

Corporate & Scrutiny Management Policy & Scrutiny Committee

25 July 2016

Report of the Executive Member for Finance & Performance

Finance

Financial management remains strong and last year there was an under-spend of over £800,000. The Executive recognise the range of future challenges and prudently set most of this aside into the Council's contingency.

We set the budget in February and we were able to invest significantly in priority areas, with a focus on frontline services. In particular the budget saw the largest investment in recent times in looked after children, recognising our responsibilities in this area. We also addressed unachieved budget savings from the previous administration.

The budget is based on a four year time frame so we can plan effectively as the council changes. Our capital programme made a number of key investments in transport and housing. Our reserves remain at reasonable levels, and our long term plans are prudent and maintain investment in key frontline services.

The Statement of Accounts was again completed on time, and in view of the requirement to complete this 1 month earlier next year, was completed earlier than any previous years.

Looking ahead challenges continue to be dealing with reduced grants and increased costs (particularly in relation to adult care/health sector). Our financial planning process is designed to deal with these challenges effectively, and as part of this we set out our 4 year efficiency plan recently to the Executive, as part of the Government's offer to fix future year settlements.

Procurement

We have increased the percentage of Council spend directly with SMEs from 53% to 56% and increased the amount the Council spends within the local economy, with £52.9m being spent with suppliers in a YO postcode (increased from £49.2m in 2014/15).

The procurement function has helped drive out approximately £2m of savings across the Council.

We have delivered £210k of staffing savings directly from within the finance and procurement teams.

We have also reviewed the Contract Procedure Rules to strengthen controls in place and encourage use of local suppliers and smaller businesses where possible.

A comprehensive training programme is being developed to embed awareness of the rules across the organisation.

Improved visibility of spend across the organisation so that 50% of spend is now sighted by the procurement team (increased from 18% in 2012/13). It is important this trend continues.

The team have held numerous “Meet the Buyer” and other supplier engagement events. This early engagement with the supply chain has delivered improved outcomes and reduced the risk of a failed procurement.

We have developed strong working relationships with both the Chamber of Commerce and the Federation of Small Business to try and encourage local suppliers and SMEs to bid for Council contracts.

Embedding procurement compliance across the organisation will continue to be developed and we will review areas where controls and checks could be strengthened, whilst recognised services need sufficient flexibility to operate effectively.

Customer Services

The 2015/16 year saw considerable improvement in Customer Service performance. This was across all channels:

Channel	2014/15	2015/16	Imp
Phone – Service Level (80% of calls in 20 seconds)	45.3%	66.5%	21%
Phone – Calls Answered	77.9%	91.06%	13%
Phone – Customer Satisfaction	89.98%	91.29%	1%
Face to Face – Customer Satisfaction	79.26%	92.34%	13%

The improvement across 15/16 saw a consistent service level target of 80% been achieved consistently by quarter 4 along with the higher customer satisfaction level.

Revenues

The Council continues to collect above both Unitary and National average collection rates for both Council Tax and NNDR the outturn figures for 2015/16 were:

CT: 97.5% (14/15 97.5%)

NNDR: 98.4% (14/15 98.2%)

In addition the Housing Benefit team were finalists in the Innovation category for the Municipal Journal Awards for their Customer Insight work which has now been adopted by the DWP and shared with other LA's, although they did not win they were Highly Commended.

Overall 2015/16 has seen substantial improvement in customer services including an increase in the number of compliments the service is now receiving. Revenues continues to be a high performing collection service for all local tax and Housing Benefits now outperforms all other local Unitary LA's other than East Riding .

2016/17

The improvement in Customer Services performance has carried forward into 2016/17:

Service level at end of Quarter 1: 76%

Calls Answered: 95%

Customer satisfaction: 92%

Revenue performance remains in line with last year for both NNDR and Council Tax with CTS collection been a little above last year at this point possibly reflecting the reduction passed on at budget.

The key challenges this year include delivering the new CRM, My Account and Digital Platforms for York residents. This will fundamentally change the way that residents do business with the council in the future.

There is also consultation work been undertaken with DCLG with regard to how business rates may work once they are 100% localised. This also includes involves colleagues in both Accountancy and Policy. This also includes ongoing consultation with both VOA and Business on revising the problematic appeals process.

Assets and projects

York Central

Significant progress on York Central to form a partnership: secure £5.135m external funding for early development of the scheme, initiate site surveys, acquire third party land, undertake successful public consultation and stakeholder engagement, procure advisors, secure Housing Zone Status and Enterprise Zone status to secure delivery of the regeneration of this essential Brownfield site.

Guildhall

Completed RIBA stage 3 designs and business case to conserve and redevelop the Guildhall as a Business Club and serviced office scheme supported by commercial restaurant and a cafe. The designs will now be finalised in preparation for a planning application and the procurement of both a construction contractor and an operating partner, also we will be seeking a commercial leaseholder for the restaurant space

Southern Gateway

Demolition of the 17-21 Piccadilly in preparation for a joint venture redevelopment. Delivery options for the broader area are being evaluated and we are continuing negotiations with adjoining land owners. There will be a report to Executive in the Autumn setting out a direction of travel. In the meantime there will be 2 papers coming - one on options for the sale of the freehold or the extension to the leasehold for Stonebow House to enable redevelopment and one on options for our land around Clifford's Tower to support the creation of a Visitors Centre by English Heritage Trust.

We continue to work on the development of and to support the Older people's accommodation project as properties are released from operational use with Grove House currently going on the market and procurement of a partner for the redevelopment of Oakhaven. We are also supporting the development of plans for Lowfields.

We are working with Children's Services and Communities teams to explore ways in which the assets in residential areas might be better exploited to provide sustainable integrated services which may result in sites being released for residential development. The Academisation of schools also creates significant work for property in establishing the long term leases for school land and property.

We gained £350k in the One Public Estate programme to support work in asset management and as part of a LCR LEP Consortium (bid submitted under the WYCA banner) we secured further funding to develop work on estate rationalisation and a further bid is to be submitted focusing on Health and social care integration.

We have in-sourced the operation of the Eco Centre, a managed office space at Clifton Moor, turning it from a significant loss maker to an almost break even position. West Offices continues to be a highly successful office venue to attract partners and generates of £650k a year income for CYC.

The Commercial portfolio generates £2.3m and there are further targets within the budget to increase this. Proposals are being developed to explore the establishment of a commercial property trading company to increase income we make from our surplus and commercial property.

Business Intelligence Hub/Performance

The BIH has significantly increased the variety of information available to the organisation through the 'KPI machine' and has rolled this desktop out to the social care and housing services as the gateway to access reporting.

- The BIH has, alongside IT and the service area, been responsible for the introduction of the new children's social care system, Mosaic. The BIH took responsibility for the migration of over 25 years worth of data from a variety of systems in to a single place,
- The BIH has undergone a further restructure which has led to a reduce staffing budget of over 200k. The BIH's role in system design and architecture has allowed efficiencies to be found in system connectivity and processes. This combined with a slightly different staffing profile of the department where technical skills have been increased could lead to further efficiencies in 19/20
- The BIH is involved in a number of major system replacements and introductions with examples being the "upgraded" Adults system and the CRM in the autumn of 2016. These will create much improved working practices and opportunities to make data available but create short-term issues in replacement reporting and connectivity.
- The BIH will need to support systems and data needs of a number of new CYC initiatives from the "Healthy Child" initiative through to the way that CYC provides locality based services.

Human Resources

Pay

- Continued support of the Living Wage as an accredited Living Wage Employer.
- Incorporated the national pay settlement into our local pay grades.
- Following a change in employment legislation we negotiated a local collective agreement which set out how we would deal with any backdated employee claims for payment for holiday when additional hours or overtime is worked.

Workforce Strategy

- In April 2015 we took to Corporate Management and Scrutiny Committee the outturn report for the 2012-15 Workforce Strategy setting out achievements over this period.
- The People Plan (the next version of this strategy) is going to Executive this month for sign off. Work is now starting on the detailed action plans to deliver the priorities in the plan.

Trade Unions

We implemented the changes to Trade Union facility time, funding and office accommodation which were agreed at Council in July 2015 which will see a saving to the council of £76k per year

ICT

The ICT service continues to deliver services across the whole Council and has lead on the development of a new Health and Safety system, and the implementation of a new Children's system. It is working with the Customer service team on the CRM system which will significantly change how the Council interacts with customers.

During the year the service has started to provide management support to Harrogate Council in running their ICT service, and this may develop further into provision of specific dedicated projects.

The service has continue to develop superfast broadband across the city, working with the private sector and supporting businesses in the city.