
Executive Members for City Strategy and Advisory Panel

8 September 2008

Report of the Director of People and Improvement

CHIEF EXECUTIVE'S MONITOR 1 FINANCE & PERFORMANCE REPORT 2008/9

Summary

1. This report combines performance and financial information for the Chief Executive's Directorate for Monitor 1 2008-9. The performance element covers key and Council Plan indicators and projects, and the financial aspect deals with performance against budget for the Chief Executive's Directorate.
2. This report is for information only and Members are asked to note the performance and financial position.

Background

3. This is the first monitoring report for 2008/09 combining financial and service performance to be brought to City Strategy EMAP. The statutory requirement to report Best Value Performance Indicators (BVPIs) has now been removed with the introduction of new National Performance Indicators.
4. Although BVPIs may now be reported locally to Directorate Management Teams and Executive Member Advisory Panels they have been superseded by a new indicator suite, National Performance Indicators (NPIs).
5. This new national indicator set for local authorities and local authority partnerships was made official on 1st April 2008. These indicators are part of the new local performance framework which is focussed on outcomes and delivery through better partnership working. The 198 Indicators will be the only means of measuring government agreed national priorities. Some will be delivered by local government alone, others in partnership with local partners such as health or police services.

Financial First Quarter Overview

6. The latest budget for Chief Executive's Directorate totals £4,873k.

7. Current projections show that the directorate will overspend by £105k which equates to 0.95% 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 Outturn £(000)	Under /Over £(000)	% of gross budget
Corporate & Democratic Core	1,611	0	1,611	1,611	0	0.0
Chief Executive	419	10	409	409	0	-0.0
Director of People & Improvement	178	0	178	178	0	-0.0
Human Resources	2,540	2,594	-54	86	+140	+4.9
Policy, Improvements and Equalities	635	565	70	9	-61	-9.6
Marketing & Communications	812	851	-39	13	+52	+6.4
Civic, Democratic & Legal	3,178	820	2,358	2,332	-26	-0.8
Total	9,373	4,840	4,533	4,638	+105	+1.1

8. A breakdown of variations, where forecast outturn is significantly different to the approved estimate can be seen in Annex 1. The key variances are itemised below
- Cost of unbudgeted Head of Human Resources (£+85k)
 - Consultancy costs supporting the Health and Safety function prior to the appointment of a new manager £67k
 - Projected surplus from the recruitment pool (£-90k)
 - Non forecast achievement from letting advertising on council boundary signs (£+20k)
 - Continued forecast shortfall from the Print Unit (£+50k).
 - Additional cost of Member Allowances following the decision to allow access to the superannuation scheme (£+20k)
 - Staffing savings resulting in vacancies within democracy and committee services (£-61k)
9. In total the identified overspends total £401k and mitigating savings of £296k have currently been identified.
10. Included in the overspend is a projected cost of £20k in allowing Members access to the superannuation scheme. A provision of £50k was identified in the budget to fund this however was placed into the contingency subject to determining how many members would join the scheme. To date 11 Members have joined the scheme which and at this level the cost to the council is £20k. It is recommended that a request is made to the Executive to provide a supplementary estimate of £20k to fund this pressure. On the assumption that this pressure is funded the projected overspend reduces to £85k. It should be noted at the comparable report in 2007/08 a budget overspend of £91k.

11. The 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. The Head of Marketing and Communications is optimistic that the possibility of additional work and a revised price structure at the print unit will lead to improved profitability.
12. 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.
13. Members will be aware that the post of Head of Human Resources was approved on the basis that it would be funded from within the directorate. The restructure within the Performance Improvement Team allows for a virement to be actioned between those teams of £65k within a full year. Together with an increase in the assumed recruitment pool (£20k) this will remove the budgeted pressure. The Executive Leader is requested to approve the virement.

Corporate Performance Year End Overview

Corporate Health- Staff Sickness

14. The number of staff days to sickness across the Council for the first quarter have reduced in comparison with the same period last year:

	Apr-Jun 2007/8	Apr-Jun 2008/9
Average days lost per full time equivalent – all sickness	2.82	2.07
Average days lost per full time equivalent – stress	0.55	0.36

Corporate Health- Health and Safety

15. The number of accidents reported to the Health and Safety Executive (HSE) under the Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR) regulations during April – June 2008 was 13. This is in comparison to 23 in the same quarter in 2007/8, but it is possible that over-reporting took place then as a result of staff training on the then new policy. However, it is also a welcome reduction from the 2006/7 total of 16.

Directorate Performance Overview

Customer First Indicators – Letters

16. The Customer First figures show that the Chief Executive directorate answered 1421 out of 1451 or 97.93% letters in the first quarter of 2008/09 within the Councils 10 days standard. This exceeds the corporate target of 95%.

Customer First Indicators – Telephone Calls

17. In Chief Executives Directorate 91.84% (or 14,211 out of 15,490) telephone calls were answered within 20 seconds in the first quarter of 2008/09. This is below the corporate target of 95% and the corporate average of 94.18%.

Customer First Indicators – Visitors seen and Stage 2 and 3 complaints

18. 749 customers visited the Chief Executive's reception area during April – June 2008, and 100% of them were seen within 10 minutes. 436 of these visitors needed to be referred to another officer, and 100% of them were also seen within 10 minutes.
19. There have been no stage 1 or stage 2 complaints in the period under review.

Corporate health – Staff sickness

20. Chief Executive's is the second best performing directorate in the Council regarding time lost to sickness absence and stress. Figures for the first quarter of the year are shown below with last year's figures for comparison:

	April – June 2007/8	April – June 2008/9
Average days lost per full time equivalent – all sickness	1.32	1.76
Average days lost per full time equivalent – stress	0.02	0.01

21. This does show a slight increase in sickness absence from the same period last year. A very small number of absent staff can significantly impact upon the averages in a small Directorate. The situation is being monitored with a view to taking corrective action if this trend continues.

Service Plan Key Actions and Projects

Human Resources

Pay and Grading

22. Following the conclusion of negotiations with the trade unions, all staff were notified of the proposed new pay structure, and how it affects them, on 23rd April 2008. The national offices of all the trade unions have now approved the proposals to go to ballot. These proposals are the best that can be achieved by negotiation. All the unions recognise this but are responding differently. GMB and Unite trade unions are recommending that the proposals are also the best that can be achieved by negotiation. Within Unison, the national and regional offices recognise that the proposals are the best that can be achieved by negotiation. Nevertheless, the local York branch is recommending rejection. As a result there will be two separate ballots, one for the GMB and Unite and another for Unison. The Unions have announced a ballot result will be available by Monday 15th September. Subject to a positive ballot result, the council will implement the new pay structure by the Autumn. CMT has been kept up to date and Members will be consulted prior to implementation.
23. A number of implementation options, depending on the outcome of the trade union ballots, are being developed for the Council to consider along with the resource and financial implications of each option. These will be further discussed at CMT shortly and reported to members in due course.
24. Regarding existing equal pay liabilities, agreement in principle has now been reached with all three trade unions and independent solicitors on settlements for the outstanding equal pay claims. This has resulted in the tribunal which was scheduled for April being cancelled. Work is now being done to calculate the compensation for each individual and should be completed by the end of September 2008.
25. The Court of Appeal has recently given two important judgements in *Allen v GMB* and in the *Bainbridge & Surtees cases*, although the latter may be appealed to the House of Lords. As a result, Stefan Cross has now submitted 254 statutory grievances claiming equal value for Cleaners against those in receipt of the bonus buy out payments. The Council and the trade unions are taking legal advice regarding the consequences of these decisions and the further legal and financial risks, the most important of which may affect the approach we have taken to bonus removal. CMT and Members will be informed of the outcome of this advice as soon as possible.

Attendance Management

26. The new occupational health contract, delivered by York Hospitals NHS Foundation Trust, commenced in May 2008. Initial responses from

directorates are positive. Representatives from the Trust have been giving presentations to various groups of managers and HR staff on the services provided under the contract and additionally available. CMT have approved the report recommending further management training on attendance management and the promotion of health and well-being initiatives and this will be delivered shortly. Further progress has been made in programming the management information reports and will be made available in the near future. In quarter 2 it is planned that exploration of well-being initiatives with the York PCT will be undertaken, further training courses and refresher courses on managing absence for managers will be delivered, the absence management information reports will be completed and go live. All of these activities will positively impact on the Council's performance in this area.

Leadership and Management Standards and leadership priority

27. Work continues to:

- a) further embed the Standards by HR reviewing current management development activities and short courses to ensure they reflect the Standards, and to commission new programmes to cover any gaps. In place by October 08.
 - b) design induction for new managers in CYC based around the skills and knowledge required to uphold the Standards, delivered with the aid of e-learning. In place by December 08.
 - c) the senior manager group being encouraged to undertake the LAMS 360 (on-line assessment against the Standards) to identify their leadership and management development needs, to be then met by a). 18-24 months to complete for all 200 managers.
 - d) ensure 100% take up of PDRs recognising their role as a key leadership tool.
28. Also, a workshop will be developed and run in the short courses programme to improve objective setting following a quality audit of objectives in PDRs.
29. The forthcoming staff survey will ask a number of questions about perceptions of leadership and management which will be tracked and reviewed against previous responses to give a picture of the current leadership climate. HR is working with Bill Hodson, Leadership Champion, to follow-up on a number of focus groups run in the last 12 months to seek perceptions of leadership by both front-line staff and managers.

Health and Safety

30. On 1st June after full consultation the Statement of Commitment was signed by the Chief Executive, Trade unions and Directors and has been issued with the Health and Safety Policy and Organisation. To underpin those documents were Arrangements and Compliance notes (guidance) for 10 sets of safety topics. On 1st September another 12 topics will have had their two rounds of consultation and will become Council Health and Safety Arrangements and Compliance notes. The joint Health and safety Committee has met twice under the new arrangements and joint working arrangements are currently being rolled out into directorates.

31. A new Health and Safety Manager has been appointed and is due to commence work on 1 October 2008.

Delphi Replacement

32. The Delphi replacement project has been initiated and a high level output specification is being developed. A full project plan is in development and will be finalised by the end of quarter 2.

Marketing and Communications

33. The Marketing and Communications Team's ongoing work includes:

- Proactively and reactively working with national, regional and local news media
- Being the council's corporate marketing service
- Producing the publications *Your City, Streets Ahead* and an *A-Z of Council Services*
- Leading corporate internal communications with the Council's staff through *News and Jobs* and *News in Depth*
- Providing high quality research and consultation to ensure customers' needs and aspiration are understood

All of this work is on target. Over and above this the M & C Team has three critical success factors (CSFs) defined in their Service Plan:

- Write and implement external communications strategy incorporating the issue of reputation and reflecting the priorities and values of the Corporate Strategy.
- Write and implement a consultation strategy, which will ensure that the needs and requirements of the Council's customers are understood through effective research and consultation.
- Write and implement an internal communications strategy to ensure that staff understand their role in the 'golden thread' and the Council is able to communicate essential information effectively to staff.

The first two of these are to be incorporated into the Council's Engagement Strategy, being led by the Chief Executive with the Head of Marketing and Communications as part of the single Improvement Plan, due to be delivered in November 2008. The last CSF, the internal communications strategy, is being delayed while work on the Council's new Intranet continues. This is because the new Intranet will become a vital internal communications tool and fundamentally change the way we communicate with staff, therefore impacting on the strategy. This work is expected for 2009.

Civic, Democratic and Legal Services

34. The Legal team have once again received Lexcel accreditation after inspection by the Law Society.
35. The annual canvass to complete the electoral roll is currently being carried out. Electors can now register online for the first time. The new edition of the electoral roll will be published in December 2008
36. Work on establishing a framework for development and training for elected members is ongoing. Much of this has been incorporated within a new single improvement plan around the Council's approach to engagement with members, now being championed by Terry Collins.
37. The Head of Civic, Democratic & Legal Services submitted a report to Council in April 2008, seeking approval for a number of constitutional changes, such as adjustments to the size of the Executive; revisions to Standing Orders; expanding the terms of reference for the Urgency Committee to including 'staffing' matters, clarifying the role of working groups; designating appropriate Champions and expanding the role of Standards Committee. Those changes were agreed by Council and have now been implemented.
38. A project reviewing the existing Scrutiny structures is underway. Three workshops were held over the summer with Members to set out some potential options for Scrutiny in York in the future and gather Members' views on those options and on current Scrutiny structures in York. The information gathered from those sessions is being worked up into a formal report for consideration by CMT initially and then by Members through the decision making process. It is intended for that report to be considered by full Council in November, with a view to Council adopting a suitable scrutiny structure for York at that meeting.

Performance Improvement and Equalities

39. The second round of consultation on the government's Comprehensive Area Assessment (CAA) has now been published. A paper on what this means for the council in terms of the transition from CPA to CAA, is being considered by CMT on the 24th September. This will also identify the high-risk areas that we need to address now to ensure we receive a good score in the first CAA inspection in 2009.

40. Other ongoing work to respond to the Act are:
- Policy proofing key elements of the Corporate Strategy to take account of national policy and the emerging empowerment and cohesion agenda
 - Working with the Economic Development Unit to respond to the sub-national review
 - Taking forward work identified from the Empowerment White Paper 'Communities in Control – real power: real people', which aims to shift power and influence to citizens and communities, making local government more accountable
41. A series of strategic planning sessions have been held with CMT to examine how well our existing corporate strategy supports improvement for the 2008 Local Area Agreement. The Audit Commission identified the need to ensure our strategic and directorate plans, as well as the budget process, support high-level priority improvement at a community and city level. CMT have agreed to map our 10 existing corporate priorities under the 7 themes of the Sustainable Community Strategy.
42. A number of strategic planning workshops are now being developed to help flesh out further, areas of priority improvement where the council will need to play a lead role. These workshops will also consider other, more up-to-date strategic information under each theme, including relevant customer/resident feedback, existing and future policy changes and any performance data that might highlight areas of good or poor performance under each theme.
43. This strategic refresh process will run alongside the planning and budget process and a revised corporate strategy will be published in January 2009
44. Executive Members approved a single Improvement Plan (SIP) in June 2008, which will act as a central programme of 12 key workstreams and projects, which support priority improvement for organisational development and effectiveness across the Council.
45. Operational and reporting arrangements are now being set up to support the SIP and a Chief Officer has now been appointed to take a lead on each of the 12 projects. Progress on SIP has also been added to the corporate performance dashboard.
46. CMT have identified the completion of a programme of EIAs (Equality Impact Assessments) across the council as a priority to support the council's 2008/09 Use of Resources Assessment, which will start collecting and collating evidence in early 2009. PIET have been working closely with directorate equality officer representatives to help complete these EIAs by December 2008 and good progress is now being made in most directorates.

Consultation

47. The report is primarily an information report for Members and therefore no consultation has been undertaken regarding the contents of the report.

Options & Analysis

48. The report is primarily an information report for Members and therefore no specific options are provided to Members regarding the contents of the report.

Corporate Priorities

49. The principal function of this report is to provide details of the directorate's financial and service performance for the 2007/08 financial year. As such it contributes to the proper financial management of the authority.

Implications

Financial

50. The report provides details of the portfolio revenue outturn and therefore implications are contained within the report.

Other Implications

51. There are no significant human resources, equalities, legal, crime and disorder, information technology or property implications within the report.

Risk Management

52. The report is primarily a look back at finance and service performance and therefore there are no significant risks in the content of the report. Paragraph 33 considers issues following on from the outturn position where overspends may recur into future years.

Recommendation

53. That the Advisory Panel advise the Executive Leader to
 - a) note the financial and performance position of the portfolio.
 - b) recommend to the Executive to release a contingency sum of £20k to fund the additional cost of Members superannuation costs.
54. Reason – In accordance with budgetary and performance monitoring procedures

Contact Details

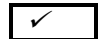
Author:

*Patrick Looker
Finance Manager
City Strategy
Tel No.551633*

Chief Officer Responsible for the report:

*Barbara Boyce
Business and Performance
Manager
City Strategy
Tel No.552104*

*Heather Rice
Director of People and Improvement*

Report Approved**Date** 28 August 2008**Specialist Implications Officers:** None**Wards Affected:** *List wards or tick box to indicate all***All****For further information please contact the authors of the report****Background Papers:**

None

Annexes:

Annex 1 Service Variations against budget

Annex 2 Corporate Performance Indicators

Annex 3 Chief Executive's Directorate Performance Indicators