government and Customer Services Position Statement**  
Report number DOS251 by the Director of Operational Services.
9. **Matters Referred to Cabinet by the Council or the Development & Scrutiny Panels (if any)**
10. **Items raised by Cabinet Members including reports of Key and Non Key Decisions taken under delegated powers.**
11. **Representations Received from Members of the Public on Matters within the Forward Plan (if any)**
12. **Representations received from Non Cabinet Members**

#### **EXCLUSION OF THE PUBLIC**

It is anticipated that, in accordance with Section 100(A)(4) of the Local Government Act 1972, the public may be excluded from the meeting during consideration of the following item of business because of the likelihood that otherwise exempt information, as described in paragraphs 8, 9 and 10 of part 1 of Schedule 12A of the Act, would be disclosed to the public.

13. **\*East Street Car Park Site, Grantham**  
Report number PRO314 by the Head of Property Services (Design) on behalf of the Property Performance Management Group. (attached)
14. **Any other business which the Chairman, by reason of special circumstances, decides is urgent**



**MEETING OF THE CABINET**  
**9 AUGUST 2004 - 10.30 AM – 11.31 AM**

**PRESENT:**

**Councillor Peter Martin-Mayhew**  
**Councillor Teri Bryant**  
**Councillor Paul Carpenter**  
**Councillor Mrs Frances Cartwright**  
**Councillor John Smith**

**Councillor Mrs. Linda Neal – Leader / Chairman**

**Chief Executive**  
**Member Services Manager**  
**Director of Finance & Strategic Resources**  
**Head of Planning Policy & Economic Regeneration**  
**Head of Property Services (Design)**  
**Partnership Project Manager**  
**Scrutiny Officer**  
**Public Relations Consultant**

**Non Cabinet members : Councillors G. Wheat ;**  
**Mrs M. Wheat ; Wilks**

**CO27. APOLOGIES**

An apology for absence was received from Councillor Ray Auger.

**CO28. MINUTES**

The minutes of the Cabinet meeting held on 12<sup>th</sup> July 2004 were confirmed as a correct record.

## CO29. DECLARATIONS OF INTEREST

Councillor Teri Bryant declared a personal and prejudicial interest in the non key decision concerning recreation grants, specifically the grant to the Stamford Old Boys Rugby Football Club. This interest was by virtue of Councillor Bryant being on the Governing Board for the Queen Eleanor School on whose premises the Club is now situated.

Councillor Mrs Cartwright declared a personal and prejudicial interest in the non key decision concerning recreation grants, specifically the grant to Aslackby village hall. This interest was by virtue of her being a member of the village hall committee.

Both Cabinet members left the room for the duration of these items.

## CO30. SOUTH ROAD DEVELOPMENT SITE, BOURNE

### **DECISION:**

**(1) That the land at South Road, Bourne be disposed of as follows:**

- (i) Land north of the proposed spine road, for residential purposes, subject to planning permission;**
- (ii) Land south of the proposed spine road, for roadside services and as described within report PLA449;**

**(2) That Hodgson & Elkington be appointed as agents with respect to disposal, subject to the negotiation of appropriate terms.**

Considerations/Reasons for Decision:

- (1) Report number PLA449 submitted on behalf of the Property Performance Management Group setting out the background to this site and making recommendations with regard to its disposal;
- (2) Consultations with a number of independent commercial property specialists have led to the view that the land situated to the north of the required spine road offers residential development potential, either served from the spine road or more probably via the development taking place on the former Bourne Hospital site. The balance (and larger proportion) of the site is considered suitable to accommodate several distinct roadside activities e.g. pub/restaurant, drive-thru restaurant, and petrol filling station;
- (3) The preferred agent, Hodgson & Elkington & Co. is recommended on the basis of their disposal strategy and proven experience in this particular market sector;
- (4) The proposed sale of the land would generate a capital receipt to be used in future capital schemes;
- (5) Wide marketing of the site would ensure best price is achieved;
- (6) Disposal of the land for the purposes of roadside services is consistent with the planning permission granted. Disposal of part of

the land for residential development will be subject to planning permission which, subject to appropriate consultations, would be likely to be forthcoming. Negotiations with a special purchaser could enable provision to deliver affordable housing in line with the Council's aspirations.

Alternative Options considered and assessed:

- Disposal of the site as a single entity: rejected as the disposal strategy recommended would optimise and control the uses that will be delivered on the site.
- Disposal to a single developer: rejected as this may result in the loss of control over the ultimate range and type of services on the site. The complexity of the recommended strategy and the specialist nature of the market make it essential to put the disposal in the hands of a specialist commercial agent.

CO31. SERVICE PLANS 2004/05

**DECISION: To approve the service plans for 2004/05 and allow further development for 2005/06.**

Considerations/Reasons for Decision:

- (1) Report number FIN196 by the Director of Finance & Strategic Resources outlining the progress made on the production of service plans to support 32 operational areas of activity;
- (2) Service plans are a vital component part supporting the corporate objectives and strategies. This is the first time such plans have been produced and they will provide a good building block for more complete plans to underpin the delivery of priorities and the longer term budget setting of the Council.

CO32. CAPITAL PROGRAMME & INDIVIDUAL PROJECT UPDATE

**DECISION: To develop the Capital Programme issues contained within report FIN195 into a Policy Framework Proposal for recommendation to the Council on 2<sup>nd</sup> September 2004.**

Considerations/Reasons for Decision:

- (1) Report number FIN195 by the Director of Finance & Strategic Resources outlining and commenting upon the capital projects included within the existing 2003/04 programme; identifying future capital requirements i.e. projects not completed during 2003/04 and to be carried forward into 2004/05; capital provisions for maintaining

- existing assets; and capital expenditure required for existing policies;
- (2) The need to look beyond the current financial year to set up broad provisions within the capital programme for the new priorities and provisional sums allocated for a 5 year programme beginning in 2005/06;
  - (3) With regard to future capital requirements, the Cabinet is minded not to include them at this stage as none are fully worked through and need to be subject to the priority assessment.

CO33. PUBLIC SERVICE AGREEMENT (PSA) ROUND TWO

**DECISION:** That delegated authority be given to the Chief Executive in consultation with the Leader on deciding whether the PSA II bid is signed up to later in the year.

Considerations/Reasons for Decision:

- (1) Report number FIN197 by the Director of Finance & Strategic Resources informing the Cabinet on the preparation of the Lincolnshire PSA Round II that is being co-ordinated by the Lincolnshire County Council;
- (2) South Kesteven did not partake in Round I as the areas considered in the first bid did not link with the Council's priorities and it had been difficult to assess whether any performance grant would be forthcoming;
- (3) Some of the areas under consideration for Round II meet with the Council's own priorities. Delegated authority to decide on participation in Round II is sought dependent upon how the bid develops. It is likely that it will only be possible to sign up for targets that can be delivered by the District (the County Council being the Accountable Body for the bid) and would need to be co-ordinated within those areas of stepped increases in investment.

CO34. A CHECKLIST FOR GRANTHAM AS A SUB-REGIONAL CENTRE

**DECISION:**

- (1) To approve the draft Checklist for Grantham and a period of consultation be undertaken as outlined in report DCS8;
- (2) Following the consultation, a further report be presented to Cabinet detailing the response to the Checklist.

Considerations/Reasons for Decision:

- (1) Report number DCS8 by the Director of Community Services explaining that further work had been undertaken to establish criteria by which progress can be judged towards developing Grantham as a Sub-Regional Centre;

- (2) The draft Checklist helps to identify the attributes of a Sub-Regional centre and provides a means of monitoring progress against a clear set of aims;
- (3) The Checklist identifies some areas for which the Council has no direct responsibility for provision. The Council can therefore use its influence in terms of community leadership possibly to assist in achieving the full list of items in partnership with the public, private and voluntary sectors. The Council is able to develop planning and regeneration policies to facilitate progress towards achieving sub-regional status for Grantham;
- (4) The process of consultation will enable the Council to test the validity of the Checklist.

**CO35. MATTERS REFERRED TO CABINET BY THE COUNCIL OR THE DEVELOPMENT & SCRUTINY PANELS**

**DECISION: To endorse the Local Government Finance Settlement Lobbying Strategy as researched and presented by the Capacity & Resources DSP, subject to an amendment at paragraph (3)(iv) to the effect that local MPs be kept informed of the local lobbying campaign.**

Considerations/Reasons for Decision:

- (1) Report submitted on behalf of the Capacity & Resources DSP by the Chairman and the Scrutiny Officer following the Cabinet's request that the Panel research an appropriate Lobbying Strategy, including the key issues relevant to South Kesteven;
- (2) Rather than exclude the local MPs as suggested, by keeping them informed of the local lobbying strategy, it is their choice whether to participate or not.

**CO36. ITEMS RAISED BY CABINET MEMBERS**

**(1) Councillor Ray Auger: Portfolio - Environment**

**Decision:** That the vehicle testing fee is excluded from the current vehicle licence fee for Hackney carriages and private hire vehicles and that the fee is reduced by £60 to £160.

[Decision made 09.08.04]

**(2) Councillor Mrs Linda Neal: Leader**

**Decision:** To agree the settlement of a claim against the Council made by the purchaser of a former Council building regarding the presence of asbestos in the former Council building.

[Decision made 09.08.04]

Decision: To award 25% District Council grant aid to the following Lincolnshire County Council inspired schemes for the second round of 2004/05 applications:

Aslackby Village Hall: New doors and windows	£875
Folkingham Village Hall: Access and store	£4,000
Heydour Village Hall: New entrance	£511
Ingoldsby Village Hall: Toilet alterations	£1,882
Long Bennington: Floor renewal	£704
Morton Village Hall: Access & toilet alterations	£5,570
South Witham Village Hall: window replacements	£1,000
Thurlby Village Hall: toilet alterations	£4,300
Barrowby parish : New play equipment	£1,847
Billingborough parish: Floodlights	£1,049
<b>TOTAL</b>	<b>£21,738</b>

[Decision made 09.08.04]

Decision:

(1) To defer

- (i) consideration of the level of District Council contribution to the Lincolnshire County Council Capital Grant Aid Scheme for 2005/06 onwards; and
- (ii) the priority settings for the consideration of Recreation Grant pending the outcome of consultation on the Council's non priorities;

(2) to award a 25% District Council grant of £2,375 to Londonthorpe and Harrowby Without Parish Council to support the children's play area fencing project;

(3) to award a 25% District Council grant to a maximum of £4,500 to the Stamford College Old Boys Rugby Football Club for the store room conversion;

(4) to award a £2,500 maximum floodlighting grant to Stamford Tennis Club.

[Decision made 09.08.04]

### **(3) Councillor John Smith: Portfolio - Economic**

Decision: That consultation be undertaken in respect of the Market Deeping Conservation Area Character Appraisal and the proposed alterations to the boundaries of the Conservation Area.

[Decision made 09.08.04]



Decision: To approve the following street names in order to provide postal addresses for an additional phase (Zone 1 Area 2) of the new residential development at Elsea Park Development off South Road, Bourne:

TEASEL DRIVE  
SPINDLEWOOD DRIVE  
COWSLIP CRESCENT  
BLUEBELL WAY  
DAISY COURT  
POPPY PLACE  
HEARTSEASE WAY  
SPEEDWELL DRIVE  
COPPICE WAY  
IRIS GARDENS

[Decision made 09.08.04]

Decision: To accept the lowest tender submitted by ABL Cultural Consulting in the sum of £20,000 to undertake a feasibility study for the proposed Science Discovery Centre in Grantham.

[Decision made 02.08.04]

**(4) Councillor Mrs Frances Cartwright: Portfolio - Cultural**

Decision: To adopt the piece of vacant land at Lime Grove, Caythorpe under the Open Spaces Act 1906 to be subsequently maintained by the Caythorpe Parish Council.

[Decision made 26.07.04]

DATE OF PUBLICATION OF RECORD: 10<sup>TH</sup> AUGUST 2004

DATE DECISIONS ARE EFFECTIVE:

The decision at minute CO32 is a Policy Framework Proposal and therefore stands referred as a recommendation to Council on 2<sup>nd</sup> September 2004.

The remaining decisions taken on 9<sup>th</sup> August 2004 can be implemented on 18<sup>th</sup> August 2004 unless subject to call in by the Chairman or three members of the relevant Development & Scrutiny Panel.

**South Kesteven District Council, Council Offices, St. Peter's Hill, Grantham,  
Lincolnshire NG31 6PZ**

**Contact: Cabinet Support Officer - Tel: 01476 406119  
e-mail [l.shuttlewood@skdc.com](mailto:l.shuttlewood@skdc.com)**

## REPORT TO CABINET

REPORT OF: HEAD OF CLEANSING AND CONTRACT SERVICES

REPORT NO. CCS1

DATE: 2<sup>nd</sup> August 2004

<b>TITLE:</b>	<b>Fly Tipping - Prosecution</b>
<b>FORWARD PLAN ITEM:</b>	<b>N/A</b>
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	<b>N/A</b>
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	<b>Amendment to Officer Delegation in relation to litter and fly tipping prosecutions.</b>

<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	<b>Councillor Ray Auger</b>
<b>CORPORATE PRIORITY:</b>	<b>STREET SCENE</b>
<b>CRIME AND DISORDER IMPLICATIONS:</b>	<b>YES</b>
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	<b>NEGLIGABLE</b>
<b>BACKGROUND PAPERS:</b>	

## 1 **Recommendations**

The Cabinet is recommended to:

- a) The decision to prosecute to be delegated to the Head of Cleansing and Contract Services after consultation with Legal Services.
- b) Allow for fixed penalties/formal cautions to be issued where it is thought appropriate.

## 2 **Introduction**

A report to the Customer Services committee on 25/9/01 agreed that authority be given to prosecute cases of fly tipping.

The decision to prosecute was to be delegated to the Head of Environmental Health Services after consultation with Legal Services.

It was viewed by members at the time that this would provide the maximum amount of publicity for cases of this sort.

Since that time the authority has been successful in prosecuting a number of cases.

## 3. **Current and Future Arrangements**

Cases, which are taken to the Magistrates' Court and proven, result in the defendant receiving a fine and costs awarded to the Council. Although the Council is unable to retain the fine, it can however claim any costs of presenting the case.

In the case of a fixed penalty the District Council is able to keep the entire penalty.

Fly tipping prosecutions have until recently been a function of Environmental Services, that function has now transferred to Cleansing and Contract Services. This section has recently recruited an Enforcement Officer to investigate incidents of fly tipping and trade waste abuse.

## 4. **Other Options**

The Council is able to issue a caution and this can be taken into consideration for any future offences that may take place.

Fixed penalties can also be used in the same manner as for dropping litter. Some local authorities are using this for incidents involving small quantities of fly tipping.

## 5. **Comments of Director of Finance and Strategic Resources**

Report proposes a sensible use of resources.

## 6. **Comments of Corporate Manager, Democratic and Legal Services (Monitoring Officer)**

The recommendations contained with this report represent a practical use of officer time for this type of enforcement activity and takes advantage of the availability of the new fixed penalty procedure where appropriate. The recommendations also allow for the

prosecution of offences where evidence and circumstances necessitate. I have no hesitation therefore in supporting the report and its recommendations.

7. **Comments of other relevant Service Manages**

None

8. **Conclusion or Summary**

The level of resources that is required to process a case to the stage where it can be prosecuted at a Magistrates' Court is considerable. Some incidents relate to small quantities of waste being dumped.

There will still be a need for serious cases of fly tipping to be pursued through the Magistrates' Court, however certain cases could be given a formal caution plus a fixed penalty.

9. **Contact Officer**

Gary Knighton  
Head of Cleansing and Contract Services  
01476 406276  
g.knighton@southkesteven.gov.uk



## **REPORT TO CABINET**

### **JOINT**

**REPORT OF:**     **Leader and Chief Executive**

**REPORT NO.**     **CEX248**

**DATE:**           **6th September 2004**

<b>TITLE:</b>	<b>CPA Re-Assessment</b>
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	<b>No</b>

<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	<b>Leader</b>
<b>CORPORATE PRIORITY:</b>	<b>N/A</b>
<b>BACKGROUND PAPERS:</b>	<b>None</b>

### **RECOMMENDATION**

**It is therefore recommended that the Council commissions the IDeA to carry-out the proposed CPA re-assessment at a cost of £5,000 plus expenses**

October will see the anniversary of our CPA inspection. During the intervening twelve months a number of measures have been implemented to improve the efficiency and effectiveness. The impetus for these improvements has come from the Council's Change Management Action Plan, which was drawn directly from the inspection report.

It would be reasonable to expect that this activity would result in an improved score, however all Councils are engaged in seeking to improve their performance

and only an external perspective can make an informed judgement on a comparative basis.

The Audit Commission has published proposals for the next round of District CPAs and has made some adjustments to the model as a result of the lessons learnt during the first round. The Audit Commission is proposing a new round of CPA inspections commencing in 2007 and integrating District inspections with inspections of County Councils in the same area. As part of this they are seeking to complete a service profile for each Council, which, whilst not altering the scored judgement, will comment on the direction of travel. The consultation document indicates that District Authorities such as South Kesteven will receive one more CPA inspection under the “old” methodology before the new framework is applied from 2007. It is likely that our next assessment would be in late 2005 or early 2006. These details are given in the ODPM consultation paper “CPA 2005 – The Way Ahead” and the follow-up “CPA 2005 – The new approach. Both of these documents are available on:

<http://www.auditcommission.gov.uk/cpa/furtherconsultcpa2005.asp>.

The Audit Commission and IDEA have jointly produced guidance on “Getting the best out of District CPA”, this is available on

<http://www.auditcommission.gov.uk/cpa/downloads/learningfromDCPA.pdf>.

The guidance recognises that the best authorities see improvement as a journey with the CPA adding clarity, and where necessary challenge, to the process.

Measuring the speed of travel from within is not easy, nor is assessment against other Councils because they are improving at different speeds and from different starting points. It is however, vitally important that the Council does have a robust methodology for assessing on a regular basis its speed of travel and judging what this is likely to mean for an assessment. It's the old adage that if you know yourself, (and in this case know not your enemy but the CPA methodology), you never need to fear a CPA inspection: and, it is fear that drives authorities to commit unreasonable amounts of resources and organisational effort to the CPA process.

To reach this level of self-awareness requires a triangulation of three perspectives:

1. The Council's own perspective focused through a robust self-assessment.
2. The views of partners and customers within the local community.
3. An external judgement delivered by experienced assessors who have the knowledge base to make informed comparisons with other authorities.

In order to deliver the last of these, and rather than wait for the next CPA round, it is proposed to commission a CPA revisit in the autumn of this year. Unfortunately the Audit Commission themselves are not able to provide this service to the



Council, but following discussion with both our relationship manager and Brian Rowland, (the lead inspectors from the team that came to South Kesteven) the IDeA were approached and prepared the proposal detailed in Appendix A. This appendix also includes some revisions to the brief which the Chief Executive proposed, and the IDeA accepted. By undertaking such a process now, before changes have been fully embedded we would be in a position to adjust any of the key components before they become “cemented” into the new culture of the organisation. It should be noted that it is a CPA re-assessment, in the form of an abbreviated peer review, and not a full peer review that is being requested.

Although this service carries a cost of £5,000, this needs to be put against the considerably greater cost that could arise if the Council, lacking the insight that this process will deliver, embarks upon ineffective or ill-considered programmes.

Councillor Linda Neal  
Leader.

Duncan Kerr  
Chief Executive

27 July 2004

**APPENDIX A**

Duncan Kerr  
Chief Executive  
South Kesteven District Council

Dear Duncan,

**Abbreviated Peer Review – Autumn 2004**

Following our discussions, I am pleased to set out my thoughts on how the IDeA can best meet your needs.

**Our understanding of your needs**

South Kesteven District Council is keen to have an external assessment of where it is one year on from your CPA.

You are keen on getting an independent overview of progress of the Council against your Improvement Plan and an opinion of current likely “scores” against the existing model of CPA and issues for consideration against the proposed model for CPA.

You are not looking for in-depth diagnosis but rather evidence-based challenge to officer and member perceptions. Similarly you are looking for the wider learning on what is working and what challenges remain and some constructive advice on how to take these forward.

You are looking for this review around September/October/November and for it to be honest and challenging.

**Our approach – what we will do**

We will base our review on the Key Lines of Enquiry for the existing CPA, and consider:

- where the Council has moved over the last year
- how embedded any changes appear to be
- our best estimate of how any progress in South Kesteven compares with progress elsewhere in the country
- what issues are still to be resolved and offering advice on how these may be tackled.

We will focus our work on the current key lines of enquiry (KLOE) in the CPA, but will also have clear sight of the proposed new approach for CPA.

In order to help us meet your needs we may well ask you to complete a draft self-assessment which responds to the key lines of enquiry (KLOE).

## Timing

The exact timetable needs agreeing but we can fit this into your late Summer/Autumn window.

Any key meetings (such as the Executive) which do not coincide with the visit, we will seek to send either myself or the Review Manager along to observe.

The review itself would take place over 2 or 3 days (we would want to discuss this with you) with a presentation of initial findings on the final day.

## Review Team

We propose a team of 3 people comprising:

- A Principal or Managing Consultant to act as Review Manager (we would look to use someone with direct experience of the Audit Commission)
- A Senior Conservative member (someone like Cllr George Buckley – although so far I have not been able to confirm his availability)
- Myself to oversee quality and to have direct input to the on site work and feedback to the Council

## Fees

Team Member	Role	Days	Day Rate	Fee
IDeA Review Manager	Tailoring of review methodology, liaison, review management, challenge & share learning, report production, final workshop	5	£500	£2,500
Senior Conservative Councillor	Review, challenge & share learning and final workshop	3	£300	£900
Regional Associate	Review, challenge & share learning, final workshop, overall quality and impact of work	2	£800	£1,600
Project co-ordinator	Liaison, tailoring of review timetable and some quality assurance work	3	IDeA central recharge	Na
Total Investment		13 days	£, 5,000 <sup>1</sup>	

*\*Plus reasonable expenses including limited overnight accommodation*

I trust that this proposal reflects the work you are looking for. If you would like to discuss any part of this proposal then please feel free to contact me on the numbers below.

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<sup>1</sup> This figure does not include VAT.

I look forward to hearing from you shortly. But please note that I am on holiday from 2 August until 20 August inclusive.

Yours sincerely,

Mark Edgell

-----Original Message-----

**From:** DUNCAN KERR [mailto:D.KERR@southkesteven.gov.uk]

**Sent:** 29 July 2004 13:25

**To:** 'Mark Edgell'

**Subject:** RE: Abbreviated Peer Review

Thanks for the prompt response - a couple of issues:

1. On the third para I would replace "Evidence based challenge to member and officer perceptions" with "evidence-based scored assessment that measures progress made by the Council since the CPA inspection and compares it with the authorities own perceptions".
2. On "what we will do" add "Using the best knowledge and advice available to the team produce a scoring of the authority against the CPA framework used to assess the authority in 2003.

Apart from these areas you have summarised our requirements very well and I am broadly happy with the team you propose. The key to this will however be the identify and experience of the Review Manager - and we obviously could not commit until we had been satisfied on this point. We would be prepared to compromise on the involvement on the other team members if it is necessary to secure the appropriate rate for a review manager who has received the AC training and acted as a moderator.

Perhaps you can progress and provide us with some proposed names.

Many thanks.

Duncan.



## REPORT TO CABINET

REPORT OF: Corporate Director of Finance & Strategic Resources

REPORT NO. FIN 203

DATE: 6 SEPTEMBER 2004

<b>TITLE:</b>	<b>Approval of procurement current position statement</b>
<b>FORWARD PLAN ITEM:</b>	<b>Yes</b>
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	<b>July 2004</b>
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	<b>PFP</b>

<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	<b>ALL</b>
<b>CORPORATE PRIORITY:</b>	<b>ALL</b>
<b>CRIME AND DISORDER IMPLICATIONS:</b>	<b>NONE</b>
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	<b>NONE</b>
<b>BACKGROUND PAPERS;</b>	<b>Report BUS 188 to Cabinet January 2003</b>

## **1. PURPOSE OF REPORT AND SUMMARY**

This report is to update members on the latest position with purchasing at SKDC and request approval of the position statement and development of a detailed strategy in line with the National Procurement Strategy guidelines (see Appendix 1).

## **2. RECOMMENDATION**

Cabinet are requested to:

- i) To approve the position statement
- ii) To note the working plan required to produce a detailed procurement strategy within National Procurement guidelines.

## **3. CONTACT OFFICERS**

John Blair  
Corporate Director Finance and  
Strategic Resources  
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Kevin Martin  
Business Services Manager  
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01476 406211

## **South Kesteven District Council**

### **Purchasing Current Position Statement & Draft Procurement Strategy**

#### **Introduction**

1. In 2003 Cabinet approved some 15 recommendations from a best value review of Purchasing carried out in 2002. One of these was 'Develop a full Procurement Strategy and implement an appropriate education programme'. This paper attempts to start the process of compliance with that recommendation as well as providing the current position on purchasing within SKDC.
2. (Please note that the best value review looked specifically at purchasing within SKDC. Procurement in the wider sense having to some extent been covered by a Best Value Procurement Strategy adopted by the Council's Policy committee in 2001. This strategy forms part of the 'Compete' section of the Council's Best Value Review Toolkit)

#### **Definition**

3. Procurement concerns the acquisition of all goods, works and services. It relates to all expenditure by SKDC with the exception only of staff costs. (i.e. salaries & wages)

Procurement encompasses every aspect of the purchasing process from determining the need for goods, works or services, to buying and delivery in order to help an organisation's key objectives and outputs. (i.e. the whole life-cycle) Purchasing is central to the management of any operation.

To put this into some context, in 2003/04 SKDC's annual budget (capital & revenue) is some £64m. Of this some £30m will be spent on the external provision of goods, works and services.

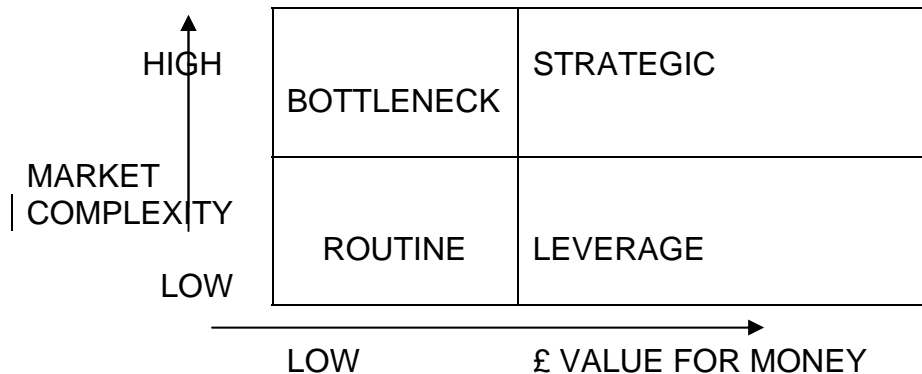
It is clear therefore that effective procurement across SKDC will assist the achievement of best value and help to deliver value for money, quality services.

#### **Background**

4. The Government has set milestones for a National Procurement Strategy for Local Government. The following milestones are for 2004:



- Corporate procurement strategy developed, owned by chief executives, members and senior officers.
  - Strategy's implementation regularly measured.
  - Approach to partnering in construction and service delivery set out.
  - Approach to collaboration and new trading powers set out.
  - Appraisal of service delivery models included in Best Value reviews.
  - Staff consulted on employment issues in procurement processes and contracts.
  - 2003 Act and 03/2003 Circular built into processes and contracts.
  - Publish a Selling to the Council guide (website).
  - Ensure corporate procurement strategy is addressing sustainability and equality issues, helps to achieve the community plan and involves the voluntary sector.
  - 
  - Conclude a compact with the local voluntary and community sectors.
- 5 The focus of the best value review was on the Council's purchasing policies and the actions implemented mean the Council does have a good base for purchasing. The position statement highlighted other good procurement practice but some of the milestones will be difficult to achieve in the timescale.
6. To this end a procurement healthcheck with IDEA has been booked for November. There is work that can be done in advance of that; in particular the classification of procurement into the following grid:



- 7i). Bottleneck areas include things like Swimming Pool chemicals or Grit. A complex market with relating high prices and little scope for improving them.
- ii) Strategy is the area that the wider procurement issues are covered; eg Leisure Trusts, Hyder type models; Partnering Arrangements. These are

characterised by high switching costs so must be assessed carefully with resultant contracts being for long period to ensure payback.

iii) Routine

The supplies and services parts of the procurement model. Some purchasing will remain in this category because of the nature of spend. The purchasing best value review identified purchasing champions for certain supplies and services and this has helped push some of these into the leverage box. Other measures include the use of purchasing cards and E-procurement - aimed at reducing the administration cost of dealing with routine purchases.

iv) Leverage

This category relates to those elements of procurement where there is more buying power. Elements of purchasing are aggregated together to provide leverage in purchasing negotiations eg P.C's, stationery etc.

8. Generally the purchasing best value review has focussed upon the leverage box. The next development of procurement needs to focus upon the strategic box.

9. Purchasing Best Value Review Update

As mentioned in the introduction SKDC carried out a purchasing best value review and identified a number of weaknesses in its arrangements that need to be addressed to assist the process of achieving best value from its resources. It was acknowledged that best value is now an important part of local service delivery and thus procurement needs a higher profile.

The review stated that 'Procurement should now be everyone's concern and not just that of a small number of officers who deal with it on a day to day basis'.

(Full details on the arrangements in place at the time of the review can be found within the review documents held by the Best Value Team in SKDC Treasury)

The main improvements from the purchasing review were:

1. Completion of new standing orders and revised financial regulations
2. Review of authorisation limits and management within SKDC
3. Create Purchasing Champions for specific areas
4. Develop action plans for each champion area
5. Consult with supply base
6. Develop and roll out e-procurement
7. Develop a full Procurement Strategy

All these areas would be backed up with adequate training and education. Work has commenced on many of these improvements with a Purchasing

Performance Management Group (PPMG) being responsible for their delivery. This document comes from the PPMG's work.

## 10. Progress

Items 1, 2, & 3 had been completed. Council approved new standing orders and revised financial regulations in June 2003; revised authorisation limits and changes to management arrangements were rolled out in July 2003.

Purchasing Champions now exist throughout the authority in the following areas:

- Energy – handled by Paul Cameron, the Council's Energy Manager based in the Property Services Section. Paul is responsible for the procurement of all utilities (gas, water & electricity) for all the authority's assets (both Housing and General Fund)
- Building Works – Alec Prentice (Property Surveyor) and Duncan Lucas (Project Officer) both from the Property Services Section. In conjunction with their services managers they handle all revenue based building works
- Information and Communication Technology – all IT related procurement (hardware, software and IT consumables) is handled by Jackie Pantling (Head of IT Services) and Gary Andrew (IT Support Co-ordinator). At the current time Susie McCahon (Property Services Office Manager) administers all telephony (landlines & mobiles). It is anticipated that responsibility for telephony will pass to the IT section in the next few months as the Council introduces it's internet protocol telephony solution
- Fleet Management – Alec Ahrens (Transport Officer) in the Contract Monitoring Section is responsible for the procurement of all vehicle-related expenditure, both capital purchases and running costs. This extends to all our pooled vehicles, Care Services vehicles and the Works Organisation fleet. Alec also undertakes some administrative functions in relation to the Waste Management fleet of vehicles, almost all of which are leased
- Facilities Management – David Fenney (Property Surveyor) and Susie McCahon are the champions in this area which includes all facilities related supplies & equipment
- Stationery – Mike Collins (Print Unit Supervisor) procures all high demand/low cost stationery items for SKDC. This includes all the paper requirements for SKDC

These champions are in the process of writing guidelines and action plans for their specific areas. This will further enhance effective and efficient procurement at SKDC

As well as these Purchasing Champions we also have appointed Purchasing Advisors/Specialists for the following areas:

- Contract Initiation including OJEC compliance – Pauline Chadwick (Business Management Officer) and Trevor Burdon (Design manager) are the Council's experts in this area
- Legal Advisor – Lucy Youles (Solicitor to the Council) covers legal aspects
- Contract Management – Garry Knighton (Contract Services Manager), Paul Stokes (Surveying Manager) and Brian Ball (Works Manager)

All these officers will provide advise in their specialist area on request

Items 5 & 6 have yet to be actioned. After the adoption of procurement strategy for SKDC the Purchasing Champions will be asked to both review their supply base and carry out suitable consultation. It is intended to dovetail this in with the requirements of the Government's electronic agenda, which will require SKDC to provide an electronic solution on ordering, invoicing and payment. This does mean however that a new purchase ledger system will be needed. The Council has acknowledged it needs to replace its existing ledger system, which includes a purchase ledger system. This is planned for the end of 2004.

## 11. Procurement Methods

The progress mentioned above shows that procurement is a priority at SKDC. As well as improving procurement skills within the authority our approach shows we are seeking best value for money on both our purchases and savings through more efficient procurement.

Further evidence of our progress can be seen in some of our service delivery methods.

## 12. Collaboration & Partnership

There are a number of examples where we have used collaboration and partnership in recent times. We joined with our Welland Partners in a number of software procurement exercises and with a neighbouring Lincolnshire authority to secure funding for kerbside recycling services. At the present time we have a contract with Peterborough City Council for the provision of a 5-weekly kerbside glass recycling service to 10,000 properties in the south of our district.

## 13. Partnering

In keeping with best practise following the Government review carried out by John Egan, (relating to the built environment and sustainable communities) the Council has entered into a number of partnering contracts, all relating to work our housing stock. Examples are:

Gas Servicing – Walmotts Ltd  
Solid Fuel Servicing – J Tomlinson Ltd

Kitchen Refurbishments – Mowbeck Construction and our DWO  
Doors – Swan Doors and the DWO  
Roofing – Manor Roofing and John Ball Roofing

#### 14. Procurement Strategy

Procurement is not an end in itself. It should be used to further the objectives of SKDC. We already have a number of purchasing policies and practices in place. A corporate procurement strategy will bring together all these policies and thus raise the profile of procurement at SKDC and ensure all members and officers have buy in.

The following is a draft strategy for consideration.

## **SOUTH KESTEVEN DISTRICT COUNCIL**

### **Draft Corporate Procurement Strategy**

#### **1. Vision**

To obtain best value through planned and skilful procurement, in respect of all goods, works and services sought by SKDC

#### **2. Strategic Aims for Procurement**

The aims of SKDC's Corporate Procurement Strategy are that it should:

- Support the authority's corporate objectives
- Provide a common framework for the full range of procurement activities
- Ensure commitment to effective procurement from members & officers
- Encourage strategic procurement planning when preparing annual business plans and budgets
- Manage risk effectively
- Make use of technology where possible
- Promote equality and fair treatment in the procurement of goods, works and services
- Encourage working with others in the public, private and voluntary sector to widen the scope for innovative service delivery
- Ensure that an assessment of suppliers performance, commitment to sustainable development and workforce issues (e.g. health & safety) form an integral part of the procurement process
- Ensure all our procurement activities operate within EU and UK legislation

#### **3. Key policies for Procurement**

SKDC already has a number of policies in place, which may not make specific reference to Procurement. To make sure our strategic objectives for procurement are achieved those policies need to be enhanced by the following key policies for Procurement.

- Best Value

SKDC is committed to improving the economy, efficiency and effectiveness of all its activities and it will purchase goods, works and services so as to achieve best value

- Customer Needs

SKDC will take account of the needs of customers, both inside and outside the authority in the purchase of goods, works and services.

- Standard of Conduct

SKDC will attempt to ensure that in all its procurement activity both Members and Officers observe the highest standards of conduct. This will include compliance with the principles set out in the Council's constitution, financial regulations, standing orders and the code of conduct for members

- Management of Contracts

SKDC will ensure that arrangements are in place to adequately manage all contracts with a view to achieving completion on time, within budget and in accordance with the specification

- Risk Management

SKDC will ensure that risk to the authority and the community it serves, is properly recognised in all its procurement dealings. The authority will identify, evaluate potential consequences and manage any risks at every stage of the procurement process

- Equal Opportunities

SKDC recognises and values the diversity of the community it serves and will work to ensure its procurement promotes equality of opportunity for all. It also would like its suppliers to share these values

- Health & Safety

SKDC has in place its own corporate health & safety arrangements. Health & Safety provisions also form part of our agreed contract procedures. The authority will monitor compliance within its contract letting

- Competition

SKDC will ensure that any goods, works and services purchased will be via a mixed economy of suppliers from the public, private and voluntary sectors, according to which supplier offers best value. Competition will be seen to support economy, effectiveness and efficiency in our expenditure

- Local Economy, Environmental Protection and Crime & Disorder

In purchasing goods, works and services SKDC will actively seek to promote the local economy, to protect the environment (green products,

green energy) and reduce the opportunities for crime & disorder provided this is consistent with any other Council policies

- Employment

SKDC is committed to being a good employer. It will ensure that staff are consulted on procurement matters where it is likely there are implications for the terms and conditions of staff. In the event of any transfers of services to other agencies SKDC will ensure that the conditions are protected as far as is legally possible

Kevin Martin  
Business Management Services  
August 2004



**National Procurement Strategy for Local Government  
Milestones**

**Our vision is that by 2006 all councils will be:**

- Delivery significantly better quality public services that meet the needs of citizens through sustainable partnerships with a range of public, private, social enterprise and voluntary sector organisations
- Operating a mixed economy of service provisions, with ready access to a diverse, competitive range of suppliers providing quality services, including small firms, social enterprises, minority businesses and voluntary and community sector groups
- Achieving and demonstrating continuous improvement in value for money by collaborating with partners at local, regional, national and European levels
- Obtaining greater value from all categories of procurement expenditure through a corporate procurement strategy and the necessary resources for implementation
- Realising community benefits
- Stimulating markets and using their buying power creatively to drive innovation in the design, construction and delivery of services.

**Themes**

- Providing leadership and building capacity
- Partnering and collaboration
- Doing business electronically
- Stimulating markets and achieving community benefits
- Vision

**By 2004**

- Corporate procurement strategy developed, owned by chief executives, members and senior officers
- Strategy's implementation regularly measured
- Approach to partnering in construction and service delivery set out
- Approach to collaboration and new trading powers set out
- Appraisal of service delivery models included in Best Value reviews
- Staff consulted on employment issues in procurement processes and contracts
- Publish a Selling to the Council guide (website)
- Ensure corporate procurement strategy is addressing sustainability and equality issues, helps to achieve the community plan and involves the voluntary sector.
- Conclude a compact with the local voluntary and community sectors

**By 2005**

- Health checks against National Strategy (single tiers and county councils)
- Centres of Excellence involved (districts and upper tiers)
- Average time from OJEU notice to contract award reduced by 10%
- Smaller districts collaborating with others for shared services
- All councils co-operating regionally via networks of centres of excellence
- Appropriate e-Procurement solution implemented
- Using government procurement card/equivalent for low value purchases
- Progress being measured
- Relationship of procurement to community plan addressed
- Workforce diversity, equality and sustainability issues addressed
- Diverse and competitive supply market encouraged
- Sustainability built into procurement strategy, processes and contracts
- Concordat for SMEs and voluntary sector compact concluded
- Information Memorandum to prospective bidders included in processes
- Invitation to bidders to demonstrate effective use of supply chain included
- Give bidders option to specify benefits under community plan

**By 2006**

- Health checks against National Strategy (districts)
- Average time from OJEU notice to contract award reduced by 25%
- Accessing an appropriate e-Marketplace



## REPORT TO CABINET

REPORT OF: PROPERTY PERFORMANCE MANAGEMENT GROUP

REPORT NO. LEG/0167

DATE: 6<sup>th</sup> September 2004

<b>TITLE:</b>	WHARF ROAD CAR PARK STAMFORD
<b>FORWARD PLAN ITEM:</b>	YES
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	16 <sup>TH</sup> JUNE 2004
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	KEY DECISION
<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	COUNCILLOR RAY AUGER
<b>CORPORATE PRIORITY:</b>	DEVELOPMENT OF TOWN CENTRES
<b>CRIME AND DISORDER IMPLICATIONS:</b>	NONE
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	
<b>BACKGROUND PAPERS:</b>	EXEMPT REPORT TO CABINET DATED 30 <sup>TH</sup> DECEMBER 2002. MINUTE NUMBER CP198 SYMONDS GROUP LIMITED SITE INVESTIGATION REPORT 3B/59786/SI REPORT SEPTEMBER 2003 SKDC CONTAMINATED LAND INSPECTION STRATEGY RECORD OF DETERMINATION OF CONTAMINATED LAND. EXEMPT LEGAL ADVICE

## **1. PURPOSE OF REPORT AND SUMMARY**

### Purpose of Report

- To inform Cabinet of the current position relating to the investigation of contamination at the Council's Wharf Road Car Park, Stamford.
- To consider the options available for cleaning up the site.
- To recommend the remediation strategy for implementation subject to inclusion in the Capital Programme to be put before full Council in September 2004

### Summary

The car park shown edged red on the attached plan has been declared statutorily contaminated land resulting from its former use as a Gas Works. The Council has a duty to enforce remediation of contamination under Part IIA of the Environment Protection Act 1990. As current owner of the land, the Council may have a liability to carry out the remediation required.

## **2. DETAILS OF REPORT**

### Introduction

In accordance with its Contaminated Land Inspection Strategy, the Council has investigated contamination at its Wharf Road Car Park Stamford. As a result of this investigation, the Council has made a declaration that the land is contaminated. The Council is the freehold owner of the site, which it inherited from the Mayor Aldermen and Burgesses of the Borough of Stamford. Part only of the whole gas work site was purchased. The remainder was retained by the Gas Board until 2002 when it was transferred to a property developer for residential development. Planning permission has now been granted for the development of that site which is shown edged blue on the attached plan with thirteen town houses. This planning permission is subject to a condition relating to approval of voluntary remediation scheme for that site. The developers have submitted their remediation scheme and the Environment Agency and the Council have approved the proposed remediation subject to conditions. This involves the construction of a barrier between the Council owned land and the development land to prevent any flow of contaminants from the Council land to the development land

### Current Position

The Council has carried out a full contamination survey of its site and, as a result of this survey, has made a declaration that the site is contaminated because 'the pollution of controlled waters is likely to be caused'. As such, the site must be cleaned up to prevent contaminants entering into the ground water. As enforcer of the contaminated land regime and landowner, the Council must consider the type of clean up required for this land.

### 3. OPTIONS AND FINANCIAL ANALYSIS

The options for remediation vary in cost and in degree of disruption to the car park. Options available are detailed below:

**(note: all prices and timescales quoted are subject to a full tendering process and can only be estimates at this stage)**

#### **(A) Barrier only.**

- Cost: £145,000 + vat
- Timescales: 4 Weeks
- Advantages: Sustainable remediation, Quick, low cost solution, Minimal disruption to car park (northern section of car park likely to remain operational throughout works)
- Disadvantages: Totally reliant on barrier providing protection, Site to remain for car park end use only, long term monitoring required

#### **(B) Barrier & Hotspot removal**

- Cost: £235,000 + vat
- Timescales: 8 Weeks
- Advantages: Sustainable remediation, Site suitable for re-use (commercial, residential without gardens may be attainable, residential with gardens would require further treatment/investigation).
- Disadvantages: Disruption to car park, short term monitoring required.

#### **(C) Complete source removal by dig & dump and installation of barrier**

- Cost: £944,683 + vat
- Timescales: 20 Weeks
- Advantages: Site suitable for re-use (residential)
- Disadvantages: Car park would close throughout works, disruption to Stamford town centre with increased lorry movements of waste arisings being sent to landfill, Not Sustainable remediation, remediation costs derived prior to Landfill directive which may increase disposal costs (landfill directive to be introduced in July 2004).

On the assumption that the site will be retained for car park use, there will be requirement for reinstatement to that use. The likely cost of reinstatement will be approximately £60m<sup>2</sup> in respect of option B. Given

that about 30% of the site will require reinstatement, a cost of £100,000 must be assumed for this work

Each type of remediation has a different timescale attached to it which has an impact on the extent of the closure period. This closure period will vary from approximately one month (for barrier fitting) to five months (full remediation). The financial loss of revenue is difficult to determine as there is capacity at the other car parks with the exception of Fridays and Saturdays that can accommodate additional users. However the car park generates in the region of £8,000 per month and so some loss of income is inevitable when our car parks are performing at maximum capacity

An application has been made to DEFRA's Capital Project Programme to support funding of the options available for remediation. Initial discussions with DEFRA have suggested that option C may not be supported but both option A & B are favourable. The outcome of the submission is awaited.

It would be appropriate for a clean up of the site to be carried out in association with redevelopment proposals for the site. At the present time, there are no redevelopment proposals for the Council land. Regardless of the use of the Council land it is certain that the adjoining development site will be developed. When considering the level of remediation required for the Council land, the Council must take into account the use of adjoining land. Any remediation scheme of the Council land must ensure that pollution of the river is not increased and reduce the risk of further contamination of the development site once it has been cleaned up. The proposed barrier should prevent this happening, however, whilst the contaminants remain in the Council land, the risk of contaminating the river and adjoining sites will remain. That risk could be significantly reduced by the use of option B remediation.

#### **4. OTHER OPTIONS CONSIDERED**

##### **1. Sale of Car Park as contaminated land for development**

The land value of the site would be significantly suppressed if sold as contaminated land but would transfer the responsibility of remediation to the purchaser.

This course of action needs careful consideration as a loss of the car park in Stamford could have considerable impact on traffic management issues. This is a popular long stay car park with over 100,000 motorists each year using it for their parking needs (and generating income of over £90,000 per annum). It is proposed a Stamford car park strategy be produced in order that the parking needs for the town can be identified and car parking (both on and off street) allocated accordingly

##### **2. Sale of Car Park following remediation on site for development**

The land value would be maximised if the land were completely cleared of all contamination. Brownfield sites in the town are scarce and it is likely that any capital receipt would be of a significant value. Recent land transactions in the vicinity of Wharf Road have generated an open market price of considerable value for residential development.

Again, this assumes the Council no longer wishes the site to remain as a car park.

**5. COMMENTS OF DIRECTOR OF FINANCE AND STRATEGIC RESOURCES**

I have been informed and involved with the Property PMG on all aspects of this project. The DEFRA bid outcome is important as it underpins the financial options available to the Council. If awarded, it will be in the form of revenue support through grant towards the financing costs of the chosen option. The other aspects requiring review are the linkages to the long term development of Stamford. We need to make sure the chosen option does nothing to prevent long term plans.

**6. COMMENTS OF CORPORATE MANAGER, DEMOCRATIC AND LEGAL SERVICES (MONITORING OFFICER)**

It is clear that remediation of the Council's land must take place as soon as possible. It is not an option to do nothing.

**7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER**

The Head of Property Services (Design) emphasises that all costs are estimates only. The reinstatement cost quoted has assumed that 30% of the car park surface will require reinstatement. Reinstatement will involve infill and resurfacing. The full extent of the cost will only be known once the clean up has been started.

The Head of Planning Policy and Economic Regeneration recommends a review of all car parks in Stamford be carried out in association with remediation work at this site

**8. CONCLUSION**

It is essential that the Council's land is cleaned up immediately to remove any statutory, civil, criminal and common law liability relating to the state of Council owned land. It is known that the adjoining development land will be developed for residential use imminently. In the circumstances, to prevent any potential leaching of contaminants from the Council land to the development land, ground water and River Welland, the Council should proceed to clean up its land to the level detailed at option B listed above.

**9. RECOMMENDATION**

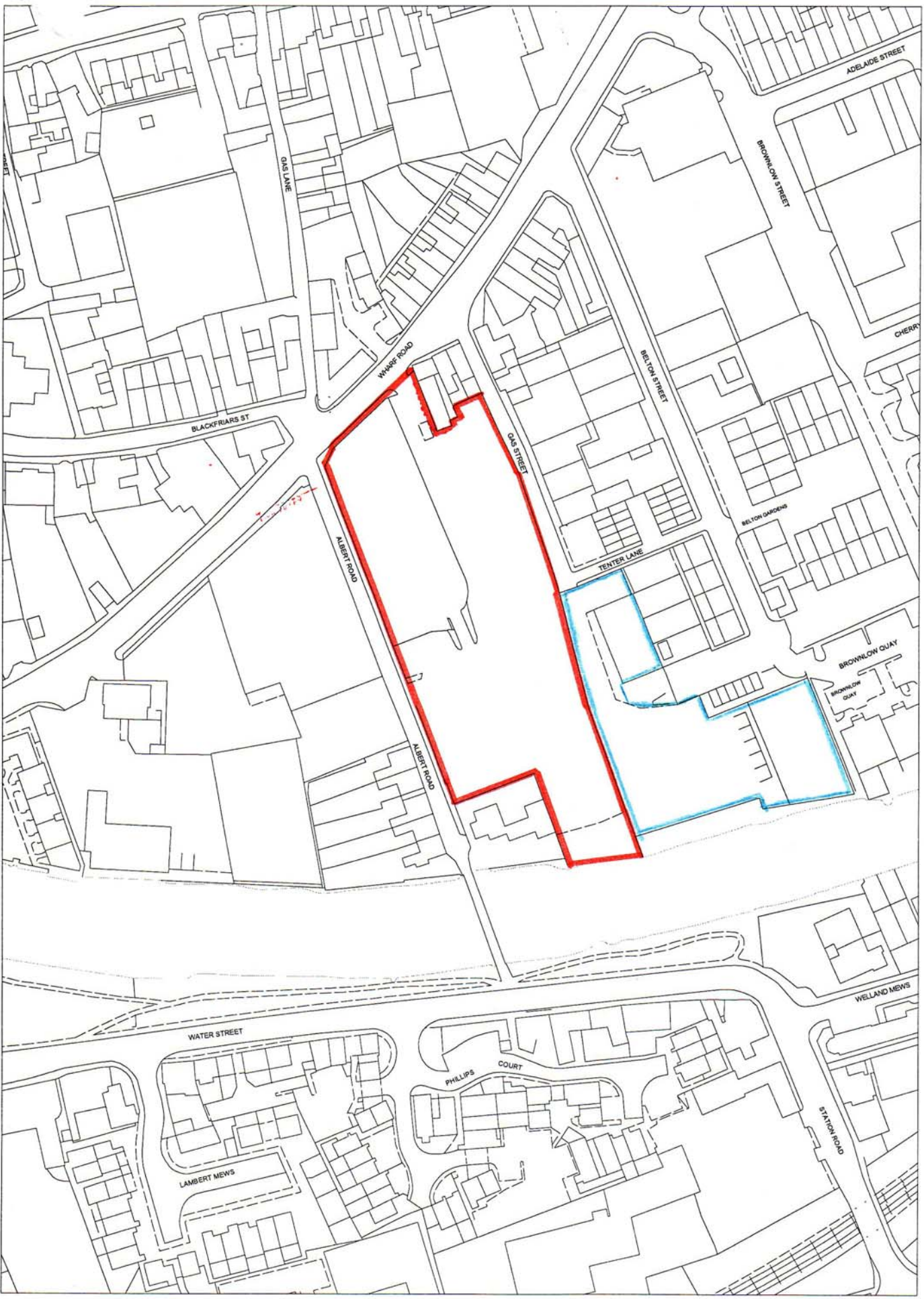
Cabinet is asked to note the position relating to the state of the Council's land and the adjoining development land. In consideration of this, it is recommended that work commence, as soon as appropriate, to clean up the



Council's Wharf Road Car Park site in accordance with option B above subject to budget approval by Full Council.

**CONTACT OFFICER**

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WHARF ROAD CAR PARK, STAMFORD



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## REPORT TO CABINET

**REPORT OF:** Corporate Director of Operation Services

**REPORT NO.** DOS 251

**DATE:** 6th September 2004

<b>SUBJECT:</b>	E-government and Customer Services – Position Statement
<b>FORWARD PLAN</b>	E-government (second item)
<b>DATE FIRST PUBLISHED</b>	16 <sup>th</sup> July 2004
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL</b>	Key Decision

<b>COUNCIL POLICIES:</b>	Customer Service Standards
<b>CORPORATE OBJECTIVES:</b>	Access Priority
<b>RELEVANT STATUTORY POWERS:</b>	-
<b>DISCRETIONARY/ MANDATORY SERVICE:</b>	Standard Performance Targets Best Value Performance Indicator (BVPI 157)
<b>BUDGETARY IMPLICATIONS:</b>	To be submitted in 2005/6 round
<b>CONSULTATIONS:</b>	IDeA and Ninevah consultancy
<b>BACKGROUND PAPERS:</b>	Welland Partnership Report CEX222  Technical Architecture Document

## 1. PURPOSE OF REPORT

The recent work undertaken with respect to Council priorities identified E-Government and Customer Services as a category A priority, requiring step change. In light of this and the relatively slow progress made to date, highlighted in a recent Audit Commission report copied in Appendix 1, this report updates members on a review of our e-Government/Customer Services delivery methods and responds to the Audit Commission recommendations. The work undertaken by the auditors is now somewhat out of date, although the publish date of the report is August 2004. However certain aspects of the report are still very relevant. This report makes recommendations on a single clear view for the future. This area of the Council's business has now become very involved and complicated. The range and volume of specialist terminology used is difficult to grasp immediately. This report is therefore written with best endeavours to keep the subject matter as simple as possible. For those of you who would like to see the detail behind this subject various documents are available.

## 2. RECOMMENDATION

The objective is to provide a highly satisfactory experience for all South Kesteven District Council Customers in an efficient manner. To achieve this, based on the research that has been done to compile this report, it is recommended the following hybrid approach be taken:

1. Use of [www.southkesteven.gov.uk](http://www.southkesteven.gov.uk) to deliver Council services electronically.
2. Use of the community portals for community activity rather than Council services. With links to [www.southkesteven.gov.uk](http://www.southkesteven.gov.uk) (There are costs involved in transferring Council services currently provided on the Portals, however this is outweighed by the benefits of point 1). How the community activity is managed in the future is subject of a separate report.
3. Use of the Welland Customer Relationship Management software, SKDC content management software (with the option to migrate to the Welland content management solution if appropriate), and Welland Electronic Document and Records Management system as detailed in the E-government Technical Architecture.
4. Continue involvement with the Welland Contact Centre and deliver on the commitments made. Review on a six-month rolling basis, dependent on progress.
5. Work closer with our colleagues in Lincolnshire, through the Lincolnshire Public Sector Working Group, to ensure seamless public service delivery across the County.
6. Note the responses to the Audit Commission report found in Appendix 4 (of the audit report).

Independent advice is being sought through IDeA to guide us on our future approach. This has been funded externally and will be made available on receipt.

### 3. DETAIL

#### Sensitivity

This report takes into account the recommendations made by the Chief Executive in his report on the Welland Partnership in January (Report CEX222). In particular, "South Kesteven District Council sees the Welland as a coalition of predominately rural Local Authorities working together for their mutual benefit". A great amount of sensitivity on this subject area exists with respect to our external partners, which will have impacts both at a political and officer level. However, if SKDC is to move forward then it is of paramount importance that this subject is given serious consideration and firm decisions made.

#### How did we get here?

The Council decided delivery of the E-Government agenda (i.e. deliver services via the internet) and Customer Services (i.e. how we serve our customers by phone or in person) would be through a series of Welland based projects/initiatives.

The Welland route was unique and to some extent path finding in its approach and therefore benefited greatly from Government grant funding (£1.2m).

Initially the whole Welland web access approach was to use the web sites for each of the market towns e.g. Grantham on line, Stamford on line etc. All South Kesteven District Council services would only be available through these sites. Our own SKDC web site would simply be used for corporate information. The whole agenda behind the town portals (web sites) was around making them self-financing businesses and a large amount of effort was geared towards gaining private sector business (i.e. advertising) income. The sites third key component was the "community" aspect whereby local voluntary sector groups and members of the public would use the web services free of charge. Notice boards and chat forums are provided.

The Welland Contact Centres Initiative (WCCI) key aim is to be a network of contact centres allowing one-stop shops of partner authorities to support one another's residents, i.e. overflow calls and out of hours coverage. For example East Northants would take some of our customers' calls and vice versa.

This whole approach will eventually rely upon all five participating authorities (over three separate county boundaries) to integrate fully with the shared single system. This partnership approach has to date been very time consuming and in some instances difficult.

#### A Simple Assessment

In essence the idea behind a partnership approach could be explained by the thinking that all the Welland authorities needed to deliver an e-Government information technology solution. Rather than do it five times let's do it together with a single solution. That would share the costs five ways and even better if external funding pays for it. However, in hindsight the idea of each other's contact centres taking each other's calls and the complication that they may bring may have been underestimated. Each authority will, in many cases, have different IT components and back office systems for each service. The opposite analogy in respect of sharing the costs is that we have probably complicated the

issue five times. Different views may be held on this but perhaps it may be a "step too far"?

Looking at the progress so far and the experience to date, we have to question whether there was the will or indeed a full understanding to drive this vast project. Much of the Welland e-Government and Customer Services initiatives depend on each partner having the same policies which hasn't been achieved.

The Welland project was started early in the e-government agenda. Since that time, central government has been (and indeed still is) issuing further clarification on what will be needed to meet the 2005 e-government targets. This guidance is showing that strong service links will be needed between districts and their County Councils, as well as co-ordination with other bodies such as the police and the NHS which are also organised within county boundaries.

The approach to use the community portals for delivering our web based services was mainly to ensure public usage which would allow cross selling of private sector services to pay for the web sites. A great deal of effort was consumed in attempting to set up a public/private joint company. This failed mainly due to conflict of interest issues.

Central government has also now made it clear that many of our administrative and business processes need to be done electronically to achieve the overall 2005 e-government targets. This includes electronically doing our business with contractors and suppliers, including purchase orders and invoices, and electronically storing all our documents.

Working in partnership with the Welland has lead to successful bids for government funding and success to date includes:

- Obtaining a Customer Relation Management System which gives us a overview of all our dealings with customers with a history database
- Providing a Content Management tool allowing us to put an A-Z of our services on the Internet
- Delivery of Community portals for online community services
- Planning online which is rated highly nationally. This allows customers to access our planning services on the Internet.
- Providing an electronic document storage and management system.
- Valuable experience for future e-government and Customer Services

## Appraisal/Review

During the last 6 months a review has taken place that has resulted in the following options being considered:

### 1. Continue with the Existing Strategy

Continue with the Welland approach in its entirety (i.e. using only the software and plans originally committed to). Work towards the Welland Contact Centre(s) for all transactions and concentrate web access for services through the town portals.

### 2. Abandon and Start Again

Move away from the Welland approach in its entirety and re-specify and purchase our own contact centre/customer management software. We would not participate in the Welland Contact Centre Initiative.

### 3. Best of Both

A hybrid approach basically taking the best solutions that the Welland Partnership has brought but geared to a delivery objective optimised for what is best for SKDC and our customers only.

## Option Appraisal

To appraise these options the Council's own objectives have been stated below:

1. A single corporate website for which all SKDC service transactions can be performed on-line. To give customers high satisfaction levels with their on-line experience.
2. Community based discussions and web solutions to be provided separately through community based sites. Any risks or the associated promotion to be provided through third parties to avoid SKDC being 'the publisher'. This would remove our liabilities.
3. A highly satisfactory customer experience by phone or in person facilitated through modern customer relationship software support systems that are cost effective. The ability to monitor and report on the Council's overall performance being included.
4. Having a linkage to other public sector services to provide seamless services.

Against the above objectives the options available can be analysed by their impacts on the following key issues:

## 1. Technology

An appraisal of the Welland software solutions has identified that for SKDC purposes a slightly separate approach would be more beneficial. We would wish to use the Customer Relationship Management software but linked to our own Content Management tool, within the Welland Electronic Service Framework. This approach gives us greater control in-house on linking through to back office software tools. Continuing to participate with the Contact Centre plans will require some parallel running and some technological work may be required. We would use the electronic document management system linked through our own content management tool.

## 2. Commitments

The Council signed up for a Welland contact centre approach. We are therefore bound to some extent to deliver our commitment in return for the funding (or share) that the government provided. To remove the claim of a total pull out the Council could publicly honour its commitment but to a minimum level. That would mean to deliver some services through a Welland approach effectively parallel running alongside our main alternative strategy. In technological terms we would wish to use some but not all of the Welland software and the contact centre (Welland) requires all to be used to generate a common look and feel. As there appears to be such slow progress and currently no hard plans to deliver across all services in the Welland to date then following an alternative route must be used in the timescales involved. (A summary of Welland Legal/Partnership agreements can be found in Appendix 3).

## 3. Money

A move away from the Welland fully as per option 2 would require the purchase of some new software tools which are valued around £150,000 to £250,000 mark. A complete withdrawal from the Welland Contact Centre(s) project could also lead us to a financial penalty (approximately £240,000).

## 4. Sustainability

The likelihood of the Welland achieving the end goal is remote, as the commitment does not appear to be equal across all authorities. The reliance upon the Welland software supplier for all linkages/developments is not conducive for market testing on future developments.

To achieve an ongoing solution, which will become a complicated and involved Information Technology issue, a hybrid approach would be more sustainable. The development and timing will be in our own control as we would be less dependent on partners input for delivery of our services.



## 5. Natural Partnerships

The Welland approach links us very closely to the other authorities whose geography covers three county boundaries. Whilst the socio-economic composition is similar, the relative resource base is not. The partners' capacity to invest in associated development requirements has been proven in initial projects and the capacity was not there. Early experience in trying to standardise tourism and other projects has given us little confidence in this respect. Partnerships operating within Lincolnshire are more favourable due to the other services our customers use and require. The future priorities are likely to require close and joined up services (i.e. county council, police, fire and health services which are County boundary based). The natural affinity would be to work more closely with our county colleagues.

## 6. Timescales

In hindsight, to achieve a single Welland approach, it is logical to bring policies and procedures in line before delivering electronically. Instead of using Information Technology to drive a Welland approach (with the same requirement across all authorities) there should be political will to merge services onto a common basis. The time required to merge policies is variable and a clear brief is required to deliver electronic services efficiently. To merge policies and introduce technology in the remaining time we have (100% of services to be delivered electronically by December 2005) is unrealistic and there is no plan of action to do so.

## 7. Staff Resources

A recently published Audit Commission report on South Kesteven District Council's E-government progress highlighted the issue of working within two partnerships: *'In order to achieve seamless local services across Lincolnshire, the Council is obliged to participate in the Lincolnshire Networking Partnership. However, it is also a member of the Welland Partnership by choice. Having 'a foot in both camps' may have dissipated the Council's strategic focus and thus affected its ability to succeed.'*

This project is significant in size, working across all of the Council services. A CRM/Customer Services Centre solution will not be delivered quickly. It will require a significant programme of projects, fundamentally affecting the whole organisation and the interfacing software with back office systems is not currently readily available. A complete programme brief is to be produced separately.

The working in two partnerships and attendance of associated meetings and working groups requires significant resources to support. To date, this may explain our poor performance in actual delivery. If a dual approach is to be continued then this issue needs to be recognised and resources provided accordingly and no further diversions from these projects be allowed.

Appendix 1: Audit Commission Report – E-government Progress Review – South  
Kesteven District Council

PDF document

Appendix 2: Update on the Responses to the Recommendations made in the Audit Commission Report

	Recommendation	SKDC Response
R1	Take action to speed up BPI – 157 per cent performance.	This has been done, improving our performance from 9% to 63% in March 2004. Future plans will map out how we intend to achieve 100% by 2005.
R2	Undertake a cost/benefit analysis of investment in the Welland Partnership, particularly in relation to e-government.	Agreed. The Corporate Director of Finance and Strategic Resources has this underway.
R3	Ensure that expenditure and savings relating to e-government are calculated and reported as consistently as possible amongst local councils and partners.	Agreed. Still to be taken up with partner work groups.
R4	Consider aspects where the council is making slower progress than other Lincolnshire district councils, such as the policy on home working.	Agreed. This will be worked on through discussion with the management groups for each partnership and our approach to the priority services agenda.
R5	Strengthen capacity and leadership arrangements for e-government.	Done. The Corporate Director of Operational Services has now been released from other commitments to concentrate on this project. Further staffing details will be detailed by October 2004 and external LGOL funding is being sought to help with this.
R6	Ensure that strong and effective monitoring measures are put into place.	Agreed. This will be done by the Corporate Director of Operational Services, using effective project management tools and procedures.
R7	Ensure that service plans clearly show how service improvements are being achieved through e-government; and that they reflect services' contributions to delivering the e-government agenda.	Agreed. This year's business plans have been produced and this recommendation will be taken into account more forcefully in the next cycle of plans.
R8	Firm up the approach to contact centres having regard to available software	Agreed. The Corporate Director of Operational Services is working on a clear strategy for the South Kesteven District Council Customer Service Centre and a programme delivery document. This has been delayed due to taking external advice and the associated size of the project.
R9	Identify specific groups of customers and develop strategies to address their needs.	Agreed. This will be addressed corporately through a redesign of the website and by service, as they are delivered electronically.
R10	Consider whether the district would benefit from a more strategic approach to the integration of economic development and ICT training.	This is not seen as a priority at present but this will be kept in mind for the future.

## Appendix 3: SUMMARY OF WELLAND LEGAL/PARTNERSHIP AGREEMENTS

### 1. **PATHFINDER PROJECT AGREEMENT BETWEEN RUTLAND ON LINE AND WELLAND**

Signed 8<sup>th</sup> October 2001 to provide for working together with ROL to fulfil the Pathfinder Project (i.e. the eleven market town portals etc). This Agreement created a steering group for the project, confirmed that ownership of tangible assets remain with the Welland at the conclusion of the project. Other project income that excludes ROLs ability to develop revenue streams will belong to the Welland. All new inventions (IPR's) made or produced in developing the project shall belong to the Welland. ROL has the opportunity during the project to develop revenue streams covering – websites for local businesses – advertising and sponsorship – consultancy to other authorities – manage portal services to other authorities – transactional services During the duration of the project ROL will be entitled to retain income streams from their existing Rutnet and Stamford On Line portals (ROL own them) plus developing revenue streams for the nine other portals. The Welland do however reserve the right to charge a Licence fee not exceeding 10% of the gross revenues ROL develop from the above opportunities. The Agreement allows the parties to work together to conclude a working relationship and to deal with further development management and maintenance of the services and facilities delivered by the portal. That business relationship can be in the form of a company trust or other arrangement to be finalised by the 31<sup>st</sup> March 2002.

The parties intend to create a future business arrangement to provide for a shared ownership of the project on the basis of 50% share to ROL and 50% to the Welland (10% to each Welland Partner).

The parties agree to enter into Agreement that shall provide for a period of three years from the 1<sup>st</sup> April 2002

- (a) For the maintenance of ROL services and facilities delivered by the Pathfinder Project subject to ROL making an appropriate charge to the Welland for such maintenance provision.
- (b) The Welland to use its best endeavours to support the project and work with ROL to develop an optimum range of on-line services and information for the inhabitants of the Welland (the range of services are set out in Schedule 2 to the Agreement).
- (c) ROL has the opportunity to develop revenue streams as above subject to paying a Licence fee to use the Welland portals (excluding Stamford and Rutland which are owned by ROL) not exceeding 15% of the gross revenue for the first year 20% for the second year and 25% for the third year.

### 2. **PATHFINDER PARTNERSHIP AGREEMENT BETWEEN ALL FIVE WELLAND AUTHORITIES – SIGNED OCTOBER 2001**

Melton is the designated lead authority for the project. This Agreement sets up the ESG as the decision making structure and generally requires the parties to act in good faith for the benefit of or to achieve the project. It acknowledges the intention of the parties to seek a formal partnership or business arrangement with ROL in due course.

The lead authority to be responsible for the distribution of monies in accordance with the decisions of the ESG. Each partner to be responsible for maintaining adequate financial records etc.

The Agreement deals with internal communication and accountability arrangements.

It ensures wherever possible e-gif compliant solutions are used.

Risk and overspend are shared equally between the partners.

Ownership of tangible assets remains with the partners at the end of the project or the termination of the Agreement and will be owned and distributed between the partners in shares to be agreed (if failure to agree the matter is referred to arbitration). Partners are to ensure adequate public liability insurance is taken out for the life of the project (and to share such costs in equal shares).

To adopt lead authority standing orders and financial regulations.

The Agreement gives the ability of the partners to employ staff to facilitate the project and requires all partners to disseminate their experience of the project to other local authorities.

Any other income deriving from the project is shared equally between the partners.

Withdrawal from the project before completion the agreement confirms that the party withdrawing shall be required to repay to the lead authority one fifth of the cost of the pathfinder (DTLR) grant monies committed at the time of withdrawal without any deductions for expenses or other costs irrespective of the reason for withdrawal.

3. **INTERIM COMMERCIAL AGREEMENT BETWEEN WELLAND AND ROL (COMPLETED 22<sup>ND</sup> OCTOBER 2002 AND PREPARED BY RUTLAND COUNTY COUNCIL LEGAL SERVICES)**

Purpose, to further the intentions of the parties in the Project Agreement to make provision for the continued operation, development management and maintenance of the pathfinder portal services from the 1<sup>st</sup> April 2002 until such time as a company or other arrangement is formed by the parties to supercede the project agreement (this has not occurred yet!). The Agreement sets out the management arrangements for the eleven portals and confirms that operational decisions are to be taken by the community portals team and management decisions by the ESG. The community portals team is accountable to the ESG for all decisions and must record them etc.

ROL may retain any project income generated through business subscriptions, advertising, sponsorship and transactional services on the portals but shall pay to the Welland a licence fee for the use of the portal (excluding Rutnet and Stamford On Line which are owned by ROL) which shall be 15% of the gross income so generated for the year commencing 1<sup>st</sup> April 2002, 20% for the year commencing 1<sup>st</sup> April 2003 and 25% for the year commencing 1<sup>st</sup> April 2004.

If the partners have failed to form a company or other arrangement by the 31<sup>st</sup> March 2005 then the parties will enter into a further agreement to provide a period of 22 years from the 1<sup>st</sup> April 2005 that ROL shall have the exclusive opportunity to develop income streams of the portals upon the payment of a licence fee to Welland for the use of the portals (excluding Rutnet and Stamford On Line) which shall be 50% of the net operating profit of ROL after interest in each year in respect of those income streams referred to above.

Any other income is to belong to the Welland Partners.

ROL to maintain services and facilities of the portals subject to the Welland paying ROL specified charges.

Welland partners to use their best endeavours to support the project and work with ROL to develop the optimum range of on-line facilities and services and information for the inhabitants of the Welland (this is set out in Schedule 2 to the Agreement).

4. **SOFTWARE AG AND MELTON BOROUGH COUNCIL SOFTWARE AGREEMENT SIGNED DECEMBER 2001.**

This is to provide portal development software services to Melton Borough Council as lead authority in respect of the Pathfinder Project. All other Welland partners have entered into a Licence Agreement to use parts SAG software systems.

5. **WELLAND CONTACT CENTRE INITIATIVE PARTNERSHIP AGREEMENT**

This is made between all Welland partners and signed May 2003. This is a sharing risk type partnership agreement that mirrors Agreement 2 above but relates to the WCCI Project with South Kesteven District Council being designated lead authority.

6. **MEMORANDUM OF UNDERSTANDING BETWEEN SOFTWARE AG AND WELLAND PARTNERSHIP**

Signed April 2003. This is a Memorandum of Understanding with Software AG and the Welland to provide a strategic delivery partnership on a shared risk model whereby software developments relating to the Welland E-Government projects are linked to outcome based specifications.

7. **CONTRACT BETWEEN SOFTWARE AG AND SOUTH KESTEVEN DISTRICT FOR WCCI PROJECT SOFTWARE AND SUPPORT COSTS**

Similar contact to Agreement 4 above whereby for a fee of £336,000 plus on-going support costs of £60,000 for the next three years, Software AG will provide the WCCI software. Agreement signed April 2003 and to conclude on the 31<sup>st</sup> December 2003. (Licence Agreements for each Welland Authority with Software AG have also been signed for the use of Software AG software systems - identical to 4 above).

8. **WELLAND WIDE AREA NETWORK PARTNERSHIP AGREEMENT (WAN)**

Between all Welland partners signed April 2003. Lead authority South Kesteven District Council to enter into Contract with BT to provide WAN. (Otherwise identical to Agreement 2 above and based on a risk sharing agreement between partners).

9. **ERMS PARTNERSHIP AGREEMENT BETWEEN WELLAND PARTNERS**

This is about to be signed and as been hanging around for some time. It's the same risk sharing Agreement as Agreements 2, 5 and 8 above but ENDC is the lead authority and relates to the ERMS project.

10. **CONTRACT BETWEEN SOFTWARE AG AND ENDC FOR ERMS PROJECT**

Software AG to provide software and maintenance for the ERMS project at a total cost of £512,450 (believe concludes in 2008). Again Licence Agreements are required to be entered into by each Welland Authority for the use of Software AG Software systems (identical to Agreement 4 and 7 above).

11. **WACTOL AGREEMENT**

Between Software AG and ENDC (negotiated by Gordon Wisby of ENDC). I have not been involved in this so am unaware of the details. I do however consider it is about to be signed by ENDC as the lead authority.

## **AGREEMENTS STILL CURRENT/RELEVANT**

1. Welland Pathfinder Project Agreement ROL – particularly as no formal business arrangement with ROL has been finalised (see 3 below).
2. Pathfinder Partnership Agreement between Welland partners.
3. Interim Commercial Agreement between Welland partners and ROL (company formation yet to be decided or agreed upon by Welland, - deadline 31.03.05).
5. WCCI Partnership Agreement between Welland partners.
6. Memorandum of Understanding with Software AG and all Welland Partners.
7. Software AG/SKDC WCCI Software Agreement – concludes 31.12.03.
8. WAN Agreement between SKDC and other Welland partners (consider contract between SKDC and BT may now have concluded? Andy may confirm).
9. ERMS Partnership Agreement between Welland Partners.
10. Software AG Agreement with East Northamptonshire District Council in relation to ERMS Software.
11. WACTOL Agreement between Software AG and ENDC but no idea of details etc.

***Nick\_G/COR07110***



## E-government Progress Review

### South Kesteven District council

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#### Summary

##### PAGES 7 - 20

#### Detailed Report

- Progress against ESD target (BVPI-157) resources
- IEG3 'Traffic Lights' assessment
- Checklist for members and chief executives:
- Leadership
- Transforming services
- Renewing local democracy
- Promoting economic vitality

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#### Appendices

- Appendix 1 - SKDC Checklist for Members and Chief Executives
- Appendix 2 - Comparative charts based on IEG3 'Traffic Lights'
- Appendix 3 - Good practice in Lincolnshire districts
- Appendix 4 - Action plan

<b>Reference:</b>	KE011 E-government Progress Review
<b>Date:</b>	August 2004

## Introduction

E-government is more than technology or the Internet or service delivery: it is about putting citizens at the heart of everything councils can do and building service access, delivery and democratic accountability around them.

E-government includes exploiting the power of information and communications technology to help transform the accessibility, quality and cost-effectiveness of public services. It can be used to revitalise the relationship between citizens and the public bodies who work on their behalf. Local e-government is the realisation of this vision at the point where the vast majority of public services are delivered.

In March 1999 the government produced a white paper *Modernising Government*, which included a new package of reforms and targets. The intention was that by 2002, 25 per cent of dealings by the public with government, including local government and the NHS, should have been capable of being conducted electronically, with 100 per cent of dealings capable of electronic delivery by 2005.

In November 2002 the Office of the Deputy Prime Minister published the *National Strategy for Local e-government*. This set out a framework of standards, expectations, infrastructure and support within which local innovation and delivery could flourish; a model of local e-government and a range of potential proposals to promote their effective delivery. This clearly sets out the requirement to join up services around the citizen at the local level and demonstrates the need for collaboration with local providers including health. The target that by 2005 all services should be available electronically remains. However, the expectation is that they should be available through a variety of channels.

The 4th *UK Online Annual Report 2003* (published on 15 December 2003) outlines five key principles which will underpin the future of public service delivery:

- building services around customers;
- moving towards web-based service delivery;
- driving cost out from service delivery;
- using technology to free up those in the front line of service delivery; and
- automating and integrating a greater number of back office functions.

These principles echo the issues in the checklist for members and chief executives (to be found in the *National Strategy for Local e-government*).

## Background

South Kesteven District Council has been addressing the e-government agenda through membership in the Welland Partnership, supplemented by in-house initiatives, and through the Lincolnshire Network Partnership. Both partnerships have been successful in leveraging money from central funding sources, but for the most part, achievement of tangible e-government improvements in South Kesteven are yet to be achieved.

Internally, the council has been going through a period of management change with the appointment of a new chief executive and four new directors. In addition, there have been some staffing difficulties within IT.

It is against this difficult background that the council has been seeking to progress e-government. However, the e-government deadline is 100 per cent transactions capable of electronic delivery by December 2005. Time is running out.

## Audit scope and objectives

In the audit plan for 2002/04 we undertook to review the council's progress in relation to e-government. Our review has covered the South Kesteven District Council specifically; and in addition, we have reviewed progress at all Lincolnshire district councils. This has enabled comparisons to be made.

Our objectives were to:

- assess South Kesteven's progress towards the 2005 ESD target;
- compare South Kesteven's progress to that of other Lincolnshire district councils;
- identify where the speed of progress needs to increase; and
- assess whether the council has the infrastructure in place to be able to achieve its e-government aims.

In addition, although not part of the original brief, we have also compared the council's progress to its Welland partners.

## Audit approach

In undertaking this progress review we have:

- reviewed progress outlined in IEG3;
- undertaken a comparison with the progress made by other Lincolnshire district councils;
- assessed progress using the checklist for members and chief executives contained in the *National Strategy for Local e-government* (attached in Appendix 2);
- reviewed other relevant documentation; and
- interviewed the customer services manager, Jackie Mills.

## Main conclusions

The key issues for the council to address are:

- e-government leadership and capacity to promote greater ownership throughout the council; and
- the need to speed up the per cent of e-transactions ( BVPI 157 ).

Details of these are set out in the sections below.

In summary, South Kesteven has made little real progress to date. In terms of BVPI-157, is currently behind both its Lincs DC neighbours and its partners in the Welland Partnership. Moreover the gap is significant, and time is running out.

On a positive note, officers and members are now aware of the situation, and action is underway – including a formal scrutiny. An action plan is currently being developed; and the management structure supporting the e-government agenda is being strengthened. This action is helpful.

In order to achieve seamless local services across Lincolnshire, the council is obliged to participate in the Lincolnshire Networking Partnership. However, it is also a member of the Welland Partnership by choice. Having 'a foot in both camps' may have dissipated the council's strategic focus and thus affected its ability to succeed.

Much of the infrastructure for delivering e-government is in the process of development, and considerable staff time and effort, as well as council resources, have been invested. The council will achieve the necessary changes, but on present evidence, this will be somewhat slower than its partners in both the Welland and Lincolnshire. Efforts need to be focussed to enable the council to catch up.

## BVPI-157

South Kesteven started from a low base with only 7 per cent of services e-enabled by March 2002. By the end of March 2003 this reduced to 5 per cent (as a result of a change in the method of calculation). Exhibit 1 (in our detailed report attached) shows the comparative data for Lincolnshire district councils and places South Kesteven 7 out of 7. Exhibit 3 shows the comparisons with Welland partners, and again, South Kesteven is trailing.

Progress is forecast to build more slowly than in other councils with something of a 'quantum leap' in 2005. The council is nevertheless forecasting that it will achieve the 100 per cent ESD (electronic service delivery) target by 2006. This seems aspirational, as much progress needs to be achieved before this will become a reality.

A process of formal scrutiny is taking place to investigate the poor performance on BVPI-157 to date.

## Resources

In IEG3, South Kesteven reported a total predicted expenditure of just under £2.5m, taking the median position in Lincolnshire. When compared to the Welland partners, however, the council's expenditure is the second-highest total in the partnership. At this stage the council has not been able to quantify any potential savings resulting from e-government.

We have been unable to draw any firm conclusions from our comparison of expenditure on e-government with the other Lincolnshire district councils, shown in exhibit 3, due to differing interpretations by councils as to what should be reported in IEG3.

## IEG3 'Traffic Lights' assessment

IEG3 requires councils to report progress on key e-government drivers by way of a 'traffic lights' system where:

- black = not part of current local e-government strategy or not applicable
- red = preparation and planning stage, including projects that are being planned or piloted
- amber = implementation stage: roll-out of approved projects
- green = fully implemented: projects completed and implemented

We have compared the assessments given by each of the Lincolnshire district councils and translated these into bar charts in Appendix 3. Altogether, there are 46 separate sections/subsections where councils have to assess their progress.

Our review of South Kesteven's IEG3 shows that (compared to the other six Lincolnshire district councils) the council has made or is forecasting *faster* progress in five (out of 46) areas, and *slower* progress than others in six areas. To provide some perspective, other Lincolnshire district councils have up to two areas of slower progress. These are discussed later in our detailed report (see section 3). The council has given reasonable explanations in IEG3 for not progressing in certain areas, usually because of lack of public demand, poor cost/benefit ratio, or where the council is awaiting the result of national projects.

## Checklist for Members and Chief Executives

The checklist covers 4 main areas:

- leadership;
- transforming services;
- renewing local democracy; and
- promoting economic vitality.

### Leadership

The council has recently undergone a top management restructure, and strengthened capacity. Changes have been made to the original arrangements for e-government champion at officer and member level. Strategy to date has been expressed in the IEG statements and various project bids/plans. A formal e-government strategy is currently in development, which will strengthen the councils strategic approach. Whilst the appointment of a new chief executive and four chief officers theoretically increases capacity, in practice at least two of the chief officers have simply changed title. What is needed is for a shift in workload and departmental structures to be strengthened to release the extra capacity that is needed to drive forward on e-government. Leadership is crucial and impacts on other areas particularly the BVPI 157 per cent performance, as well as the engagement of members and officers to improve service standards council wide.

### Transforming Services

The council is working in partnership with the Welland partnership and the Lincolnshire Networking Partnership, as well as undertaking in-house projects, to transform its services. Progress is slower than desired but a number of steps have been implemented or are planned. However some key decisions still need to be taken, such as the approach to be adopted for the South Kesteven contact centre. The overall approach is hindered by the lack to date of a formal e-government strategy and/or customer access strategy. This is now being addressed.

### Renewing Local Democracy

The council's is using e-government to increase opportunities for people to contact the council, find out what it is doing, mainly through the corporate website.

The council's current corporate objectives (shortly to be revised) seek to address both social and rural deprivation, and e-government is playing apart in addressing these issues by making services more accessible in the long-term.

All members have been offered home computing facilities (and all but two have taken up the offer). This is a commendable take-up rate and will enable members to understand and use the benefits of e-government in their role.

### Promoting Economic Vitality

The council has done more than most to promote economic vitality on its current website: the district is presented as a vibrant place to do business, and the council emerges as a helpful resource for local businesses.

South Kesteven has a considerable amount of information on its website. Prospective investors can look up possible commercial/industrial sites available and find size, rental, photographs, contact details, and potential sources of funding. The district is promoted well.

E-procurement is not a current priority for the council, which is monitoring the national project for developments.

## Good practice

We have gathered together examples of good practice found in our review of the Lincolnshire districts, for each section of the checklist for members and chief executives. All councils will be able to use this as a reference and comparison tool, as well as a source of further initiatives to consider. This can be found in Appendix 3.

## Next Steps

We have made a number of recommendations and will discuss and agree these with officers. The council is then invited to commit itself to an action plan to address these issues. These will support the work that the council is doing to promote and implement e-government.

## Status of our reports to the council

*Our reports are prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. Reports are prepared by appointed auditors and addressed to Members or officers. They are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or officer in their individual capacity, or to any third party.*

## Progress against the ESD target (BVPI-157)

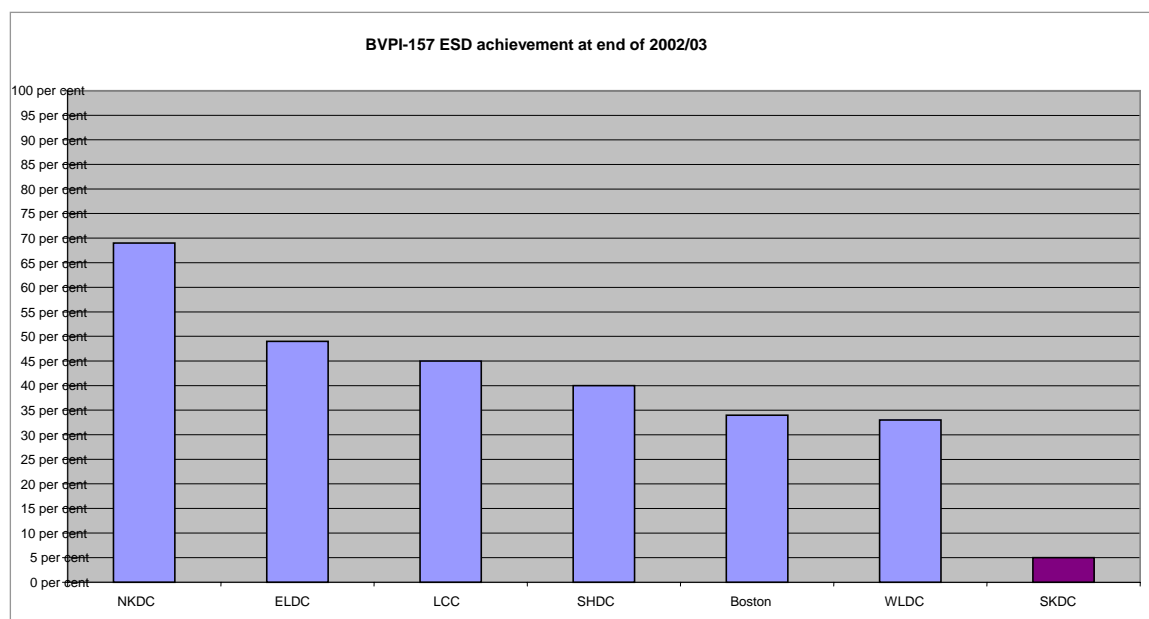
*South Kesteven started from a low base with only seven per cent of services e-enabled by March 2002. By the end of March 2003 this reduced to five per cent (as a result of a change in the method of calculation). Exhibit 1 shows the comparative data for Lincolnshire district councils and places South Kesteven seventh out of seven. Exhibit 3 shows the comparisons with Welland partners, and again, South Kesteven is trailing. The council needs to speed up its per cent performance.*

*Progress is forecast to build more slowly than in other councils with something of a 'quantum leap' in 2005. The council is nevertheless forecasting that it will achieve the 100 per cent ESD (electronic service delivery) target by 2006. This seems optimistic.*

*A process of formal scrutiny is taking place to investigate the poor performance on BVPI-157 to date.*

1. South Kesteven District council is making poor progress in relation to BVPI-157.
2. The council started from a low base with only seven per cent of services e-enabled by March 2002. By the end of March 2003 this apparently reduced to five per cent, but this was as a result of applying the IDeA ESD toolkit in a very strict fashion. Exhibit 1 shows the comparative data for Lincolnshire district councils and places South Kesteven seventh out of seven. On the face of it, it looks like the council has stood still for 12 months whilst other district councils have moved forward. In reality, much background work has been undertaken and, once certain key decisions are made, the council will make swifter progress, but it will be some time before it 'catches up' with other councils. However, the December 2005 deadline is one year nearer and the council therefore has a year less in which to catch up.
3. Progress is forecast to build more slowly than in other councils towards the 100 per cent ESD (electronic service delivery) target, as follows:
  - 2004 – 66 per cent (this seems optimistic)
  - 2005 – 80 per cent
  - 2006 – 100 per cent
4. Not all councils have yet used the recommended method for calculating BVPI-157, the IDeA ESD toolkit. Most of our Lincolnshire authorities have used their own methodologies in IEG3 and will move to using the toolkit in 2004. Therefore comparisons have to be treated with caution.
5. We are concerned that South Kesteven is considerably behind its neighbours in Lincolnshire and its partners in the Welland Partnership.
6. Exhibit 1 shows the comparative data for Lincolnshire district councils and places South Kesteven seventh in last place at the end of March 2003, where it remains until catching up in 2006.

EXHIBIT 1: BVPI-157 PER CENT OF TRANSACTIONS E-ENABLED AT END OF 2002/03

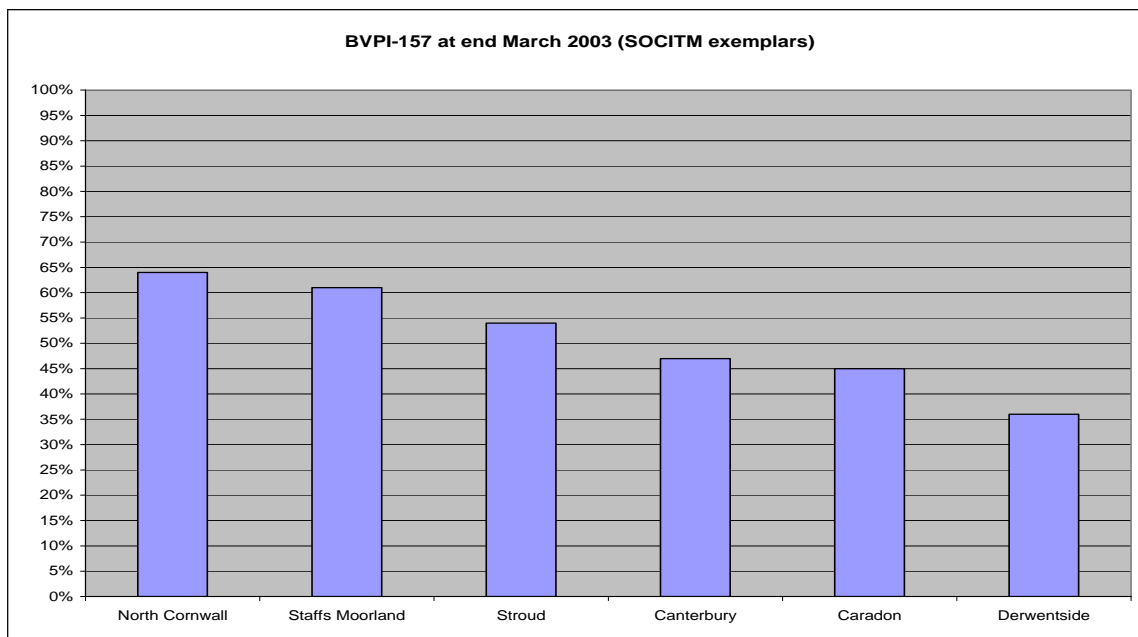


Source: IEG3 statements

7. The guidance for completing IEG3 statements recommended councils use the IDeA ESD toolkit; prior to this there was no standard method for calculating BVPI-157. It has been reported to us by a number of councils that using the toolkit causes a drop in the percentage compared to previous years' calculations: how much depends on how different the previous method of calculation is compared to the ESD. We have had reported to us 'reductions' in BVPI-157 performance ranging between 2 per cent and 22 per cent.
- 8 The district councils in Lincolnshire have used the following methods:
  - North Kesteven has used the 'Tameside' method, but is moving to the ESD toolkit in 2004.
  - East Lindsey has used the method recommended by LGA/DETR in 2001 and is moving the ESD toolkit in 2004.
  - City of Lincoln has an in-house methodology and is moving the ESD toolkit in 2004.
  - South Holland has used the ESD toolkit.
  - Boston has used an in-house methodology and is moving the ESD toolkit in 2004.
  - West Lindsey has used an in-house methodology and is moving the ESD toolkit in 2004.
  - South Kesteven has used the ESD toolkit.
- 8 Comparisons, therefore, both those between the Lincolnshire districts and with any other councils need to be treated with a little caution, until such time as all councils are using the same methodology. However the picture is unlikely to change as the gap is so significant.
- 9 In a recent report entitled '*Big success by small councils*' the Society of IT Managers (SOCITM) named a number of small to medium district/city councils whom it considers are examples of councils making good progress on ESD. All of these have gross revenue less than £35m and a population of less than 140,000. To provide a comparison between Lincolnshire districts and these councils we have charted their ESD achievements, in exhibit 3 below.



## EXHIBIT 2: SOCITM'S EXEMPLARS FROM 'BIG SUCCESSES BY SMALL COUNCILS'

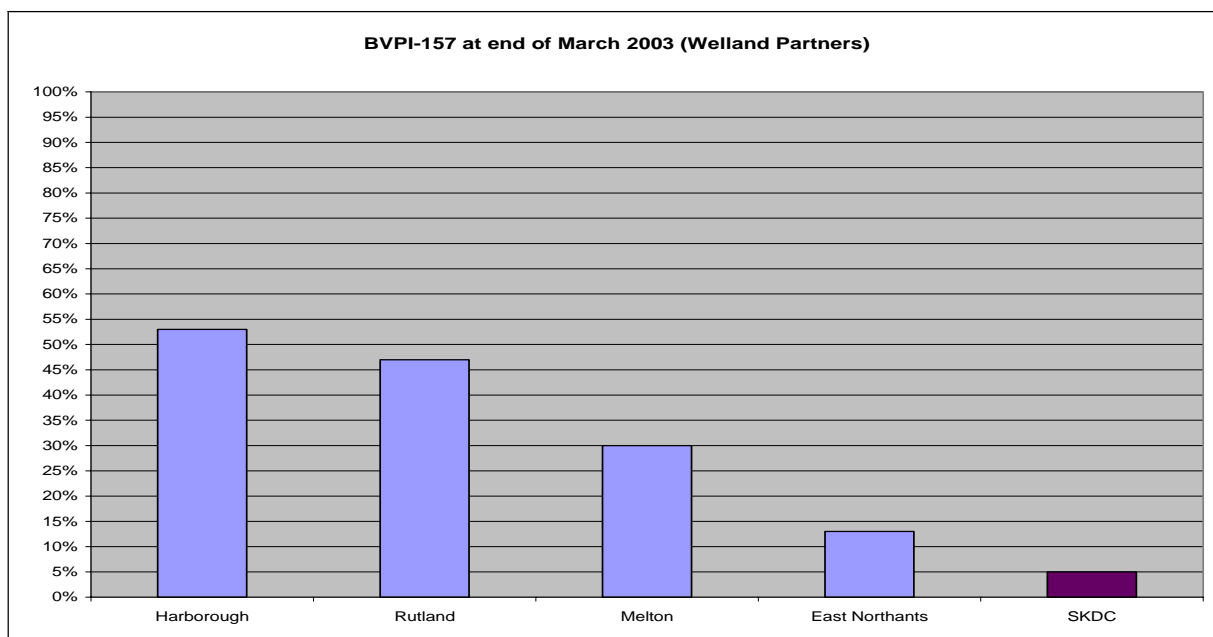


Source: IEG3 statements

8. As can be seen from exhibits 1 and 2, the progress of some of the Lincolnshire district councils (unfortunately, not South Kesteven) compares reasonably with this set of councils. However, two of this group (Staffordshire Moorland and Derwentside) are forecasting the achievement of the 100 per cent ESD target in 2004/05, ahead of the national deadline. None of the Lincolnshire districts is forecasting this.

No review of South Kesteven's progress can be made without considering the Welland Partnership, which has been the council's main partnership of choice and the key mechanism for delivering e-government. Exhibit 3 below shows the comparisons between South Kesteven and its Welland partners, and again, South Kesteven is trailing.

EXHIBIT 3: BVPI-157 AT END OF MARCH 2003 WELLAND PARTNERS



Source: IEG3 statements

9. It is possible that some of the difference is explained by differing methods of calculation (we are not aware of the methods used by the other Welland partners) but again, as with the Lincolnshire districts, South Kesteven does not 'catch up' until 2005/06.
10. Given the time, effort and resources the council has contributed to the Welland partnership, it is disappointing not to see a more equitable spread of progress amongst partners. South Kesteven needs to ask itself, and possibly its partners, how this situation has arisen.

#### Recommendations

R1 Take action to speed up BPI-157 per cent performance.

R2 Undertake a cost/benefit analysis of investment in the Welland Partnership, particularly in relation to e-government.

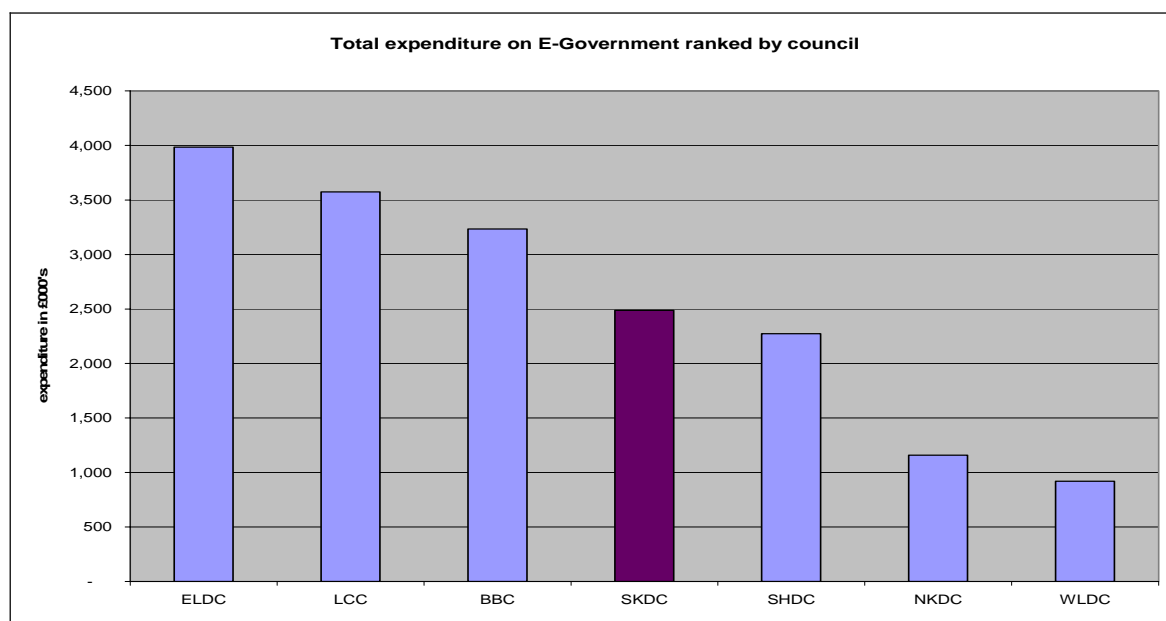
## Resources

*In IEG3, South Kesteven reported a total predicted expenditure of just under £2.5m, taking the median position in Lincolnshire. When compared to the Welland partners, however, the council's expenditure is the second-highest total in the partnership. At this stage the council has not been able to quantify any potential savings resulting from e-government.*

*We have been unable to draw any firm conclusions from our comparison of expenditure on e-government with the other Lincolnshire district councils, shown in exhibit 3, due to differing interpretations by councils as to what should be reported in IEG3.*

11. In IEG3, councils were required to provide a summary of current and forecast expenditure on implementing electronic government up to 2005/06. This included investment designed to e-enable local services and to transform their accessibility, quality and cost-effectiveness in line with the 2005 target. The information was to be provided in tabular form against a set of standard elements. Cyclical spend related to the maintenance of the existing ICT infrastructure should not have been included.
12. We compared the resources reported in IEG3 for the seven Lincolnshire district councils. This showed a wide range, from less than £1m, to just under £4m; in other words, the highest spending authority is predicting a total spend on e-government 4 times that of the lowest spending authority. See exhibit 4 below.

EXHIBIT 4: TOTAL EXPENDITURE RANKED BY COUNCIL – LINCOLNSHIRE DISTRICTS

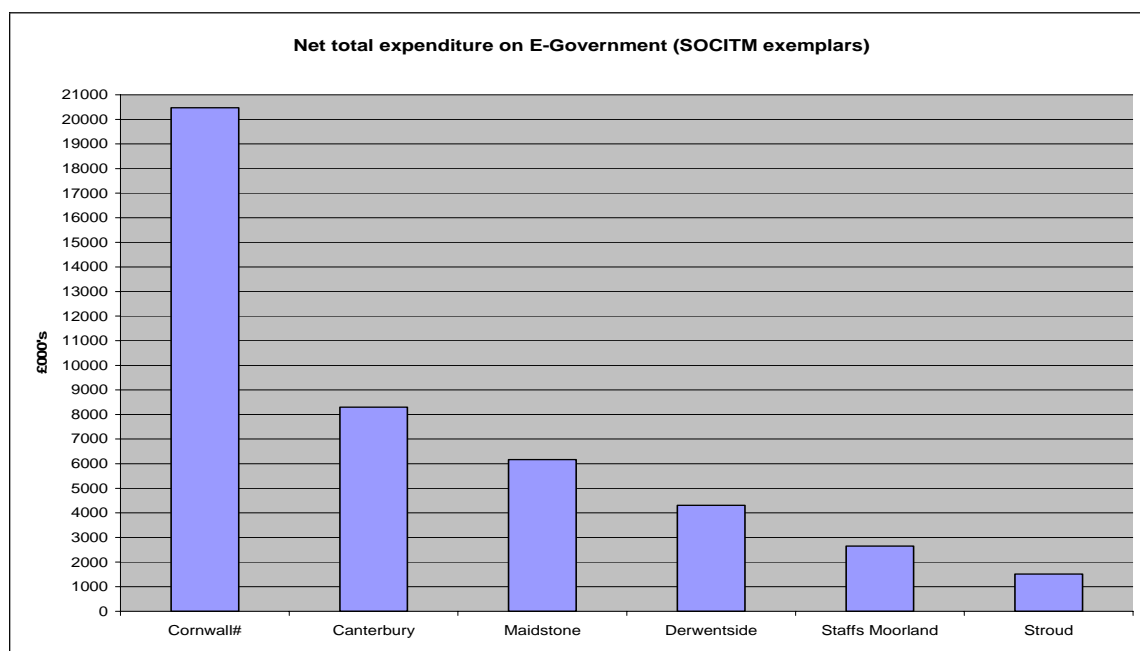


Source: IEG3 statements

13. In IEG3, South Kesteven reported a total predicted expenditure of just under £2.5m, taking the median position in Lincolnshire, although this comparison needs to be treated with caution as the e-expenditure total has been compiled differently (is not consistently defined) in each district council.

14. Given the wide range of expenditure reported in IEG3, we challenged these figures and found a number of differences in interpretation of what should be reported. The guidance contained in IEG3 is brief and has been interpreted in varying ways. Only two councils included expenditure for 2001/02. Some council's excluded the cost of systems that they would have purchased anyway, irrespective of e-government; others have included the costs of those systems because they support e-government.
15. We have therefore been unable to draw any valid conclusions from our comparison of expenditure on e-government with the other Lincolnshire district councils, shown in exhibit 4, due to differing interpretations by councils as to what should be reported in IEG3.
16. We have also compared the resources reported in the Lincolnshire district councils' IEG3 statements with those district councils named in SOCITM's report. Expenditure in the second group of councils is significantly higher than in Lincolnshire councils, as shown in exhibit 5 below.

EXHIBIT 5: EXPENDITURE REPORTED IN IEG3 BY SOCITM'S EXEMPLARS

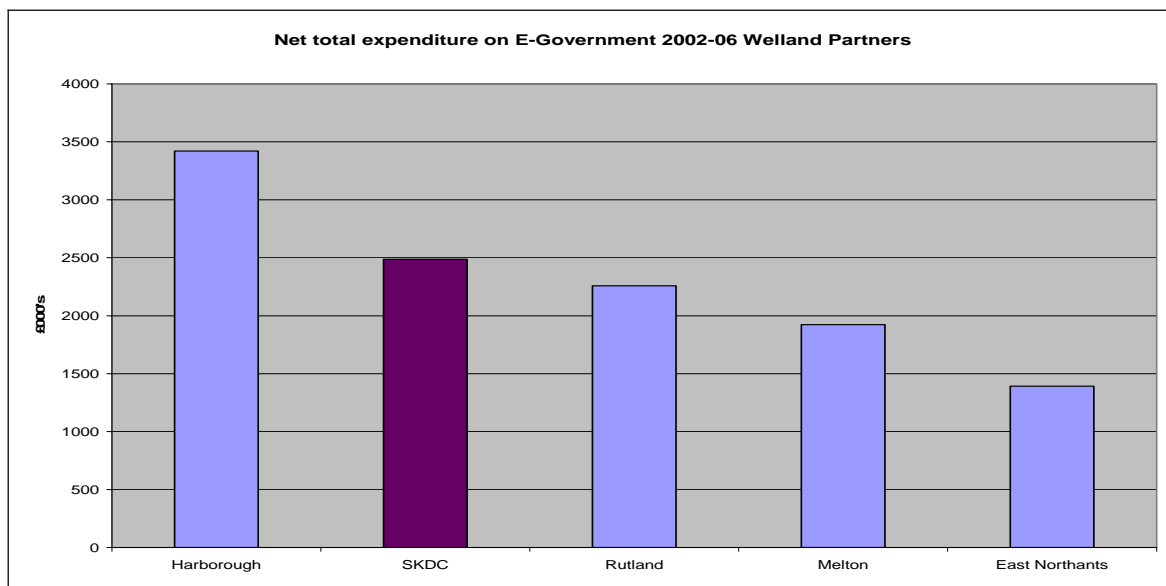


Source: IEG3 statements

*NB. Cornwall's expenditure represents the joint expenditure for Cornwall County Council, five district councils and one borough council, including North Cornwall and Caradon, two of SOCITM's exemplars. This averages out at approx. £2.9m per council.*

17. We have been unable to ascertain how accurate these figures are, and the vast range (from £1.5m to £8.2m, excluding Cornwall) suggests that these councils, too, may have varying interpretations of the reporting requirement in IEG3.
18. We recommend to all Lincolnshire councils that they try to ensure that the e-government expenditure reported to central government is as accurate as possible and that, at the very least, they take a co-ordinated approach locally.
19. Again, we have compared South Kesteven's expenditure to that of its Welland partners. The council's expenditure is the second-highest total in the partnership – see exhibit 6 below.

EXHIBIT 6: COMPARISON OF EXPENDITURE ON E-GOVERNMENT (WELLAND PARTNERSHIP)

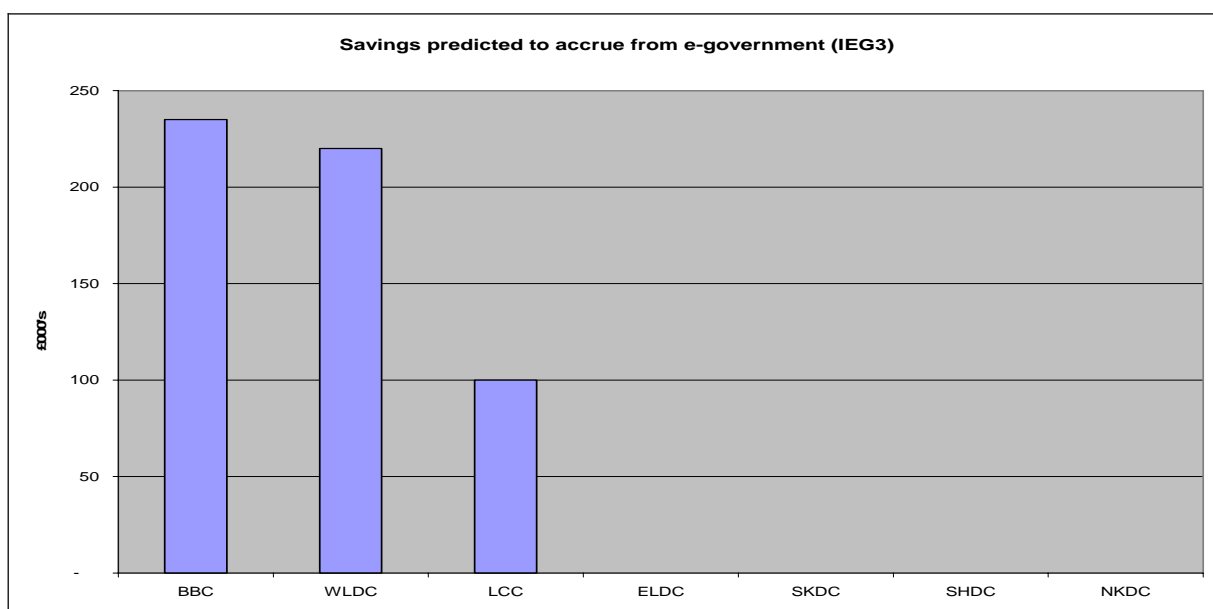


Source: IEG3 statements

### Savings

20. At this stage South Kesteven District council has not been able to quantify any potential savings resulting from e-government.
21. Some of the Lincolnshire districts have felt able to quantify savings, as shown in exhibit 7 below.

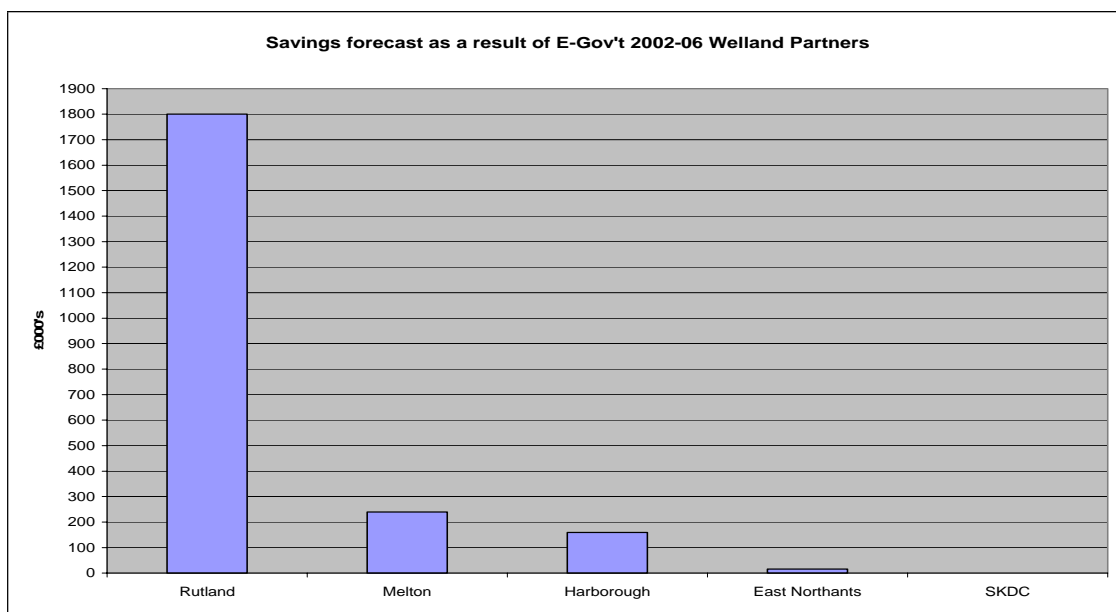
EXHIBIT 7: COMPARISON OF SAVINGS FROM E-GOVERNMENT (LINCOLNSHIRE DISTRICTS)



Source: IEG3 statements

22. Again, we have compared the savings quantified by the Welland partners. These are shown in exhibit 8 below.

## EXHIBIT 8: COMPARISON OF SAVINGS FROM E-GOVERNMENT (WELLAND PARTNERS)



Source: IEG3 statements

23. It may well be true that Rutland County Council, with its responsibilities for expensive services such as Social Services and Education, may see the greatest 'savings' or efficiency improvements from e-government. The range amongst the Welland districts from a modest £16,000 to £240,000 again suggests that these figures are probably rather speculative at this stage.
24. To be able to track progress more accurately, the council should seek to work with partners, both in Lincolnshire and the Welland, to arrive at more consistent interpretations of the data required in government returns.

#### Recommendation

**R3** Ensure that expenditure and savings relating to e-government are calculated and reported as consistently as possible amongst local councils and partners.

## IEG3 'Traffic Lights' assessment

*IEG3 requires councils to report progress on key e-government drivers by way of a 'traffic lights' system where:*

- *black = not part of current local e-government strategy or not applicable*
- *red = preparation and planning stage, including projects that are being planned or piloted*
- *amber = implementation stage: roll-out of approved projects*
- *green = fully implemented: projects completed and implemented*

*We have compared the assessments given by each of the Lincolnshire district councils and translated these into bar charts in Appendix 3. Altogether, there are 46 separate sections/subsections where councils have to assess their progress.*

*Our review of South Kesteven's IEG3 shows that (compared to the other 6 Lincolnshire district councils) the council has made or is forecasting faster progress in 5 (out of 46) areas, and slower progress than others in 6 areas. We discuss these below. The council has given reasonable explanations in IEG3 for not progressing certain areas, usually because of lack of public demand, poor cost/benefit ratio, or where the council is awaiting the result of national projects.*

25. Our review of South Kesteven's IEG3 shows that South Kesteven has assessed the following areas as the black stage by 2006 (i.e. part of current local e-government strategy or not applicable). Reasonable explanations have been given in each case.
  - Establishment of interactive digital TV (chart 2.7).
  - E-democracy – participation in electoral modernisation pilots for e-voting (chart 2.8).
  - Use of smart cards to support service development and delivery (chart 4.1).
26. The council has made or is forecasting faster progress (compared to most of the other 6 Lincolnshire district councils) in the following areas.
  - Use of government gateway for secure authenticated transactions (chart 3.1).
  - Use of telemetric systems for remote monitoring and signalling e.g. helping older people stay in their own homes (chart 4.5).
  - Upgrade of asset management systems to support e-government (chart 5.5).
  - Incorporation of e-government into the community strategy (chart 6.3) [*but see paragraph 43 for our view*].
  - Use of customer consultation/research to inform development of corporate e-government strategy (chart 6.7).

27. Our review also showed that the council has made or is forecasting less progress than others in the following areas:
- Use of mobile technology for home visits/supported access to services (chart 2.6).
  - Engagement with intermediaries (e g CABx) for the delivery of e-government services (chart 2.10).
  - Corporate ICT support and documented policy for home working (teleworking) by staff (chart 4.4).
  - Use of systems to enable e-procurement (chart 5.1).
  - Upgrade of financial information systems to support e-government (chart 5.2).
  - Upgrade of office systems to support e-government e g web-enabling legacy systems (chart 5.3).
28. Some of these may not be a priority for reasons of cost-effectiveness. However, failure to implement home working policies could make South Kesteven a less attractive employer in future, compared to other local councils.

**Recommendation**

R4 Consider aspects where the council is making slower progress than other Lincolnshire district councils, such as the policy on home working.



## Checklist for Members and Chief Executives

*We have summarised progress in each of the 4 sub-sections.*

### Introduction

29. The checklist covers 4 main areas:
  - leadership;
  - transforming services;
  - renewing local democracy; and
  - promoting economic vitality.
30. We have summarised progress below under the four key sub-headings, and in more detail in Appendix 1.
31. Although South Kesteven has circulated the checklist, it has not done a self-assessment against it (only one of the Lincolnshire district councils had done). Our work will provide the council with an assessment.
32. The council is making steady progress, with 'economic vitality' standing out as an area where the council is doing more than most. We have summarised progress below under the four key sub-headings, and in more detail in Appendix 1.

### Leadership

*The council has recently undergone a restructure, coupled with a change in chief executive. Changes have been made to the original arrangements for e-government champion at officer and member level. Strategy to date has been expressed in the IEG statements and various project bids/plans. A formal e-government strategy is currently in development, which will strengthen the councils strategic approach. Capacity and leadership are crucial to the success or failure to achieve e-government targets by December 2005. This may well require looking at departmental structures to free up capacity for this important task.*

33. The council has recently undergone a restructure, coupled with a change in chief executive. Changes have been made to the initial arrangements for e-government champion at officer and member level. Officer and member e-champions have been appointed, although these have changed recently. At South Kesteven responsibility is more widely spread than in many others, and despite apparent slow progress to date there is no doubt that staff are aware of and committed to e-government.
34. The council's e-government strategy has to date been expressed in its IEG statements and various project plans. However, a formal e-government strategy is currently under development. We support this initiative, which we consider will help to focus the council's strategic approach, and to assess its reliance on partnerships to deliver e-government. The council would benefit from designating a chief officer as e-champion, and to release capacity this may also need departmental structure review. Time is running out.
35. Progress to date has been monitored by the e-government working group and the e-government performance management group. Given the poor performance on BVPI-157 to date, we would question how effective this monitoring has been in practice. We aware, however, that action is now being taken, including formal scrutiny involving members.
36. The council's BVPP provides links between corporate aims and e-government. However, service plans are currently in the process of being developed and so the council has an

opportunity to make clear the service improvements being sought and achieved through e-government.

37. In IEG3 the council has assessed linkage with its community plan as 'green' (i.e. fully implemented: projects completed and implemented). We consider that although there are some references to e-government in the Community Plan, the linkages are limited and more could be done to show how improvement in the community are being achieved through e-government. This is similar to most other councils' community plans, and this aspect can be developed in future publications.
38. A training needs analysis has been undertaken and training is being provided to staff and members. This was piloted in the Revenues service.

Recommendations
R5 Strengthen capacity and leadership arrangements for e-government.
R6 Ensure that strong and effective monitoring measures are put into place.
R7 Ensure that service plans clearly show how service improvements are being achieved through e-government; and that they reflect services' contributions to delivering the e-government agenda.

## Transforming services

*The council is working in partnership with the Welland partnership and the Lincolnshire Networking Partnership, as well as undertaking in-house projects, to transform its services. Progress is slower than desired but a number of steps have been implemented or are planned. However some key decisions still need to be taken, such as the approach to be adopted for the South Kesteven contact centre. The CRM software is considered by government to be a key tool in transforming services and should help inform this approach. The overall approach is hindered by the lack to date of a formal e-government strategy and/or customer access strategy. This is now being addressed.*

39. In 2000/01 the council undertook a customer survey to find out levels of customer access and preferred access channels. The council has subsequently used viewpoint consultations, but has not developed a formal e-government strategy or customer access strategy. We understand the council is now working on developing a formal e-government strategy, which we support.
40. The council is working in partnership with the Welland partnership and the Lincolnshire Networking Partnership, as well as undertaking in-house projects, to transform its services. Progress is slower than desired but some steps that have been implemented or are planned include the following.
  - Four community portals have been established in the district, and a total of 11 have been developed in the Welland partnership area.
  - Planning online is 'live' and council tax will be implemented by the end of the financial year.
  - An in-house customer contact centre is to be developed.
  - A 'virtual' Welland contact centre is to be developed to enable each of the partners to handle queries from all residents in the partnership area by way of 'overspill' arrangements.
  - The council is investigating content management, customer relationship management and electronic records management software and will implement these systems in 2004.
  - The software changes will drive business process re-engineering.
  - The majority of members have been provided with laptops and printers for home computing (2 chose not to participate).
41. However, some key decisions still need to be taken, such as the approach to be adopted for the South Kesteven contact centre. Most councils are adopting a one stop shop approach, and CRM software is considered by central government to be a key tool for transforming services. This lends itself to one stop approaches.
42. The council is not currently planning any significant measures to up-skill residents. This may be an area that the council wishes to explore further, particularly given its string approach to economic development. Some other councils have found that the joint approach of attracting new businesses and developing local skills to service those businesses has provided tangible benefits to the locality and its communities.

43. In addition, the council is part of the Lincolnshire Networking Partnership, LincUp, which has secured funding to develop more integrated services for the whole county. The first manifestation of this will be the launch of a website in April 2004, which will link a number of public sector agencies for the first time: county council, district councils, health and police authorities.
44. Finally, our review has identified that there is no common form of e-mail and website address for the Lincolnshire councils. The councils should consider adopting a common format for website and e-mail addresses across the county.

Recommendation
R8 Firm up the approach to contact centres having regard to available software.

## Renewing local democracy

*The council's current corporate objectives (shortly to be revised) seek to address both social and rural deprivation, and e-government is playing apart in addressing these issues by making services more accessible in the long-term. The council's is using e-government to increase opportunities for people to contact the council, find out what it is doing, mainly through the corporate website. All members have been offered home computing facilities (and all but 2 have taken up the offer). This is a commendable take-up rate and will enable members to understand and use the benefits of e-government for their communities.*

45. The council's current corporate objectives (shortly to be revised) seek to address both social and rural deprivation, and e-government is playing apart in addressing these issues by making services more accessible in the long-term.
46. The council's is using e-government to increase opportunities for people to contact the council and find out what it is doing, mainly through the corporate website. The website, contains a considerable amount of useful content.
47. The council could do more to identify specific groups of customers and their respective needs, and develop plans to address those needs more explicitly that it is doing at present. The e-government strategy presently being developed will probably help in this respect.
48. In relation to elected members, all members have been offered home computing facilities (and all but two have taken up the offer). This is a commendable take-up rate and will enable members to understand and use the benefits of e-government for their communities.

### Recommendation

R9 Identify specific groups of customers and develop strategies to address their needs.

## Promoting economic vitality

*The council has done more than most to promote economic vitality on its current website: the district is presented as a vibrant place to do business, and the council emerges as a helpful resource for local businesses. South Kesteven has a considerable amount of information on its website. Prospective investors can look up possible commercial/industrial sites available and find size, rental, photographs, contact details, and potential sources of funding. The district is promoted well. E-procurement is not a current priority for the council, which is monitoring the national project for developments.*

49. In the 4 UK online Annual Report 2003 the e-envoy heralded achievement of a key milestone: by the end of November 2003 the UK had 3 million broadband subscribers, with 80 per cent of the population covered. Nevertheless, nationally, only 28 per cent of businesses with 10+ employees have broadband access. Take-up increases with size: 78 per cent of 'large' businesses (1000+ employees) use broadband.
50. The national picture also shows that 70 per cent of British businesses now have a web presence, and 79 per cent have internet access. The value of business conducted on-line grew last year by 40 per cent. Some 32 per cent of businesses now sell on-line to customers, and 54 per cent of businesses buy on-line (up from 45 per cent in 2001). Clearly, e-commerce is a growing phenomenon.
51. We do not have up to date local figures for Lincolnshire, but the county is known to be one of the most poorly-serviced with broadband capability. BT has been slow in enabling telephone exchanges and the cabling companies have been reluctant to lay cable in remote areas.
52. Lincolnshire Development is spearheading an initiative with EMDA/Objective 2 funding to subsidise cable-laying in the county, and LincUp's Public Sector Working Group (PSWG) is promoting broadband. It is anticipated that the broadband initiative will make Lincolnshire as a whole more attractive to prospective businesses.
53. Promoting economic vitality is one of the council's relative strengths. The introductory section of the website makes the area sound like a developing 'up-and-coming' area. The economic profile of the area, with facts and figures, is given on-line. Economic development services are outlined (e.g. lists of property available, econ. dev. info and research, business development grants etc.). The site is not yet transactional i.e. prospective investors cannot apply on-line (e.g. for a business grant) but there are details and photographs of industrial land/units for sale and rent, with a contact e-mail and telephone/fax numbers. The council's website is better than most local websites in this respect.
54. The 4 community portals support business improvement and help to promote positive conditions for growth and employment. The portals provide a promotional platform for Welland Tourism, supplementing county tourism web-sites and increasing visitors to the area.
55. The portals provide:
  - details of commercial property for sale or rent;
  - a business directory;
  - an accommodation finder; and
  - information on pubs and restaurants.
56. SKDC is involved in the Working with Business national project (as phase 3 project lead on behalf of the Welland Partnership's contribution to the project); this will be expected to assist small businesses in the district.

57. Employment opportunities are advertised on South Kesteven's website via Jobs Online, giving people access to Welland-wide vacancies. Job vacancies will also be advertised through LincUp, the Lincolnshire portal currently being developed. These two sites will provide customers with a job search facility covering the local region, which extend beyond county boundaries and covers two sub-strategic partnership regions.
58. The joint SOCITM/IDeA report *Local e-government now – sustaining the momentum* (May 2003) features four case-studies on promoting the economic vitality of local economies. In all four (one unitary, 2 boroughs and one city council), the local authority is reported to have taken a leading role not only in creating the environment for economic growth but in preparing people for new employment by out-reach learning programmes in IT.
59. Increasing ICT usage is also identified as a priority in a number of sub-regional and regional strategies including the Lincolnshire Enterprise Business Plan and the East Midlands Regional Economic Strategy ICT. Given this, The council may wish to address the need for increased ICT skills more specifically, for example, by integrating business-related ICT skills training initiatives with future economic development initiatives.
60. If the council does not wish to become a direct ICT training provider, it could work more pro-actively with existing ICT training providers to target the development of appropriate ICT skills in communities, in parallel with council-led economic development initiatives. It would be an incentive to potential new business to have a ready-made skilled workforce available immediately.

**Recommendation**

R10 Consider whether the district would benefit from a more strategic approach to the integration of economic development and ICT training.

## Checklist for members and Chief Executives (from national Strategy for Local e-government)

Issue/Questions		Findings/Responses
<b>Leadership</b>		
1 Who leads e-government in your council?	Have you appointed senior councillor and manager e-champions?	<p>The council has recently undergone a restructure, coupled with a change in chief executive. Changes have been made to the initial arrangements for e-government champion at officer and member level. This is strengthening leadership of e-government at the corporate level.</p> <p>The council's office e-champion is Ian Yates, the director of performance management. The director of resources and director of regulatory services are also heavily involved in e-government at the corporate level, as is the customer services manager who undertakes much of work on key projects.</p> <p>The member e-champion is Paul Carpenter, a member of the Cabinet whose sole portfolio is technology.</p> <p>Progress has previously been overseen by an e-government working group, but this is likely to change as all working groups are currently under review. This includes both e-champions, 2 senior managers and a senior member of each political group and meets every 2 months.</p> <p>E-government is currently managed through the Performance Management Group (PMG) which is chaired by the director of resources and includes the director of regulatory services, the officer e-champion, a representative from each service area and the Welland e-service technical development manager (council's former IT-manager). This meets every 3 weeks.</p> <p>The council has had some staffing difficulties in IT, with the secondment of its IT Manager to the Welland Partnership, the sharing of his role by two members of staff, one of whom has been off ill on a long-term basis. Staffing resources in IT have now been supplemented.</p>
Do you have a strategy to engage service managers and staff?		There is no formal strategy to engage or communicate with staff in general terms or specifically regarding e-government. However, there have been numerous staff briefings internally and by the Welland Partnership, and all officers are provided with standard desktop IT equipment suitable for electronic communication including email and internet.
2 Does your local e-government strategy support:		The council is currently working in the development of an e-government Strategy, separate to the IEG statement. To date, activities and priorities have been determined very much by the Welland partnership, which has been bid-led, rather than strategy-led.
• your community strategy?		<p>E-government was not a key priority identified in the community strategy consultation. However, there is a brief mention of improving IT skills in the section 'A Creative and Learning Community'.</p> <p>Accessibility is discussed only in terms of transport and physical accessibility to the area, rather than accessibility to the services provided by public, private and voluntary sectors.</p>



Issue/Questions	Findings/Responses
<ul style="list-style-type: none"> <li>your Best Value Performance Plan?</li> </ul>	<p>The BVPP 2003/04 reports on performance against the 100 per cent ESD target</p> <p>The social objective refers to the provision of a 24 hour 365-day helpline.</p> <p>The rural objective mentions a number of 'access to services' initiatives, including improved IT links in rural areas, but most are not e-governmentt related (they are e g transport).</p>
<ul style="list-style-type: none"> <li>your Local Public Service Agreement?</li> <li>your service strategies?</li> </ul>	<p>The council supports the county council in its PSA, and specifically is contributing to target 12 'access points'.</p> <p>The new chief executive has introduced a new format for business plans. No examples were available at the time of our review.</p>
3 Do you regularly review progress against your local strategy?	<p>Progress was previously reviewed by the e-government PMG and at a higher level by the e-government Working Group.</p> <p>In 2002 an internal council report identified the need for better co-ordination of the 3 key projects:</p> <ul style="list-style-type: none"> <li>e-government (portal and website development):</li> <li>Welland Contact Centre Initiative (WCCI) and new telephony project; and</li> <li>one-stop shop – SKDC's internal project for office adaptations to set up a customer contact centre.</li> </ul> <p>The new CMT is in the process of collating all project plans to identify key dependencies and from this will probably emerge new arrangements for monitoring and reporting.</p>
<b>Transforming Services</b>	
4 Do you have a customer access strategy?	<p>There is no separate customer access strategy. The council undertook a public survey in 2000/01 to find out current levels of access and preferred access channels, and since then have used the results from viewpoint consultations.</p>
Does it identify your customers?	<p>Other than the original survey undertaken in 2000/01 the council has not formally documented its customer groups and their needs/expectations.</p>
Does it set out how they will deal with the council now and in the future?	<p>IEG3 reflects the anticipated changes in access channel take-up over time.</p>
Does it set targets for the use of each main access channel?	<p>There a no formal targets, but IEG3 records the council's forecasts.</p>
5 How will you help and encourage people to use electronic services?	<p>The council is not specifically doing anything to up-skill members of the public. It will encourage people to use services once they are available by various means. However, the LSP may have a role in this under the auspices of the community plan.</p>
Are your services easy to use? How could they be made easier?	<p>The council service pages give useful details to potential users of services e g council tax benefits page gives details of documents needed for the Verification framework to speed up applications.</p> <p>There are 4 community portals – with common online information and services e g planning.</p>

Issue/Questions	Findings/Responses
Do they offer real advantages above traditional services?	<p>The council views e-services as additional services and does not intend that they will replace existing services. Twenty-four/seven services will offer real advantages to certain groups of people e g full-time workers. Planning is already online. Payments to the council can be made 24 hours a day by telephone by keying in credit card details. Payments online will be possible by the end of March 2004.</p>
Are they secure?	<p>The council is working towards compliance on BS7799 (ISO 17799) and an information and security policy is currently being drafted.</p> <p>The council has e-mail and internet policies for staff and members.</p> <p>Some data protection arrangements are in place.</p> <p>There is no disclaimer on the website.</p>
How are you building public confidence in them?	<p>Few e-services are currently available. Planning online is 'live' and council tax will be implemented by the end of the financial year.</p> <p>The council's approach has been to focus on preparation to ensure that once implemented, the e-services are reliable. It considers that reliability will build confidence in the services.</p> <p>Other steps will be taken at the appropriate time e g to advertise e-services once they are available.</p>
How are you helping your community gain access to technology and skills?	<p>The council is not specifically doing anything to up-skill members of the public. It will encourage people to use services once they are available by various means. However, the LSP may have a role in this under the auspices of the community plan.</p>
6 Are you building services around customers?	
How are you joining up council services?	<p>The council is developing a customer contact centre within SKDC. The council already has a partial contact centre in the joint revenues and housing contact centre. General policy however, has suffered from a lack of clear direction and policy has changed from a 'one-stop shop' approach to several mini-contact centres. The final decision is likely to be made early in 2004.</p> <p>In addition, through the Welland Partnership it is developing a 'virtual' contact centre to allow calls to be handled anywhere in the partnership (Welland Contact Centre Initiative or WCCI).</p>

Issue/Questions	Findings/Responses
How are you joining up with other public services and councils?	<p>The council is involved in two key partnerships. The Lincolnshire Networking Partnership is developing a project to implement web-based information portal with other districts, Lincs County council, Primary Health Care Trust and Lincs Police. Has secured LGOL (Local government On Line) funding of £650k, with another £500k funding allocation in process. This is driving the LincUp website initiative. Involvement in LincUp Public Sector Working Group (PSWG) on a project to provide broadband access throughout the county.</p> <p>In addition, through the Welland Partnership it is developing a 'virtual' contact centre to allow calls to be handled anywhere in the partnership (Welland Contact Centre Initiative or WCCI).</p> <p>In April 2002 the council redeveloped and re-launched its Web Site <a href="http://www.skdc.com">www.skdc.com</a> with links to other partners. The website also gives contact details and direct links where available to a wide range of community services – doctors, dentists, etc.</p> <p>The council also participates in schemes such as the police e-mobile van.</p>
7 Are you re-designing administrative processes to make your employees' jobs easier, more productive and more effective?	<p>The council will implement a new system of electronic records management (ERM) by march 2004; this will drive the business re-engineering process across all serviced in the council.</p>
8 Are you planning to use Pathfinder and National Project products to help transform your services and achieve your e-government target?	<p>The council is heavily dependant on pathfinder projects to meet the 100 per cent ESD target and Internal Audit identified this as a potential risk.</p> <p>Interface with national land information service will be achieved by April 2005.</p> <p>SEE IEG 3</p>
Renewing local democracy	
9 Are you using e-government to increase opportunities for more people to:	
<ul style="list-style-type: none"> <li>contact your council?</li> </ul>	<p>Contact numbers are on the website, including a direct link to e-mail the Grantham HQ. No email links to the area offices yet.</p>

Issue/Questions	Findings/Responses
<ul style="list-style-type: none"> <li>find out what it is doing?</li> </ul>	<p>Website includes a considerable amount of useful information, including:</p> <ul style="list-style-type: none"> <li>Information on the council and all its services.</li> <li>Contact names given with direct link to 'Outlook' e-mail.</li> <li>Key documents are available in the 'publications' section (IEG2 and BVPP are available from a direct link on the front page).</li> <li>Minutes and reports are available via a search facility.</li> <li>A 'what's on' section, which provides links to 4 online portals (for the 4 area offices), and the Guildhall Arts Centre. These give (by month for 6 months) a wide range of events.</li> </ul>
<ul style="list-style-type: none"> <li>express their views and make decisions on services and plans?</li> </ul>	<p>The council is awaiting the outcomes of national initiatives before investigating electronic voting or counting.</p> <p>On general issues, customers can e-mail to customer services. Contact information for council offices and area offices is available online.</p> <p>To date, the council has not undertaken any consultation via the website, although the best value team is currently looking at putting surveys on the website.</p>
<ul style="list-style-type: none"> <li>access the information you hold about them?</li> </ul>	<p>There has been no demand for this generally.</p>
<ul style="list-style-type: none"> <li>complain when things go wrong?</li> </ul>	<p>There is information on the website via the council services and customer services links, about making complaints but you cannot make a complaint on-line currently. Customers can and do use the general e-mail facility online to make complaints.</p> <p>Online complaints will be available in approximately 2004/05 with the implementation of content management software.</p>
<ul style="list-style-type: none"> <li>debate issues of local importance with each other?</li> </ul>	<p>Community forums are available on the community portals. These are in the form of discussion boards. They are not heavily used. This is not a priority for the council at the moment.</p>
<p>10 Do your councillors have access to:</p>	
<ul style="list-style-type: none"> <li>e-mail?</li> </ul>	<p>All members (except 2, by choice) have been given a laptop and printer for home computing. The laptops allow both e-mail and intranet/internet access. Cabinet members' laptops have plug-in facilities so they can be used in council offices.</p>
<ul style="list-style-type: none"> <li>the internet?</li> </ul>	<p>As above.</p>
<ul style="list-style-type: none"> <li>information that is comprehensive and easy to use about your area and your council's performance – and how they compare to others?</li> </ul>	<p>Some information is available to members via the intranet but this will be improved in 2004 with the implementation of 'modern government' software, a system for reports, minutes, agendas etc. The project has been affected by the staffing difficulties in IT.</p> <p>Via the web, members have access to a wide range of information e.g. IDeA, AC, LGA etc.</p>

Issue/Questions	Findings/Responses
11 Does your e-government strategy promote social inclusion?	There is no formal strategy at the present time; although the council's corporate aims (also to be revised shortly) do currently reflect a desire to deal with issues such as social and rural deprivation.
How are you making internet access and skills available to all who want them? i.e. public?	The council is not specifically doing anything to up-skill members of the public. It will encourage people to use services once they are available by various means. However, the LSP may have a role in this under the auspices of the Community Plan.
How are you using new channels to reach those who have been excluded from services in the past?	Although no formal work has been done to identify specific groups excluded from services, the council considers that 2 groups in particular will benefit from e-services: the young and full-time workers.
Do your electronic services improve access to services for people with disabilities?	Services available 24/7 will assist. The website is to be updated and improved, and will in future be DDA compliant.
Promoting local economic vitality	
12 How do you present your area as a place to do business?	<p>Promoting economic vitality is one of the council's relative strengths. The community portals support business improvement and help to promote positive conditions for growth and employment. The portals provide a promotional platform for Welland tourism, supplementing county tourism web-sites and increasing visitors to the area. The portals provide:</p> <ul style="list-style-type: none"> <li>• details of commercial property for sale or rent;</li> <li>• a business directory;</li> <li>• an accommodation finder; and</li> <li>• information on pubs and restaurants.</li> </ul> <p>SKDC is involved in the Working with Business national project (as phase 3 project lead on behalf of the Welland Partnership's contribution to the project); this will be expected to assist small businesses in the district.</p> <p>Employment opportunities are advertised by Jobs Online, giving people access to Welland-wide vacancies. Job vacancies will also be advertised through Linclup, the Lincolnshire portal currently being developed. These two sites will provide customers with a job search facility covering the local region, which extend beyond county boundaries and covers two sub-strategic partnership regions.</p>

Issue/Questions	Findings/Responses
Does your website really sell your area?	<p>The introductory section of the website makes the area sound like a developing up-and-coming area. The economic profile, of the area facts and figures are given on-line.</p> <p>There is a business directory and shoppers guide, one for each of the community portals; these are accessible on-line.</p> <p>Economic development services are outlined (e.g. lists of property available, econ. dev. info and research, business development grants etc.). you cannot apply on-line e.g. for a business grant, but there are details and photos of industrial land/units for sale and rent, with a contact e-mail and tel./fax numbers.</p> <p>The council's website is better than most local websites in this respect.</p>
Can investors use it to do business with you?	Initial contact can be made, but at the present time investors are not able to transact online.
13 How do you do business with local businesses?	
Can you make orders and payments electronically?	<p>Orders can be made and received via e-mail, and payments can be made and received via BACS. The council uses direct debit where possible as this is the most cost-effective method. There is a fear that existing d-d customers will move to paying on-line.</p> <p>Some officers are authorised to use the corporate credit card for purchases.</p>
Are you using e-procurement to make it easier for local businesses to work with you?	The council is awaiting national initiatives on e-procurement. It is fair to say that e-procurement is not a top priority: core service delivery is the priority.
14 Do businesses in your area have access to a high-speed communications infrastructure?	BT has been slow in enabling telephone exchanges and cabling companies have been reluctant to lay cable in remote areas. Grantham is cabled up, but coverage in other areas of the district is patchy.
Are you working with your Regional Development Agency to promote widespread broadband availability?	Lincolnshire Development (part of the County Council) is spearheading an initiative with EMDA/Objective 2 funding to subsidise cable-laying in the county. This is targeted at Small and Medium Enterprises.
15 Do you have a plan to increase the ICT skills of your workforce and population?	<p>The council carried out a corporate training needs analysis in early 2003. In addition, Internal Audit identified training needs in business analysis, project management and the web. A pilot training exercise was carried out in Revenues.</p> <p>The new CMT has recently identified the skills required by senior managers and as a result all senior managers will be given training in Microsoft Project.</p>

## Action plan

Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Progress against the ESD target (BVPI-157)						
	R1 Take action to speed up BPI-157 percentage performance.	H	CMT	✓	Performance management arrangements around the delivery of BVPI-157 have now been introduced. Ownership of this is placed with the Corporate Management Team, with weekly meetings and reports on progress.	Immediate
	R2 Undertake a cost/benefit analysis of investment in the Welland Partnership, particularly in relation to e-government.	H	John Blair	✓	We agree to a cost/benefit analysis in respect of the Welland Partnership. This will be undertaken in conjunction with KPMG.	December 2004
Resources						
	R3 Ensure that expenditure and savings relating to e-government are calculated and reported as consistently as possible amongst local councils and partners.	L	Finance Officers	✓	We will look to work with our partners (Lincs districts and Welland) to share best practice, financial information and cost/benefit analyses. This is likely to be routed through the Finance Officers' groups.	On-going
IEG3 'Traffic Lights' assessment						
	R4 Consider aspects where the Council is making slower progress than other Lincolnshire district councils, such as the policy on home working.	M	HR	✓	The Council has commenced addressing the issue of home-working and a draft Council policy is being produced by HR for future adoption. All e-government aspects need to be tracked and decisions made on priorities.	March 2004



Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Checklist for Members and Chief Executives						
	R5 Strengthen capacity and leadership arrangements for e-government.	H	CMT	✓	CMT has taken up responsibility for the e-government agenda. In addition, corporate work tasks have been re-prioritised and resources freed up for work on the e-government agenda, mainly through support from Business Management Services. Best Value Reviews have been postponed to create the necessary capacity. A more team-based approach is being considered.	March 2004
	R6 Ensure that strong and effective monitoring measures are put into place.	H	CMT	✓	Agreed. The necessary performance management arrangements are being put in place, beginning with the weekly meeting of the Chief Executive and the 2 Corporate Managers who act as relevant officer champions (Ian Yates for e-government and Sally Marshall for customer services). There is a weekly report to CMT.	Immediate
	R7 Ensure that service plans clearly show how service improvements are being achieved through e-government; and that they reflect services' contributions to delivering the e-government agenda.	M	Service Heads	✓	The Council is currently preparing service plans for the forthcoming year. We will highlight through this arrangement and e-government driven service improvements.	March 2004



Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Transforming services						
	R8 Firm up the approach to contact centres having regard to available software.	H	CMT	✓	A high-level delivery action plan has been developed. This includes undertaking an evaluation of software and a cost/benefit analysis. We will then confirm our approach to customer services, including our web-site, self-service, contact centres and business processes.	March 2004
Renewing local democracy						
	R9 Identify specific groups of customers and develop strategies to address their needs.	L	CMT	✓	We will consider the level of research to be undertaken to establish the needs of service groups and prioritise in respect of resources available.	December 2004
Promoting economic vitality						
	R10 Consider integrating economic development initiatives and business-related ICT training in the community.	L	Economic Development Officer	✓	Consideration will be given through our Economic Development Officer (Inward Investment) and Community Economic Development Unit. However, many of our public partners do currently provide ICT training. Further research is necessary.	December 2004

# Agenda Item 13

By virtue of paragraph(s) 8, 9, 10 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted