
**Meeting of Executive Members for City
Strategy & Advisory Panel**

10 September 2007

Report of the Director of People & Improvement

**CHIEF EXECUTIVE'S MONITOR ONE FINANCE &
PERFORMANCE REPORT 2007/08**

Summary

1. This report presents the first performance monitor of 2007/08 for the Chief Executive's directorate.
2. It includes:
 - the latest position on the directorate's local and best value performance indicators.
 - an update on key projects.
 - the latest projections against revenue expenditure.
3. The report is for information purposes only and Members are asked to note the performance and financial position.

Executive Summary

4. The context of the directorate's performance in the first three months of the year has been amidst an active, operational period. The directorate's focus on supporting and improving the organisation's effectiveness and major projects has however remained a priority. Directorate activities have included
 - The corporate strategy refresh, which has been developed significantly and approved in principle by group leaders, prior to final approval by the Executive in September.
 - Extensive planning and preparation for CPA.
 - The successful delivery of the local Elections in May, and the subsequent management of revised arrangements supporting a new political administration.

- Providing operational input and support to the Pay and Grading Project
 - The relocation of the Legal Services Team within the Guildhall in order to achieve greater efficiencies and synergies.
 - Delivering a highly successful equalities conference organised in June, which helped to establish the views of a significant number of people with disabilities and people from BME communities.
 - A comprehensive recruitment and selection process resulting in the appointment of the new Chief Executive, Bill McCarthy, who will commence in post later this autumn.
5. The first results from Talkabout on the '*% of citizen's satisfied with the overall service provided by the authority*' are very encouraging with a 59% satisfaction rate; this relates to the organisational effectiveness improvement work being carried out across the authority and provides a positive foundation to the start of the year. Overall, both corporate and directorate performance measures currently present a relatively stable picture. Staff survey results have been very encouraging across the board.
6. Whilst current budget projections show that the directorate will overspend by £91k this needs to be seen in context. The projected overspend equates to 0.9% of the gross expenditure budget. Directorate Management Team however take the issue seriously and have looked to consider how the projected overspend can be brought back into balance. All of the members of the Management Team have been tasked to bring forward proposals that will provide savings for the Directorate without impacting on key deliverables. The actions include a review of all vacancies to determine whether posts need to be filled and decisions on freezing posts temporarily. We will also look to bring shortfall income forecasts in Marketing and Communications closer to budget, through a review of non-staffing budgets.

Background

7. This is the first of three monitoring reports for 2007/08 covering the period 1st April to 30th June 2007. Further monitoring reports will be presented in December 07 and June 08.
8. The report includes those measures, which can be reported upon mid year, for both corporate, and directorate owned measures, on an exception basis (see Annexes 1 & 2). Progress against the directorate's

annual¹ measures will be reported upon in the 07/08 annual out-turn report.

9. The report also includes an update on key projects that the directorate is leading on and the latest forecasts for revenue expenditure which are based on the projections made by services managers (Annex 3).
10. The management and reporting of corporate customer first indicators is now undertaken by the Resources directorate, however, the Chief Executive's directorate's own customer first results will continue to be reported under the directorate's management indicators, for which an update is given later in this report.
11. The targets set for 2007/08 demonstrate the expectation of performance, given present resources, and indicate what service improvement is reasonable to expect. The direction of performance compared to the previous year shows whether improvement is being made towards meeting these targets.
12. The directorate is continually working towards improving the quality of the data reported and work is on-going to ensure that the information provided is robust and accurate in order to improve decision making based on the results.
13. In this connection, work is currently being undertaken to develop two IT bid submissions which support data quality improvements. The first is a directorate bid supporting the requirements of a medium to long-term corporate performance management system. The second which is a corporate bid, has been developed in conjunction with Resources, and supports a fully integrated HR/Payroll System. Both bid initiatives will increase the effectiveness of data provision, as well as improving the quality, analysis and reporting of data.

Performance Overview (Corporate Measures)

14. A relatively stable picture is presented on the corporate indicators. The actions put in place by service managers, supported by HR, should help to improve this position, but it is unlikely that change will be evident until much later in the year. Corporate staff survey results are encouraging with a significantly higher than average return rate than seen previously.

Resident Satisfaction

15. The City Council's Residents' Opinion Survey (ResOp) takes place every year between September and December. Statutorily, local authorities are required to conduct such 'Corporate Health' surveys every three years. The last statutory research period was in 2006/07. In intervening

¹ The results of some of the directorate's indicators are only reportable 6 monthly, annual or 18 monthly due to the type of measure, e.g. survey based (customer or staff perception measures) or the results are too small to warrant more frequent measurement.

years, such as this year, the question is asked as a performance tracker and used internally by the council to monitor performance.

16. However, some mid year results are tracked three times a year through the Talkabout survey. The '*% of citizens' satisfied with the overall service provided by their authority*', is such a measure.
17. The latest result of 59%, compares very favourably against the Qtr 1 Talkabout result in 06/07 (48%) and the 06/07 year end actual asked via ResOP (44%). It should be noted that Talkabout is not directly comparable with ResOPs due to the difference in survey techniques.

Promoting equalities

18. Embedding equalities into the culture of the organisation continues to be a priority for the directorate. Unforeseen resource difficulties within the Equalities Team will however have an impact on the progress that can be made, in particular in the short-term. It is likely that elements of the Equality Strategy will need to be re-prioritised. Steps are being taken to resolve these difficulties as soon as possible but this could have an impact in particular on the Level of the Equality Standard we are able to achieve (BVPI 2a) and the degree that we are able to promote race relations (measured by BVPI 2b). We will be in a better position to assess this impact as part of monitor 2 reporting.

Staff health, well-being and turnover

19. Sickness, Stress & Turnover - The corporate health performance indicators in relation to sickness, stress and turnover are stable. See comparison with the previous year below.

Target	12 days		2.0 days		11.50%	
Corporate figure	Average days per fte	Average days per fte	Average days per fte	Average days per fte	Turnover	Turnover
	Qtr 1 - 06/07	Qtr 1 - 07/08	Qtr 1 - 06/07	Qtr 1 - 07/08	Qtr 1 - 06/07	Qtr 1 - 07/08
	Sickness	Sickness	Stress	Stress		
Results	2.81	2.82	0.54	0.55	2.32%	2.75%

20. Attendance at work is a key service priority for Human Resources and an update on this area is given later in the report.
21. Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR) - In March 2007 a new Incident and Reporting and Investigation Policy went live council wide. In addition there have been associated training workshops for staff which may account for the rise in reportable incidents in the first quarter to 23, compared with 16 in the same period last year, where under-reporting may have taken place.

Staff Survey

22. Every 18 months, Marketing and Communications conducts a staff survey on behalf of Human Resources with all permanent council employees, with the exception of school based staff. In the latest survey conducted in April/May 2007, 50% of staff took part in the research, an increase of 19% in comparison with 2005. This figure is higher than average for such surveys.

Staff Survey Results	Total CYC
% of staff aware of the Council's 13 Priorities	43%
% of staff understand how their job contributes to the success of the organisation	76%
% of staff expressing satisfaction with their jobs	72%
% of staff expressing satisfaction with the way they are managed	66%
% agreed "overall the CYC is a good employer"	76%

23. Corporately the results from the latest survey were encouraging with 72% being satisfied with their present jobs (up from 69% and 3% above the local authority average) and 76% describing the council as a good employer. Over three-quarters understand how their job contributes to the success of the organisation. Although only 43% are familiar with the council's 13 priorities, these had not had a lot of time to 'bed-in' when the survey was conducted.
24. The proportion who report that they have the resources they need to do their jobs has been steadily increasing in recent surveys. Over three-fifths (61%) now agree that they have the necessary resources in comparison with 46% in 2001 when the survey began.
25. Some 81% of respondents consider themselves well informed enough to do their jobs - the top result in the council's benchmarking group. Communication from managers has also improved with 69% agreeing that their manager keeps them up to date in comparison with 63% in 2004 and 65% in 2005.
26. Work is currently being carried out in Chief Executive's to focus on key areas for improvement and ways of seeking detail within other directorates on views expressed. The learning from holding team based focus groups will be reported to the Corporate Management Team on the overall success of the approach, with a view to identifying priorities for the authority from the results of the overall exercise.

Performance Overview (Directorate)

27. Chief Executive's customer first returns continue to achieve excellent results especially against corporate targets, the exception being

telephone call response times. Staffing measures are relatively stable, except for turnover figures, which are affected by small numbers. The directorate's staff survey results were very encouraging with some areas showing significant improvements.

Directorate Management

Staff health, well-being and turnover

28. Sickness, Stress & Turnover - Performance in relation to time lost to sickness absence and stress is very good with the directorate being the best performing directorate in the Council, with a projected out-turn significantly below the corporate target. There were no instances of long term sickness in this first quarter.
29. Due to the size of the directorate, turnover figures can be affected by a very small number of leavers (5 in qtr 1). Current performance will therefore be monitored accordingly.

Directorate Targets	7days		1.4 days		12.00%	
Corporate Targets	12 days		2.0 days		11.50%	
Chief Executive's	Average days per fte Qtr 1 – 06/07 Sickness	Average days per fte Qtr 1 – 07/08 Sickness	Average days per fte Qtr 1 – 06/07 Stress	Average days per fte Qtr 1 – 07/08 Stress	Turnover Qtr 1 – 06/07	Turnover Qtr 1 – 07/08
Results	1.08	1.18	0.06	0.02	1.00%	3.34%

30. RIDDOR - Directorate performance on RIDDOR accidents is also excellent, with no reportable accidents occurring in this reporting period.
31. Staff Survey - The results from Chief Executive's (CEX) are very encouraging with some areas showing significant improvements. In comparison with the 2005 survey, a larger proportion of respondents are satisfied with their present jobs (+12%) and describe the council as a good employer (+9%). But despite these improvements, the directorate remains slightly below the council average:

Staff Survey Results	Total CEx	Total CYC
% of staff aware of the Council's 13 Priorities	76%	43%
% of staff understand how their job contributes to the success of the organisation	70%	76%
% of staff expressing satisfaction with their jobs	69%	72%
% of staff expressing satisfaction with the way they are managed	65%	66%
% agreed "overall the CYC is a good employer"	71%	76%

32. Over two-thirds (70%) of CEX respondents appreciate how their job contributes to the success of the organisation and awareness of the 13 priorities is very high at 76%; 33% higher than the council average.
33. In terms of communication from managers, the results from CEX are largely in line with the rest of the council with around two-thirds reporting that their manager is a good listener and acts on the issues they raise and a similar proportion agreeing that their manager keeps them up to date.
34. However, the respondents from CEX are far more critical of the opportunities for training and development and the amount of resources at their disposal. As previously mentioned, these issues are currently being explored further in team based focus group discussions, the results of which will be available by the end of August 2007.

. **Serving our customers**

35. Customer First - Overall, the directorate's customer first results are showing a relatively stable position, with the directorate meeting all target areas, the exception being telephone response times, with 90.36% of calls being answered within 20 seconds, falling short of the corporate target of 95% and the directorate's slightly higher target of 96%. The disruption of staff moves across the directorate to accommodate the Legal Services Team within the Guildhall during April/May, is thought to have affected performance in some areas, however, active management of performance will be undertaken to improve performance in this area, by raising awareness, reviewing system set ups and phone usage, etc.
36. There were no stage 2 or 3 complaints received. All 969 visitors to the Guildhall Reception, and all of the 758 enquirers needing to speak to another officer, were dealt with within the 10 minute target.
37. 97.16% of the 1,267 letters were responded to within 10 working days, exceeding the 95% corporate target, but falling short of the directorate's more ambitious target of 99%. Improvement actions are being put in place to address resourcing issues in those service areas where performance has fallen short of their targets this quarter (Legal 92.10% and Civic 93.41%).

Service Plan Key Actions/Projects

38. Each service area has identified a number of key activities through the service planning process which are critical to the success of the directorate and the authority. Below are updates on the recent activities supporting progress in these areas.
39. Pay and Grading – The Council's pay and grading programme continues to make progress despite facing a complex legal environment with fast changing case law, equal pay claims and the actions of "no win no fee" solicitors. Over the past few months our key focus has been on

developing possible new pay and grading structures and proposals on allowances to present to the trade unions for discussion. We have also been undertaking further moderation of job scores, jointly with the trade unions, to ensure consistency across the Council, and we have evaluated a significant number of new job descriptions to ensure we keep pace with the Council as it changes its service configuration to give improved customer service. The next key phase is negotiations with the trades unions which open on 30 August 2007.

40. Comprehensive Performance Assessment (CPA) – Work on preparing the Council's draft CPA self-assessment is well underway. An initial draft self-assessment has been considered by the Corporate Management Team. This will be shared more widely in the near future as part of a comprehensive communications/engagement strategy.
41. Organisational Effectiveness Programme (OEP) – Good progress has been made in delivering key parts of the OEP, with the refreshed and improved corporate strategy being one of the most notable achievements. The OEP will be realigned to support the refreshed strategy as well as picking-up areas for improvement specifically identified by the CPA self-assessment process. The refreshed OEP will be presented for approval by the Executive in the latter part of the year.
42. Leadership & Management Standards (LAMS) - York's Leadership and Management Standards are a framework of behaviours, based on the council vision, to help improve capacity in the Council. It is through the Standards that staff in the Council are being made aware of the vision, although there is much work to be done to fully embed the Standards - and the Council vision - into the consciousness of the Organisation. The launch has been highly successful, in spite of significant logistical and cultural challenges, with content and delivery both hitting the mark, partly due to the active member and officer involvement in leading workshops. High quality support has been given to managers through innovative workshops, guidance, 360 assessment and other tools.
43. Attendance Management - The procedures and guidelines to support the Council's Attendance at Work Policy have been finalised, subject to consultation with the trade unions and agreed. The procedures and guidelines will be implemented on the 1st October 2007 and will be supported by bespoke training for managers and a comprehensive communications strategy. Work has also commenced on a review of the Council's occupational health provision with an emphasis being placed on well-being, health surveillance and the promotion of healthy lifestyles.
44. Recruitment Pool - In quarter 1 the recruitment pool operated by HR provided the council with £45k of cashable savings. If the current levels are sustained, this would equate to £180k by year end. To date the recruitment pool has operated in direct competition with the current supplier of casual and relief staff, but when the new contract for the supply of casual and relief staff being tendered by HR starts in October

2007, the intention is that it will be a requirement to go through the recruitment pool first instead of going to the external supplier. This should increase the level of cashable savings still further.

45. Health and Safety - Partnership working with other organisations in this quarter is beginning to bear fruit. Such work will help in reducing costs, provision of better services and widening the Councils knowledge base. Examples include work with York's electricity supplier which will provide training and information to Council staff and work with North Yorkshire Fire and Rescue Service to provide a safer environment for staff and members of the public. In addition to the above work the revised incident reporting procedure which went live in April is starting to provide more information which can be used to prevent the reoccurrence of incidents.
46. Review of Constitution - Following the implementation of the new Constitution in May 2006 and the outcome of the election in May 2007, there are a number of issues that have been identified that require further consideration and possible amendment. Work has commenced with the Officer Governance Group to identify all the areas that require consideration with both officers and members with a view to having any further significant amendments drafted and approved within the 2007/08 municipal year for implementation in the next municipal year.

Financial Overview

47. The latest budget for Chief Executive's Directorate totals £9,744k. This includes £52k agreed carry forwards from 2006/07 as well as two additional supplementary estimates to fund recruitment and retention costs for the new Chief Executive (£76k) as well as additional budget to fund the cost of the 2008 CPA inspection (£47k).
48. Current projections show that the directorate will overspend by £91k which equates to 0.9% of the gross expenditure budget. The financial position is summarised by service plan below:

Service Plan Area	Approved Budget			Variation		
	Expenditure Budget £(000)	Income Budget £(000)	Net Budget £(000)	Projected Out-turn £(000)	Under /Over £(000)	% of gross budget
Chief Executive	2,226	8	2,218	2,218	0	-0.0
Director of People & Improvement	172	0	172	172	0	-0.0
Human Resources	2,498	2,478	20	97	+77	+3.1
Policy, Improvement and Equalities	731	533	198	195	-3	-0.4
Marketing & Communications	818	833	-15	2	+17	+2.1
Civic, Democratic & Legal	3,299	765	2,534	2,534	0	-0.0
Total	9,744	4,617	5,127	5,242	+91	+0.9

49. A breakdown of variations, where forecast outturn is significantly different to the approved estimate can be seen in Annex 3. The key variances are itemised below:

- Cost of appointing interim Head of Human Resources (£+84k)
- Projected surplus from the recruitment pool (£-48k)
- Non forecast achievement from letting advertising on council boundary signs however work is still ongoing to resolve this pressure (£+20k)
- Additional forecast cost of temporary arrangements and replacing Head of Civic, Democratic and Legal Services (£+40k)
- Additional cost of Member Allowances following the appointments process. This has resulted in more Members than in previous years receiving special responsibility allowance (£+37k)
- Staffing savings resulting in vacancies within democracy and committee services (£-50k)

50. In total the identified overspends total £349k and mitigating savings of £258k have currently been identified.

51. Directorate Management Team have looked to consider how the budgeted overspend can be brought back into balance. All of the members of the Management Team have been tasked to bring forward proposals that will provide savings for the Directorate without impacting on key deliverables. The actions proposed include to review all vacancies to determine whether posts need to be filled, look to bring shortfall income forecasts in Marketing and Communications closer to budget, thorough review of non-staffing budgets.

52. It is considered that by taking the above action the forecast overspend should be reduced. The budget will continue to be monitored closely and the result of the management action will be reported back to the EMAP as part of the second monitoring report in December.

Consultation

53. No external consultation is required for this report.

Analysis

54. This performance and financial monitoring report is for information purposes only, so no options or analysis has been provided. However, consideration needs to be given to the implications of further slippage to actions and projects.

Corporate Priorities

55. The directorate plays a key role in supporting the delivery of the Organisational Effectiveness Programme (OEP). The Council's four internal priorities (leadership, partnership, customer focus and efficiency/waste) are at the heart of the OE. The Chief Executive's directorate has a major role to play in the programme management, coordination and delivery of the OEP. A significant number of key actions (in particular in relation to the leadership priority) have been identified for delivery by the Policy, Improvement and Equalities Team.

Implications

56. Financial – The financial implications are covered in the body of the report.

57. Human Resources - This is another year of significant change for the Council and the Directorate, with considerable HR implications arising especially on pay and grading and service modernisation. These implications are summarised in the main body of this report.

58. Equalities – The delivery of the key parts of the OEP and the Council's 3 year Equality Strategy are closely linked – in particular to the priorities relating to CYC leadership and customer focus.

59. Legal – There are no legal implications.

60. Crime and Disorder – There are no crime and disorder implications.

61. Information Technology (IT) – There are no IT implications.

62. Property Implications – There are no Property implications.

63. Other – There are no Other implications.

Risk Management

64. In compliance with the Council's risk management strategy, there are no risks associated with the recommendations of this report.

Recommendations

65. That the Advisory Panel advise the Executive Leader to note the performance and financial outturn position for 2007/08.

Reason: To inform the Executive Leader on progress made against service plan targets and budget.

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Wards Affected:

All

For further information please contact the authors of the report

Background Papers:

- Leader EMAP Report dated 26th March 2007 – Chief Executive's 2007/08 Service Plans
- City of York Council - Council Plan 2007/08

Annexes:

Annex 1 – Best Value & Local Indicators – Corporate Measures

Annex 2 – Best Value & Local Indicators – Directorate Measures

Annex 3 – 07/08 Revenue Financial Summary