

Meeting: **Overview and Scrutiny Committee**

Date: **4 November 2013**

Title: **Change, Efficiency and Improvement – Trading Opportunities**

Author: Andrew Gate

Service: Commercial Services

Wards affected: All

1. Purpose of Report

1.1 This report is to accompany the Change, Efficiency and Improvement (CEI) report to provide the Committee with further information regarding the savings that will be generated through further exploration of trading opportunities across the Council.

2. Recommendations

2.1 The Committee is recommended to note the information provided in the report relating to the delivery of the CEI programme target for Trading Opportunities.

3. Details

3.1 The Change, Efficiency and Improvement (CEI) project for Trading Opportunities is a cross cutting target that aims to generate savings through further exploration of trading opportunities across the Council in terms of sales, this will include both the North Tyneside Trading Company and new service trading opportunities.

3.2 The project has currently achieved £0.105m of the £0.250m target which was set for the 2013/14 financial year and work is ongoing to secure a further £0.050m. The project is rated as a 'red' risk as £0.095m of the target is still at risk. If other avenues prove unsuccessful, vacancies across the Council may be used to cover the shortfall.

3.3 The £0.105m income achieved as noted above is made up as follows:

Contribution from activity above budget

Activity above budget	Income (£'m)
Kier	0.020
LIFT	0.020
Darlington Schools	0.020
Shared Audit	0.010
Sub Total	0.070

Contribution from staff secondments to work areas

Staff secondments to work areas	Income (£'m)
Adult Social Care	0.020
EDRMS Project	0.015
Sub Total	0.035

Total income - £0.105m

- 3.4 Further details of the activities that comprise this income achieved so far as detailed below:

Kier income of £0.020m

This is additional income of £0.020m that has been received by the council as part of the management fee from Kier which is above the amount included in the 2013/14 budget. The management fee received by the Council is a percentage of total turnover. Kier's total trading activity across its workstream areas this year means its actual turnover will be marginally above that originally forecast and hence this additional management fee has been generated.

LIFT income of £0.020m

This is additional income generated through the Council's LIFT PFI projects. This additional income relates to a payment due from LIFTCo for their share of external finishing works to the lane and footpaths outside Whitley Bay Customer First Centre.

Darlington Schools income of £0.020m

North Tyneside Council receive income of £0.020m per annum through their role to coordinate and lead monitoring arrangements for the PFI contract relating to the Education Village Academy Trust on behalf of Darlington Borough Council. The Council carry out day to day contract administration relating to the project and visit the sites to ensure that works are carried out to the required standards.

Shared Audit income of £0.010m

This income of £0.010m is generated through additional support provided to Northumberland County Council in relation to an audit of ICT.

Adult Social Care income of £0.020m

£0.020m of income is generated through a secondment from the Commercial Services Team to deliver the project management of the IT improvement projects. These include Contract / Quality monitoring to facilitate adult social care to record and manage the contracts, mobile working and an N3 network connection in order to facilitate the health and social care integration agenda.

Electronic Document Records Management System (EDRMS) income of £0.015m

Income of £0.015m is being realised through a secondment of a proportion of Commercial Services staff time to Balfour Beatty Workplace to assist with the delivery of the EDRMS project.

- 3.5 Opportunities continue to be reviewed in order to secure the remaining savings. It is anticipated the £0.050m should be achieved through gain-share and performance management of the business and technical packages.

4. Appendices

None

5. Background Information

None