
Meeting of Executive Members for City Strategy & Advisory Panel

10th December 2007

Report of the Director of People & Improvement

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

Summary

1. This report presents the second performance monitor of 2007/08 for the Chief Executive's directorate.

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.
2. The report is for information purposes only and Members are asked to note the performance and financial position.

Executive Summary

3. An overall satisfactory position against performance at this mid year point.
 4. Good progress continues to be made against the directorate's key projects: Key examples are:
 - detailed preparations for the Comprehensive Performance Assessment (CPA.).
 - on-going support to the Pay & Grading Project;
 - delivering key parts of the Organisational Effectiveness Programme (OEP);
 - delivery against actions supporting Attendance Management.
- Six out of the ten directorate management measures have met their directorate targets, with eight meeting their corporate targets.

- ❑ The directorate has consistently performed excellently in processing invoice payments during July, August and September with this quarter averaging 99.14%, with a cumulative result currently standing at 95.34%, exceeding the corporate target of 95%.
- ❑ The Recruitment Pool has achieved a cashable efficiency saving of £90k over the first two quarters of this year and looks set to improve significantly over the remaining two quarters.
- ❑ A mid year budget position with a forecasted £40k overspend.

5 Areas where improvement has been identified are:

- ❑ Equalities - Action plans have now been put in place to improve the Councils equality processes and systems to support embedding equalities.
- ❑ Attendance Management – Amongst a range of initiatives, the Council’s Attendance at Work Policy was implemented on the 1st October, with a programme of supporting actions to improve staff turnover and sickness absence.
- ❑ Health & Safety - work continues to promote a culture of health and safety across the organisation in conjunction with the Council’s Corporate Management Team (CMT), the Corporate Health & Safety Steering Group (HSSG) and in liaison with the Health & Safety Executive (HSE). With the recent resignation of our Health and Safety Manager we have implemented interim arrangements which cover this specialist post. Given the context of a strategic intervention programme from the HSE and a prosecution pending, it is imperative that we have extremely robust arrangements.
- ❑ Telephone Response Times (Directorate) - Although some improvement has been made in the directorate’s telephone response times since last quarter, Service Managers are continuing to investigate further those areas impacting on the Directorate’s overall performance.

Background

- 6 This is the second of three monitoring reports for 2007/08 covering the period 1st July to 30th September 2007. A final year end out-turn report will be presented in June 2008.
- 7 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.

- 8 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).
- 9 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.
- 10 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.

Performance Overview (CORPORATE) (Annex 1 Refers)

Summary

- 11 Three out of the seven corporate equality indicators are on target and all seven measures are either stable or improving, with the exception of one, namely *'the top 5% of earners who are women'*, which has fallen slightly against the 06/07 year end comparison. The reassessment of the directorate's approach to equalities will help to support progress towards promoting equalities, as will the work being carried out as part of the Pay and Grading Review.
- 12 In terms of corporate staff health, well-being and turnover indicators, improvement can be seen against all but one of the measures in this current quarter, the exception is staff turnover, when compared to the same period in the previous year.

Promoting equalities

- 13 Since monitor one, an in-depth assessment has been made to evaluate progress against actions in the Strategy and the range of requirements set out in the Equality Standard (recently revised and now a "harder test"). Progress against legislative equality duties has also been reviewed.
- 14 This assessment has identified improvement areas in the Council's equality processes and systems. These relate to equality impact assessments, equality performance monitoring and equality training.

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.

Improvements have also been identified in relation to the adequacy of the Council's response to recent equality legislation – in particular the service related elements of the duty to promote gender equality.

- 15 Action plans have now been put in place to address these areas for improvement. These include development of an updated Equality Strategy, community engagement initiatives focussed around the gender duty, priority equality impact assessment work. These have been agreed and signed-off by the Corporate Management Team, who have committed to helping embed equalities. Equalities will therefore be a key focus on their agenda and for the Equality Leadership Group (which includes the Executive member for youth and social inclusion). A reprioritisation bid for extra temporary resources has also been submitted as part of the budget process to support the Equalities Team in implementing the equalities actions.
- 16 These actions, together with a leadership commitment to equalities, have the potential to address the main equality related issues that face the Council. We intend to re-evaluate the Council's position in relation to the Equality Standard, as meeting the Equality Standard is a much harder test and a realistic goal will be to achieve the more extensive requirements of the Equality Standard next year.
- 17 Linked to the above, the council's performance on employment related equality indicators remains variable. The percentage of senior women in the top 5% of earners has reduced from 39.27% at the end of 2006/07 to 37.38%. Marginal change can also be seen in the percentage of disabled employees, which has fallen from 2.15% in 06/07 to 2.11%.
- 18 However, the percentage of disabled staff in the top 5% of earners has increased from 2.51% at the 06/07 year end position to 3.76%, exceeding the current year target of 3%. The percentage of ethnic minority staff has also shown a marginal increase to 1.31%.

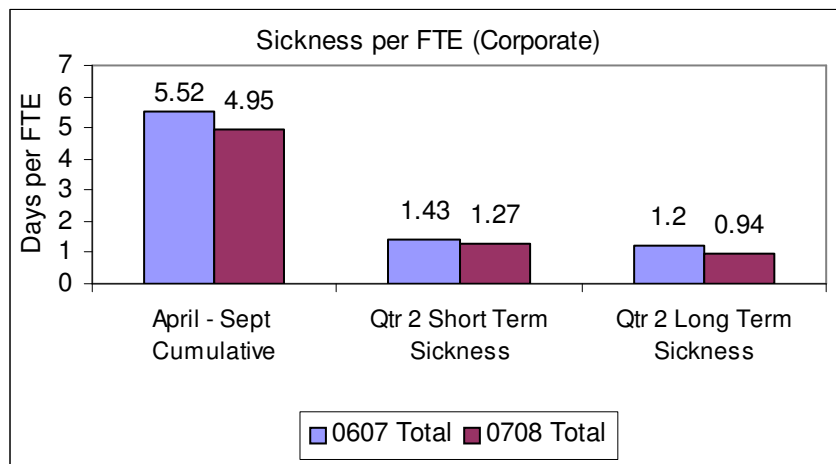
Staff Health, Wellbeing and Turnover

Staff Sickness & Stress

- 19 Attendance at work is a key service priority.
- 20 The Council's Attendance at Work Policy was implemented on the 1st October 2007. Bespoke training for managers will commence at the end of November, and additional training to support key roles and responsibilities is being developed along with the implementation of a comprehensive communication plan to further support the policy implementation and embed the changes within the council.
- 21 Although starting from very high, bottom quartile levels, performance is encouraging, especially in light of the various attendance initiatives being rolled out across the organisation. Although full implementation

and the required cultural change will take a number of years, remaining quarters should see a continued improvement in attendance levels.

- 22 The current position on corporate health performance indicators in relation to sickness and stress are all improving, compared to the equivalent quarter in 2006/07.
- 23 Overall quarter 2 results are better than the previous quarter 2 results last year, with 2.21 days lost as opposed to 2.63 days.
- 24 The cumulative figure at the mid year point is 4.95 days against a target of 12 days, comparing favourably against the 06/07 position of 5.52 days. This shows a positive direction of travel.
- 25 Both short and long term sickness are also reflecting reductions to the same comparative quarter 2 06/07. See graph below.



- 26 In a similar manner, stress is showing marginal improvement from 0.45 days reported last year to 0.43 days for the same period this year, with a mid year cumulative of 0.98 days against a target of 2.00 days. It is possible that the overall performance will be improved on 06/07, but may not be sufficient to achieve the overall target.

Staff Turnover

- 27 The majority of turnover this quarter is due to the end of the teachers' school year, traditionally when a significant proportion of resignations in LCCS occur. However, there are also signs that the ongoing pay and benefits review may be having an impact as people look for jobs elsewhere due to the uncertainty about their own pay prospects at the council.
- 28 The new corporate recruitment strategy which is currently being developed, will help to minimise any impact on service delivery, however, it is anticipated that the 11.5% target will not be achievable this year, with the current cumulative figure standing at 7.50% at mid year

point. The likely year end out-turn is forecast to be under 12%, but the 11.5% target is now looking slightly ambitious.

Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR)

- 29 There were 9 reportable RIDDORs in the second quarter, which shows a marked reduction on quarter 1 which had 23 occurrences, giving an overall total of 32 for the first half of the year against a target of 59 . It should be noted, however, that the number of RIDDORs is still disproportionately high compared to other similarly sized authorities and despite a much greater push on health and safety issues across the council it is unlikely that the target of 59 will be met.

Performance Overview (DIRECTORATE) (Annex 2 Refers)

Summary

- 30 The directorate management indicators are showing good results at this mid way point with six out of the ten measures having met their directorate targets and eight meeting their corporate targets.
- 31 The directorate's customer first results remain stable. Three out of the four reportable measures are meeting their targets with letter response times exceeding the corporate standard. Although improvement has been achieved since the first quarter, on-going work is continuing to bring about further improvement to telephone call response times.
- 32 The directorate's staffing measures are in the main showing good results.

Directorate Management

Finance Measures

Invoices

- 33 The directorate has consistently performed excellently in processing invoice payments during July, August and September. This is as a direct result of changes made following regular data monitoring. The directorate's average for quarter 2 is 99.14% compared with 90.77% in the previous quarter, giving a cumulative average of 95.33% to date. Maintaining this standard will result in the directorate's target of 94%, and the corporate target of 95%, being achieved.

Customer First Results

Letters

- 34 97.17% of letters (representing 2,406 out of 2,476) were responded to within the Councils 10 working day standard between 1 April 2007 and 30 September 2007. This exceeds the 95% corporate target by 2.17%, but falls short of the directorate's more ambitious target of 99%.
- 35 The directorate's target is mainly being affected by performance in two service areas (Legal and Civic). Legal have a number of complex cases to deal with, especially in the Child Care Team, and delays can occur when information is required from third parties. Improvement is seen in this current quarter standing at 96.45% for Legal, which exceeds the corporate target. The Civic Office has also brought about changes which will bring the directorate's performance closer to its higher performance target.

Visitors

- 36 All 795 visitors to the Guildhall Reception, and all of the 662 enquirers needing to speak to another officer, were dealt with within the Councils 10 minute standard, during quarter 2. This maintains performance in this area for the year to date, where a cumulative total of 1,764 visitors have been seen and 1,420 have received further help.

Complaints

- 37 There were no stage 2 or stage 3 complaints received.

The exception to the above good performance is:

Telephone Response Times

- 38 The percentage of calls being answered within 20 seconds in the second quarter has improved, rising by 2.64% to 93%, giving an overall average of 92% for the first six months of the year. This represents 28,764 out of 31,400 calls answered within 20 seconds between 1st April 2007 and 30 September 2007. To achieve the corporate target of 95% and the directorate's slightly higher target of 96%, Service Managers are seeking further improvements within the directorate in this area.

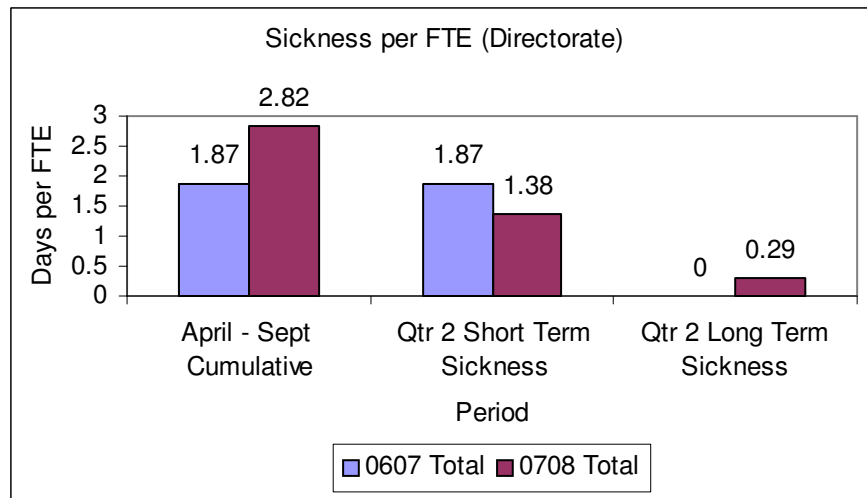
Staff health, well-being and turnover

Sickness & Stress

- 39 Sickness days per FTE for the second quarter of the year for Chief Executive's directorate is currently standing at 1.67 days per FTE and shows improvement compared to the same period in 2006/07, where the sickness figure for the directorate was 1.87 days per FTE.
- 40 The cumulative position for the first six months is 2.82 days per FTE

compared to 1.87 at this time last year but is still on target to meet its stretched target of 7 days per FTE. This result compares favourably with the overall corporate result for the same period which is 4.95 days.

- 41 Sickness is monitored regularly and stricter protocols and manager guidance have been put in place. A Managers Workshop for all the Chief Executive's Service Managers has also helped to reinforce key messages and actions to support further improvement in this area.
- 42 Long term and short term sickness has been broken down and is illustrated in a graph below, comparing the current and previous years quarter 2 period. This clearly shows that short term sickness is improving, with a slight rise in long term sickness.



- 43 Stress related absence remains relatively stable at 0.17 days per FTE at the half year point, and looks set to meet the corporate target of 2.0 days per FTE and the more ambitious directorate target of 1.4 days per FTE.

Turnover

- 44 Over the past 6 months there have been 13 leavers within the directorate, 8 of which were within the last 3 months. This constitutes a 9% turnover at the mid year point and is higher than the same period in the previous year. The size of the directorate means that turnover figures can be affected by a very small number of leavers. Current performance will therefore be monitored accordingly.

Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR)

- 45 Directorate performance on RIDDOR accidents is excellent, with no reportable accidents occurring in this reporting period. This is the same as last quarter.

Service Plan Key Actions/Projects

- 46 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.

Pay and Grading

- 47 The Council's pay and grading programme continues to make good progress despite facing a complex legal environment with fast changing case law, equal pay claims and the actions of "no win no fee" solicitors. A number of equal pay grievance hearings have been held with settlements being reached in some cases. The first equal pay Employment Tribunal claims against the Council have been listed for a full hearing in April 2008 and the Council is currently considering its position on this matter.
- 48 Negotiations with the trades unions, the General, Municipal and Boilermakers Union (GMB), Unison and Unite, (Transport & General Section) opened on 30 August 2007 leading to an early agreement on the key principles of modernising the Council's pay and benefits structure. Following agreement with the Trades Unions, the Council has made offers of payment to bonus earners in Neighbourhood Services that will accompany the removal of bonus effective from 1st January 2008, subject to a ballot to be held in late November 2007.
- 49 Moderation of job evaluation scores has now been concluded in order to ensure consistency across the Council. A rank order of jobs has been shared with the Trades Unions for discussion along with a number of possible new pay and grading structures. Significant progress has also been made in discussions to simplify and modernise allowances.
- 50 It has been agreed with the trades unions to target 31st December 2007 for completion of a collective agreement with the effective date of implementation being 1st April 2008. A number of briefing notes have been issued to staff with further communications planned throughout November and December.

Staff Survey (corporate)

- 51 Findings from the staff survey and how we are using the results are being fed back to staff before Christmas. The feed back leaflet will include both corporate and directorate results.

Staff Survey (directorate)

- 52 Staff focus groups have been held in the directorate to explore key areas for improvement. The results are currently being analysed and will be reported back to the Directorate Management Team shortly. In

addition 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.

Comprehensive Performance Assessment (CPA)

- 53 Significant progress has been made on preparing the Council's CPA self-assessment during the past few months. Underpinned by an extensive consultation and involvement process – encompassing partners, members and senior officers - the self-assessment reflects the Council's track record of achievement whilst recognising the improvements it needs to make to its supporting corporate systems and processes.
- 54 The self assessment is due for submission in mid-December and will be followed by on-site inspection in late January/early February 2008. Preparations for this on-site inspection are also well advanced supported by extensive communication and engagement initiatives.

Organisational Effectiveness Programme (OEP)

- 55 Good progress continues to be made in delivering key parts of the OEP with extensive work on embedding the refreshed corporate strategy as one of its central planks.
- 56 The OEP has now been realigned to support the refreshed strategy and now incorporates the areas for improvement specifically identified by the CPA self-assessment process. A range of actions emerging from the latter have been prioritised for completion by 31st March 08 in order that they have the potential to have a positive impact on the CPA process. The updated OEP will be presented to members for sign-off in due course.

Leadership & Management Standards (LAMS)

- 57 The Leadership and Management Standards is already embedded into Performance & Development Reviews (PDRs). A Quality Audit will be carried out in early 2008 to check that the standards are fully embedded. The next Human Resources business process to incorporate LAMS is recruitment practices, which will be early 2008.

Recruitment Pool

- 58 The council's recruitment pool has successfully filled 36,000 hours of casual administrative/ clerical and driving work in the first two quarters of this year, resulting in cashable efficiency savings of £90K over those two quarters. With the integration of the recruitment pool into the new Adecco agency contract, it is anticipated that these figures will improve significantly over the remaining two quarters

59 Health and Safety

Audits - A number of Health & Safety audits have now commenced across the authority which will provide a much clearer picture of Health and Safety standards across the Council, and should also lead to improved performance in the future. The results from the initial batch of audits are currently in the process of being analysed. The programme is being well received by directorates and schools.

Health and Safety Training - Northern Electric Distribution Limited has recently provided training for staff. Partnership working is continuing with an executive meeting to ratify the partnership planned for early in the New Year. Regular liaison with North Yorkshire Fire and Rescue has also continued and it has been agreed that joint audits will be carried out with Health and Safety Advisors.

Review of Constitution

- 60 The latest position on the review of the Constitution is that a schedule of constitutional issues raised by members and officers has been prepared. These are being examined by the Officer Governance Group and will be put to the Constitution Review Project Board, led by the Chief Executive, which met at the end of November. It is planned to put any changes to Council in April 2008 following consultation with members. The project is on target to meet that date. In addition minor changes to standing orders have been made by the Interim Head of Civic, Democratic and Legal Services under delegated power.

Financial Overview (DIRECTORATE) (Annex 3 Refers)

Summary

- 61 At Monitor 1 the directorate budget projections showed that the directorate will overspend by £91k. The Directorate Management Team have worked to bring this back into balance and current projections now show that the directorate will overspend by £41k, which equates to - 0.4% on the gross expenditure budget of £9,744k.

Directorate Budget

- 62 The latest net budget for Chief Executive's Directorate totals £5,176k. 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) and additional budget to fund the cost of the 2008 CPA inspection (£47k). There has also been an additional virement of £20k from the Director of Resources to support the Corporate CPA costs.

63 Current projections show that the directorate will overspend by £41k which equates to +0.4% 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	2,183	8	2,175	2,175	0	-0.0
Director of People & Improvement	151	0	151	151	0	-0.0
Human Resources	2,499	2,429	70	136	+66	+3.5
Policy, Imp. And Equalities	755	533	222	200	-22	-2.9
Marketing & Communications	830	833	-3	16	+19	+2.3
Civic, Democratic & Legal	3,326	765	2,561	2,539	-22	-0.7
Total	9,744	4,568	5,176	5,217	+41	+0.4

64 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 (£+75k)
- ❑ Additional recharge for work undertaken on pay and grading project (£-33k)
- ❑ Projected surplus from the recruitment pool (£-55k)
- ❑ Additional costs arising from temporary Health & Safety management arrangements (£+43k)
- ❑ 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 (£+49k)
- ❑ Staffing savings resulting in vacancies within democracy and committee services (£-65k)

65 In total the identified overspends total £387k and mitigating savings of £346k have currently been identified.

66 Members will note that the projected overspend totalled £91k at Monitor 1 so there has been an improvement identified totalling £98k. The major differences since monitor 1 are that additional funding has been identified to offset overspends within HR, the forecast for Members allowances has been reviewed downwards to be within budget and additional staffing underspends have been identified within Civic, Legal and Democratic Services. This has been offset by an additional budget pressure introducing temporary Health & Safety management arrangements.

67 A forecast overspend of £40k is an improvement on the forecast at the first monitor. There will continue to be regular monitoring of expenditure and income with a major review at the end of January / early February to ensure that expenditure at year end falls within the overall Chief Executive's budget.

Progress on Growth and Savings

68 As part of the budget process, Members approved Growth bids of £413k for the Chief Executive's department in the 2007/08 budget. All of these have been allocated and are being progressed. Members also approved savings totalling £209k. These have been implemented and are anticipated to be achieved with the exception of fully receiving the income anticipated from the sponsorship of boundary signs and the saving from stress counselling.

Consultation

69 No external consultation is required for this report. The report is primarily an information report for Members and therefore no consultation has been undertaken regarding the contents of the report.

Options and Analysis

70 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

71 The directorate plays a key role in supporting the delivery of the Corporate Strategy and the Organisational Effectiveness Programme (OEP).

72 The OEP is the delivery mechanism for the Council's four values (leadership, people, customers and improvement). 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

- 73 Financial – The financial implications are covered in the body of the report.
- 74 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.
- 75 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.
- 76 Legal – There are no legal implications.
- 77 Crime and Disorder – There are no crime and disorder implications.
- 78 Information Technology (IT) – There are no IT implications.
- 79 Property Implications – There are no Property implications.
- 80 Other – There are no Other implications.

Risk Management

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

Recommendations

- 82 That the Advisory Panel advise the Executive Leader to note the performance and financial outturn position for 07/08.

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:

- City Strategy EMAP Report dated 10th September 2007 – Chief Executive's Monitor One Finance & Performance Report 2007/08.
- City of York Council - Council Plan 2007/08

Annexes:

Annex 1 – BVPIs & Local Indicators – Corporate Measures

Annex 2 – BVPIs & Local Indicators – Directorate Measures

Annex 3 – Second Budget Monitor for 2007/08