
***Executive Member for Corporate Services
and Advisory Panel***

13th June 2006

Report of the Director of Resources

2005/6 OUTTURN REPORT – FINANCE & PERFORMANCE

1. Summary

This report presents the service and financial performance of Resources directorate, at outturn 2005/6. The report includes:-

- Executive Summary & Director's overview... Section 3
- Budget and Performance in detail.....Section 4 (4.1 to 4.6)
- Capital Programme.....Section 4.7
- Progress on new office accommodation.....Section 4.8
- Progress on [Easy@york](#)Section 4.9
- Staff Survey results and actions.....Section 4.10
- Improving Governance.....Section 4.11
- Annexes as listed after Section 11

In section 11, Members are requested to note the outturn financial position, and the outturn performances and achievements; to approve carry forward bids included in Annex 2, and the capital slippage outlined in Section 4.7.

2. Background

This report combines financial and service performance information, which is a key improvement emerging from the Transforming York project.

The Resources Directorate has a number of performance Indicators, some of which are reported during the year, and others at outturn only. All Resources' indicators, both Best Value Performance Indicators (BVPs) and Local Indicators, plus Customer First and staffing statistics, appear in this report. The next report will be the first monitoring report for 2006/7, due in September 2006.

3. Executive Summary

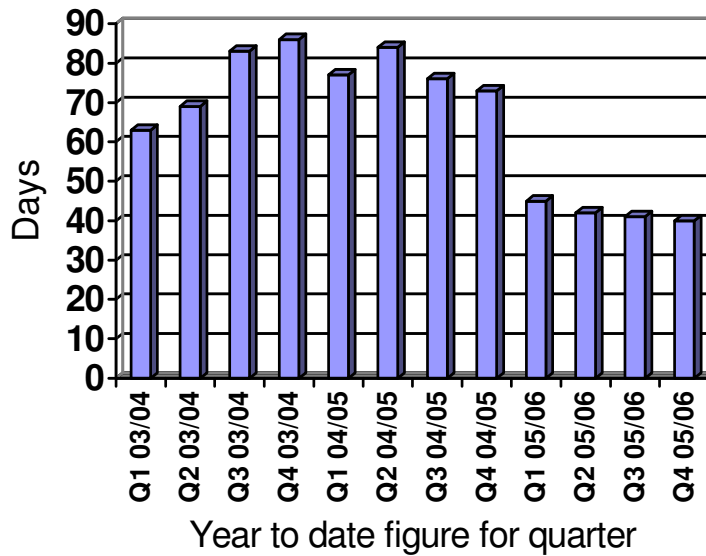
3.1. Director's Overview

- 3.1.1. 2005/6 was a particularly successful year for Resources both in terms of the Directorate's achievements against its own Performance Indicators (PIs) and financial targets, and in terms of its contribution to major corporate projects. Within the Directorate considerable achievements were made in improving key PIs, such as significantly reducing staff sickness, significantly improving disabled access to Council buildings, improving staff satisfaction, and good Customer First statistics. In addition there were significant improvements in processing Benefits claims, and Council Tax arrears were reduced for the first time in many years. Both Council Tax and Business Rate collection improved, although in year collection is still below target and further efforts will be needed to improve these PIs further.
- 3.1.2. With regard to corporate projects, the [Easy@york](#) project has taken off from what was almost a standing start in early 2005 and has achieved considerable improvements in web content and usage and in electronic access, with the Council achieving 100% in its IEG statement at the end of 2005/6. The office accommodation review has been funded and approved, and should make significant savings for the Council in the years from 2011 onwards. The project has been well publicised and has gained substantial support from staff and other bodies. The process of acquiring land, relocating services and selling existing properties is already well underway.
- 3.1.3 As Director, I am actively involved on the project boards of [Easy@york](#) and office accommodation. I am also active on the Internal Waste Board that is directing the Council's drive to increase recycling and reduce landfill, both for environmental and financial reasons. I also chair the Council's Pay and Grading board which is tasked with modelling and introducing a job evaluation process for the Council by the end of 2006/7 and with settling the Council's equal pay liabilities. Whilst progress on job evaluation has been slow due to the complexity and wide ranging nature of the issue, the Council should be in a position to open negotiations with the unions and make a settlement offer on equal pay early in the summer.
- 3.1.4. The Resources Directorate has also made a substantial contribution to the Council's Comprehensive Performance Assessment (CPA) score, not only through its own performance as a directorate, but also by doing considerable work which resulted in a score of 3 for the Use of Resources CPA element; establishing a Corporate Governance group which has progressed many issues that have been raised by the Audit Commission, producing the new Statement of Internal control, providing substantial support to the production of the new constitution; and running a difficult but successful budget process, as part of which the Resources directorate has identified around £1m savings for the Council. Resources officers also made a significant contribution to the new constitution including setting up the Audit and Governance Committee and producing new financial and procurement regulations and guidelines.

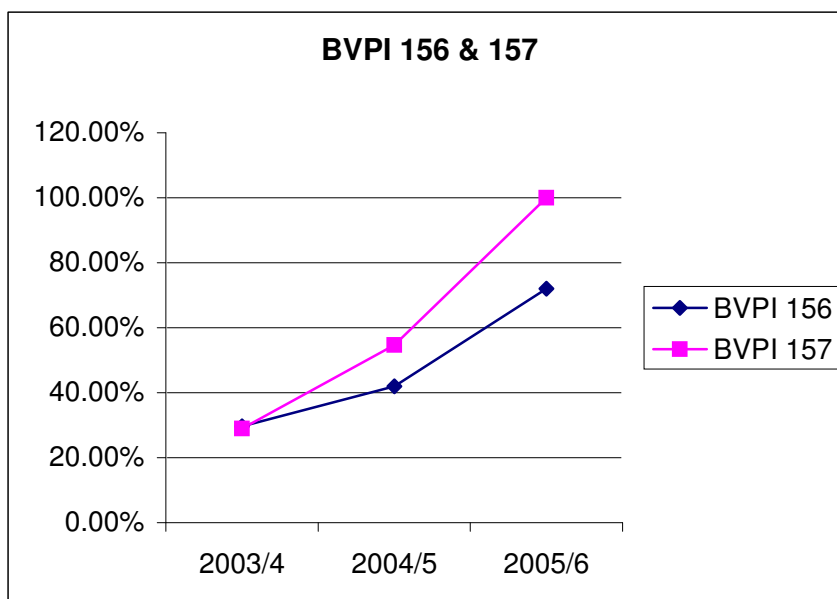
3.2 Performance

- Most of the directorate's national performance indicators achieved outturn performances better than last year's (a direct numerical comparison is not possible because one indicator has been revised into 3 parts).
- BVPI 78a (Speed of processing Housing & Council tax Benefit Claims) has reduced from 85.93 days at 2003/4 outturn to 40.22 days at 2005/6 outturn (see chart below).

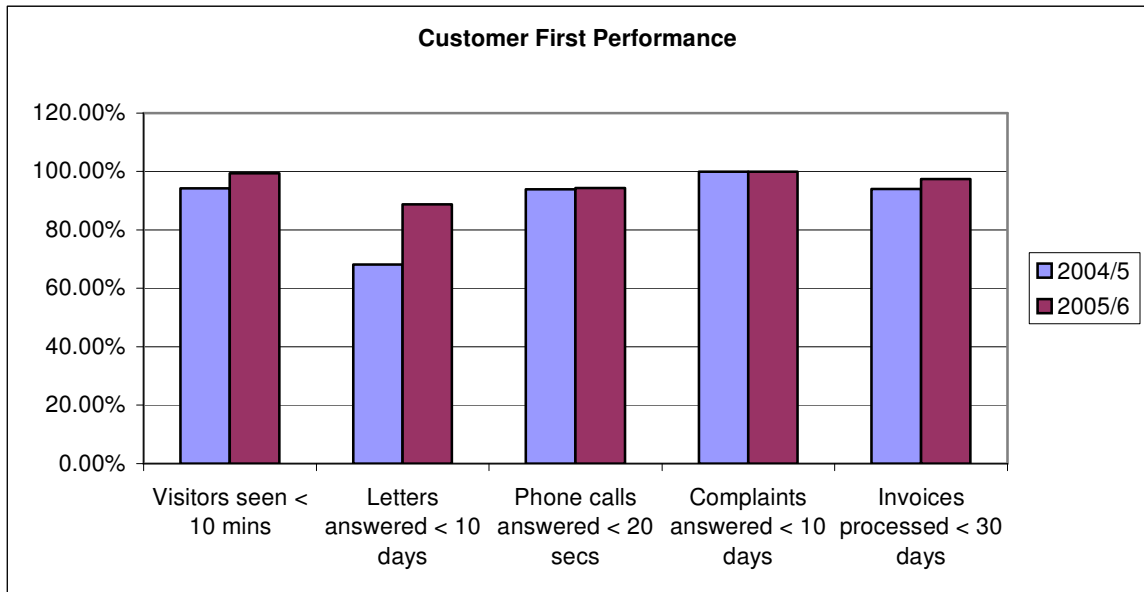
Average days to process new benefit claims



- BVPI 157 (Interactions enabled for electronic delivery)achieved 100% during the year.
- BVPI 156 (Disabled Access) achieved 72% at outturn, a top quartile performance despite the difficulties associated with some of York's buildings. (see below).



- I.T. systems availability has now reached 99.92%
- All Customer First figures are better than 2004/5.
- 99.4% of visitors were seen within 10 minutes, compared to 94.29% last year.
- 88.77% of letters were answered within 10 days, compared to 68.16% last year.
- 94.32% of telephone calls were answered within 20 seconds, compared to 93.91% last year.
- 97.4% of the directorate's own invoices were processed within 30 days, compared to 94% last year.



3.3 **Resources (Budget)**

The table below summarises the outturn position for Resources. This shows that Resources have underspent the directorate revenue budget by £994k during 2005/06. This represents a 1.7% variance on the expenditure budget of £56.9m.

	Expenditure Budget	Income Budget	Net Budget	Outturn	Underspend	%
	£000	£000	£000	£000	£000	
Director	337	59	278	353	75	22.3
Public Services	35,446	33,001	2,445	2,560	115	0.3
Business Mgt	721	700	21	-21	-42	-5.8
Financial Services	2,324	2,176	148	-28	-176	-7.6
Audit & Risk Mgt	3,471	3,536	-65	-65	0	0.0
IT&T	7,104	6,385	719	-208	-927	-13.0
Property Services	7,507	7,432	75	36	-39	-0.5
Resource	56,910	53,289	3,621	2,627	-994	-1.7

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The key variances are:

- A £177k under achievement of the procurement savings target set by Members. A programme of work is being undertaken to manage this savings target in 2006/07.
- A £207k over-achievement of rental income in the Commercial Property Portfolio. This includes a one-off backdated rent increase of £99k relating to the Borthwick Institute.
- The delay in the implementation of the Financial Management System (FMS) Replacement project has resulted in a total underspend of £232k: £88k in Financial Services and £144k in ITT. This underspend is the subject of a carry forward bid (see Annex 2).
- A £291k underspend arising from the revised programme timetable for the [Easy@York](#) project. This is the subject of a carry forward bid.
- A £193k underspend on the ISIS Replacement project. This is the subject of a carry forward bid.
- Some development projects in Information Technology & Telecommunications (ITT) have been completed at less cost than originally anticipated. The total underspend amounts to £105k.
- Some development projects in ITT have been delayed and will not be completed until 2006/07. The resulting underspend amounts to £108k.
- An increase in housing and council tax benefit overpayments made in 2005/06, together with increased recovery work, has led to a £234k overachievement of overpayments recovery income. However, overpayments are a loss area for benefits subsidy purposes, and the estimated final housing and council tax benefit subsidy claim is showing an overspend of £158k.

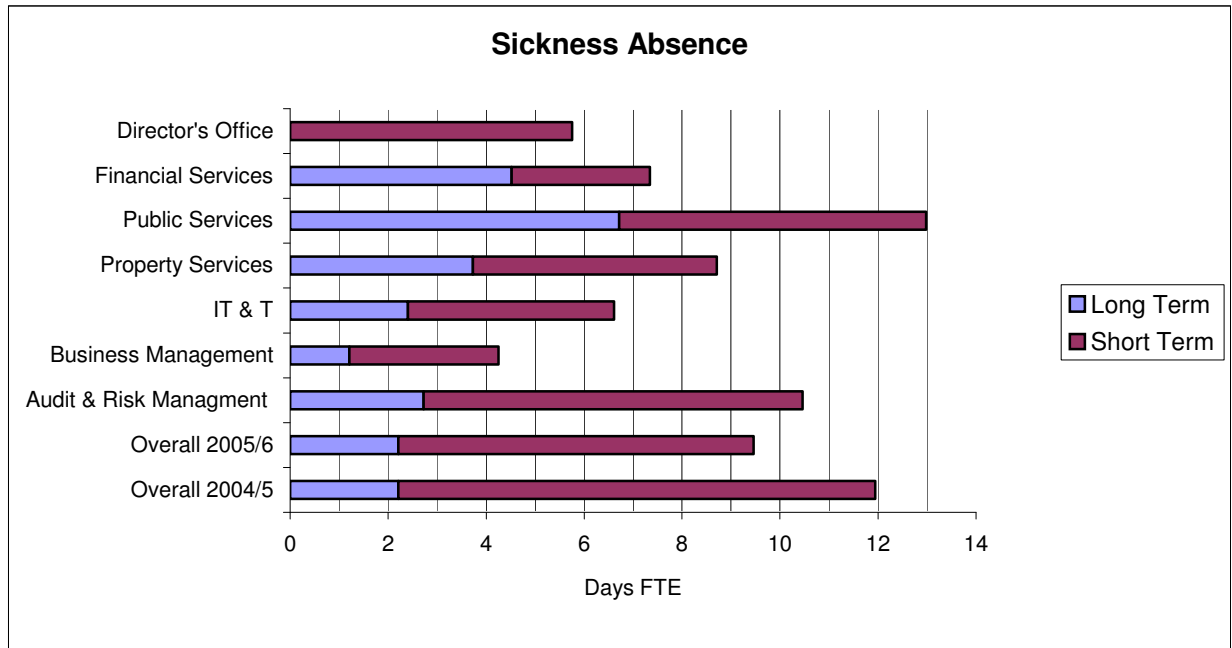
A detailed list of significant variances on Resources budgets is shown in Annex 1.

A list of carry forward requests totalling £721k is included in Annex 2 for Members' approval.

There has been a high degree of slippage on the Resources capital budget, due to the delay in completion of the Disability Discrimination Act and Repairs backlog and Asbestos Removal schemes. This amounts to £901k and further details are contained in Section 4.7.

3.4 Staffing

- Sickness levels have dropped significantly, and are now substantially better than the Council's corporate target. In 2004/5, the number of days lost per Full Time Equivalent (FTE) employee was 11.94 days, just above the corporate target of 11.5 days. The outturn figure for 2005/6 has dropped to 9.46 days (4.15%), significantly better than target.



- The number of staff receiving an annual appraisal has improved from 49% at 2004/5 outturn to 67% at 2005/6 outturn.
- The directorate had 11.5 staff vacancies, as at 2005/6 outturn.
- The latest staff survey shows the Resources Directorate is now joint 2nd when compared to other directorates, regarding staff satisfaction with present jobs. In the previous survey, the directorate scored the lowest.

3.5 Key Achievements from Service Plans

- The Benefits Service has been assessed by the Audit Commission as providing a "Good" service. (CPA score of 3); a substantial improvement from a "Poor" service (CPA score 1) at the previous inspection.
- Council Tax overall debt position has improved by nearly £600k, reducing to £5.8 million.
- All IT system upgrades successfully managed, and all running with latest releases, including SX3.

- CPA - Use of Resources and Value for Money elements both assessed as “Good” (level 3).
- Gershon efficiency savings expected to exceed national target for 2005/6.
- Work within the service has assisted the council in obtaining approximately £750k of external grants. The introduction of the grant finder service will assist with this for future years.
- All major Administrative Accommodation sites have been successfully migrated to a new telephony system called Voice over Internet Protocol (VOIP). This has been a major change for the council and has been implemented with little disruption to customers. The benefits of this powerful and flexible technology will be realised during the [easy@york](#) rollout and the forthcoming Administrative Accommodation project. An example currently being trailed is I P telephony being extended to homeworkers. This allows telephone calls to be made to and from home effectively at no charge as the home telephone is an extension of the CYC telephone network.
- A recent audit of IT Physical Security and Environmental Controls undertaken by Internal Audit has found that ITT has systems and controls in place of a high standard with few or no weaknesses. In collaboration with North Yorkshire County Council (NYCC) an ITT Consumables contract has been let which will reduce costs. ITT are exploring possible further benefits of this collaborative approach to procurement including an e-auction for cabling services.
- Reviewed and updated the Corporate Asset Management Plan to comply with the revised guidance and good practice issued to local authorities. The new plan will be presented to Executive in July 2006.
- The development of the business case to provide new administrative accommodation on the Hungate site which was presented and approved at the Executive meeting in November 2005. An early progression of a number of areas of work identified on the critical path for the successful delivery of the project. Following a request by City Strategy in September 2005 Property Services have managed the council’s interest in the £8million strategically important and technically advanced Depot for Commercial Services.
- Over £400k of savings on Insurance were achieved by the Risk and Insurance service during the year. Of this £280k was achieved through the re-tender of the Insurance contract and a further £140k realised as savings arising from improved risk management and proactive work to manage down claim incidences.
- Successful implementation of new software systems for the Audit & Fraud teams and the Risk Management and Insurance team.

- The Corporate Procurement Team have achieved total cumulative savings to date of £743k on behalf of the Council as a whole (although only part of this can be counted against the Corporate Procurement Savings budget in accordance with the savings protocol agreed by CMT in 2003).

3.6 Summary of areas where further work is needed

Although much very good progress is being made, as outlined above, there remain some areas where further development and improvement is needed, and these will be targeted in the coming year. In summary, these are:-

- BVPI 78b (speed of processing changes of circumstances in Housing & Council Tax Benefit claims) – performance fell from 18.87 days in 2004/5 to 27.93 days in 2005/6. There are some acknowledged difficulties with the recording of this indicator, as explained in further detail in para 4.1.
- Performance on appraisals has improved, as mentioned above, but needs further work.
- Performance on letter answering has improved as mentioned above, but still needs further work.
- BVPI 9 (Council tax collection). Performance improved from 95.1% last year to 96.1% for 2005/6, but was below the target of 97.7%, and below the unitary top quartile of 97.3%.
- BVPI 10 (Non-domestic rate collection- NNDR). Performance improved from 96.74% last year to 96.87% for 2005/6. This was below the target of 97.9%, and below the unitary top quartile of 99.06%.
- NNDR Overall debt position worsened by £690,000 to £4.29 million.
- Due to recruitment difficulties there has been significant slippage on the Financial Management System replacement project. However the appointment of the Project Manager in January 2006 (and support posts from May and June 2006) has started to address this. Work is now on-going to define the council's requirements for the new system prior to commencing formal procurement later this year.
- A number of approved development schemes have been delayed during the year. This is due to a variety of reasons including, complexity of requirement, requests from the business and reprioritisation due to development staff resources being necessarily redirected into the [easy@york](#) project.
- Work is currently in hand to develop a corporate procurement strategy, e-procurement strategy (CPS) and associated policy framework following various staffing discontinuities and delays encountered to date. This will include the Council's policy and approach to be taken in respect of

competition and other work in this area will also include the development of a Strategic Procurement Plan for the Council: setting out which major procurements will be undertaken over the next five years, commissioning requirements and related change management/service transformation issues for project management purposes. It is anticipated that the CPS will be ready for Council approval by autumn 2006.

- Both capital expenditure and the generation of capital receipts have significantly missed their targets, and considerable further work is needed to ensure that targets are hit in 2006/7, and that better monitoring controls are put in place.

4. Budget and Performance in detail:-

4.1 Public Services

- 4.1.2. The Public Services division as a whole is showing an overspend of £115k, which equates to 0.3% of the gross expenditure budget. The main reasons for this are £158k overspend on the estimated final Housing & Council Tax Benefit subsidy claim due to overpayments being above budget, a £234k overachievement of the overpayments recovery income target, and £111k of costs due to early repayment of the Benefits Take Up Venture Fund loan. Full details are shown in Annex 1.
- 4.1.3. In addition to the above the Registrars service has overspent by £28k. There have been a number of new ceremonies introduced in the last few years which generate increased income for the Registrar ; however, this increase in income and the additional payments made to staff to carry out the ceremonies, have not fully matched the budgets set.
- 4.1.4. Processing new claims for Housing and Council Tax Benefit has shown further and very substantial improvement. The 2004/5 outturn performance was 73.23 days compared to 86 days for 2003/4. The outturn figure for 2005/6 has improved still further to 40.22 days. For 7 months of the year, performance has been better than 40 days. The 36 days achieved in October was the first time that this indicator had reached the national standard and corporate target for at least five years and represents a considerable achievement. The average for unitary authorities is 46.6 days. Performance on processing changes in circumstances in respect of Housing and Council Tax Benefit was just above target at 18.87 days in 2004/5, an improvement on the 22 days for 2003/4. Performance on this target has currently slipped back to 27.93 days compared to the current national target of 12 days. It has been acknowledged that legislation is making it very difficult for Local Authorities to achieve this target. The Department for Work and Pensions is aware of this and is currently reviewing the impact these changes have had on all Local Authorities. It may be that the target will change. Annex 4 shows all the figures in detail. BVPI 79 has been revised into 3 new parts for this year, and so it is not possible to comment on progress or targets.

4.1.5. In Local Taxation collection, regular recovery action has been taken through the year. At outturn, 96.1% of the Council tax due had been collected, compared to the target of 97.7%. This performance is better than the average for unitary authorities (95.84%), but still below upper quartile. At outturn 96.87% of National Non-Domestic Rates due had been collected, compared to the target of 97.9%. This falls into the lower quartile figure for unitary authorities (97.5%). Nevertheless, both figures are an improvement on previous years, and are very close to targets.

Council Tax arrears are as follows:

Balance b/f 01.04.05	.....	£6.4m
Less: Income received	£1.4m	
Debit adjustments	£1.15m	
Write – offs	£0.65m	
Less net costs adjustment	£0.07m	
Balance c/fwd 31.03.06	.....	£3.13m
Arrears arising in 05/06 as below	.....	£2.59m
Total Arrears at 31/3/06.....		£5.82m

The overall reduction in prior year arrears was 51.6%.

The total debt position as at 31st March 2006 is calculated by adding prior year's arrears (£3.13m) plus the amount of uncollected tax for 2005/06, i.e.,

Net Debit	£66.22m
Less: Income Received(96.1%)	£63.61m
Write-offs	£0.06m
Plus net costs adjustment	£0.14m
Arrears for 2005/06	£2.69m

Compared to the balance of arrears brought forward (£6.4m), the overall arrears have reduced by £0.58m, better than predicted in the previous performance report.

National Non-Domestic Rates arrears are as follows:

Balance b/f 01.04.05	.....	£3.6m
Less: Income received *	-£3.35m	
Debit adjustments	£4.64m	
Write – offs	£0.21	
Balance c/fwd 31.03.06	.....	£2.10m
Arrears arising in 05/06 as below.....		£2.19m
Total arrears at 31/3/03.....		£4.29m

* Income is net of refunds and is shown as a negative value due retrospective rateable value reductions giving rise to refunds

The overall reduction in arrears was 41.6%. The analysis of arrears is as follows:

Net Debit	£69.9m
Less: Income Received(96.87%)	£67.7m
Write-offs	£0.07m
Plus net costs adjustment	£0.06m
Arrears for 2005/06	£2.19m

- 4.1.6. Public Services Customer First figures at Annex 5 show that overall over 85% of letters were answered within the 10 days Council standard, another substantial improvement on the 2004/5 outturn figure of 67.8%. In 6 months of the year, performance was over 90%. The new management and control arrangements within the Local Taxation section are clearly having the intended effect, and have achieved the improvement anticipated in the previous report.
- 4.1.7. Over the whole year, 10 stage 2 and 2 stage 3 complaints were received, and 100% were answered within the 10 day standard. Over the whole year, over 99% of visitors were seen within 10 minutes, consolidating the improvement achieved in the previous reporting period. At the end of this monitor period the Public Services division has 2 FTE vacancies within their establishment.

4.2 Business Management

- 4.2.1. Performance for the Business Management division is being reported for the final time as the division has now been disbanded. In 2005/06 Business Management underspent by £42k, which equates to 5.8% of the gross expenditure budget. This is mainly due to the post of Assistant Director Business Management in the Resources Directorate being vacant for a large part of the year.
- 4.2.2. Most of the work of Business Management is project based and the performance against individual teamwork plans is reported in Annex 6. However, the following performance statistics are available for customer and staff targets, and full details are shown in Annex 5.
- 100% of letters are answered within the 10-day target and there were no customer complaints.
 - Over 99% of telephone calls were answered within 20 seconds.
 - Similarly, over 98% of invoices to this division were paid within 30 days.
 - All staff in the division received an appraisal in the year.
 - 98.5% of the division's invoices were processed within 30 days.
 - The division had the lowest sickness absence in the Resources directorate of just 4.25 FTE days for the year, compared to the corporate target of 11.5 days, and the Resources average of 9.46 days.

At the end of this monitor period the Business Management division have no vacancies within their establishment.

4.3 Financial Services

- 4.3.1. Financial Services are showing an underspend of £176k for 2005/06, which equates to 7.6% of the gross expenditure budget. This is due to staffing

vacancies in the Payroll and Corporate Accountancy teams and to delays in the FMS replacement project (which is the subject of a carry forward bid). Further details appear in Annex 1.

- 4.3.2. The Creditors team monitor and report for the whole Council on performance against the invoice processing target of 30 days (BVPI 8). At the end of the year, an outturn performance of 93.08% had been achieved compared to the upper quartile figure for unitary authorities of 92.2%. The team is working closely with other directorates to help improve our overall performance. Further details appear in Annex 4.
- 4.3.3. Key performance monitoring for the division is based on Service Plans. The following points show performance against Customer First and staff targets, and full details appear in Annex 5.
- All letters were answered within the 10 day standard. There were no stage 2 or stage 3 complaints
 - Approximately 92% of telephone calls were answered within 20 seconds, which is a little below the 96% achieved in the first reporting period.

At the end of this monitor period the Financial Services division have 5.5 FTE vacancies within their establishment.

4.4 Audit & Risk Management

- 4.4.1 The Audit & Risk Management division has come in on budget for 2005/06. Behind this there are some large variations, such as £177k underachievement of the procurement savings target, and £140k one off saving on insurance premiums in year. The variances are shown in detail in Annex 1.
- 4.4.2. Performance during the past year was very encouraging. All the BVPIs relating to the Audit and Risk management division are monitored annually. All are better than performance last year.
- 4.4.3. BVPI76b (Number of investigators per 1000 caseload). Ratio improvement of 16% from 0.44 in 04/05 to 0.51 on actual outturn in 05/06 (and 50% better than the original target set for 05/06). This reflects the additional investment made by Members in 2 additional Investigators during 05/06, slightly offset by a growth in referrals and hence subsequent investigations over the same period.
- 4.4.4 BVPI76c (Number of Investigations completed in year). Ratio improvement of -28% from 60.37 in 04/05 to 43.3 on actual outturn in 05/06. This reflects the improvements made in assessing initial referrals prior to investigation as recommended by the Benefit Fraud Inspectorate. Improvement in this area has enabled the team to focus on priority investigations. This initiative, taken in conjunction with the increase in Investigators has led to a significant improvement in average live caseloads per Investigator of 36% from 70 cases

in 04/05 to 45 cases in 05/06. This has moved us significantly closer to the standard of 30 recommended by the BFI.

4.4.5. BVPI76d (Number of sanctions/prosecutions per 1000 caseload). Ratio improvement of 160% from 2.13 in 04/05 to 5.53 on actual outturn in 05/06 (and 44% better than the original target set for 05/06). This is a significant achievement and reflects both the additional investment made by Members in the service during 05/06 and the improvements made in screening referrals prior to full investigation. This improvement in performance is also reflected in the significant over-achievement of £98k on the fraud income budget for sanctions/prosecution work during 05/06. Of this £38k was used to fund the additional Investigator costs as approved by members leaving a net gain of £60k to the Council over and above the base budget of £58k in 05/06. Full details appear in Annex 2. Progress against the Service Plan is shown in Annex 6.

The Customer First statistics for the full year are as follows, with full details in Annex 5:

- All letters were answered within the 10 day standard
- All visitors were seen within 10 minutes.
- Eight stage 2 complaints were received, and all were answered within the 10 day standard.
- 93.42% of invoices were processed within 30 days.
- Telephone answering within the 20 second standard was 99%.

The Audit & Risk Management division had 1 vacancy within their establishment at year end.

4.5 Information Technology & Telecommunications

4.5.1. ITT are currently showing an underspend of £927k for 2005/06, which equates to 13.0% of the gross expenditure budget. A large portion of this is due to project slippage on the FMS Replacement project (£144k), Easy @ York (£291k) and the ISIS Replacement project (£193k), all of which are the subject of carry forward bids. Full details appear in Annexes 1 & 2.

4.5.2. ITT maintains a variety of internal statistics but does not have any Best Value Performance Indicators. A key local indicator is the availability of Council IT systems, which achieved 99.8% at 2004/5 outturn, and improved still further to 99.92 for 2005/6, exceeding the target again. Telephone answering performance for the period was 96.39% of calls answered within 20 seconds, almost identical to the previous figure, and better than target.

4.5.3. The indicator BVPI 157 (interactions enabled for electronic delivery) has been changed from annual to in-year monitoring. As at 30th November, over 80% of interactions had been enabled for electronic delivery, and this figure reached the target of 100% in December. This compares extremely well with the 54% achieved at 2004/5 outturn.

The Information Technology & Telecommunications division have no vacancies within their establishment.

4.6 Property Services

4.6.1. Property Services had an underspend of £39k in 2005/06, which equates to 0.5% of the gross expenditure budget. The key variances are a projected overspend of £75k on office accommodation, £60k of costs relating to the transfer and disposal of assets which cannot be recovered against capital receipts, and £48k relating to recruitment advertising and office moves following the Property restructure. This is offset by a £207k overachievement of rental income in the Commercial Property portfolio. Full details appear in Annex 1.

4.6.2. In addition to this there has also been a large underspend (£901k) on the Property Capital Programme. £754k of this is accounted for by two schemes - the Repairs Backlog programme and the Access Audits (Disability Discrimination Act) programme, which can be summarised as follows:

	Budget	Spend in year	Underspend
	£000	£000	£000
Repairs Backlog	613	103	510
DDA Access Works	408	164	244

Full details of the capital programme are provided in Annex 3.

4.6.3 In 2004/5 the Council had achieved 42% accessibility to its public buildings (defined as those to which public has free access to services) – BVPI 156. Members agreed a programme of work for 2005/6 that would, when complete, achieve a target of 75%. At 31st March 2006 performance had risen to 72%.

4.6.4. Programming and implementing the varied and generally small-scale projects has been very challenging for the service. A substantial amount of the work has been completed in the final quarter of the year following extensive consultations with end users at each property. The council's relatively low investment in maintaining its buildings has resulted in the percentage of buildings needing urgent repairs (COLIs 67) increasing slightly from 10.8% in 2004/5 to 13.3% at 31st March 2006. This trend is likely to continue. However, the value of the council's outstanding urgent and essential repairs to buildings has been reduced by approximately £1 million to £14,975,108. This is the result of good asset management planning and the completion of the replacement of Hob Moor, St Oswald's Schools and Danesgate.

4.6.5 Telephone answering statistics show a similar performance to the previous quarter, with 92% of calls answered within the 20 second standard, just short of the target of 95%. The Property Services division has 3 FTE vacancies within their establishment.

4.7 Capital Programme

4.7.1 The Resources capital programme was originally comprised of £610k of schemes rescheduled from previous years into 2005/06, together with £700k

of new schemes. In addition to this the programme was subsequently increased by £500k in relation to IT equipment to be funded by prudential borrowing and £250k for the Administrative Accommodation review. £184k of budget has been slipped into 2006/07 as part of the budget monitoring process.

4.7.2. Resources has a total underspend on capital schemes of £773k (see Annex 3 for details). The two main elements are:

- a £901k underspend on the Property Services capital programme partly due restricting expenditure in order to address the underachievement of capital receipts in 2005/06, as some works have been moved into 2006/07 in order to release the pressure on funding the capital programme. In order to ensure that the Property schemes can be completed it is necessary to slip the full £901k into 2006/07.
- An overspend of £115k against the capital budget of £500k for the purchase of IT equipment. This budget was added to the capital programme in September 2005 and was an estimate. The actual spend on IT equipment has been £615k. The cost is being funded by prudential borrowing and the additional revenue costs of borrowing the extra £115k are being financed by a corresponding underspend on IT lease budgets.

4.7.3. In addition to the figures shown in Annex 3 there has also been capital spend as part of the [Easy@York](#) programme in 2005/06. No budget was initially included in the capital programme for [easy@york](#), but it was agreed at the Executive that there would be spend in year and that this would be funded firstly by government grant and LPSA1 reward grant, and then by prudential borrowing. In the event the total spend in 2005/06 was £1,006k, which has been fully funded by Egovernment grants (£600k) and LPSA1 reward money (£460k) received in 2004/05 and 2005/06. Therefore, it has not been necessary to prudentially borrow this year and there remain £54k of grants and reward money to be used to fund capital spend on [Easy@York](#) in 2006/07.

4.8 Progress on new Office Accommodation

4.8.1. The 2004 review of the council's administrative accommodation recommended a rationalisation of the current portfolio to provide modern customer focussed and sustainable office accommodation. This would support the future business needs of the council and enhances the effectiveness of staff and the services they provide. In November 2005 a business case in relation to the above was developed and presented to the Executive, where approval was given for a £27.6 million scheme to build new replacement offices on the Hungate site.

4.8.2 Work has now progressed to lay firm foundations for the successful project management of the entire scheme based upon the principles of the PRINCE 2 project management methodology. This includes the refinement of the business case and risk register, the development of a detailed staged project delivery plan together with a financial model and resource allocation plan. It

also includes the implementation of clear governance arrangements and setting up project controls and administrative procedures. The overall outcomes of this work will be presented to the project board in June 2006 to enable them to formally initiate the project .

4.8.3. Work included in stage 1 of the plan and which is on the critical path for the successful delivery of the project has also been progressed. It includes the successful acquisition of the Ambulance Station site at Hungate, the identification of options for the relocation of the Peasholme Hostel, the early sale and leaseback of St Leonards Place and 2/4 Museum Street, the development of a methodology to complete a needs based assessment to inform the user brief for the new accommodation and negotiations to extend current leases at 10/12 George Hudson Street and Swinegate Court East and West.

4.9 **Progress on Easy@york**

4.9.1 The [easy@york](#) Programme has met the BVPI 157 target (100% e-enablement of services), one of only 169 authorities nationally to achieve this. This is a significant achievement given the Council's starting position in August 2005 when we were only 54% enabled. In addition, a number of e-enabled customer facing and web based projects have already been delivered :-

Projects Already live		
	Go live	Take up so far
Benefits calculator	November 2005	7,575 customers have used it to date. Prediction for year 22,725
On-line links to road work information	June 2005	700 web views per day for the combined car parks and road works site which would lead to an annual usage of 255,000 web views per year
Car Park availability on line	June 2005	
e-payments	December 2005	233 payments Jan - March when there was little publicity undertaken. Council Tax Bills now contain the web address for the site and take up has increased to give an estimated level of 3,000 pa.
Smart card for rent payments	July 2005	45,000 payments made to end March – annual figure estimated to be 60,000
Car parking payment using mobile phones	November 2005	7,200 payments in first four months annual figure estimated to be 22,000
On line forms to appeal against Parking fines	December 2005	21 Web hits received so far
Online Planning Applications	December 2005	30 Applications received so far Annual estimate of uptake at this level of usage - 120
UK Planning – view current York planning applications online	December 2005	January to end March cases searched 23,147 documents viewed: 17,213 Annual estimate 144,000 cases searched
online forms	December 2005	20 online forms available
E-mail contacts on the web for all service areas	December 2005	75 mailboxes

4.9.2. Further early developments are being worked on :-

- Bus Info Line - Live information on the position/location of buses on a web map – timing TBC
- Committee Management System New system for managing meetings, agendas and minutes Public able to see forward plan, agendas and minutes on line. – May 06
- Automated switchboard to transfer internal phone calls – July 2007
- On line school admissions - Parents able to review information on schools, performance, catchment areas etc and then register their child at school using the web - July 06
- On line leisure bookings - Ability to book leisure facilities over the web Sept 06 (Prov)

4.9.3. The full Programme will deliver a number of additional benefits, as shown in Annex 7.

4.10 Staff Survey

4.10.1. Following the results of the 2004/5 staff survey results, Resources Management Team devised an action plan to address some of the key areas of concern such as:

- The way staff are managed
- How staff are communicated with
- Lack of any action taken to address the problems identified

At the time, compared to other directorates Resources, scored the second lowest staff satisfaction.

4.10.2. A considerable amount of work was put in by all and managers has delivered a significant improvement in the 2005/6 staff survey results, examples of these improvements being:

- 7% more feel that their part of the council welcomes & acts on new ideas from staff
- An increase of 15% feel that they now have the resources to do their job
- 11% less feel they have to work over their contracted hours to get their job done
- An increase of 12% are able to cope with the demands of their job, and
- The Resources Directorate is now joint 2nd when compared to other directorates regarding staff satisfaction.

4.10.3. More work is needed with staff to further increase satisfaction, particularly with regard to communication at lower levels within the directorate. To facilitate this, a new action plan is being developed following a Resources Management workshop seminar, where all managers within the directorate were given the opportunity contribute to new actions for the 2006/7 plan.

4.10.4. Work has been in hand since early Spring to develop a joined up Training

Plan for Resources Directorate as a whole further to last year's staff survey findings and the resulting action plan. The intention is that this plan will reflect the training priorities identified by service managers and their staff through the Personal Development Plan process and agreed on by Resources Management Team. Proposals on exactly how this will be supported and provided across the Directorate will be finalised by the end of June 2006.

4.11. *Improving Governance*

- 4.11.1 A considerable amount of work has been done over the last 12 months to support the integrated development of the Council's governance arrangements including:
- 4.11.2 Major contribution made to the Review of the Constitution and in particular the new scheme of delegation, new powers to the S151 Officer and Monitoring Officer for sanction and intervention, the establishment of a new Audit & Governance Committee, new Financial Regulations and Procurement Rules and Procedures drafted in accordance with Chartered Institute of Public Finance and Accountancy standards and best practice requirements;
- 4.11.3 Establishment of the Officer Governance Group charged with responsibility to manage an overall work programme devised in respect of governance development and assurance work at CYC on behalf of CMT. This work of this Group will also support the function of the Audit & Governance Committee when up and running from June 2006 onwards.
- 4.11.4 New arrangements put in place for client monitoring and reporting of the external audit, including for the first time the preparation and reporting of an overall action plan for matters arising from the Annual Audit Letter for forward monitoring and management purposes.
- 4.11.5 Developing the processes needed to support the robust preparation of the annual Statement of Internal Control that must now be published along with the Council's annual Statement of Accounts.
- 4.11.6 Establishing proper arrangements for the pro-active management of the self-assessment/external assessment of the Use of Resources Key Lines of Enquiry refresh work which will support the Council's full CPA assessment in 2007.
- 4.11.7. The successful implementation of new software systems for both the Audit & Fraud team and Risk Management teams which provide important functionality to support the development of the overall governance agenda at the Council as well as being vital to the effective management of the teams and their workloads in themselves.

5. **Conclusions**

Overall, this has been a successful year for Resources directorate, in terms of budget and performance indicators, and the completion and on-going progress of a number of major projects. It is recognised that further work is needed to improve performance and timeliness in a few key service areas.

6. **Consultation**

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

7. **Options & Analysis**

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

8. **Corporate Objectives**

The report notes progress against several of the Council's corporate priorities and objectives, but contains no proposals which will affect them.

9. **Implications**

- **Financial** – implications are described in the report.
- **Human Resources (HR)** – there are no HR implications other than those included in the report.
- **Equalities** – there are no Equalities issues.
- **Legal** – there are no legal issues.
- **Crime and Disorder** – there are no Crime and Disorder issues
- **Information Technology (IT)** – IT issues are described in the report.
- **Property** – there are no significant property implications in the report, other than those covered specifically in the text.
- **Other** – there are no other implications

10. **Risk Management**

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

11. Recommendations

The Advisory Panel is asked to note and comment on the financial and service performance reported and advise the Executive Member to:

- Note the outturn draft financial position
- Recommend to the Council's Executive that the revenue carry forward bids included in Annex 2 are approved and that the capital slippage outlined in paragraph 4.7.2 is approved.
- Note the outturn performance achievements and comments.

Reason – In accordance with budgetary and performance monitoring procedures

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Report Approved Date 1st June 2006

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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

No background papers are referred to in the report.

Annexes

- Annex 1 – Financial Performance
- Annex 2 – Carry forward requests
- Annex 3 – Capital Programme.
- Annex 4 – Best Value Performance Indicators and Local Indicators
- Annex 5 – Customer First and Sickness Absence figures.
- Annex 6 – Summary of Progress from Service Plans
- Annex 7 - Easy@York.