![City of York Council logo]

Notice of meeting of

Executive Member For Corporate Services and Advisory Panel

To:	Councillors Macdonald (Executive Member), Scott (Chair), Looker, Moore and R Watson
Date:	Tuesday, 12 December 2006
Time:	5.30 pm
Venue:	Guildhall

AGENDA

Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10:00 am on Monday 11 December 2006, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 14 December 2006, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

1. **Declarations of Interest**

   At this point, members are asked to declare any personal or prejudicial interests they may have in the business on this agenda.

2. **Exclusion of Press and Public**

   To consider the exclusion of the press and public from the meeting during consideration of the following:

YORKPRIDE

Appendix C to Agenda Item 9 (FMS Replacement Project - Progress Report) on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

3. Minutes (Pages 1 - 10)

To approve and sign the minutes of the meeting of the Executive Member for Corporate Services and Advisory Panel held on 12 September 2006.

4. Public Participation

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Executive Member's remit can do so. The deadline for registering is Monday 11 December 2006, at 10.00 am.

5. Forward Plan Update (Pages 11 - 18)

To receive an update on the Resources Directorate items which are listed on the Forward Plan.

Executive Member to consider the advice of the Advisory Panel upon the following items of business and to make a decision on those items or to note the information as required:

ITEMS FOR DECISION

6. Resources Directorate Revenue Budget Estimates 2007/08 with Service Plans (Pages 19 - 80)

This report presents the 2007/08 budget proposals for the Resources Directorate.

7. Area Asset Management Plan - Tang Hall (Pages 81 - 90)

This report outlines the progress made to date in producing a pilot Area Asset Management Plan (AAMP) for the Tang Hall Area.

8. **Future Organisation and Function of Procurement Services in Resources** (Pages 91 - 104)

    This report sets out proposals for the restructure of procurement functions and activities within the Resources Directorate.

9. **FMS Replacement Project - Progress Report** (Pages 105 - 126)

    This report provides an update on the progress made on the Financial Management System (FMS) Project started in March 2006.

ITEMS FOR INFORMATION

10. **Performance and Financial Information - Monitor 2, 2006/07** (Pages 127 - 192)

    This report presents performance and financial information for the Resources Directorate.

11. **Risk Management Development Plan** (Pages 193 - 208)

    This report advises Members of the development agenda for risk management.

12. **Presentation on the Collaborative Transport Project** (Pages 209 - 212)

    This report gives a brief background to a presentation that is to be given by consultants Kendric Ash on their findings to date on the collaborative transport project.

URGENT BUSINESS

13. **Any Other Matters which the Executive Member decides are urgent under the Local Government Act 1972.**

Democracy Officer:

Name: Simon Copley
Contact details:
- Telephone – (01904) 551078
- E-mail – simon.copley@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

City of York Council   Minutes

MEETING	EXECUTIVE MEMBER FOR CORPORATE SERVICES AND ADVISORY PANEL
DATE	12 SEPTEMBER 2006
PRESENT	COUNCILLORS MACDONALD (EXECUTIVE MEMBER), SCOTT (CHAIR), LOOKER (OPPOSITION SPOKESPERSON), MOORE AND R WATSON

14.   Declarations of Interest

The Chair invited Members to declare any personal or prejudicial interests which they might have in the business on the agenda.

Cllr R Watson declared a prejudicial interest in Agenda Item 10 – National Non-Domestic Rates/Sundry Debtors/Council Tax and Overpaid Housing Benefit Accounts Submitted for Write-Off, as his firm of solicitors was representing an individual whose debts were referenced in the restricted annex of the report. He left the room during this item and took no part in the discussion or decision.

15.   Exclusion of Press and Public

RESOLVED: That the press and public be excluded from the meeting during consideration of the following:

Annexes A-C to Agenda Item 10 (National Non-Domestic Rates, Sundry Debtors, Council Tax and Overpaid Housing Benefit Accounts Submitted for Write-Off) (minute 23 refers) on the grounds that they contained information which was likely to reveal the identity of an individual and information relating to the financial or business affairs of any particular person. This information was classed as exempt under paragraphs 2 & 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

16.   Minutes

RESOLVED: That the minutes of the meeting of the Executive Member for Corporate Services and Advisory Panel held on 25 July 2006 be approved and signed by the Chair and the Executive Member as a correct record.

17.   Public Participation

It was reported that Members had received an email in reference to Agenda Item 7 – Pension Reforms – Government Proposals for changes to the Local Government Pension Scheme - from the Unison Branch Secretary prior to the meeting. Members agreed to consider the content of that email under this item. The email detailed that Unison members were in support of Option B on p.44 of the report and if that was rejected then support would be given to Option A, with Options C1/C2 and D rejected. The email emphasised that they key issue for members was the protection of pension benefits for those staff who retire at 60 after long service and keeping the 'Rule of 85'.

18.   Forward Plan Update

Members received an update on the Resources Directorate items which were listed on the Forward Plan. Officers updated the committee that discussion had taken place in relation to item 36 of the forward plan which proposed that a quarterly briefing note would be provided to all Members of the Committee about property issues and capital projects in their wards. This Briefing note would include references to previous decisions made on the sites to avoid any unnecessary revisiting of issues.

Advice of the Advisory Panel

That the Executive Member be advised:

    (i)   That the update on the Forward Plan be noted;
    (ii)   That item 36 be removed from the Forward Plan;
    (iii)   That it be noted that item 37 of the Forward Plan was deferred.
    (iv)   That it be noted that there may not be sufficient business for the next scheduled meeting of the Executive Member for Corporate Services and Advisory Panel.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To inform the Executive Member of the update of the Forward Plan.

19.   2006/7 First Interim Report - Finance & Performance

Members received a report which presented the service and financial performance of the Resources Directorate, covering April to July 2006 inclusive.

The latest financial forecast for the Directorate indicated a headline underspend figure of £67k (-0.1%). The report explained that whilst this looked satisfactory there were a number of issues that need to be drawn to Members' attention. Included in the underspend was a sum of £87k from the Financial Management System (FMS) project that would need to be

carried forward to 2007/08. This meant that there was an underlying overspend within the Directorate of £20k. Furthermore the Corporate Management Team had requested the Directorate to identify in-year additional savings of £125k to help towards the Council's overall financial position. It was intended to offer £125k of the FMS project savings to do this, which would reduce Resources budgets by £125k this year and would lead to the need to identify further savings in order to create enough underspend to allow for the £87k carry forward to be funded.

The report explained that generally the performance of the department was continuing to improve and drew attention to the improvements in staff sickness, the progress on the Easy@York project, the improvements in the processing of Benefits claims and the improved financial position on Benefits.

Advice of the Advisory Panel

That the Executive Member be advised:

(i) That the draft financial position be noted;
(ii) That the interim performance achievements and comments be noted.
(iii) That Officers be thanked for their hard work.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: In accordance with budgetary and performance monitoring procedures.

20. **2008 Pension Reforms - Government Proposals for Changes to the Local Government Pension Scheme**

Members received a report which was a response to the Government's consultation on proposals for a new look Local Government Pension Scheme which would come into effect from 1 April 2008.

The government had produced four options for a new look Scheme, which were set out in paragraphs 7-13:
• Option A – an update of the current final salary scheme, with additional changes;
• Option B – a new final salary scheme with an improved accrual rate;
• Option C – a new career-average scheme (either with an accrual rate of $1/54^{th}$ and revaluation on the basis of RPI, or with an accrual rate of $1/61^{st}$ and revaluation on the basis of RPI + 1.5%);
• Option D – a new hybrid arrangement based on a career-average scheme with a final salary option.

The report also discussed possible changes to the Scheme relating to death benefits, cohabitees' pensions, employee contribution rates, ill

health retirements, early and flexible retirement and the scope of employers' discretions. Paragraph 24 set out the options that had been put forward on how to calculate the value of accrued benefits of existing members on retirement, following transfer to the new look Scheme:

- Option A – give all existing members at 31 March 2008 an actuarially equivalent period of service in the new look Scheme, according to a formula to be provided by the Government Actuary's Department;
- Option B – give existing members more credit in the Scheme than they would receive under Option A;
- Option C – treat all accrued service as a benefit payable on retirement under the terms of the current scheme.

Advice of the Advisory Panel

That the Executive Member be advised that the Director of Resources be given delegated authority to respond to the consultation supporting:

(i)   The continuation of a final salary pension scheme under Option A (paragraph 9 of report – effectively a continuation of the current Scheme);

(ii)   The increase in death benefit from 2 to 3 years pay;

(iii)   The introduction of cohabitees' pensions;

(iv)   The increase in employee contribution rates to between 6-7%;

(v)   A single contribution rate for all employees;

(vi)   The review of ill health retirements;

(vii)   Option C – Treat all accrued service as a benefit payable on retirement under the terms of the current scheme. Because these benefits have already been funded this is likely to prove cost neutral.

(viii) No extension to employer discretions;

(ix)   The overall context of early and flexible retirement;

(x)   The idea that future reviews of the employee contribution rate should only occur when fundamental changes to Scheme benefits are made.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: (i)   This is an important aid in the recruitment and retention of the workforce;

(ii)   This is a beneficial improvement to the overall scheme and the increase in costs is likely to be negligible, given the low level of in-service deaths in York;

(iii)   This is a significant equalities issue for those who choose not to marry or enter a civil partnership and the Council has always been supportive of its introduction;

(iv)   Although this is likely to be resisted by employees' representatives it is important that the balance between employee and employer contribution rates be redressed. If the LGPS is to be sustainable the taxpayer must be protected from the increased cost of pension provision due to increased longevity and the only way to do this is to ask the employee to contribute more;

(v)   Tiered contribution rates are not supported on discrimination grounds and the divisive impact they would have;

(vi)   Although there are some reservations about the operation of the revised arrangements in the consultation, the principal of two-tier ill health benefits is welcome because it should allow the Council to deal more efficiently with long-term sickness;

(vii)   This would treat all pensionable service accrued up to March 2008 as a benefit to be paid under the terms of the current Scheme. This is a transparent and cost neutral option;

(viii) It is important that the Scheme remains standardised at a national level and there already exist within the Scheme a range of employer discretions which allow for local flexibility;

(ix)   This is an important tool in the management of change. However, the Council, as the employer would wish to maintain some control over the exercise of flexible and early retirement and does not wish to see the employee alone being able to opt to act in this way;

(x)   This is necessary to ensure that a stable cost sharing is maintained for all employers in the Scheme.

21.   Update on Efficiency Savings

Members received a report which gave an update on progress against the Gershon efficiency targets in the light of the 2005/06 out-turn and the 2006/07 forecast of efficiencies.

In 2005/06 £4,865k of efficiencies had been achieved against a target of £2,587k. In 2006/07 it was forecast that £4,253k of efficiencies would be achieved, against a target of £2,935k. Based on this forecast, the Council was expecting to achieve its 3 year cumulative efficiency target, set by government, one year early.

Advice of the Advisory Panel

That the Executive Member be advised:

(i)   That the progress against efficiency targets be noted;

(ii)   That it be noted that the Council is expecting to achieve its government set efficiency target one year early.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: In order to keep the Executive Member for Corporate Services and Advisory Panel informed of progress.

22.   **DDA (Disability Discrimination Act) Performance Update**

Members received a report which provided an update on the Council's response to the requirements of the Disability Discrimination Act (DDA).

Annex A of the report identified the status of the 58 properties, to which Best Value Performance Indicator (BVPI) 156 ('buildings with disabled access') applied. The schedule showed the position at the end of 2004/5, the result of investment in 2005/6 and the expected position following investment in the current financial year. At the end of this financial year only 7 properties would not meet DDA requirements, 3 of which were subject to a review that may result in disposal. Annex B of the report outlined the strategy for each of the properties currently not compliant. In 2006/7 and future years expenditure was included in a budget for 'Health & Safety and DDA requirements' and had been set at £200k per annum. Some premises would benefit from significant capital projects that provided new fully accessible facilities.

Advice of the Advisory Panel

That the Executive Member be advised:

(i)   That the Council's response to the requirements of the Disability Discrimination Act (DDA) be acknowledged.

(ii)   That this report be passed to Members of the Social Inclusion Working Group for information.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To inform Members of the Council's performance relative to BVPI 156.

23. **National Non-Domestic Rates, Sundry Debtors, Council Tax and Overpaid Housing Benefit Accounts Submitted for Write-Off**

Members received a report which sought approval to write-off irrecoverable accounts, each one over £2,000 in value, for National Non-Domestic Rates, Sundry Debtors and Housing Benefit Overpayments. It also provided details of the value of other irrecoverable accounts under £2,000 that had been written-off under delegated authority in the current financial year.

Paragraph 4 of the report provided a breakdown of the £228,300 write-offs where each debt had a greater value than £2,000 and the £143,600 where each debt had a value of less than £2,000.

Advice of the Advisory Panel

That the Executive Member be advised:

(i)   That the write-off of the amount of £228,300, as shown in paragraph 4 of the report (with individual debts listed in the appendices to the report), be approved, taking note that each debt has a value greater than £2,000;

(ii)   That the write-off of £143,600 of accounts valued at less than £2,000 for the 6 month period to 20 March 2006 (as shown in paragraph 4 of the report), under the Head of Finance's delegated authority, be noted.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To keep the accounts up to date.

24. **Review of the Council's Fraud and Corruption Prosecution Policy**

Members received a report which sought approval for a revised policy for prosecuting individuals who have committed acts of fraud or corruption against the Council.

The revised policy was attached as Annex A of the report. The main changes to the policy were summarised in the report, as follows:
• The Policy now formally allocated responsibility for decision making to 'authorised officers';
• The Policy now included specific criteria for determining whether a prosecution would be in the public interest or not;

- The threshold for prosecuting benefit related fraud had been increased from £1,500 to £2,000 to be consistent with the Department for Work and Pensions' own prosecution policy;
- More discretion had been given when deciding to offer a sanction as an alternative to prosecution in benefit related fraud cases;
- The Policy now clearly stated that serious attempted fraud would also be considered for prosecution or sanction;
- The Policy recognised the powers available to the Council under the Proceeds of Crime Act 2002 to recover assets from convicted fraudsters.

Members requested the following alterations to be made to the detail of the policy; that

(i)   the words "before the courts" be deleted from the final sentence in paragraph 2.1 of the policy;

(ii)   the first clause of the first sentence of paragraph 4.3 should read, "Where the perpetrator (and/or their partner in HB/CTB cases) is suffering from prolonged ill health or has a serious disability or other incapacity where illness is a material factor,".

In addition, Members requested that the policy need to have numbered or lettered bullet point for ease and accuracy of reference.

Advice of the Advisory Panel

That the Executive Member be advised:

(i)   That the revised fraud and prosecution policy be approved with the alterations (i) and (ii) listed above.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To enable appropriate action to be taken in response to acts of fraud and corruption committed against the Council.

25.   **Staff Warning Register: Extension of Access and Scope**

Members received a report which recommended giving elected members access to the Staff Warning Register and proposed certain arrangements to ensure that its privacy safeguards were properly maintained. It also described an extension of its scope to cover not only harm (and risk of harm) through violence, but alarm, harassment or distress (or the risk) through behaviour described in the recently approved Violence and Aggression Policy.

The report presented two options for consideration:
- To grant Members access to the Staff Warning Register;
- To refuse Members access to the Staff Warning Register.

Advice of the Advisory Panel

That the Executive Member be advised:

(i)   That access to the Staff Warning Register be granted to all elected Members and suitable training be arranged.

(ii)   That use be made of a future pre-Council seminar to deliver the training.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To improve the safety of Members.

Q MACDONALD
Executive Member

D SCOTT
Chair of Advisory Panel
The meeting started at 5.00 pm and finished at 6.40 pm.

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	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG DATE	CMT	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
1	Budget Update	Finance Peter Steed	05/12/06		CMT 13/12/2006				CMT only
2	Strategic Procurement Programme*	Audit & Risk Management Liz Ackroyd	30/10/06		CMT 18/10/2006		EBS 12/12/2006	EXEC 19/12/2006	Report at the Request of the Author Initial discussion to be held at EBS on 28 November
3	Thin Client/Competition Strategy*	Simon Wiles	30/10/06		CMT 29/11/2006		EBS 12/12/2006	EXEC 19/12/2006	Report at the Request of the Author Initial discussion to be held at EBS on 28 November
4	Local Government Pension Scheme (LGPS) Scheme Changes and Local Discretions*	Finance Louise Dixon	30/10/06		CMT 08/11/2006		EBS 12/12/2006	EXEC 19/12/2006	Report at the Request of the Author
5	Leisure Facilities Strategy	Property Services Neil Hindhaugh/ Charlie Croft	26/11/06		QCG 05/12/2006		EBS 12/12/2006	EXEC 19/12/2006	Requested by Report Author Deferred from the Executive Meeting of 24/10/2006 and from the Executive Meeting of 21/11/2006 to allow for further consultation.
6	Second Corporate Performance & Finance Monitor	Finance/Janet Lornie PIT/Peter Lowe	13/12/06		CMT 20/12/2006		EBS 09/01/2007	EXEC 16/01/2007	Business Cycle
7	Second Capital Monitor	Finance Tom Wilkinson	13/12/06		CMT 20/12/2006		EBS 09/01/2007	EXEC 16/01/2007	Business Cycle
8	Revenue Budget 2007/08 to 2009/10	Finance Peter Steed	20/12/06		CMT 03/01/2007		EBS 09/01/2007	EXEC 16/01/2007	Council 21/02/2007

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Agenda Item 5

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG DATE	CMT	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
9	Capital Budget 2007/08 to 2009/10	Finance Tom Wilkinson	20/12/06		CMT 03/01/2007		EBS 09/01/2007	EXEC 16/01/2007	Council 21/02/2007
10	Trrasury Management Policy 2007/08 to 2009/10	Finance Tom Wilkinson	20/12/06		CMT 03/01/2007		EBS 09/01/2007	EXEC 16/01/2007	Council 21/02/2007
11	Lyons Report on Local Government Funding	Finance Peter Steed	20/12/06		CMT 03/01/2007		EBS 09/01/2007	EXEC 16/01/2007	Report at Request of the Author
12	Acomb Library/Learning Centre*	Property Services Philip Callow	06/01/07		QCG 16/01/2007		EBS 23/01/2007	EXEC 30/01/2007	Report at the Request of the Author Deferred from the meeting of 19/12/2006 to allow for further work with Library Services
13	Data Protection Policy	Audit & Risk Management Robert Beane	07/01/07		CMT 17/01/2007		EBS 23/01/2007	EXEC 30/01/2007	Requested by Report Author Deferred from Executive of 12/09/2006 to allow for further preparation. Further deferred from the Executive Meeting of 19/12/2006 because of the pressure on CMT agendas
14	Information Governance Strategy	Audit & Risk Management Robert Beane	07/01/07		CMT 17/01/2007		EBS 23/01/2007	EXEC 30/01/2007	Requested by Report Author Deferred from Executive of 12/09/2006 to allow for further preparation. Further deferred from the Executive Meeting of 19/12/2006 because of the pressure on CMT agendas

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15	Corporate Asset Management Plan	Property Services Neil Hindhaugh/ John Reid/ Philip Callow	31/12/06		CMT 10/01/2006		EBS 23/01/2007	EXEC 30/01/2007	Deferred from the Executive on 26/09/2006 to allow for guidance from central government to be incorporated into the report Deferred again from the Executive on 24/10/2006. on the advice of CMT, in order to allow for the plan to be redrafted in a different format and re-presented both to CMT and to CAMG . Deferred again from Executive on 5/12/2006.
16	IAS & Fraud Mid Term Monitor	Audit & Risk Management Max Thomas	21/01/07	OGG 04/12/2006		Audit & Governance Committee 31/01/2007			Business Cycle
17	OGG Mid Term Monitor	Simon Wiles/ Liz Ackroyd	21/01/07	OGG 04/12/2006		Audit & Governance Committee 31/01/2007			Business Cycle
18	Managing the SIC Process in 2007/08	Audit & Risk Management Max Thomas	21/01/07	OGG 04/12/2006		Audit & Governance Committee 31/01/2007			Business Cycle
19	Money Laundering Proposed Actions	Audit & Risk Management Richard Smith	21/01/07	OGG 08/01/2007		Audit & Governance Committee 31/01/2007			Report at the Request of the Author
20	The Report of the District Auditor - Barbican	Simon Wiles	21/01/07			Audit & Governance Committee 31/01/2007			Report at the Request of the Author
21	District Audit Mid Term Monitoring Report	Audit & Risk Management Liz Ackroyd	21/01/07	OGG 08/01/2007		Audit & Governance Committee 31/01/2007			Business Cycle
22	Privacy & Confidentiality Policy	Audit & Risk Management Liz Ackroyd	21/01/07			Audit & Governance Committee 31/01/2007			Report at the Request of the Author

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	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG DATE	CMT	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
23	Lyons Report on Local Government Funding	Simon Wiles	30/01/07		CMT 07/02/2007				Requested by Report Author
24	Job Evaluation/ Equal Pay	Simon Wiles	03/01/07		CMT 10/01/2007	CMT 07/02/2007			Requested by Report Author
25	Update Report on Admin Accomm Project	Property Services Maria Wood	11/02/07		CMT 21/02/2007				Requested by CMT
26	Corporate Contracts Management Portfolio*	Audit & Risk Management David Walker	11/02/07	RMT 24/01/2007	CMT 21/02/2007				Requested by Report Author. Deferred from Meeting of 2911/06 to allow for further work.
27	Admin Accommodation Update Report	Property Services Maria Wood	11/02/07		CMT 21/02/2007		EBX 06/03/2007	EXEC 13/03/2007	Requested by Report Author
28	Accounts Submitted for Write Off	Public Service Jenny Smithson	03/03/07			Corporate EMAP 20/03/2007			Business Cycle
29	Resources Service Plans For Approval	Business Management Sian Hansom	03/03/07	RMT 21/02/2007		Corporate EMAP 20/03/2007			Business Cycle
30	Short Term Options for Investment in the Guildhall	Property Services Neil Hindhaugh/ Elizabeth Ellis	03/03/07			Corporate EMAP 20/03/2007			Deferred from EMAP meeting of 31/10/2006 because of its cancellation. Deferred from EMAP meeting on 12/12/2006 - full survey due to be completed 23/01/2007
31	Annual Audit Letter	Audit & Risk Management Liz Ackroyd/ Alastair Newell	25/02/07		CMT 07/03/2007		EBS 20/03/2007	EXEC 27/03/2007	Business Cycle

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32	IT Strategy 2007-2012	IT&T Tracey Carter/ Jane Collingwood	25/02/07		CMT 07/03/2007		EBS 20/03/2007	EXEC 27/03/2007	Requested by Report Author
33	Corporate Procurement Strategy	Audit & Risk Management Liz Ackroyd	25/02/07		CMT 07/03/2007		EBS 20/03/2007	EXEC 27/03/2007	Requested by Report Author
34	Monk Bar Garage Future Use of Site	Property Services John Urwin	06/01/07		QCG 16/01/2007		EBS 23/01/2007	EXEC 30/01/2007	Deferred from May, September & October Executive Meetings. Deferred again from the meeting on 31/01/2007 in order to consider further development options.
35	Outturn Client Monitoring Report on the Annual Audit Plan	Audit & Risk Management Liz Ackroyd	11/03/07		CMT 21/03/2007	Audit & Governance Committee April 2007			Business Cycle
36	The Action Plan Arising from the Annual Letter of the District Auditor	Audit & Risk Management Liz Ackroyd				Audit & Governance Committee April 2007			Business Cycle
37	The Annual Audit & Inspection Plan (Audit Commission)	Audit & Risk Management Liz Ackroyd/ Audit Commission				Audit & Governance Committee April 2007			Business Cycle
38	The Annual Internal Audit Plan	Audit & Risk Management Max Thomas				Audit & Governance Committee April 2007			Business Cycle
39	The Annual Outturn Report of OGG (Progress against annual work Plan) - including delivery of the SIC and awareness raising of the work of the OGG.	Liz Ackroyd	11/03/07		CMT 21/03/2007	Audit & Governance Committee April 2007			Business Cycle

5   29/11/06

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40	Mid Point Follow Up Review of Implementation of IAS Audit Recommendations (July 2007- December 2007 Audits)	Audit & Risk Management Richard Smith				Audit & Governance Committee April 2007			Business Cycle
41	Corporate Procurement Strategy	Audit & Risk Management Liz Ackroyd/Martin Gough	25/03/07		CMT 04/04/2007	Corporate EMAP April 2007	EBS 17/04/2007	EXEC 24/04/2007	Deferred from November 2006
42	The Annual Report of the Chief Internal Auditor	Audit & Risk Management Liz Ackroyd				Audit & Governance Committee June 2007			Business Cycle
43	The Statement of Accounts	Finance Janet Lornie/Peter Steed				Audit & Governance Committee June 2007			Business Cycle
44	The Statement of Internal Control	Audit & Risk Management Max Thomas				Audit & Governance Committee June 2007			Business Cycle
45	Breaches & Waivers of Financial Regulations	Audit & Risk Management Liz Ackroyd/ Richard Smith				Audit & Governance Committee September 2007			Business Cycle
46	Mid-point Review of the Implementation of Internal Audit Service Recommendations (Jan 07 - June 07 Audits)	Audit & Risk Management Richard Smith				Audit & Governance Committee September 2007			Business Cycle
47	Mid-term Client Monitoring Report on the Annual External Audit Plan	Audit & Risk Management Liz Ackroyd				Audit & Governance Committee September 2007			Business Cycle
48	Consultation & Shaping Session on the IAS Strategic Audit Plan	Audit & Risk Management Max Thomas				Audit & Governance Committee September 2007			Business Cycle

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	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG DATE	CMT	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
49	IAS & Fraud Mid Term Monitor	Audit & Risk Management Max Thomas				Audit & Governance Committee January 2008			Business Cycle
50	OGG Mid Term Monitor	Simon Wiles/Liz Ackroyd				Audit & Governance Committee January 2008			Business Cycle

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51	Managing the SIC Process in 2008/09	Audit & Risk Management Max Thomas				Audit & Governance Committee January 2008			Business Cycle
52	The Action Plan Arising from the Annual Letter of the District Auditor	Audit & Risk Management Liz Ackroyd				Audit & Governance Committee April 2008			Business Cycle
53	The Annual Audit & Inspection Plan (Audit Commission)	Audit & Risk Management Liz Ackroyd/ Audit Commission				Audit & Governance Committee April 2008			Business Cycle
54	The Annual Internal Audit Plan	Audit & Risk Management Max Thomas				Audit & Governance Committee April 2008			Business Cycle
55	The Annual Outturn Report of OGG (Progress against annual work Plan)	Simon Wiles/ Liz Ackroyd				Audit & Governance Committee April 2008			Business Cycle
56	Mid Point Follow Up Review of Implementation of IAS Audit Recommendations (July 2007-December 2007 Audits)	Audit & Risk Management Richard Smith				Audit & Governance Committee April 2008			Business Cycle
57	Outturn Client Monitoring Report on the Annual Audit Plan	Audit & Risk Management Liz Ackroyd				Audit & Governance Committee April 2008			Business Cycle

Agenda Item 6

CITY OF
YORK
COUNCIL

**Meeting of Executive Member for Corporate Services   12 December 2006
and Advisory Panel**

Report of the Director of Resources

RESOURCES DIRECTORATE REVENUE BUDGET ESTIMATES 2007/08

Summary

1. This report presents the 2007/08 budget proposals for the Resources Directorate. It includes:

    -   the budget for 2006/07 (Annex 1) to show the existing budgets

    -   the budget adjusted and rolled forward from 2006/07

    -   the allocation of pay and price increases for the portfolio

    -   budget service pressure proposals and savings options for the portfolio area (Annexes 2 and 3)

    -   fees and charges proposals (Annex 4)

    -   Service Plans (Annex 5)

2. Budget Council will be held on 21 February 2007 and will make decisions on the overall budget for the Council. In order to facilitate the decision making process the Executive are meeting on 16 January to consider the preferences identified by the individual portfolio Executive Members and the results of the consultation. The Executive Member for Corporate Services is therefore asked to consider the budget proposals and identify their preferences, which will be considered by the Executive following consultation. The Executive Member and Advisory Panel (EMAP) is invited to provide comments on the budget proposals in this report.

Background

3. The Council's Medium Term Financial Strategy was adopted by the Executive on 11 July 2006. This paper is the result of ongoing work against this agreed framework.

4. The provisional Local Government Finance settlement for 2007/08 was included in the settlement papers for 2006/07 received in January 2006, which alongside the 2006/07 settlement provided indicative figures for 2007/08. A consultative draft settlement for 2007/08 is expected by early December. However, it is not expected that there will anything other than minor changes from the figures currently used.

5.   The figures in the 2006/07 settlement indicated that the increase in government funding in 2007/08 nationally would be 4.0% but for York the figure is 3.2% or an additional £1.192m. However, there is no guarantee that this allocation will not change when the final grant settlement is announced in late January 2007, although any changes are expected to be minor.

Resources Service Planning 2007/08

6.   As part of considering the budget for 2007/08, it is helpful for Members to consider proposed service planning issues. In previous years, actions and targets set out in the service plans which were approved by EMAPs in December, often changed once the budget was approved and/or when more meaningful performance information became available nearer the end of the year.

7.   To help address this and deliver more integrated service and financial planning, the council's service planning process has changed. EMAPs are now being presented with information in 2 stages:

Stage 1 – summarised service plan templates have been completed which focus on headline challenges and/or changes our services are facing for 2007/08 and beyond. These are presented to EMAPs for consideration and comments.

Stage 2 – once the budget has been approved service managers will be able to finalise improvement actions and 3 year targets. The full version of the service plans will be presented for approval to EMAP's in March 2007.

8.   The stage 1 templates attached provide members with a snapshot of service planning issues facing Resources in the near future. Appendix 5 sets out service plans stage 1 templates for

        1) Audit and Risk Management
        2) Property services
        3) Financial services
        4) Public services
        5) IT&T

Budget Proposals for Resources Directorate

9.   A summary of the budget proposals is shown in Table 1 below. Further details on each individual element are presented in the subsequent paragraphs. The annexes also contain other potential growth and savings items, which at this stage are not being recommended to Members.

Table 1 - Summary of Budget Proposals

	Para. Ref	£(000)
Base Budget 2007/08	10	3,092
Provision for pay increases	11	245
Provision for price increases	12	112
Other Budget Pressures:	13	

Staff Increments		130
Rent reviews on administrative accommodation		27
Rates bill at new Depot		133
New expenditure/income due to grant and service transfers	15	0
Full year effect of 2006/07 growth and supplementary estimate items	17	132
Service Pressure proposals (Annex 2)	21	319
IT Development Plan	23	467
Savings proposals (Annex 3)	24	-717
Proposed Budget 2007/08		3,940

Base Budget (£3,092k)

10. This represents the latest budget reported to Members, updated for the full year effect of decisions taken during 2006/07, e.g. supplementary estimates. This budget is shown in greater detail in Annex 1 which shows a gross budget for the Resources Directorate of £58,336k with income totalling £55,244k.

Pay Inflation (+£245k)

11. These calculations are based on a pay increase for Administrative, Professional Technical and Clerical (APT&C) staff of 2.5%. The negotiations for the 2007/08 settlement have not yet concluded, although there is pressure from the Treasury that increases are kept under 2%.

Price Inflation (+£112k)

12. The budget proposes that, due to the underlying low rate of inflation, there is a general price freeze on most budgets. The amount allowed for price inflation is to fund known price increases, e.g. contract payments and fuel bills. This figure is a net figure. Fees and charges are generally increasing by 2.3%, but this is varied by directorates as part of growth/savings by national constraints/requirements. Where increases are proposed in excess of this the additional income is reflected in the savings totals offered. A full schedule of proposed fees and charges is shown at Annex 4

Other Budget Pressures (+£290k)

13. These represent pressures over which the service has no influence, e.g. changes to funding and expenditure which are due to national policy initiatives or to, for example, the implications of the moving dates of Easter on service provisions.

14. There are three such pressures within the Resources Directorate

- Staff increments for the year are calculated as being £130k. This excludes increments for staff funded by external income / grants.

- Rent reviews relating to administrative accommodation has resulted in additional costs of £27k.

- The new depot at Hazel Court has an additional National Non-Domestic Rates bill of £133k higher than the depot at Foss Islands Road. The council had successfully appealed to the District Valuer over the rates bill at Foss Islands due to poor state of the old depot and had been given a rebate.

New Expenditure/Income due to Grant and Service Transfers (+£0k)

15.   In the provisional settlement there were several transfers between FSS and direct grant that have budgetary impact on the net cost of this portfolio.

16.   There are no such assumed transfers for this portfolio.

Full Year Effect of 2006/07 Growth and Supplementary Estimate Items

17.   A growth item was approved in 2006/07 where there is a full year cost in 2007/08.

18.   In addition approval was given in 2006/07 for a one-off growth items where the cost was split partially in 2006/07 and partially in 2007/08. The 2006/07 element was funded by the use of Council's reserves.

19.   The costs shown in table 2 below represent the additional funds needed in 2007/08.

Table 2 - Full Year Costs of 2006/07 Part Year Approvals

	£(000)
Additional Costs of 2006/07 Growth Items	
Additional post in benefits – full year effect of 2006/07 growth bid	7
Cost in 2007/08 of 2006/07 One-Off Growth Items	
FMS Replacement (yr 3 of 3) – funds required to undertake project management to replace the Financial Management System	100
Housing Benefit post funded from additional RSG	25
Total Full Year Costs	**132**

General Contingency

20.   Members should note that there are potential expenditure pressures that may materialise in 2007/08 but which are not yet certain or not quantifiable at this stage. The issues are listed in Table 3 below and it is assumed that if they materialise then funding will be requested from the General Contingency.

Table 3 - Contingency Issues for 2007/08

	£(000)
Contingency Issues for 2007/08	
Property Services -- Health and Safety Building Works	100
Total	**100**

Service Pressures (£+319k)

21. In the Finance Strategy report to the Executive on 11 July 2006 a sum of £7.291m was included as the estimated amount that would be needed to meet increasing demand for services across the council and to allow for reprioritisation of service provision.

22. A range of options for service pressure proposals has been considered and in view of the overall available resources it is proposed that only those proposals shown in Annex 2 are included in the consultation list as the preferred options for the Resources Directorate. The proposals put forward are the result of a rigorous assessment process, which included looking at the benefit and risk to customers and staff, legislative requirement, proven customer demand and the Council's corporate objectives.

IT Development Plan (£+467k)

23. This represents the revenue costs of the priority investment in technology that was agreed in principle by Members as part of the IT development plan report received by the Executive. This funding supports IT developments for all council directorates.

Savings Proposals (£-717k)

24. Members will be aware that the 2006/07 budget savings were significant and that all Directorates are operating within a tight financial environment. In seeking to achieve savings for the 2007/08 budget Directorates have examined budgets with a view to identifying savings that have a minimum impact on the services provided to the public, customers and the wider Council. Instead they have concentrated on initiatives that;

- improve quality and efficiency
- take advantage of ongoing service and/or Best Value reviews
- generate income
- address budgetary underspends
- improve cash flow and interest earnings
- generate savings from the technical and financial administration functions of the Council

25. Annex 3 shows the full list of savings proposals for the Resources Directorate.

Fees and Charges

26. The details of the proposed fees and charges for the services provided by this portfolio are set out in Annex 4. The increase in fees and charges over and above inflation at the Registrars is to deal with their current budget overspends. Following large increases in court cost fees introduced actioned as part of the 2006/07 budget it is proposed to maintain them at current levels.

Treasury Management

27. The Treasury Management function which manages the council's loans and investments is part of the Resources Directorate. The staff employed in this function have an integral role in achieving significant savings on behalf as the Council as a whole. As the function is so specialised the budget proposals are shown separately in the table below :

	£(000)
Base Budget 2007/08	6,875
Full year effect of 2006/07 growth and supplementary estimate items Interest on Property sales income (one off saving in 2006/07) Minimum Revenue Provision (LGR)	 120 -180
Other Budget Pressures: Capital Programme financing costs Additional cost of MRP - new borrowing Additional cost of MRP - commutation adjustment	 414 331 99
Savings proposals (Annex 3)	-180
Proposed Budget 2007/08	7,479

28. The table above shows that there will be additional costs in 2007/08 of £784k. This is comprised of £844k of additional expenditure which will be necessary to finance the funding of the capital programme, less £180k for the minimum revenue provision. The figures above also take into account the one-off saving in 2006/07 relating to interest on property sales (£120k) dropping out.

29. Treasury Management have identified two one off savings. Interest earned on capital receipts from the sale of property will generate £80k. This figure is derived from the cash flow benefits of receiving the capital receipt and spending it on the capital programme. Pressure on overall capital receipts mean that this saving is lower than it has been in past years.

30. In addition the Council will benefit from proactive treasury management by borrowing in advance of need to fund the capital programme. Long term interest rates on borrowing are at historic lows, as part of the treasury management strategy the Council borrows when rates are low and runs down cash balances when rates are high. It is assumed that this will provide a recurring saving of £50k. Currently there is a differential between what the Council can borrow at and what it can earn in interest. This will generate a

one off saving of £50k in 2007/08 until the borrowing is required to fund the capital programme in 2008/09. It is illegal for the Council to borrow with the prime purpose to invest and the Council has to prove that any surplus borrowing, such as this, is to finance future capital programmes.

Consultation

31. This paper commences the Council's budget consultation, both in terms of formal discussions with the Business and Voluntary sectors, but also as a mechanism for the public to comment on the proposals made in the report. The impact of the budget have been discussed with the Unions who are understanding of the budget pressures faced by the Directorate. Resources Management Team have provided assurances that they will work with the unions where staffing numbers are likely to be reduced.

Options

32. Members of EMAP are asked for their comments or alternative suggestions on the investment and savings proposals shown in Annexes 2 and 3 and the fees and charges proposals in Annex 4. Members should note that the savings in annex 3b are further savings considered however these are not recommended for approval.

Analysis

33. All the analysis is provided in the body of the report and the annexes.

Corporate Priorities

34. The budget represents the opportunity to reprioritise resources towards corporate priority areas. The Resources Directorate primarily supports the other directorates in achieving their corporate priorities. The increase in the IT development fund is allowing a number of new IT initiatives progress forward in improving customer contact through the Easy@york programme. Savings have been targeted primarily where efficiencies can be made from better working practices thus protecting front line services.

Implications

35. The implications are:

- **Financial** - the financial implications are dealt with in the body of the report.
- **Human Resources** – the savings proposed equate to the loss of 6.5 full time equivalent posts.
    a) Loss of one fte posts in Corporate Procurement (RSS10)
    b) Loss of 0.5fte posts within Housing Benefit / Council Tax benefit administration (RSS12)
    c) Loss of two fte posts within Revenues and Benefits management and administration (RSS14)
    d) Loss of two fte posts from incorporating revenues and benefits within the Customer Contact centre (from October 2007) (RSS15)
    e) Loss of one fte post within Property Support Services (from October

2007) (RSS21)

The CYC "Management of Change" Policy which outlines the Council's procedure for dealing with redundancy and redeployment will be applied where reductions in staffing numbers are proposed. The procedure takes into account the impact of redundancy and observance of fair selection criteria.

- **Equalities** - there are no equality implications to this report
- **Legal** - there are no legal implications to this report
- **Crime and Disorder** - there are no specific crime and disorder implications to this report
- **Information Technology** - there are no information technology implications to this report
- **Property** - there are no property implications to this report
- **Other** - there are no other implications to this report

Risk Management

36. Key reporting mechanisms to Members on budget matters will continue to be through two mid-year monitoring reports and the final Revenue Outturn report for the year. These reports will also address the progress made on investments and savings included in the budgets.

37. The budget setting process always entails a degree of risk as managers attempt to assess known and uncertain future events. This year has demonstrated the difficulty of achieving this. As with any budget the key to mitigating risk is prompt monitoring and appropriate management control. As such updated figures and revised corrective actions will be monitored via Directorate Management Teams, Corporate Management Team and the monitor reports during the year.

Recommendations

38. The Executive Member Advisory Panel is invited to provide comments on the budget proposals for consultation for 2007/08 contained in this report, which will be considered by the Executive on 16 January 2007.

39. The Executive Member is asked to consider the budget proposals for consultation for the Resources Directorate for 2007/08 contained in this report and listed below and provide comments to be submitted to the Executive on 16 January 2007.

- 2007/08 Base budget as set out in paragraph 10.

- Service Pressure proposals as set out in Annex 2.

- Savings proposals as set out in Annex 3.

- Fees and charges as set out in Annex 4.

- Treasury Management Budget as set out in paras 27-30

Reason: As part of consultation in setting the overall 2007/08 council budget.

40. That Executive Member approve the 2007/08 Stage 1 Service plans for

Resources Directorate as set out in Annex 5.

Reason: As part of the consultation in agreeing 2007/08 Service Plans for the Directorate.
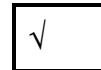
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Chief Officer responsible for the report:
Simon Wiles
Director of Resources

Report Approved | √ | **Date** | *29ᵗʰ Nov 2006*

Specialist Implications Officer(s)
Human Resource
Janet Neeve
HR Business Partner
551661

Wards Affected: **All**   √

For further information please contact the author of the report.

Background Papers:

Budget papers held within City Strategy Finance.

Annexes

Annex 1 - 2006/07 Budget
Annex 2 - Service Pressure Proposals
Annex 3 - Savings Proposals
Annex 4 - Fees and Charges
Annex 5 – Service Plans

28 November 2006

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SERVICE PLAN

DIRECTORATE OF RESOURCES

DETAILED EXPENDITURE	2007/08 Base Budget £'000
Employees	10,368
Premises	2,406
Transport	53
Supplies & Services	7,375
Revenues & Benefits payments	31,788
Support Service Recharges	4,599
Capital Financing	1,747
Gross Expenditure	**58,336**
Revenues & Benefits income	(33,330)
Fees & Charges	(2,725)
Support Service Recharges	(19,189)
Net Expenditure	**3,092**

COST CENTRE EXPENDITURE	2007/08 Base Budget £'000
Director Of Resources	348
Public Services	2,588
Strategic Finance	(102)
Audit &Risk	(130)
IT &T	470
Property Services	(82)
NET EXPENDITURE	**3,092**

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RESOURCES DIRECTORATE
GROWTH PROPOSALS

Annex 2

Ref	Brief Description	Net Cost 2007/08 £(000)	Full Year 2008/09 £(000)	Full Year 2009/10 £(000)
	a) Service Pressures assumed within the report			
RSG01	Benefits Subsidy - Homeless People The Council suffers from a loss of housing benefit subsidy following the decision to reduce the numbers of homeless people being sent to Bed & Breakfast accommodation. The subsidy does not fully cover the cost of housing in private sector accommodation which is being used as an alternative.	190.00	190.00	190.00
RSG02	Debt Recovery Additional resource to increase efficiency in recovering debts relating to Council Tax, Housing Benefit overpayments, National Non-Domestic Rates and other Sundry Debtors. The member of staff (trialled in 2006/07) will act as an intermediary between the Council and the external bailiffs and is anticipated to speed up outstanding payments to the council.	29.00	29.00	29.00
RSG03	Procurement The work of the procurement team over the past few years have brought significant savings to the organisation. However due to the reduced number of corporate contracts that are still to be let it is anticipated that the total savings available in the future will not be enough to reach the target set in previous budgets.	100.00	100.00	100.00

	Recurring Bids Total	**319.00**	**319.00**	**319.00**
	One-off Bids Total	**0.00**	**0.00**	**0.00**

b) Other Service Pressure Options

Ref	Brief Description			
RSG04	Corporate Customer Services Proposal to create a post to develop corporate customer standards and complaints, compliments and feedback to customers.	50.80	42.80	42.80

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Resources Directorate   **Annex 3**
Savings Proposals 2007/08

	Brief Description	Net saving 2007/08 £(000)	Full Year 2008/09 £(000)	Full Year 2009/10 £(000)
	a) Savings assumed within the report			
RSS01	IT Lease Savings Saving on 5 year leases which expire in 2007/08.	213.00	213.00	213.00
RSS02	Telephony Contract The current telephony contract ends in November 2007. It is possible that significant savings can be make depending on our requirement for a new contact. Savings in running costs, technology cost and call costs could be £150k in a full year and thus £50k in 2007/08.	50.00	150.00	150.00
RSS03	Mobile Phone Call Costs Incorporating the Council's mobile phones in the main telephony contract may give call cost savings of c£15k. The main saving is anticipated where calls are from landlines to mobiles. This saving will need to be disaggregated to Directorates.	15.00	15.00	15.00
RSS04	Remote Access Authentication Reduced costs due to the replacement of the current system that enables home workers and Elected Members to access City of York Council computer systems. It should be noted that the implementation of this saving will cause a delay to remote users of a few additional minutes when accessing the system.	2.50	7.50	10.00
RSS05	Digi TV The Council subscribes to DIGI TV at a cost of £10k per year. After a slow start the service has received 9,000 hits between March and August 06. The service is having enhancements such has GP appointments, Community Legal Services, Advice Guide and Transport Direct and the provider expect usage to double. The proposal is to cease the counil's contribution to the project.	10.00	10.00	10.00
RSS06	ITT - Corporate Storage System As a result of work to move to a new information storage system, it will be possible to reduce and then cease an existing support agreement. The 07/08 saving will depend upon confirmation that a 6 month support agreement is available at the expected cost.	9.00	18.00	18.00
RSS07	ITT - Reduced Network Connectivity Costs Reduced on going network costs resulting from the completion of the replacement telephone system project that included cancelling the now redundant telephony lines between the council's accommodation buildings.	55.00	55.00	55.00
RSS08	ITT - Disaster Recovery Current disaster recovery arrangements would replace identified Business critical ITT hardware and business systems .These services are provided until City of York Council has recovered its ITT services. Recent technology advances allows for the hosting of several systems on one server in certain circumstances. A number of such systems have been identified that reduces the externally provided disaster recovery requirements.	5.00	5.00	5.00
RSS09	Audit Commission Fees Anticipated reduction in core audit and inspection fees totalling £5k.	5.00	5.00	5.00
RSS10	Corporate Procurement Savings anticipated by rationalising corporate procurement functions within different parts of the Directorate into one central procurement support and advisory team. This proposal is likely to lead to a redundancy.	25.00	25.00	25.00

Resources Directorate   **Annex 3**
Savings Proposals 2007/08

	Brief Description	Net saving 2007/08 £(000)	Full Year 2008/09 £(000)	Full Year 2009/10 £(000)
RSS11	Housing Subsidy Administration - Repayment of Venture Fund The Housing Benefit take up campaign generated enough additional Revenue Support Grant to pay for itself and to provide a budget towards the repayment of the Venture Fund loan. The Venture Fund loan was repaid during 2005/06 and thus the ongoing revenue budget of £25k is available as a saving.	25.00	25.00	25.00
RSS12	Housing Benefit / Council Tax Benefit Subsidy Administration Remove 0.5fte post at principal officer level. Other staff within the team to take over responsibility which may involve minor regrading. This proposal is likely to lead to a redundancy/early retirement.	15.00	15.00	15.00
RSS13	Remove Council Tax Discounts for Long Term Empty Properties Remove the discount of 10% that owners of long term empty properties receive (currently relates to c 650 properties). This will generate extra income of £80k. There will also be a marginal reduction in administration. It will provide more incentive to bring houses back into use more quickly however the council will lose easy access to information over levels of empty housing stock.	80.00	80.00	80.00
RSS14	Savings from Revenues and Benefits Management and Administration The opportunities and changes brought about by easy@york mean that it is necessary to revisit the structure put in place after the Best Value Review . The changing face of customer contact and Revenues and Benefits processing mean that it may be possible to streamline management costs and review administration such as scanning and indexing. This will result in a reduction in staff levels and potential redundancies (maximum no 2fte)	50.00	50.00	50.00
RSS15	Efficiencies from York Customer Contact Centre It is anticipated that the York Customer Centre will achieve efficiencies and also drive out further efficiencies in the Revenues and Benefits services. This could involve a reduction in posts and other staff costs. Despite the Centre only being open for a very short time there are early indications that this will be achievable. The saving is based on a reduction of two fte posts from October 2007 but is anticipated it can be achieved through staff turnover.	25.00	50.00	50.00
RSS16	Systems Support Analysis and rationalisation of budgets has established that some elements of the budget do not reflect expenditure. This has led to savings within consultancy and publications (£5k).	5.00	5.00	5.00
RSS17	Local Taxation Recovery Analysis and rationalisation of budgets has established that some elements of the budget do not reflect expenditure. This has led to savings within Pensions (£3k), Printing (£5k) and Postages (£5k).	13.00	13.00	13.00
RSS18	Benefits Administration Subsidy Review into the level of housing and council tax subsidy in order to maximise the level of grant that can be claimed by the authority (£50k). The government have altered the method used to calculate the amount each Council receives and this has resulted in the City of York Council receiving an additional £5k.	55.00	55.00	55.00
RSS19	Benefits Overpayments When a customer is overpaid Housing Benefit we normally try to recover that sum. Many of the people with overpayments remain on benefit and are not in a position to pay back the overpayment in a lump sum. In these cases we deduct some of their benefit entitlement to pay off their overpayments. We will increase the amount of money that we deduct from customers benefit to £8.70per week (currently £6.35). This will get the debt paid more quickly and more will be collected. It is estimated this will result in increased income of £10k.	10.00	10.00	10.00

Resources Directorate
Savings Proposals 2007/08   **Annex 3**

	Brief Description	Net saving 2007/08 £(000)	Full Year 2008/09 £(000)	Full Year 2009/10 £(000)
RSS20	Property Services - General Budgets A thorough review of all general overhead budgets has resulted in identified available savings from car allowance, consultants, photocopying and subscriptions budgets totalling £10k.	10.00	10.00	10.00
RSS21	Property Services - Business Unit Reorganisation of support services function within property resulting in loss of 1 fte offset by regrade of other posts within the unit commensurate with increased responsibilities. This proposal is likely to result in a redundancy.	15.00	30.00	30.00
RSS22	Sundry Cashflow and Administrative Savings Savings from the implementation of the visiting officer for debtors achieved through improved cash flow (£10k) and reduced bailiff costs (£4k).	14.00	14.00	14.00
RSS23	Financial Services - General Budgets A thorough review of all general overhead budgets has resulted in identified available savings from consultants and postages budgets totalling £10k	10.00	10.00	10.00
	Total Savings	**716.50**	**870.50**	**873.00**

Treasury Management Savings

	Brief Description	Net saving 2007/08 £(000)	Full Year 2008/09 £(000)	Full Year 2009/10 £(000)
TMS01	Interest on Capital Receipts Additional interest arising in 2007/08 from capital receipts.	80.00	0.00	0.00
TMS02	Debt Restructure There is the opportunity to restructure some of the Council's debt portfolio where we pay a relatively high rate of interest in to debt with a lower rate of interest. It is envisaged that a saving of around £50k can be made by doing this. In addition there is the one-off impact of a low rate £5m loan taken out in advance of need which can be invested in the short term until it is required. This should raise a further £50k in 2007/08.	100.00	50.00	50.00
	Total Savings	**50.00**	**50.00**	**50.00**
	One-off Savings Total	**130.00**	**0.00**	**0.00**

b) Other Savings Options

	Brief Description	Net saving 2007/08 £(000)	Full Year 2008/09 £(000)	Full Year 2009/10 £(000)
RSS25	National Non Domestic Rates Bring forward the date that businesses are required to pay NNDR from 15th of each month to the 1st of each month. This will affect c. 400 businesses and provide a cash flow saving.	6.00	6.00	6.00
RSS26	Council Tax Bring forward the date that council tax payers are required to pay tax from 15th of each month to the 1st of each month. This will only affect those who currently pay by cash or cheque.	7.00	7.00	7.00
RSS27	Benefits - Removal of optional War Pensions Disregard CYC currently disregards income from war pensions when considering the entitlement to benefit. To include this income would reduce the benefit liability by £60k.	60.00	60.00	60.00
RSS28	ITT - Disaster Recovery Proposal to terminate the current disaster recovery support contract. This would result in ongoing savings however could lead to no protection in the event of a disaster that affected CYC computer network.	44.00	44.00	44.00

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Directorate of Resources Fees and Charges 2007/08

Registrar of Births, Deaths and Marriages	CHARGES 2006/07	PROPOSED CHARGES 2007/08	% Increase over 2006/07
	£	£	%
Statutory Fees review effective from 1st April 2007			
Searches			
General Search - up to eight searches and not exceeding six hours	18.00	18.00	-
Certificates - Superintendent Registrar			
Standard certificate of birth, stillbirth, death or marriage	7.00	7.00	-
Short certificate of birth	5.50	5.50	-
Certificates - Registrar			
Standard certificate of birth, stillbirth, death or marriage	3.50	3.50	-
Photographic copy of an entry of birth, death or marriage	3.50	3.50	-
Certificate of birth, death or marriage for certain statutory purposes	3.50	3.50	-
Short certificate of birth (other than the first issued at the time of birth registration)	3.50	3.50	-
Marriages - Superintendent Registrar			
For attending at the residence of a house-bound or detained person to attest notice of marriage	40.00	40.00	-
For entering notice of marriage in a marriage notice book	30.00	30.00	-
For entering notice of marriage by Registrar General's licence in marriage notice book	3.00	3.00	-
For attending a marriage at the residence of a house-bound or detained person	40.00	40.00	-
For attending a marriage by Registrar General's licence	2.00	2.00	-
Marriages - Registrar			
For attending a marriage solemnised in the Register Office	40.00	40.00	-
For attending a marriage solemnised in a registered building	40.00	40.00	-
For attending a marriage at the residence of a house-bound or detained person	40.00	40.00	-
For attending a marriage by Registrar General's Licence	2.00	2.00	-
Certificate for Worship and Registration for Marriage - Superintendent Registrar			
Certification of a place of meeting for religious worship	28.00	28.00	-
Registration of a building for the solemnisation of marriages	120.00	120.00	-
Discretionary			
Certification of a venue for marriage ceremonies (valid for three years)	1,500.00	1,750.00	16.7
Non-refundable booking fee for all weddings New fee introduced in 2007/08	N/a	20.00	N/a
Attendance of Registration Staff at Approved premises			
Marriage Room at the Registry Office (Inclusive of Statutory fees)	120.00	140.00	16.7
Other Premises			
Monday to Saturday (including fee for certificate)	345.00	365.00	5.8
Sundays and Bank Holidays (including fee for certificate)	395.00	415.00	5.1

Directorate of Resources Fees and Charges 2007/08

Court Costs	CHARGES 2006/07	CHARGES 2007/08	% Increase over 2006/07
	£	£	%
Council Tax			
Issuing of a Summons	50.00	50.00	-
Issuing of a Liability Order	20.00	20.00	-
Business Rates			
Issuing of a Summons	75.00	75.00	-
Issuing of a Liability Order	25.00	25.00	-
Sundry Debtors			
Issuing of a Summons (set by the court):			
Up to £300	30.00	30.00	-
£300.01 to £500	50.00	50.00	-
£500.01 to £1000	80.00	80.00	-
£1000.01 to £5000	120.00	120.00	-
£5000.01 to £15000	250.00	250.00	-
£15000.01 to £50000	400.00	400.00	-
£50000.01 - £100000	600.00	600.00	-
£100000.01 to £150000	700.00	700.00	-
Over £150000.01	800.00	800.00	-
Solicitors Costs applied at Summons Stage			
Up to £500	50.00	50.00	-
£500.01 to £1000	70.00	70.00	-
£1000.01 to £5000	80.00	80.00	-
Over £5000.01	100.00	100.00	-
Solicitors Costs applied at Judgement Stage			
Up to £5000.00	22.00	22.00	-
Over £5000.01	30.00	30.00	-
Oral Examination	45.00	45.00	-
Overpayment of Housing Benefits			
Issuing of N322A - Application to enforce an award (Set by Court)	35.00	35.00	-
Solicitors Costs applied at N322A Stage:			
Up to £250.00	30.75	30.75	-
£250.01 to £600.00	41.00	41.00	-
£600.01 to £2000.00	69.50	69.50	-
Over £2000.01	75.50	75.50	-
Oral Exam	45.00	45.00	-

City of York Council

Service Plan 2007/08
(Stage 1 Template)

Service Plan for: Audit and Risk Management

Directorate: Resources

Service Plan Holder: Liz Ackroyd

Workplans: Audit & Fraud
Risk & Insurance
Procurement

Director: Simon Wiles

EMAP :   Corporate Services

1. Service description & objectives

The Division is responsible for a number of key compliance functions in support of the Council's overall corporate governance and management assurance arrangements. The AD (ARM) is designated as the Chief Internal Auditor as set out in Article 13 of the Constitution. Further to this designation the post–holder supports the work of the Audit & Governance Committee as well as acting as a member of Quality Control Group, Officer Governance Group, Corporate Operations Group and various of the corporate projects groups such as FMS replacement. In addition the AD (ARM) is responsible for leading on CPA (Use of Resources Block) for the Directorate, managing the Training Programmes for professional finance staff & Resources Directorate staff and for considering requests for waivers from financial regulations.

Audit & Fraud

The Internal Audit Service provides control and corporate governance assurance to Members, Managers and the Director of Resources. The Fraud Team investigates all suspected cases of fraud and corruption impacting on the Council, including internal fraud committed by employees and Members and external fraud committed by members of the public.

Risk Management & Insurance

The Risk and Insurance section provides a comprehensive risk and insurance service to protect the Authority's assets and mitigate losses resulting from hazards and claims against the Council

Procurement

The Corporate Procurement Team provides a corporate lead and focus to the strategic development of procurement at the Council. The team's remit includes procurement strategy and policy, advice and guidance to major project work and strategic procurement initiatives.

Information Management.

Information Management promotes records management as one of CYC's underlying professional disciplines. Good records management promotes operational efficiency in any service but it also enables the specific legal obligations of the Data Protection Act and the Freedom of Information Act (and other information access legislation) to be fulfilled.

Service Objectives

- To provide a positive and measurable contribution to improving the Council's CPA score.
- To achieve all the Division's annual income and savings targets for the next three years
- To actively support and deliver the development of effective and robust corporate governance arrangements across the organisation
- To achieve a sharper focus around our training and development programmes, assessing skills gaps and tailoring a professional development plan for each employee
- To support, measure and monitor effective, efficient and legally compliant procurement practices and procedures across the organisation
- To deliver a relevant, robust and expanding audit programme aligning it with the Council's key risks
- To develop and embed effective risk management across the Council
- To Develop and embed information and records management as basic elements of business infrastructure
- Support and encourage other services in their development of governance and business infrastructure [e.g. health & safety, reporting standards, archives]

2. Significant drivers for change and improvement	
Driver	**Affect on service delivery**
Officer Governance Group work programme	Coordinate development work and implementation across the organisation further to detailed D&I plan managed by OGG on behalf of organisation
Responding to RMT action plan following the staff survey in relation to training and development	Need to develop a comprehensive Directorate training programme
CPA 2006/07 (Refresh) 2007/08 (Full inspection)	Coordinate the use of Resources action plan for the Directorate and implement key developments in appropriate divisional service areas
Client for the Audit Commission	To ensure proper management, coordination and liaison on behalf of the organisation within current resources and ensure the satisfactory delivery of the annual audit plan
Delivery of Officer Governance Group Improvement programme	Addressing known Corporate Governance & Compliance issues across the organisation on behalf of CMT
Corporate Efficiency Initiatives (OEP & DIP's)	Key links to VFM, Strategic Procurement Programme, Annual Efficiency Programme and Competition Agenda
Requirement to undertake more proactive counter fraud work and for greater joint working with government and other external agencies to combat fraud	Fraud team is required to undertake greater proactive counter fraud work, including data matching. Closer working arrangements, including information sharing protocols. Possibility of prosecuting non LA benefit offences.
Requirement to implement new or changed legislation, including the Proceeds of Crime Act and Money Laundering Regulations, and changes in social security legislation (including Housing and Incapacity benefits**)**	Develop the capacity to recover the proceeds of crime. Need to put in place Money Laundering reporting arrangements and identify related training / awareness arrangements for staff. Changes in the way benefit fraud is investigated
Review of the new Constitution (and Financial Regulations)	Support and advice as required in the application of the new Constitution
Supporting Corporate Priorities 11,12 and 13	Targeted counter fraud work and improved requirement for crime related data. Support to departments including advice in respect of risk identification, controls and procurement processes.
Capacity Limitations	Inability to provide adequate audit coverage and fully investigate all reported fraud. Also inability to undertake proactive fraud work/VFM

	etc and support other corporate initiatives including business continuity and the implementation of the Civil Contingencies Act, Audit Client Role, Officer Governance Group management, and COG Role.
Budget savings	Need to identify potential divisional savings as a contribution to departmental targets
® Corporate Procurement Savings	06/07 budget target of £217K
Procurement Strategy / Competition Strategy	Need to establish a robust framework within the Council for making strategic procurement decisions, including option appraisal for services subject to possible externalisation
® Failure to monitor and promote compliance with procurement regulations and EU directives	The Council may be exposed to expensive and time consuming legal challenge which can be expensive and time consuming if it does not ensure compliance with both Financial and EU regulations
Implementation of new systems and/or new methods of service delivery (including easy@york, the accommodation review and replacement FMS project	Ongoing support and advice in respect of risk identification, controls and procurement processes
Reduce % of staff days lost to sickness absence	All necessary actions to be implemented to ensure sickness levels are below the directorate target
Directorate training and development programme	Lead and develop a workable cross directorate training programme for Resources
Improvements in quality and professionalism	Improved customer satisfaction through ongoing service development
New operating procedures and capabilities arising from the implementation of new software systems (Galileo / Magique / Incase / IDEA	Improved efficiency and output. Closer working arrangements between risk management and internal audit. Improved management information and capability
Audit and Governance Committee Management	Additional responsibility to be delivered within current resource
® Delivery of the Audit Plan	The audit team need to ensure that at least 90% of the Audit Plan is completed
® Ensure all significant control weaknesses are identified and monitored as part of the audit process	It is important that action is taken to address weaknesses through the systematic follow up of all agreed audit recommendations

Ⓡ Compliance with DWP standards	Failure to achieve the standards for counter fraud activities may result in the CPA score being reduced.
Ⓡ Establish Corporate Contracts Management Portfolio	The Procurement Team needs to establish management of all relevant corporate contacts over the next twelve months to ensure it can provide a more strategic way forward for the Council to procure goods and services and ensure compliance with Gershon efficiencies

3. Priority improvement for 2007/08 & beyond	
Performance improvement	**Reason why improvement is required**
Risk Management Training programme and embedding of risk management	The CPA Score for Risk Management need to be increased by the time of the next full inspection early in 2008 and embedding risk is critical to achieving this
Supporting Financial Regulations, compliance and Training	The organisation needs to comply with the new Financial Regulation and hence reduce the number of breaches.
Management of Corporate Contracts portfolio	The Council needs to ensure that saving on corporate contracts are maximised and that corporate contracts are identified and properly managed through the Corporate Procurement Team.
Improved fraud prevention and detection	This will help protect the Council's limited financial assets.
Ⓡ Implementation of 2006 CPA Action Plan	It is critical that this is rolled out to ensure an improved CPA score at next inspection
Implementation & Monitoring of SIC Plan	This will help ensure compliance and improvement in relation to areas of weaknesses across the Council identified in the Annual SIC statement
Increase turnover with YPO	The increased take up of the use of YPO should ensure a better dividend for the Council as a Member of the organisation

4. New or changed actions for 2007/08 and beyond				
Action	**Service plan outcome**	**New? / Change?**	**Links to note**	**Comments**
Corporate Records Management procedures	Development of corporate procedures to ensure consistency across the organisation	New Deadline April 2009		Streamlining of records in preparation for move to new Office Accom
Review of management around FOI enquiries	Better control of Corporate FOI enquiries	New Deadline March 2008		Ensure better compliance across the organisation
Introduction of comprehensive ARM customer Satisfaction surveys	To ensure the services provided are valued, effective, efficient and what our customers want	New Deadline		
Implementation of rigorous divisional performance management routines	To ensure better control and understanding of the divisions performance and addressing any identified areas of weakness	New Deadline: March 2008		This is geared to improving performance of the division aligning performance with objectives and contribution to Corporate Priorities
Implementation of Year 1 divisional business plan including training plan and communication strategy	This will provide the division with a three year plan to move from where we are to where we want to be it will develop our core value and ethos as well as developing more robust training and succession planning	New Deadline: rollout to March 2008		This is geared to improving performance of the division aligning performance with objectives and contribution to Corporate Priorities
Monitoring of financial regulations	It is necessary to ensure that all Directorates are complying with the new financial regulations introduced during 2006	New Deadline: Rollout to March 2008		
Development & Implementation of Directorate training programme	This is in response to the RMT action plan following the staff survey	New Deadline: Rollout to March 2008		
Prepare for Corporate and Use of Resources full CPA inspection	Need to deliver the action plan in relation to CPA plus support COG's roll as project board	New Deadline: Jan 2008		

Management of Corporate Contracts Portfolio	This is a step change to how the CPT deliver there service and should provide better strategic direction and control	New Deadline: Rollout to March 2008		
Managing the corporate strategic procurement programme	To ensure a more strategic approach to procurement of projects and programmes I.E Office Accom , Highways PFI	New Deadline: Rollout to March 2008		
Delivery of VFM Programme	To provide a corporate service to ensure that all Council Services are provide in an efficient and economic way	New Deadline: Rollout to March 2008		
Provide a new financial investigations service	To ensure the Council minimises the cost of fraud and in as many cases as possible looks to recover its financial loss	New Deadline: Rollout to March 2008		

5. Key Balanced Scorecard Measures 2007/08 to 2009/10

Annex 5

Customer Measures

	Measure	Current 06/07	Targets 07/08	08/09	09/10
C1	Customer Satisfaction with ARM	New)	91%	93%	95%
C2	% of Audit Plan completed	90%	91%	92%	93%
C3	Audit 'High' priority recommendations agreed	80%	81%	82%	83%
C4	% of Ins claims acknowledged within agreed timescales (Woolf)	95%	100%	100%	100%
C5	Annual inspection audit plan delivered on time and in budget	Yes	Yes	Yes	Yes
C6	% of letter responded to in 10 days	100%	100%	100%	100%
C7	Number of Visitors seen within 10 Min's	100%	100%	100%	100%
C8	% of complaints responded to within 10 days	100%	100%	100%	100%
C9	% of calls answered within 20 Sec's	95%	95%	96%	98%

Process Measures

	Measure	Current 06/07	Targets 07/08	08/09	09/10
P1	Repudiation rate - Employers Liability by policy year	80%	81%	82%	83%
P2	Repudiation rate - Public Liability by policy year	90%	90%	90%	90%
P3	End of field work to draft report	New	30	20	15
P4	Increased turnover with YPO	7%	8%	9%	10%
P5	No of fraud Investigators (per 1000 HB claims)	0.51	0.51	0.51	.0.51
P6	No of fraud Investigations (per 1000 HB claims)	44	45	46	46
P7	No of fraud prosecutions sanctions (per 1000 HB Clm)	4.9	5.0	5.1	5.1
P8	No of FOI requests answered within 20 working days	New			
P9	No of subject access enquiries answered within 40 days	New			

Finance Measures

	Measure	Current 06/07	Targets 07/08	08/09	09/10
F1	Insurance External Income target	£12k	£15k	£17k	£20k
F2	Delivery of procurement budget savings target	£217K	TBA	TBA	TBA
F3	Audit income target	£15K	£16K	£17K	£18K
F4	Value of fraudulent overpayment identified	£140K	£150K	£160K	£170K
F5	VFMt Savings Target	£4K	£4K	£4K	£4K

Staffing Measures

	Measure	Current 06/07	Targets 07/08	08/09	09/10
S1	How satisfied are staff with their job	60%	63%	66%	70%
S2	Minimum number of training and development days per staff member	2.3	3	3	3
S3	% of staff who have received an appraisal	86%	90%	92.5%	95%
S6	Maintain % of staff turnover (+/- 2%)	10%	10%	10%	10%
S7	Number of staff motivated to do their job well	89%	91%	93%	95%
S8	Number of days lost through sickness per FTE (Short Term)	8 (Projected)	6	5	4

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CITY OF
YORK
COUNCIL

Service Plan 2007/08
(Stage 1 Template)

Service Plan for: Financial Services

Directorate: Resources

Service Plan Holder: Head of Finance

Workplans: Corporate Accountancy, Exchequer
(Creditors, Debtors and Payroll)

Director: Resources

EMAP :   Corporate Services

1. Service description & objectives

Please provide a brief definition of the services your plan covers and the working environment it operates within.   Please also provide a brief explanation of your service objectives.

Service Functions
- Corporate Accountancy (includes FMS replacement)
- Creditors
- Debtors (including recovery of Housing Benefit Overpayments)
- Payroll

Service objectives
1. To ensure all financial operations of the council are conducted in a timely and accurate manner in line with statutory and regulatory requirements.
2. To champion effective financial management.
3. To utilize good services to optimize the council's financial position.
4. To develop and maintain quality, constructive relationships with key clients and customers.
5. To contribute towards the development of a modern, efficient and forward-looking council.

2. Significant drivers for change and improvement

Driver	Affect on service delivery
External drivers	
The corporate inspection and changes to the CPA inspection criteria	Corporate finance will have a role in ensuring the new inspection criteria is understood and complied with to pursue the Council's aim to become excellent.
Significant amendments to statutory reporting requirements	Development work will be required to integrate major changes into the council's accounts from April 2007.
Payment of Invoices	BVPI 8 requires that all supplier invoices are paid within 30 days of their receipt. Creditors Team will need to keep monitoring all payments to ensure compliance.
Gershon – Delivering Efficiency in Local Services	Work on efficiency needs to be integrated into the planning and reporting cycles. We will have a key role in leading such work.
Corporate drivers	
Replacement of the Finance Management System	The FMS replacement project is led from the Accountancy team with key input also required from both the Creditor and Debtors teams in relation to the 'add on' modules for their services. Large amounts of work will be done to prepare for the new system going live in early 2008/09.
Budgetary Issues	As the lead service for coordinating and developing the budget Accountancy will have a key involvement in defining future timetables of work and dealing with the further development of short, medium and long term financial planning.
Integrated Planning and Reporting	Accountancy has a pivotal role in developing and delivering an integrated approach to service and financial planning / reporting.
Developing a medium term budget process within the scarce resources available	The service needs to lead upon the development of more strategic budget processes which will enable the council to fully utilize the opportunities available through multi-year settlements and enhance its ability to forward plan.
Review of the council's transport arrangements	Externally funded study looking to reduce passenger journeys within York by one million miles per annum.

HR developments	Potential changes to employee details arising from the implementation of job evaluation will distort the normal workflow for the Payroll Service.
Corporate projects	Strategic Finance has a key role in a number of corporate projects. These include admin accom, Gershon, the Finance Strategy, the annual budget process, job evaluation / equal pay, transport, ledger replacement and York Pools. In many instances finance staff act either as key officers and advisors for such work. In such an environment developing relevant skills will be key to their success.
Service drivers	
Development of comparative benchmarking information.	Work to be undertaken to establish and assess relative spend on services to that provided by other councils. Such work will help target work in the development of short, medium and long term budget planning.
Develop the management of external grants.	Work to be continued to maximize successful applications for government grants and to promote their proper management by the authority.
VAT	There is a need to enhance the quality of VAT analysis to ensure that eligibility requirements are met, especially in relation to the de-minimis boundary.

3. Priority improvement for 2007/08 & beyond	
Performance improvement	**Reason why improvement is required**
To procure a replacement financial ledger during 2007 followed by a successful implementation during 2008.	Replacement of the council's antiquated financial systems should enable step change improvements in terms of the quality of information and operational processes.
To deliver unqualified statement of accounts within the deadlines set by central government.	York has an excellent track record in producing its accounts. However tighter deadlines combined with major accounting changes in 2007 and a complete system replacement in 2008 will make maintaining this position a particular challenge.
Ensure full compliance with Gershon principals and embedding service improvement / efficiency across the council.	The Gershon requirements are a key additional duty on the council. Strategic Finance has a pivotal proactive and promotional role in ensuring that such requirements are properly met.
Dealing with the financial and managerial changes which the White Paper, Lyons and other reviews will present to the council.	These areas present the possibility of major changes in how the council must operate and be financed in the future. Finance staff will be at the core of delivering many of the changes which this will require.
To improve the effectiveness of the council's income collection and debt recovery process.	As the financial position gets ever tighter there is an increasing need to ensure that all income streams are maximised. Stream lined systems, proactive chasing of debt and prepayment will all be key elements of achieving this.
To manage the successful delivery of a council wide efficiency review programme.	The council's efficiency review programme will be a key driver to improving services and prioritising scarce resources.
To continue to learn from best practice elsewhere.	The service recognises that in order to progress it must learn from best practice elsewhere. In the past year this has covered areas as diverse as the production of summary accounts and budget consultation with stakeholders.
Other comments to note	
None	

4. New or changed actions for 2007/08 and beyond				
Action	**Service plan outcome**	**New? / Change?**	**Links to note**	**Comments**
Customer				
To make positive progress on the FMS replacement project	Procurement complete May 2007	More detailed version of 2006/07 outcomes		
	System implemented 2008/09			
To continue progress on improving the quality of services as judged by the Audit Commission as part of the CPA scoring system	Work to identify and address weaknesses within the CPA assessment	2006/07 Targets		
	Assessment of new and changed requirements arising from the revised CPA framework			
To ensure we produce Final accounts in line with revised deadline and without qualification.	Accounts submitted to council by 30th June each year	More detailed version of 2006/07 target		
	Unqualified audit statement issued by 30th September each year			
Process				
Continued improvement in payment processes	Monitoring of problem areas for paying invoices alongside remedial action to address issues arising from such monitoring	2006/07 Target		
	Introduce a visiting officer to reduce reliance on external bailiff services	New Outcome		
	Implementing revised procedures alongside replacement ledger in 2008.	New Outcome		
Work to enhance the accuracy of payroll records	Securing additional external work to manage overhead costs within the payroll service.	2006/07 Target		
Finance				
Use freedom under the prudential regime to ensure	Borrowing made in advance of need to lock in beneficial interest rate	New Target		

Action	Service plan outcome	New? / Change?	Links to note	Comments
4. New or changed actions for 2007/08 and beyond				
that all borrowing is made at the lowest possible interest rates.	payments for the future.			
To introduce risk assessments for all reserves to enable an appropriate level of balances to be identified and held.	Better targeting of reserves and introduction of plan to manage move from current to ideal position.	New Target		
Increase income via salary sacrifice.		2006/07 Target		
Staff	**Actions**			
Maintain and improve proportion of staff holding relevant qualifications for the posts they hold.	Monitoring of current levels of qualified staff, identification of skills gaps and emphasis on personal development via the appraisal process.	New Target		Relevant qualifications include CCAB accountants, (primarily CIPFA), Accounting Technicians (AAT), Payroll … etc
Ensure focus on staff development in Resources, by improving staff appraisal system	Ensuring a continued middle management focus on the need for appraisal and performance review	2006/07 Target		
Increase staff productivity in Resources, by reducing the incidence of sickness absence	Placing greater emphasis on the need to address patterns of absence and fairly dealing with causes of such absence at an earlier stage	2006/07 Target		
Enhance staff morale and management capabilities	Establishing a belief in all staff that their contribution is valuable and valued by management.	2006/07 Target		

5. Key Balanced Scorecard Measures 2007/08 to 2009/10

Customer Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
C1	Maintain and improve on relevant areas of the CPA (currently included in Use of Resources)	3	3	4	4
C2	Number of staff accessing a salary sacrifice benefit	360	555	650	
C3	Number of External Payroll Clients				
C4	External Funding Information Requests Dealt With				
C5	Pension Detail requests Dealt With				

Process Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
P1	BVPI 8 – Invoices paid with 30 days (council wide measure)	95%	95.5%	96%	
P2	Paying all staff correctly in year	99.6%	100%	100%	
P3	Key Report Deadlines Met (total 16)	100%	100%	100%	100%
P4	Key Internal Milestones Met (total 25)	100%	100%	100%	100%
P5	Payroll Churn (leavers plus starters)				
P6	Invoices Processed				
P7	Invoices Cancelled or Disputed				

Finance Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
F1	Improve level of housing benefit overpayment recovery.	£350k	£365k	£380k	
F2	Identification of cashable and non-cashable efficiency savings to meet Gershon criteria.				
F3	Council Income from salary sacrifice	£17k	£20k	£24k	
F4	Average Interest Payable on Council Borrowing	4.69%	4.63%	4.60%	4.60%
F5	Benefit achieved from Treasury Management Activity				

Staffing Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
S1	No of staff who have received an appraisal in past 12 months in Resources.	90%	92.5%	95%	
S2	Proportion of staff attendance (excludes contracted absence such as leave))	96%	96.5%	96.5%	
S3	Level of Staff Turnover (+/- 2%)	10%	10%	10%	
S4	Proportion of respondents expressing job satisfaction in staff survey within Resources	63%	66%	No survey	
S5	Proportion of staff holding a professional qualification relevant to their post.				

Service Plan 2007/10
(Stage 1 Template)

Service Plan for: I.T.T. Services

Directorate: Resources

Service Plan Holder: Roy Grant

Workplans: **Business & Customer Services**
Infrastructure
Development

Director: Simon Wiles

EMAP : Corporate Services

1. Service description and objectives

The department provides ITT services to all council directorates and its elected members, supporting them in the delivery of high quality customer focused services to the public. The department currently provides services and support for in excess of 120 applications between the hours of 08:00 and 18:00, Monday to Friday excluding bank holidays, to more than 2,500 customers across the city including home based staff and mobile workers.

The department is also leading the councils Easy@york programme and its subsequent technical, staff and the service improvement implications in response to the ODPM's electronic enablement target BVPI 157 and priority service outcomes.

The current Customer Satisfaction survey indicates an improvement on the previous years high satisfaction rating. The 2006 survey reports that 91% of all customers are satisfied with the services provided by ITT.

The department consists of three main functional services areas:

- Business and Customer Services
- Infrastructure Provision and Support
- Business Development Services

Business and Customer Services
These teams provide:
- Access to and the support and maintenance of, the standard corporate desktop system that includes: operating system, appropriate corporate office suite, desktop virus protection, e-mail, internet and CouncilNet access and desktop print facilities.
- A single point of contact for all customer ITT faults and service requests.
- Mobile phone and XDA administration.
- Contract and procurement services for ITT services.
- Development and monitoring of Service Level Agreements (SLA) and recharges.
- Essential business, financial and administration support functions.

Infrastructure Provision and Support
Collectively the infrastructure team is responsible for delivering the council's robust, scalable and highly available ITT infrastructure including the availability of corporate and departmental systems. The team is comprised of the two following core elements:

Telephony and Data network
Provide access to corporate ITT systems for the department's customer base through the council's converged and remote network facilities. Provision and support are delivered through a 3rd party managed service contract that includes 24x7 network monitoring services. The support and maintenance arrangements for council's network covers the agreed SLA of 8:00-18:00hrs Monday to Friday excluding bank holidays.

Domain and Central Systems
Including:
- Server Based Computing (Citrix)
- Common Services (Printing, File Serving, Email, Security, Web filtering and Anti Spam etc)
- Corporate & Departmental Systems (Payroll & Personnel, Revenues and Benefits Systems etc)
- Operations Services (Volume & secure printing, backup & recovery)

Provision and support for these services are provided by Infrastructure support staff with further specialist hardware and business application support being provided through 3rd party maintenance and application support agreements.

<u>Business Development Services</u>
This team provides the following functions:
- Assist Directorates with the identification and delivery of service improvement opportunities and customer business objectives to develop or improve new or existing business processes that underpin service efficiency gains.
- Assist Directorates to develop and maintain processes to make effective use of existing ITT solutions and to promote the strategic use of technology within the council.
- Assist Directorates in the formulation of ITT Development Plan bids in line with corporate priorities and make recommendations for investment.
- Assist Directorates with requirements definition, evaluation and sourcing of ITT solutions.

Service objectives

- S01: Provide a secure, resilient and high performing ITT infrastructure that supports Council service delivery.

- S02: Develop and maintain solutions to deliver E-government

- S03: Identify, provide and promote technologies to improve business efficiencies.

- S04: Maintain and further develop effective links with partners.

- S05: Develop and maintain ITT strategies and policies that drive departmental & corporate improvements and facilitate organisational change to support the Council's 13 corporate priorities.

- S06: Maintain and further develop appropriate technology to enable staff to work independently of location.

- S07: Ensure that ITT services and its assets are fit for purpose, minimize the impacts of threats, accommodate change and provide value for money.

2. Significant drivers for change and improvement	
Driver	**Affect on service delivery**
Corporate Strategy incorporating the 13 improvement statements.	Develop future ITT Strategy to support and facilitate the delivery of the agreed council priorities.
Compliance with e-government standards and trust assurance in relationship with partner agencies.	Provide and manage the secure and robust shared/joined infrastructures at the agreed co-working locations.
Compliance with changes in government legislation i.e. Revenues & Benefits, Social Services & Housing.	Develop and maintain effective access and support protocols for staff working from non-council properties.
Cross partnership or agency working i.e. effective partnerships with Primary Care Trusts (PCT).	Solution procurement and installation activities as part of the Social Service systems (ISIS) replacement plan.
The Freedom of Information Act (FOI).	Assist with information retrieval requests, impacts are un-quantified at present and will be driven by nature of requests.
®1The Civil Contingencies Act 2004.	Further develop of the departmental BCP including team recovery plans that link into the Corporate BCP in support of the 2004 Civil Act requirements.
DfES requirements for Integrated Children's Services.	Further develop and install ITT infrastructure at identified children's centres located within schools.
Implications of the DfES targeted capital fund.	Develop the Integrated Children's System and deploy to health and other key partners across the City
	Support partnership working through the development of links with other key networks and systems eg. National Health network (N3) and the CYC Broadband system.
	Develop and deploy converged network solutions for the secondary schools targeted for rebuild.
Easy@york programme to deliver improved customer contact, increased service efficiency and deliver e-government targets through the utilisation of information technology including improving, streamlining and modernising customer access to services.	Support and develop the national educational network to facilitate access to national curriculum content.
	Lead the corporate Easy@york programme and the subsequent Service Improvement, Technical and Customer Contact streams.
	Undertake the configuration and support of the new technology platform, infrastructure and

	systems to deliver the Easy@york ITT solutions.
	Facilitate the phased go live and further expansion of the York Customer Centre (YCC) to include additional services i.e. Planning, Building Control, Revenues and Benefits using the newly deployed Easy@york technologies.
Accommodation review impacting on the ITT infrastructure requirements.	Provide significant and influential input required within the accommodation review project structure to ensure fit for purpose ITT infrastructure is included within the new town hall design.
Implementation of the approved ITT corporate business development projects to support the delivery of Corporate priorities	Assist the directorates with ITT solution procurement and implementation activities for approved ITT corporate business development projects.
Approved capital program.	Assist the approved capital program with ITT related solution procurement and implementation activities.
Corporate organisational change.	Manage the increased support burden and customer expectations resulting from the impacts of corporate organisational changes.
Home and mobile working initiatives.	Manage the Increased support and security demands resulting from the changes in working practices and increasing mobile working requirements.
®2 Corporate HR Strategy.	Ensure new policies and procedures are properly understood and enacted in the department.
	Manage the departmental impacts of the corporate job evaluation scheme.
Corporate Financial position.	Identify methods of procuring ITT goods/services more cost effectively to support departmental and corporate Gershon efficiency targets.
	Explore the potential for extending external collaborative working arrangements with other councils and agencies.
Resources Staff Survey Response Plan.	Manage the delivery of the agreed departmental actions in the response plan.
®3 Replacement of obsolescent key business applications.	Undertake the identification, procurement and installation activities associated with major

	system replacement programmes i.e. FMS and Social Care system.
Budget and Performance Reporting Plan.	Provide clear, concise and timely performance and financial information.
®4 Maintain and improve where feasible the high levels of service availability and customer service as agreed in service level agreements.	Ensure that the appropriate levels of trained and skilled support staff are available underpinned by effective monitoring of the managed service and 3rd party support contracts delivered by a fit for purpose infrastructure.
	Develop and maintain a staff succession plan linked to post Easy@york programme departmental and corporate requirements.
	Replace ageing/obsolescent hardware components and/or software solutions in a structured process that reduces business risks and provides value for money.
	Review scope and requirements prior to the renegotiation of existing managed service contracts.
	Further develop and expand the resilient corporate file storage solution that increases capacity and reduces file/information recovery time if lost or deleted by accident.
	Further develop and expand the use of virtual server technologies. This allows multiple systems to be housed on one physical server. In addition to improving resiliency and reducing future growth costs, there are environmental benefits including less physical accommodation space is required and also energy consumption is reduced.
	Further develop and maintain effective consultation and communication processes with the customer base and establish resilient solutions where possible.
	Further develop ITT corporate governance initiatives.
Increasing demands for service availability outside of the current supported hours of operation.	Identify business needs and associated resources.
	Further develop and maintain effective and efficient resource allocation and work planning processes supported by the department's self-improvement programme to maximise the

	availability of its resources.
	Develop an agreed forward schedule of planned system maintenance downtime that minimises customer disruption.
Service delivery optimization within existing available resources and budget.	Manage the increasing demands of a changing and evolving customer base and the corporate ITT development plan.
Effective, robust and up to date ITT policies to support and sustain service delivery.	Review, consult and distribute revised policies including electronic communications policy (ECP) in line with policy review cycle.

3. Priority improvement for 2007/08 and beyond	
Performance improvement	**Reason why improvement is required**
Further develop change control procedures through process mapping and subsequent workflow regimes to be incorporated into the departments Customer Support Service Desk software.	To mitigate against the previously identified ®4 risk and to help sustain the high levels of service availability and customer service as agreed in service level agreements.
	To update and expand the council's ITT change management procedures required to support the Integrated technology and contractual obligations included within the Easy@york programme.
	This will help further improve the overall customer experience and satisfaction with ITT Services.
Further Develop Corporate and Departmental Business Continuity Planning (BCP).	Enable the effective recovery of ITT Services and support corporate compliance with the Civil Contingencies Act 2004.
Develop a forward looking technology and major systems replacement roadmap.	Enable more effective financial and resource planning and potentially provide the ability to consolidate and integrate systems and secure increased value for money services.
Improved awareness of the new Financial Regulations and its compliance requirements.	Ensure the department complies with the new Financial Regulations and helps support the council's drive to reduce the number of breaches.
Increase the target for the number of support calls resolved within the agreed service level agreements.	Realignment of standards to reflect customer requirements and service agreements provided by ITT services as benchmarked with comparative organisations.

4. New or changed actions for 2007/08 and beyond				
Action	**Service plan outcome**	**New? / Change?**	**Links to note**	**Comments**
Implement the approved ITT Corporate Business Development and Infrastructure projects from ITT Dev Plan 06/07 and 07/08.	Assist the directorates with ITT solution procurement and implementation activities for approved ITT corporate business development projects.	**Changed**	Annual ITT Development Plan cycle.	Project Specific
Lead the corporate Easy@york programme and the subsequent Service Improvement, Technical and Customer Contact streams. Undertake the configuration and support of the new technology platform, infrastructure and systems to deliver the Easy@york ITT solutions. Facilitate the phased go live expansion of the York Customer Centre (YCC) to include additional services i.e. Planning, Building Control, Revenues and Benefits using the newly deployed Easy@york technologies	Enable the council to achieve its e-gov targets by delivery of the Easy@York transformational programme.	**Changed** New phases of programme.	Implementation of Easy@york and the ODPM e-government targets (BVPI 157 and priority service outcomes).	
Develop a forward looking technology and major systems replacement roadmap.	Establish and then maintain a structured departmental procurement plan.	**Changed** Revised deadline July 2007.	Annual ITT Development Plan cycle.	More effective financial and resource planning will provide the ability to consolidate and integrate systems and secure increased value for money services.

Maintain the high levels of service availability and customer service as agreed in service level agreements.	Replacement of the Corporate Financial Management System (FMS).	**Changed** Revised project timescales.		Revised, agreed and achievable project timetable is in place taking into account resource availability and the financial year-end close down process.
Further develop change control procedures through process mapping and subsequent workflow regimes to be incorporated into the departments Customer Support Service Desk software	Update and expand the council's ITT change management procedures required to support the integrated technology and contractual obligations included within the Easy@york programme.	**New** Deadline September 2007.		Mitigate against the previously identified ®4 risk and to help sustain the high levels of service availability and customer service as agreed in service level agreements. Further improve the overall customer experience and satisfaction with ITT Services.
Increase performance targets for SLA resolution.	Maintain and improve where feasible the high levels of service availability and customer service as agreed in service level agreements.	**New** Deadline April 2007.	Annual Service Level Agreements.	Improve the overall customer experience and satisfaction with ITT Services
Improve the awareness of the new Financial Regulations and compliance requirements.	Improve staff awareness of the implications of the new Financial Regulations. Improve monitoring of high volume/value transaction suppliers.	**New** Deadline April 2007.	New Financial Regulations.	Ensure the department complies with the new Financial Regulations and helps support the council's drive to reduce the number of breaches.
Develop and maintain the departmental operational risks within the Corporate Risk Register.	Improve the identification and the subsequent management of departmental risks.	**New** On going.	CPA	Enables more effective monitoring and management of departmental risks to support the drive for an increased CPA Score for Risk Management.

5. Key Balanced Scorecard Measures 2007/08 to 2009/10

Customer Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
C1	% of Customer Satisfaction with ITT - annual survey.	N/A	80%	80%	80%
C2	% of external telephone calls answered within 20 seconds.	96%	95%	95%	95%
C3	% of complaints responded to within 10 days.	100%	100%	100%	100%
C4	% of FOI requests responded to within defined timescales.	100%	100%	100%	100%

Process Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
P1	**% Number of high priority calls resolved within sla.**	81%	90%	90%	90%
P2	**% Number of medium priority calls resolved within sla.**	93%	85%	90%	90%
P3	**% Number of standard priority calls resolved within sla.**	98%	85%	90%	90%
P4	**% Number of calls resolved first time.**	97%	85%	90%	90%
P5	**COLI 71 % of time the Council's major ITT systems/network infrastructure is available.**	99.99%	99.30%	99.30%	99.00%

Finance Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
F1	Maintain 100% of all invoices paid within the corporate 30 day KPI**.**	100%	100%	100%	100%
F2	Under take monthly budget reviews.	100%	100%	100%	100%
F3	Achieve annual savings target.	115%	100%	100%	100%

Staffing Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
S1	**Maintain the number of days lost to sickness at a rate below the corporate target and improve on previous years departmental performance.**	4.71%	Dir target 3.75%	Dir target 3.5%	Dir target TBC
S2	% of staff who have received an appraisal.	100%	Dir target 92.5%	Dir target 92.5%	Dir target 92.5%
S3	Maintain % of staff turnover (+/- 2%)	0%	10%	10%	TBC
S4	Proportion of respondents expressing job satisfaction in staff survey within Resources.	N/A	66%	TBC	TBC

CITY OF YORK COUNCIL

Service Plan 2007/08
(Stage 1 Template)

Service Plan for: Property Services

Directorate: Resources

Service Plan Holder: **Neil Hindhaugh**

Workplans: Asset and Property Management, Facilities Management
Strategic Business and Design

Director: Simon Wiles

EMAP : Corporate Services – Quentin Macdonald

1. Service description & objectives

Service description

Property Services play a significant and leading role in the management of all property assets, the management of administration accommodation to support all services and the planning, implementation and delivery of a substantial part of the Council's capital investment programme.
The department has been restructured to respond to the developing role of a dedicated Corporate Landlord for the council.

Property Services cover 3 key functions in support of the Corporate Landlord role:
 • Asset and Property Management
 • Facilities Management
 • Strategic Business and Design

Asset and Property Management
This function is provided by specialist professional services covering three distinct areas of work:
 • Property Management
 • Commercial Portfolio Management
 • Asset Management
Activities include the generation of capital receipts (£30m over the next three years) to support the capital investment programme of the council; developing and implementing proposals to acquire and dispose of assets in support of service delivery, including back to back deals (e.g. Barbican sale to support major investment in the council's swimming pools provision); The management, review and implementation of change and investment in the council's commercial portfolio (132 properties generating c. £ 2.4m per annum); Managing and reviewing the change in need and use of the council's property assets to ensure that the council's property resource matches current and future service needs, including producing service and area asset management plans. (Total number of properties 780 valued at around £ 250m)

Facilities Management
This function is provided by specialist professional services covering two distinct areas of work:
 • Facilities Management (Operational)
 • Facilities Management (Development)
Operational activities include the delivery of programmes of work for repair and maintenance, access (DDA compliance), health & safety and improvements to property assets; responding to day-to-day property needs of all service properties and schools (where they have an agreement); the management of asbestos in council buildings and responding to the needs of all building legislation and health & safety requirements; the development and management of energy, environmental and sustainability initiatives. Development activities include the review of the administrative accommodation portfolio and the implementation and delivery of a £30m project to replace a significant part of that portfolio; managing the day-to-day accommodation needs of all services through a facilities management service.

Strategic Business and Design
This function is provided by specialist professional services covering two distinct areas of work:
 • Strategic Business Services
 • Design Services
Activities include Business and partnership development, focusing on financial planning, programming and monitoring, resource and income management, procurement and tendering, performance management and the administrative hub of the service; commissioning of all professional and contractual services to support the delivery of a £20m capital investment programme; Quantity Surveying, playing an essential role in the procurement, financial and contractual management of all construction activity; the provision of a multi-disciplined design and project management service (Architects, Mechanical and Electrical Engineering, Planning Supervision and Inspection) for all capital building schemes for the council

Our main customers are front line services within the council and their partner providers, local developers, tenants of our commercial portfolio and responding to enquiries from general public and community

SO1: To have a fully developed, established, approved and operating role for the Corporate Landlord

SO2: To have a strategic and cost effective project plan for the provision of the council's administrative accommodation

SO3: To have a balanced programme of capital expenditure and funding through the generation of capital receipts

SO4: To be proactive and innovative in the development and implementation of proposals to acquire assets in support of service delivery

SO5: To be supportive of the York Pride initiative through effective repair and maintenance of the council's property assets, including the management of asbestos, access needs and health and safety issues

SO6: To be a high performing service in terms of the management of the council's commercial portfolio

SO7: To be a high performing service in terms of management of all property assets ensuring that decisions relating to retention, acquisition, disposal and utilisation are focused upon the achievement of the council's corporate objectives

SO8: To have a capital investment programme that responds to service and customer needs, provides value for money and is focused upon the achievement of the council's corporate objectives

SO9: To be a flexible and innovative service in procuring and delivering capital and maintenance programmes

SO10: To be a high performing service in terms of design and construction, ensuring that delivery, value for money, quality, safety, sustainability, environmental and accessibility considerations are to the fore

SO11: To be businesslike and cost effective in the provision of both in-house and partner provided property services to the council

SO12: To be supportive of staff in their personal development, welfare and contribution to all objectives

SO13: To contribute to the overarching objectives and operation of the Resources Directorate through effective crosscutting and integrated working

2. Significant drivers for change and improvement

Driver	Affect on service delivery
The need to generate capital receipts to support capital investment in council assets in line with the recently approved Capital Strategy document. ® Failure to achieve targets is a high level strategic risk for the council.	The need to deliver capital receipts from a diminishing asset base requires innovation and a focus upon excellent asset management. Resources will need to focus upon the collection and collation of improved property core data; the rationalisation of existing property assets through improved integration of service provision and the subsequent release of surplus assets. Opportunities will take time to develop and to deliver, and will require support from and close working with both service directorates and City Strategy.
The effective and timely delivery of the capital programme. ® Each individual project has its own project risks, but strategically we must ensure that expenditure is reconciled with budgets and note that delay in delivering projects may result in the loss of grant funding.	Property Services are currently involved in the delivery of several significant and important capital projects. The Admin Accom Headquarters at Hungate (c £30m), the replacement of the Joseph Rowntree School (c £24m), the extension and refurbishment of the new York High School (c £12m), the pools programme (c £6.5m) and miscellaneous projects (c £8m). All of which require

	significant strategic input, project management and implementation to challenging timescales.
The management and maintenance of existing property assets. The government has given clarification of their intent through CPA to monitor investment in existing property assets. At a time when both capital and revenue resources are at a premium innovative methods of reducing demands of the repair and maintenance backlog need to be explored. ® Strategic risk of not achieving a good score under CPA ® Operational risk of building failure through lack of investment	Our focus must begin with collecting and collating improved core property data, particularly with regard to condition, and through the Corporate Asset Management Planning process develop clear strategies for rationalisation and replacement of poor performing buildings. Again this requires the support of the service directorates in managing our property assets.

3. Priority improvement for 2007/08 & beyond

Performance improvement	Reason why improvement is required
• BVPI 156 – To continue to meet our targets accessibility (Disability Discrimination Act) for access to our public buildings. • To ensure that all building programmes of work are completed in year for each of our clients • Setting ourselves the target of achieving a high level of performance for all new buildings in terms of energy use and sustainability • Improve the flow and accuracy of property information to our clients, customers and Members	To provide access to all council services for all customers and to reduce the risk of being prosecuted under the Disability Discrimination Act. To enable our clients to satisfy service managers and their operational needs and help them manage their capital finances effectively. To meet developing national benchmark standards and to set an example to all other sectors by responding to environmental needs To be more proactive as a business and be more customer focussed

Other comments to note

Framework contracts for consultant services are an important supporting resource in delivering Property Services. A framework contract is currently being procured for Asset and Property Management services to be implemented in April 2007. The framework contract for design services is to be re-let in 2007/8.

4. New or changed actions for 2007/08 and beyond				
Action	**Service plan outcome**	**New? / Change?**	**Links to note**	**Comments**
Property Services have now established a Sustainability by Design development group including representatives from client directorates and the council's sustainability officer and energy management officer, they are charged with the following: - Development of a policy for Sustainable Design in council buildings. - Development of a framework for Sustainability by Design, including the provision of a sustainability statement for each building project. - Setting standards, including reference to BREEAM and the development of planning guidelines	Better quality building design, with a clear reference to sustainable and energy efficient building solutions	**New** Deadline April 2007 Deadline October 2007 Deadline October 2007	Aspects of Sustainability by Design are being incorporated and piloted within the delivery of current major building projects. Linked to the new Energy and Water Management Group Requirement to achieve a 'very good' rating for BREEAM included in draft Local Development Framework (LDF)	Needs to respond to new government initiatives and targets.
Undertake a review of existing support service (FM) provision in the administrative accommodation portfolio, with a view to rolling out across all property in the future. Work in partnership with Neighbourhood Services to review and let new cleaning contract with reference to future Admin Accom needs in the new building	New arrangements for the provision of property support services such as cleaning, caretaking and security of Council buildings.	**New** Deadline March 2008	Review of Neighbourhood Services	Initial review for Admin Accom has started, but important to collaborate with Neighbourhood Services Timing linked to OJEU procurement route. Maybe significant staff issues to consider.

To develop a Workforce Plan, inclusive of a competency framework and personal development plan for all staff in Property services	A fully developed Workforce Plan	**Change** <u>Deadline</u> Delayed: to be reviewed in line with corporate timetable	Corporate Review	
Appraisals will focus upon the personal and group development required to enable each member of staff to make a positive contribution to the new service and change process. To ensure that all staff have the opportunity for personal development through participation in group development work Establish group development teams to respond to Property Services business and staff development needs In place: Sustainability in design; Corporate Property data base To put in place: Review of contract documentation and procedures	Increase job satisfaction and retention amongst staff	**New** <u>Deadline</u> July 2007	Staff Survey	Responding to staff needs identified through the Staff Survey and the Property Services department away day development process

Service Plan 2007/08
(Stage 1)

Service Plan for: Public Services

Directorate: Resources

Service Plan Holder: James Drury

Workplans: Benefits, Revenues, Registration Services, York Customer Centre, Systems Support, Business Management

Director: Simon Wiles

EMAP :   Corporate Services

1. Service description & objectives

The Public Services division covers six major functions:

Benefits Service
Calculate and pay Housing Benefit and Council Tax Benefit for 12,000 claimants totalling £33.2m. Maximise benefit take-up and provide a welfare benefits advice service. Prevent and detect fraud through regular interventions and visits. Provide an enquiry service to customers. Based at City Finance Centre with reception points in Library Square and Acomb.

Revenues Service
Bill and collect the Council Tax and Business Rates for 83,000 domestic and 5,600 business properties for debt totalling £70m and £76m respectively. Maintain accurate property valuation records. Pursue customers for non-payment. Provide a cash collection and banking service for the whole Council. Based at City Finance Centre.

Registration Service
Provide registration services for births (3,200 p.a.), deaths (2,800), marriages (850) and Civil Partnerships (100). Undertake baby naming, renewal of vows and commitment ceremonies. . Provide certificates for historic entries from 1837 onwards. Licence approved premises for marriages and civil partnerships. Service falls under the remit of the Council and the Registrar General. Delivered from 56 Bootham, ASDA superstore at Monks Cross and York Hospital.

York Customer Centre (YCC)
Centre will provide a single point of contact for telephone and email enquiries offering access to information, raising Service Requests and signposting callers to the appropriate destination. Currently providing a service for three functions: York Pride Action Line (over 6,000 calls per month), Switchboard (over 50,000 calls per month) and Planning & Building Control. Proposed extension to services include Revenues (late 2006/07) and Benefits services (in 2007/08). Based at Little Stonegate

Systems Support and Development
Provide user support for a number of corporate IT systems – FMS, Delphi, Northgate Revenues & Benefits and Anite @ Work document management system. Provide user support for Resources IT systems – QPR, Magique, Galileo, Incase, Radius Icon, Radius ARMS and Technology Forge. Departmental co-ordination/representation of Resources in key corporate activities – IT Strategy and Corporate Operations Group. Manage and maintain the Council's website, Content Management System and intranet, providing advice on web development work for all directorates. Provide support of the Customer Relationship Management (CRM) system used within YCC. Based at City Finance Centre and Swinegate Court East.

Business Management
Provide a departmental HR and administrative support service. Manage incoming and outgoing post and electronically scan items (700k p.a.). Handle controlled stationery. Co-ordinate Health & Safety and Admin Accommodation issues. Based at City Finance Centre.

Service Objectives:

SO1 To deliver continuous service improvement whilst working within the legislative framework and performing to the national benefit standards set by the DWP
SO2 To maximize the income due to the Council in the form of Government grants, taxation, subsidy and to secure DWP funding
SO3 To pay benefit to the right people, for the right amount at the right time
SO4 To promptly and accurately bill and collect money in respect of the Council Tax and Business Rates ensuring that customers claim discounts, exemptions and reliefs to which they are entitled

SO5 To reduce benefit overpayments and improve the rate of recovery
SO6 To monitor and maintain a high level of customer satisfaction with the service
SO7 To maximize benefit take-up, in consultation with relevant stakeholders, with particular consideration to hard to reach groups and BME (black and minority ethnic) groups
SO8 To be proactive in preventing and detecting fraudulent abuse of the benefits scheme
SO9 To communicate with staff effectively and encourage staff development
SO10 To use performance management to monitor workloads and productivity in order to maximise the use of resources and aid planning
SO11 To be the premier civil ceremony venue in the country
SO12 To develop and deliver improved customer service to customers covering a range of services within the York Customer Centre
SO13 To lead on all corporate customer service initiatives
SO14 Improve stakeholders accessibility to Council services
SO15 Ensure that the IT resource is fit for purpose and that development, replacement and utilization is focused on key Council objectives.
SO16 Make key contributions to change management projects, for example easy@york and Admin Accommodation review
SO17 To provide support and guidance to staff on Health and Safety, within legislative guidelines
SO18 To monitor and report sickness absence and provide HR support for the Resources directorate

2. Significant drivers for change and improvement

Driver	Affect on service delivery
Easy@York Project and extended service provided by YCC **(R)**	Further service improvement work within Revenues and Benefits service to identify front/back office split and produce service level agreements. Efficiencies are expected to realise savings of £25k in 2007/08. Realignment of responsibilities for handling customer calls. Council will offer more customer access channels and self-service options. Increased level of knowledge by front-line Customer Service Representatives will increase first time resolution and improve customer satisfaction. Systems Support team need to support new technologies within YCC
Department of Works and Pensions (DWP) legislation changes including introduction of Local Housing Allowances (LHA) and changes to Performance Standards	LHA national roll-out starts April 2008 so Benefits Service needs to start implementation work in 2007/08 including extension of payments direct into bank accounts. All Performance Standards require close monitoring to ensure we maintain a "Good" CPA rating. Changes to the Security measures part of the standards need to be implemented and monitored. Note: From April 2009 Government intend to replace CPA with Comprehensive Area Assessment – see Local Government White Paper 2006
Key Best Value Performance Indicators (BVPIs) **(R)**	All Benefits BVPIs are closely monitored to ensure service improvements are realised and CPA rating maintained. Further review of working practices and structure required to ensure that performance does not deteriorate. Improvements in the collection and recovery of both current year and arrears of Council Tax

	ongoing to ensure increase in the collection rate and improve Collection Fund position (and consequent impact on level of Council Tax) Note: Government intend to replace BVPIs with new set of national indicators – see Local Government White Paper 2006
Current budget position	Budget savings of £228k identified for 2007/08 which will require a stringent review of existing activities and close monitoring of income collection rates and benefit subsidy maximisation. Reduction in staff levels could have detrimental impact on service delivery and key BVPI data Growth bid proposed of £190k for "loss" of subsidy arising from placement of Homeless B&B cases
Development of Corporate Customer Standards and Delivery of Improvement Statements as part of Customer Access Strategy	Review of existing Customer First standards required and development of revised corporate customer standards and measures. Links into delivery of services by YCC and the web. Growth bid (£50.8k in 2007/08) to create post to deliver this outcome has not been approved. Note: AD Public Services is champion for corporate priority that seeks to *Improve our focus on the needs of customers and residents in designing and providing services*
Sustainability Agenda	Leading on the implementation of the Green Office Policy within Resources. Support for Director of Resources to achieve corporate priority on "improving efficiency and reduce waste"
IT Development Plan and system replacement	Systems team input or project management for FMS, ISIS, Payroll & HR and B stubs (Miscellaneous Income) replacement projects
Registration On Line (RON) for Births, Deaths& Marriages - national implementation	Experience of the introduction for Civil Partnerships (late 2005) indicates possible initial backlogs if systems are not robust. May need to handle public complaints.
Implementation of Single Non-Emergency Number (SNEN) as part of Home Office/DCLG initiative	Roll-out of national "101" number, in partnership with North Yorkshire Police, in 2008 with a 24/7 365 days service. Will extend the range of services offered by the YCC but there are long-term resource implications, though funding provided for 5 years.
Lyons Inquiry into Local Government and response from Department of Communities and Local Government (DCLG)	Potential changes in balance of funding, new basket of local taxes, Council Tax valuation and streamlining of Council Tax Benefit claims for pensioners. Depending on the outcomes this could have an impact on the structure and delivery of services within Council Tax, Business Rates and Benefits teams.

3. Priority improvement for 2007/08 & beyond	
Performance improvement	**Reason why improvement is required**
Improvement In administering benefits Change of Circumstances notifications and New Claims **(R)**	Necessary to ensure (a) that BVPIs are not "qualified" in 2007/08 (b) to help maintain a Good Benefits CPA score, (c) to reduce the level of benefit overpayments and minimise the level of local authority error. There is a proposed legislation change to allow notification of changes to be accepted over the telephone which should positively impact on service delivery and BVPIs Note: BVPI 78b for Changes processed in 2005/06 was qualified by the Audit Commission and BVPI 78a for New claims qualified in the previous year.
Increase in take-up of benefits for people aged 60+ (LPSA target)	Addresses objectives in the Council's Equalities Strategy (see Thriving City theme). Helps secure funding under the LPSA scheme.
Other comments to note	
Relocation of staff to YCC took place in June 2006. Implementation of Customer Relationship Management system, new telephony and transactional website due in December 2006. When systems are fully working and embedded it will possible to compile true metrics to assess performance and monitor admin queues. Restructuring of budgets will be required in 2007/08 across the Public Services division as operational costs of the YCC increase and staff transfer to the centre.	

4. New or changed actions for 2007/08 and beyond				
Action	**Service plan outcome**	**New? / Change?**	**Links to note**	**Comments**
Implement Local Housing Allowance scheme in accordance with DWP legislation	Legislative requirement Meets service objective SO3	New (by 2008)	National roll-out included in Welfare Reform Bill 2006	Project will include consultation with landlords, provision of advice to customers about bank accounts, gathering of bank details, system testing. Need to establish if implementation costs will be met by DWP.
Introduction of external speech server	Improves customer contact channels Meets service objectives SO12 & SO14	New (during 2007/08)	Links to corporate priority on customer focus	
Undertake work to increase benefit take-up of groups whose level of health is the poorest	Meets service objective SO7 on maximisation of benefit take-up	New (by 2009)	Included in Corporate Strategy 2006-2009 Healthy City theme. Also link to DWP Performance Standard enabler E39 on targeted campaigns.	Additional funding/resources will need to be sought to help meet this corporate objective. Co-ordinate with priority champion – AD Lifelong Learning & Leisure
Undertake targeted benefit take-up and awareness campaigns to support children, young people and families	Meets service objective SO7 on maximisation of benefit take-up	New (by 2009)	Included in Corporate Strategy 2006-2009 Inclusive City theme. Also link to DWP Performance Standard enabler E39 on targeted campaigns.	Additional funding/resources will need to be sought to help meet this corporate objective. Co-ordinate with priority champion – AD Children & Families
Implement a mobile working solution for benefits intervention visits. Consider extension to home visit assessments	Improves customer service and processing times Meets service objectives SO1, SO3 & SO8	Change	easy@york project	Joint Business Appraisal was carried out with Housing. Some integration issues identified but resolved. Project on hold pending decisions by easy@york project

Key role in support, development and expansion of CRM and telephony solutions as part of easy@york project	Increase accessibility and service improvement Meets service objectives SO12-14	New (ongoing throughout 2007/08)	easy@york project Links to corporate priority on customer focus	CRM and telephony became responsibility of Systems Support & Development team in 2006/07.
Lead in the development, support and expansion of the Content Management System	Improve accessibility and communication with our customers Meets service objectives SO12-114	New (ongoing throughout 2007/08)	easy@york project Links to corporate priority on customer focus	Web team transferred to Public Services following Chief Executive's re-structure
Key role in the Business Appraisal for replacement Payroll & HR system as part of 2007/08 IT Development Plan	Meets service objective SO15	New Deadline for submissions June/July 2007	ITDP 2007/08	Work needs to start as soon as possible to ensure full and comprehensive appraisal carried out for next 2008/09 ITDP round
Develop full Quality Assurance role within Benefits service to improve accuracy, identify training needs, review procedures and inform policy	Service objectives SO2, SO3 & SO5 Improve BVPIs for processing times and accuracy	Change	BFI Action Plan **(R)**	4% risk based management checking was introduced Autumn 2006 following growth bid to secure additional post. Further work needed to ensure feedback loop working successfully and full benefits realised
Benefits Customer Satisfaction Survey – respond to any issues raised and implement actions	Improved customer satisfaction. Meets service objective SO6	New July 2007		BVPI80 Satisfaction Survey is currently in progress
Benefit Appeals and Revisions – review resources to ensure standards are met	Improved customer satisfaction Meets service objectives SO3 & SO6	New September 2007	BFI Action Plan **(R)**	

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5. Key Balanced Scorecard Measures 2007/08 to 2009/10											

Customer Measures

	Measure	Current	Targets				Measure	Current	Targets		
		06/07	07/08	08/09	09/10			06/07	07/08	08/09	09/10
C1	Customer Satisfaction (YCC)	(1)				P1	Average days to process new claims	34 days	32 days	30 days	TBC
C2	% first time resolution (YCC)	(1)				P2	Average days to process change of circumstances notifications	14 days	15 days	9 days	TBC
C3	Customer Satisfaction (Benefits)	N/A (2)	No survey	No survey	TBC	P3	Accuracy of processing	97.6%	98.4%	98.5%	TBC
C4	% letters answered in 10 days	92.14%	95%	95%	TBC	P4	% of new claims outstanding > 50 days	7.8%	8%	7.5%	TBC
C5	% calls answered in 20 secs	75.38%	95%	95%	TBC	P5	% of new claims decided within 14 days of all information	72%	90%	92%	TBC
C6	% of revenues changes in 10 days	58%	85%	95%	TBC	P6	% of HB overpayments recovered as % of HB overpayments identified	68%	45%	50%	TBC
C7	% of Direct Debit take-up (Council Tax)	64.45%	66%	67%	TBC	P7	% of Council Tax collected (in-year)	97.1% (3)	97.5%	97.8%	TBC
C8	% of e-payments received for Council Tax	3.1%	4%	4.5%	TBC	P8	% of Council Tax arrears collected	50% (3)	55%	60%	TBC
C9	Scanning completed within set time period	12 hrs	11 hrs	10 hrs	TBC	P9	% of Business Rates collected	98.4% (3)	98.95%	99.0%	TBC
C10	Users set up with password and access within set timeframe	5 days of receipt	5 days	5 days	5 days	P10	Number of documents scanned per hour	690	700	700	TBC
						P11	Invoices paid within 30 days	100%	100%	100%	TBC
						P12	% of deadlines met for data input to QPR & extracted for inclusion in performance monitoring reports	100%	100%	100%	TBC

Process Measures

(1) Baseline for measures yet to be determined
(2) Satisfaction Survey currently in progress

(3) Target for 2006/07

5. Key Balanced Scorecard Measures 2007/08 to 2009/10

Finance Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
F1	% subsidy received against benefit paid	97%	94%	95%	TBC
F2	Service budget variance	+/- 0.6%	+/- 0.5%	+/- 0.5%	TBC
F3	% of court costs income collected	80%	80%	80%	TBC

Staffing Measures

	Measure	Current	Targets		
		06/07	07/08	08/09	09/10
S1	Minimum number of training and development days per staff member	2.5 days	3 days	3 days	3 days
S2	% of staff days lost to sickness absence	3.92%	4%	3.75%	3.5%
S3	% of staff expressing satisfaction with their job	N/A	66%	No survey	TBC
S4	% of staff who have received an appraisal	90%	92.5%	95%	TBC

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Agenda Item 7

CITY OF
YORK
COUNCIL

Executive Member for Corporate Services & Advisory Panel **12 December 2006**
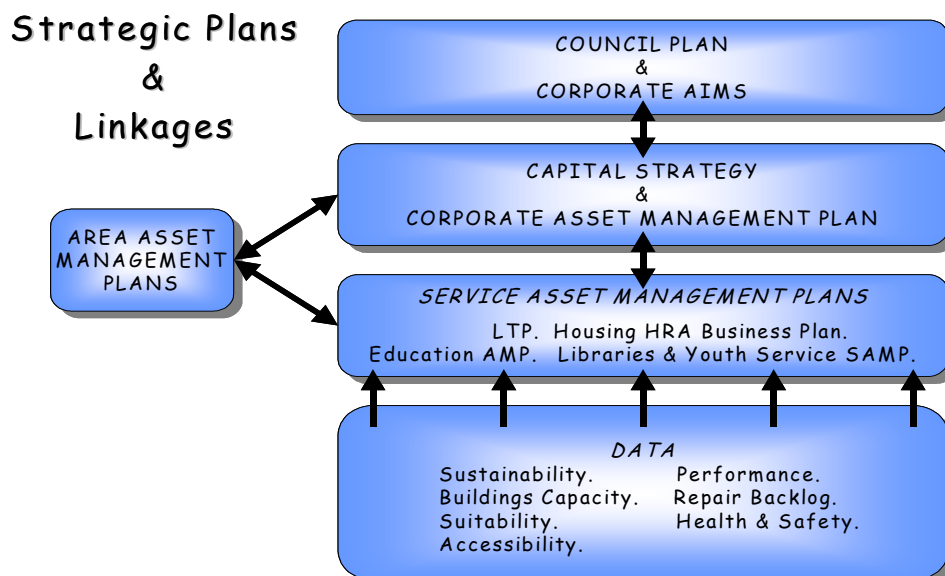
Report of the Corporate Landlord

Area Asset Management Plan – Tang Hall

Summary

1   This report outlines the progress made to date in producing a pilot Area Asset Management Plan (AAMP) for the Tang Hall Area.

2   Members are asked to:

- Note the contents of the report and the annexes.

- Approve the proposals for consultation which form the next step of this project.

- Confirm their agreement to the proposed way forward in concluding this project in producing an AAMP which will form a model for the rolling out of other AAMP's for the key areas of the city.

Background

3   Area Asset Management Plans form a key part of the Strategic Asset Management process in the City of York. Figure 1 shows the relationship between the key

Strategic Plans & Linkages

COUNCIL PLAN
&
CORPORATE AIMS

CAPITAL STRATEGY
&
CORPORATE ASSET MANAGEMENT PLAN

AREA ASSET
MANAGEMENT
PLANS

SERVICE ASSET MANAGEMENT PLANS
LTP. Housing HRA Business Plan.
Education AMP. Libraries & Youth Service SAMP.

DATA
Sustainability.   Performance.
Buildings Capacity.   Repair Backlog.
Suitability.   Health & Safety.
Accessibility.

documents.

4   The AAMP combines the strategic direction and priorities set by the Corporate Asset Management Plan (AMP), which are linked to the council's corporate priorities, with the priorities and requirements identified in the individual Service AMP's at a local, location specific level. In particular the AAMP.

- Focuses on ward community areas.

- Looks at council and non-council community needs and service delivery.

- Incorporates partnership working.

- Promotes asset rationalisation and shared use of buildings with council and partner services thus reducing net running costs.

- Objective is to simplify customer access to council and non-council services.

5   The Tang Hall area was chosen, in consultation with Members, as the pilot for the production of an AAMP so that the process for the production of this plan could be developed in conjunction with local Ward Members and other stakeholders and partners. This report details the process followed so far and asks for Members input into the next stage of the process and comments on the further stages to bring the project to completion.

Consultation

6   Set out below are the major events that have taken place in the process so far:

- Autumn 2004   Setting up of project and initial scoping of extent of work.

                                      Outcome – parameters of project set and team members identified

- January 2005   Briefing to Tang Hall Primary School Governors Meeting on scope of project and role of school within it.

                                      Outcome – early consultation with key local stakeholders and chance for initial feedback

- January 2005   First meeting of council officers to discuss project.

                                      Outcome – identification of key issues, availability of information and methods of obtaining data required.

- February 2005   Second meeting of council officers sharing information and data collected.

                                      Outcome – Collation of information/views enables project to move forward as key areas can now be identified.

- March 2005   Initial briefing note produced on key aspects of project focusing on school.

- April 2005   Report to Scrutiny on progress made.

Outcome – feedback from members helped in formulating next stage of project

- July 2005   Meeting with Primary School Governors to provide update on project.

- September 2005   Report received from planning consultants on options on future uses for key sites.

- November 2005   Report to Scrutiny with update.

                    Outcome – further feedback and opportunity to explain next stages

- Winter/Spring 2006 Progress of Service AMP's – key to establish council requirements and priorities in the area.

- March 2006   Further report to Scrutiny outlining next steps of project.

- June 2006   Meeting with Ward Councillors to look at local priorities.

                    Outcome – local level consultation. Understand better number of local needs, issues and priorities. Also definition of centre of Tang Hall agreed.

- October 2006   Corporate Asset Management Group Meeting, main item discussion on AAMP with service officers and Ward Members present. Action plan produced.

7   It can be seen that there has been extensive consultation with officers and Members throughout the process and the actions agreed at the last meeting in October 2006 reflect this.

The main topics which are now being considered can be summarised as follows:-

- Agreement as to area covered by this AAMP

    The Tang Hall area covers more than one ward area and agreement was reached as to the central core of Tang Hall. A plan is included at Annex A showing this and also the location of all council owned land and buildings (excluding Council Housing).

    There are other spheres of influence such as the catchment area for the school, library visitors etc. These are to be agreed.

- Provision of an Integrated Children's Centre

    This is a key project, led by Learning, Culture and Children's Services (LCCS), which is bringing a number of service providers on to the primary school site. There is surplus space still on the site which could be used for other community service providers. The vacated sites could also be sold e.g. Heworth Family Centre site.

    There is need for playing pitch provision on/near the site. The current playing fields at Melrosegate are too remote and high risk. One option is to locate on part

of the allotment site across the road with a potential for a closure of Sixth Avenue to facilitate access – although this would have a number of implications which would require extensive planning and consultation.

- Provision of good quality formal and informal public space

  - Formal space already good quality – National Quality Mark for Glen Gardens.

  - Informal space is scattered and poor quality – need to improve and manage and make properly accessible to all.

- Create a quality secure allotment site

  Current allotments in good location and increased use. Need further work to improve quality and make secure. Could be funded by selling part fronting Sixth Avenue off.

  Eighth Avenue allotment site not used, poor quality. Need to look at alternative uses.

- Provision of Library Learning Centre

  Tang Hall library identified in Library Service AMP as combined Library and Learning Centre. Funds available for provision from the Big Lottery Fund. Details and criteria awaited. Question of extending on existing site, perhaps in conjunction with adjoining health centre or relocation to more central area.

- Affordable housing sites

  Needed as part of city-wide strategy. Are there any suitable sites here?

8   A lot of work has been undertaken and a number of priorities identified. At the last meeting it was agreed the next stage was to consult with the local community and non-council service providers and community groups for their input into the process before finalising the AAMP and setting up the priorities and actions over the coming years.

     The type and method of consultation has not yet been discussed or agreed.

9   An ad hoc Scrutiny Committee has been set up to look at this. The first meeting was on the 27 November and brief details of the outcome of that meeting are set out in paragraph 12.

Options and Analysis

10   There are a number of forms that consultation can take. As can be seen from this report there have already been meetings with representatives from services, planning, finance officers as well as local ward members. The main purpose of these has been to obtain information and seek views on priorities and needs from the consultees point of view. These meetings have been both on an individual basis and where different parties have come together such as at the officers meetings and the asset management group meeting.

11   It is agreed that the project is now at a stage where further consultation is needed so that all the work that has been done so far can be shared and commented on before

the next stage of producing the AAMP is produced. This will include those who have been involved in the project so far but also needs to extend to include other non-council organisations such as the Primary Care Trust (PCT), community and local voluntary organisations and the local residents.

12   The form of this consultation is to be decided and is an area the ad hoc Scrutiny Committee were asked to consider at their meeting of November 27th . Following discussion at that meeting with Council officers it was suggested that:-

- User friendly briefing note is prepared detailing the main points set out in this report

- Meeting is arranged in January at the Tang Hall Community Centre with representatives from the many local community groups to explain the work done so far and the various proposals, to seek their views on this and also the best way to widen the consultation process to residents within the area. Council officers, ward and Scrutiny members would be present at the meeting.

- Depending on the comments received from that meeting to consider the following possibilities:-

  - Leaflet/questionnaire distribution

  - Article within ward newsletter

  - Information and display at local community buildings

  - Ward meetings

  - Open day at community buildings

13   Any form of consultation will incur costs and there is currently no specific funding available so this also needs to be considered in deciding the best way forward

Corporate Priorities

14   The outcomes of the AAMP have the potential meet a number of the council's strategic priorities such as

- Reducing the actual and perceived impact of violent, aggressive and nuisance behaviour on people in York.

  o Providing a secure allotment site.

  o Providing good quality informal open space which is well managed.

- Increase people's skills and knowledge to improve future employment prospects.

  o Provision of integrated children's centre.

  o Provision of library learning centre.

- Improve the health and life styles of the people who live in York.

  o Moving of family centre on to children's centre site.

- o Providing a secure allotment site.

- o Providing good quality formal and informal open space.

- Improve the life chances of the most disadvantaged and disaffected children, young people and families.

  - o Provision of integrated children's centre and library learning centre.

- Improve the quality and availability of decent affordable homes in the city.

  - o Provision of sites to construct affordable houses.

15   In addition the process of producing this AAMP, as part of the council's Corporate Asset Management Planning, meets all the improving organisation effectiveness priorities.

Implications

16   Financial   -   None, although if the actions detailed in the plan are completed then there should be generation of capital receipts. There also may be need for funding to be identified depending on the type of consultation will be followed for the next stage.

Human Resources   -   None.

Equalities   -   One of the objectives of this plan is to provide access to services, buildings and land for all.

Legal   -   None initially but if there is any change of use of land or buildings or dispose of any surplus property then a report on legal title and any planning restrictions will have to be taken into account.

Crime and Disorder -   None.

IT   -   None.

Property   -   As detailed in this report.

Highways   -   As detailed in this report – see paragraph 7.

Risk Management

17 There are no specific risks associated with this report although it should be noted that if consultation does not take place then there will be a degree of alienation of residents, groups, members and others from the process and so there will be the risk that the end result will be seen as irrelevant from those who it is intended should be involved in delivering the outcomes of the plan.

18   If no AAMP is produced then provision of services and the use of buildings and space to deliver them will remain unco-ordinated and will not make the best use of the assets or minimise the cost of using them.

Recommendations

19   That the Advisory Panel advise the Executive Member that:

1.   The contents of this report are noted.

Reason: as a record of the progress made on this project.

2.   The preferred methods of consultation with the public and community groups as suggested by the Scrutiny Committee are adopted.

Reason: so the next stage of the AAMP process can be carried out.

Author:	**Chief Officer Responsible for the report:**
Philip Callow	Neil Hindhaugh
Asset Manager	Assistant Director – Head of Property Services
Resources – Property Services	
01904 553360	**Report Approved** ✔ **Date** *27th November 2006*

Specialist Implications Officer(s) *List information for all*

Highways	*Propertyl*
Richard Bogg	*Neil Hindhaugh*
Divisional Head – Network Mangt	*Assistant Director – Property Services*
X 1426.	*x 3312*

Wards Affected: *Heworth, Hull Road*   **All** [   ]

For further information please contact the author of the report

Background Papers:

Full details and minutes of meetings are contained in file 466/1 in Resources Property Services.

Asset Management Reports on all major properties/pieces of land will be available at the meeting.
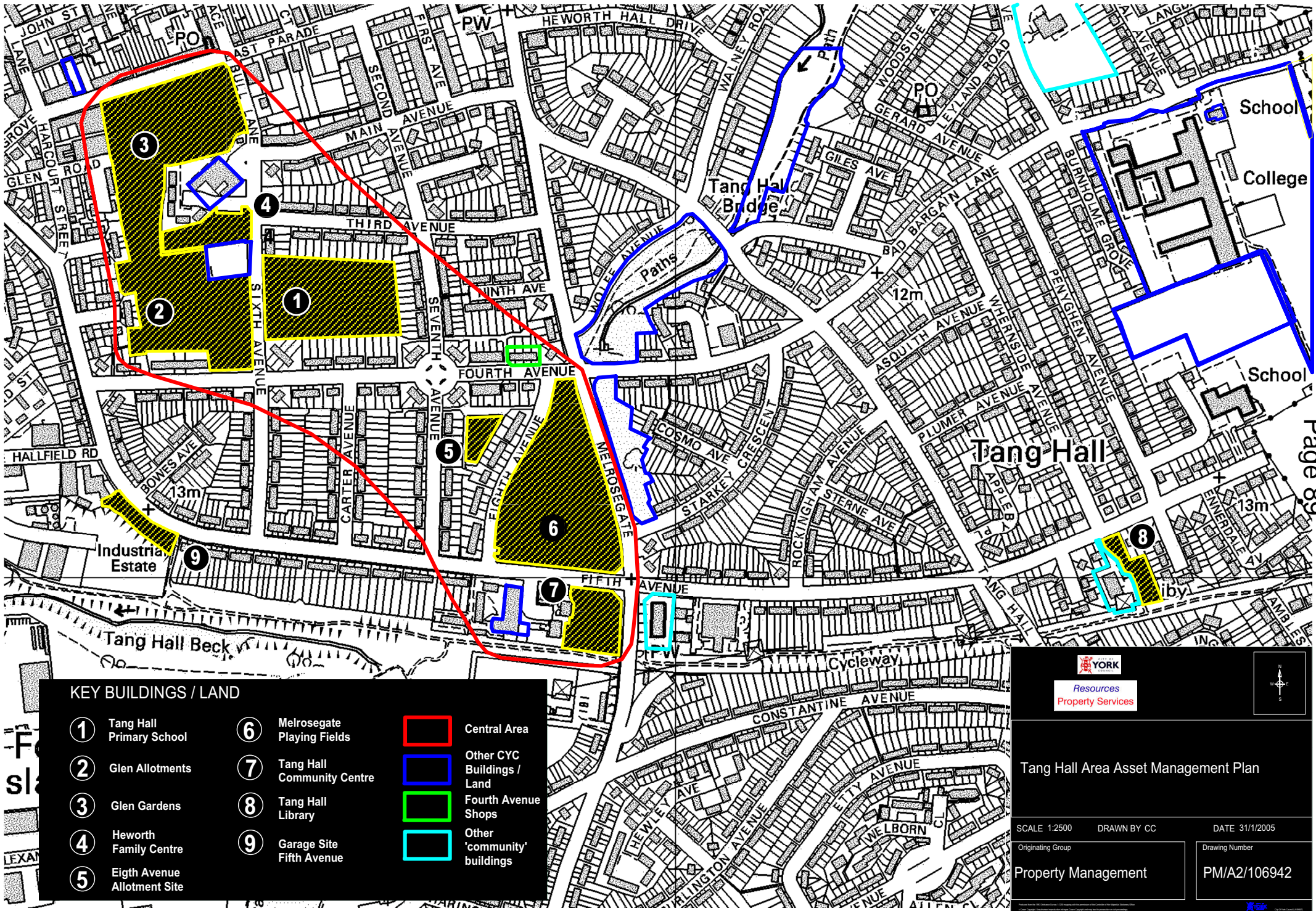
Annex A – Location Plan
(Note: This can viewed in colour on the Council's web site, www.york.gov.uk, and large scale colour copies will be available for inspection at the meeting.)

20 November 2006
PC/SN
L:Comm.EMAP-Resources xxxxAAMPTHall.doc

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KEY BUILDINGS / LAND

(1)	Tang Hall Primary School	(6)	Melrosegate Playing Fields	
(2)	Glen Allotments	(7)	Tang Hall Community Centre	
(3)	Glen Gardens	(8)	Tang Hall Library	
(4)	Heworth Family Centre	(9)	Garage Site Fifth Avenue	
(5)	Eigth Avenue Allotment Site			

Central Area (red outline)

Other CYC Buildings / Land (blue outline)

Fourth Avenue Shops (green outline)

Other 'community' buildings (cyan outline)

YORK

Resources
Property Services

Tang Hall Area Asset Management Plan

SCALE 1:2500   DRAWN BY CC   DATE 31/1/2005

Originating Group

Property Management

Drawing Number

PM/A2/106942

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Agenda Item 8

Executive Member for Corporate Services & Advisory Panel

12 December 2006

Report of the Assistant Director (Audit & Risk Management)

Future organisation and function of procurement services in Resources

Summary

1   The purpose of this report is to set out a proposals for the re-structure of procurement functions and activities within the Resources Directorate in order to:

   a)   integrate two separate groups of procurement staff into one team to ensure the better co-ordination and deployment of scarce resources within the Directorate, in anticipation of a more wide ranging organisational management review of procurement functions across the Council, for the purposes of one-site operations following the move to Hungate after 2010;

   b)   create critical mass within the newly integrated team by providing greater non-managerial staffing capacity to properly support the delivery of key service objectives, the implementation of a number of service initiatives including the management of a new Supplier Contract Management System, a Corporate Contracts Portfolio, the Strategic Procurement Programme and the implementation of the new Corporate Procurement Strategy from 1 April 2007 onwards;

   c)   re-organise the overall management and allocation of tasks and responsibilities within the newly integrated team to better meet the business needs of the organisation in the future;

   d)   create economies of scale and management efficiencies in order to achieve recurring budget savings of at least £25k through the re-structure of this service, in accordance with the budget savings requirements for the Directorate for 2007/08.

Background

2   The importance of effective procurement has become a matter of increasing significance and concern for local authorities since the introduction of Best Value regime, further to the Local Government Act 2000, with its focus on the need for Councils to demonstrate competitiveness and value for money. More recently, the development agenda has received additional emphasis following the publication of the National Procurement Strategy, the Gershon report and the creation of regional Centres of Procurement Excellence (now re-named Centres of Excellence).

3   The Council originally appointed one member of staff to act as a Procurement Advisor to the authority in December 1999. However, it was quickly recognised that the function was significantly under-resourced and unable to deliver the level or scope of services required. Following the re-structure of the Resources Directorate in 2003/04 a small 'corporate' procurement team (the CPT) was established and came into full operation from 1 April 2004. In between times, the lack of a centrally resourced and managed function for the Council as a whole, led to local solutions being developed by Directorates to support the procurement activities of different departments. This included within Resources, the creation of a small procurement team in the IT&T department to provide procurement expertise to support various IT&T projects and commissioning work covered by the IT Development Plan.

4   Whilst it is recognised that it will be necessary for the Council to consider how best to organise and manage procurement resources across all parts of the authority in future years (prior to the move to the Hungate site) this report focuses in the first instance on the need to rationalise procurement functions within the Resources Directorate. This is a necessary first step in a phased approach to the better management and co-ordination of procurement activities at the Council as a whole. This paper therefore sets out proposals to rationalise procurement functions and activities within Resources: specifically the CPT and the IT&T procurement team to better meet the business needs and demands of the organisation over the next 2 to 3 years.

Current arrangements

5   The current roles and responsibilities of the CPT and IT&T team are different in focus but overlap and are convergent. The role of the IT&T team has largely focused on providing practical support to the commissioning and management of IT projects and specialist IT supplies and services. The functions of the CPT have been more corporate in focus, principally to:

   a)   set out the strategic function, purpose and direction of procurement at the Council and in doing so develop, maintain, communicate and direct the implementation of a suitably comprehensive and robust policy framework, a Corporate Procurement Strategy and medium term action plan;

b) devise, maintain and regularly review procurement regulations, processes, guidance (both internal and that intended for an external audience i.e. to suppliers and the general business community), all standard procurement documentation and *e*-forms and to develop and maintain a suitable Intranet site;

c) tender, negotiate, implement and manage contracts for corporate supplies and services including commodities such as office supplies/stationery, print, agency staff, furniture, fixtures & fittings, taxis etc;

d) provide best practice advice and guidance to staff involved in purchasing and procurement activities across all Council Directorates, and support and advise Chief Officers and Members as necessary in the decision making process;

e) provide operational support to major projects and/or significant initiatives requiring specialist/expert procurement inputs as required across the organisation (e.g. Admin Accomm, large works contracts such as Highways and other significant and complex procurements such as Private Finance Initiative schemes, shared service initiatives, regional procurement solutions etc);

f) promote compliance and help to remedy and report non-compliance, ensuring the organisation is not placed in breach of its own regulations, legislation or EU directives;

g) analyse corporate spend patterns and identify scope for efficiencies at the Council, working with the relevant Directorates to secure change, Value For Money (VFM) and achieve year on year savings to support the Council's corporate budget requirements;

h) keep up to date with developments in the national policy arena and assessing how the Council might best benefit from new initiatives and advise Chief Officers and Members accordingly;

i) promote the use of the Yorkshire Purchasing Organisation (YPO) and find new ways of 'remotely' directing best value purchasing options (i.e. introducing *e*-catalogues for managing all spend on common commodities);

j) provide a single point of contact and liaison for external organisations (ie suppliers, Government departments and agencies, non-governmental bodies, best practice advisory groups, local authority networks etc).

6 Whilst some important progress has been made to date in respect of the corporate procurement agenda, insufficient capacity within the CPT, staffing problems and the long term absence of the Procurement Manager on two separate occasions in the last two years has led to unacceptable delays and failures to achieve key service objectives, such as the under-achievement of the corporate procurement savings target in both 2004/05 and 2005/06 and on-going delays to the

development of the Corporate Procurement Strategy. The IT&T procurement team have had more success in delivering their work programme but it is apparent that the team is also struggling with capacity problems and lacks critical mass. In addition, it has become increasingly apparent that the operation of two separate teams within Resources has caused confusion for service users and resulted in conflicting advice and guidance being given by both teams on some occasions. This is a matter of fundamental organisational management concern, in that:

a)   duplication of effort represents a waste of valuable and scarce procurement staffing resources;

b)   the existence of conflicting sources of expert advice has the potential to exacerbate non-compliance issues across the organisation which already represent a significant matter of management concern at the Council;

c)   it creates a lack of clarity and accountability both in respect of each team's activities and in the way advice can be used or disregarded by services users if it does not serve their interests;

d)   it undermines users' confidence in the professionalism of procurement services within the Directorate and the relevance, correctness and completeness of the advice given.

7   In practice, this situation does little to encourage the rest of the organisation to refer proactively to Resources for support and advice, may encourage some to disregard the advice of one or other of the teams if it doesn't suit them and has resulted in the Assistant Director of Resources (ARM) having to intervene and arbitrate in cases of disputed advice on more than one occasion.
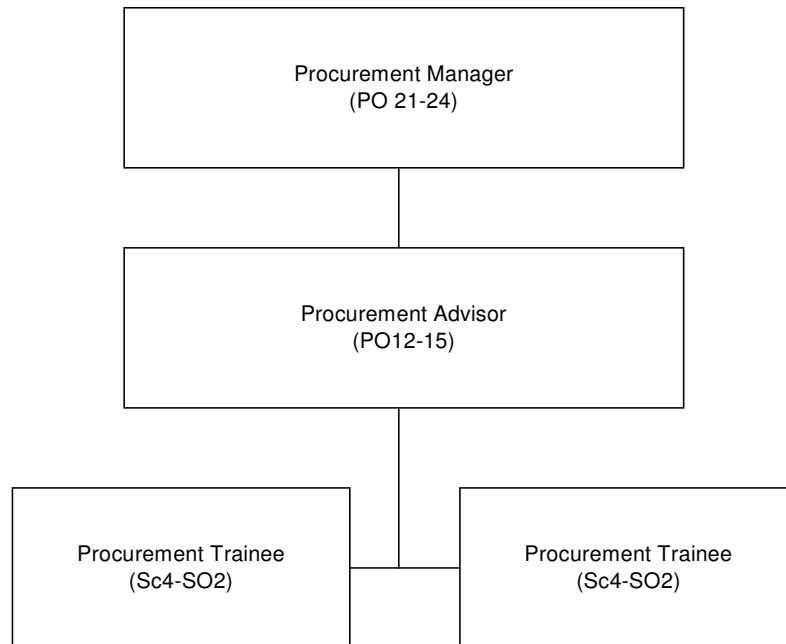
Proposed re-structure

8   In order to overcome the problems with existing arrangements and create a better and more joined up service for customers that properly supports the future business needs of the Council, it is proposed to merge the two teams. The current structures of both teams are shown in Exhibit 1 overleaf. Whilst a variety of different options have been considered, ultimately the design of the future service arrangement has, necessarily, been constrained by the need to:

•   achieve budget savings in the establishment, whilst:

•   optimising the resource base to create sufficient critical mass within the resulting structure to deliver a combined work programme encompassing both the key objectives of the CPT, whilst maintaining sufficient focus on providing IT&T support.

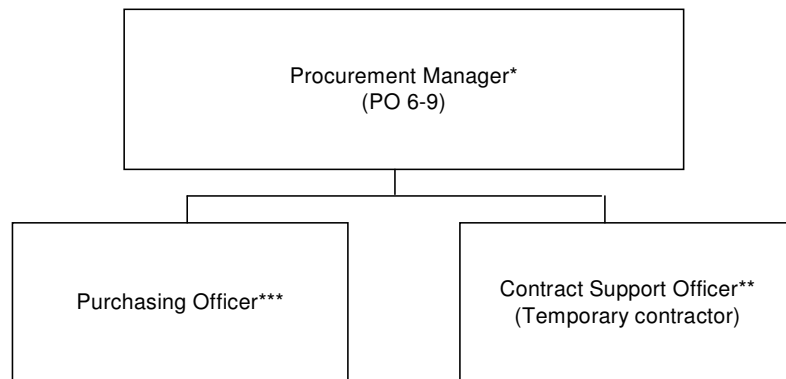9   The proposed structure of the new team, by comparison, is shown in Exhibit 2 on the following page.

Exhibit 1

Current team structures

The Corporate Procurement Team

```
┌─────────────────────────────┐
│     Procurement Manager      │
│        (PO 21-24)            │
└─────────────────────────────┘
               │
┌─────────────────────────────┐
│     Procurement Advisor      │
│        (PO12-15)             │
└─────────────────────────────┘
               │
       ┌───────┴───────┐
┌──────────────┐  ┌──────────────┐
│ Procurement  │  │ Procurement  │
│  Trainee     │  │  Trainee     │
│  (Sc4-SO2)   │  │  (Sc4-SO2)   │
└──────────────┘  └──────────────┘
```

IT&T Procurement Team

```
┌─────────────────────────────┐
│     Procurement Manager*     │
│        (PO 6-9)              │
└─────────────────────────────┘
       ┌───────┴───────┐
┌──────────────┐  ┌──────────────────────┐
│  Purchasing  │  │ Contract Support      │
│  Officer***  │  │ Officer**             │
│              │  │ (Temporary contractor)│
└──────────────┘  └──────────────────────┘
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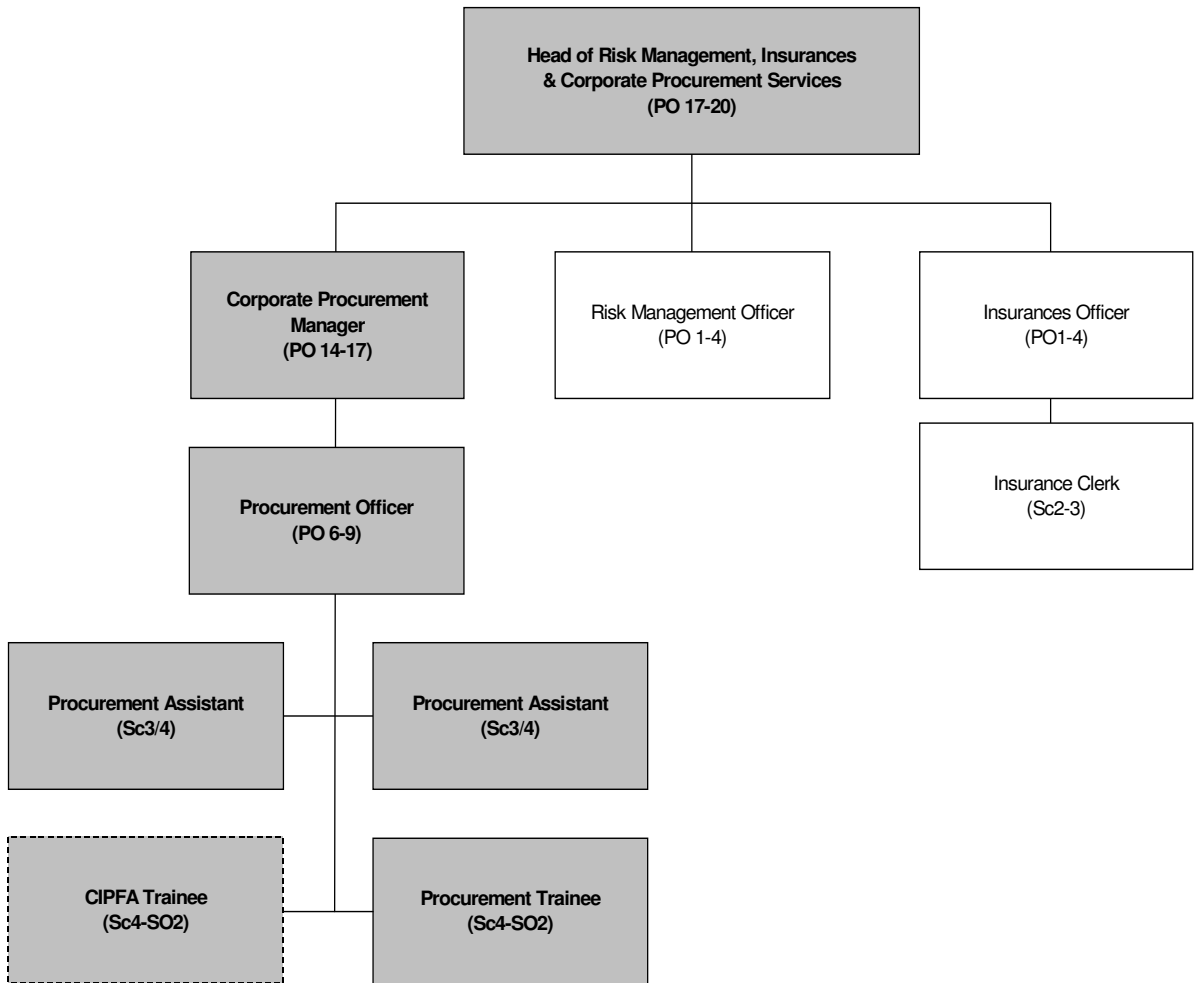
Notes

*   The post-holder also receives additional increments in respect of extra duties arising from Easy@York
    This support will be required until April 2008 and IT&T will fund the additional costs involved to
    provide this additional support until then in addition to the transfer of the establishment budget for this post.
    The post-holder is currently on maternity leave until the beginning of February 2007. The Procurement
    is acting up into this position in her absence.

** The budget to be transferred to the new team does not include the temporary contract costs of this post

*** This post will remain in IT&T to provide departmental support for day to day purchasing operations
    subject to full organisational management review of all procurement functions and activities
    prior to the final move to one site operations

Exhibit 2

Proposed structure

```
                    ┌─────────────────────────────────┐
                    │  Head of Risk Management, Insurances │
                    │  & Corporate Procurement Services    │
                    │          (PO 17-20)                  │
                    └─────────────────────────────────┘
                                   │
         ┌─────────────────────────┼─────────────────────────┐
         │                         │                         │
┌──────────────────┐    ┌──────────────────┐    ┌──────────────────┐
│ Corporate Procurement │ │ Risk Management  │    │ Insurances Officer │
│     Manager       │    │     Officer      │    │     (PO1-4)       │
│   (PO 14-17)      │    │    (PO 1-4)      │    │                  │
└──────────────────┘    └──────────────────┘    └──────────────────┘
         │                                                │
┌──────────────────┐                           ┌──────────────────┐
│ Procurement Officer │                         │  Insurance Clerk │
│    (PO 6-9)       │                           │     (Sc2-3)      │
└──────────────────┘                           └──────────────────┘
         │
   ┌─────┴──────────────────┐
   │                        │
┌──────────────────┐  ┌──────────────────┐
│ Procurement Assistant │ │ Procurement Assistant │
│     (Sc3/4)       │  │     (Sc3/4)       │
└──────────────────┘  └──────────────────┘

┌──────────────────┐  ┌──────────────────┐
│  CIPFA Trainee    │  │ Procurement Trainee │
│    (Sc4-SO2)      │  │    (Sc4-SO2)      │
└──────────────────┘  └──────────────────┘
```

Note

All posts in the new establishment will be subject to Job Evaluation in 2007. Reference has been made to indicative gradings for the purposes of this report which have been arrived at through discussion with HR and in light of our current understanding and knowledge of the market place for the skills and competencies required within the new team. Final grades may therefore be subject to change. Any additional costs or further savings on the proposed establishment will be met through the corporate budget set aside by the Council for adjustments arising from the implementation of Job Evaluation in the new financial year.

10   The creation of the new structure will involve:

   a)   the deletion of the current post of the Risk & Insurance Manager (PO9-12) within the Risk & Insurances Team;

   b)   the deletion of the current post of Procurement Manager (PO21-24) within the CPT;

   c)   the deletion of the current post of Procurement Advisor (PO12-15) within the CPT;

d) the deletion of the current post of Procurement Manager (PO6-9) within the IT&T procurement team;

e) the deletion of the current post of Insurance Technician (Sc4-6) within the Risk & Insurances Team;

f) the creation of a new post of the Risk Management, Insurances & Corporate Procurement Manager (PO17-20);

g) the creation of a new post of Corporate Procurement Manager (PO14-17);

h) the creation of a new post of Corporate Procurement Officer (PO6-9);

i) the creation of a new post of Insurance Manager (PO1-4);

j) the creation of two new posts of Procurement Assistant (Sc3/4)

k) the part funded transfer of one of the existing Procurement Trainees to the corporate CIPFA training scheme which will result in the team retaining a CIPFA placement in the corporate rotation scheme whilst extending professional development opportunities for all CIPFA trainees across the organisation.

11 Overall management responsibility for the team will be provided by the new post of the Risk Management, Insurances and Corporate Procurement Manager. This will allow the Directorate to maximise management economies of scale within the ARM Division, provide greater critical mass across a combined Risk Management, Insurances and Corporate Procurement portfolio and provide career development opportunities for staff across a broader portfolio in the future. This extended management role will be facilitated by the creation of the new Insurance Manager post to free up the senior management time needed to undertake the Risk Management, Insurances and Corporate Procurement Manager role across a wider management portfolio.

12 The role and remit of the new procurement team will be the same in essence as that set out in paragraph 5 with the addition of new responsibilities for:

a) managing the delivery of a Strategic Procurement Programme (SPP) (a new initiative that will set out all the major procurements to be undertaken across the organisation over the next 3 to 5 years that involve significant service transformation issues, efficiencies or that are required by regulation). Full details of the SPP and how it will be managed and delivered are to be reported to the Executive shortly by the Director of Resources and Assistant Director of Resources (ARM);

b) providing dedicated advice and support service for specialist IT&T procurements and IT&T commissioning activities and other specialist contracting within departments;

c)   managing a fully comprehensive Corporate Contracts Portfolio (CCP) which will form the basis for a properly targeted procurement efficiencies and savings target to be achieved by the new team in 2007/08 and thereafter. A separate report on the scope and management of the CCP will be reported to the Executive Member for Corporate Services & Advisory Panel (EMAP) in January 2007. Further rationalisation of disparate staffing resources across the Directorate may be considered at that time, as and if it is possible to re-deploy those resources, in order to support the proper administration of the CCP;

d)   providing relevant support to the delivery of the Organisational Effectiveness Programme and Efficiency Improvement statement and associated Improvement & Development Plan.

13   The costs of the new procurement team establishment will be £153k compared to the combined costs of the procurement posts subject to re-structure of £188k. The need to create a higher level support role within the Risk & Insurance team of Insurance Officer to replace the current technician role will mean an additional net cost increase of £5k to the current staffing budget for that team. This will be funded from a small recurring over-recovery on the Insurance administration fee.

14   The efficiencies created by the restructure will allow the Directorate to invest £10k in match funding the development of the CIPFA trainee scheme and offer up a further £25k of savings for the purposes of the 2007/08 Budget. A breakdown of how the new procurement team establishment will be funded is shown in Exhibit 3 overleaf. This includes transferring £10k from the procurement team establishment to match fund monies in the Training budget held by Resources for professional finance trainees. This will allow the Directorate to extend the current scheme by 1 FTE (full time equivalent), facilitating the long planned development of the programme. This will provide multiple benefits by:

a)   helping to provide much needed capacity within the new Procurement Team which cannot otherwise be sustained;

b)   extending the training opportunities provided by the organisation for finance trainees that properly reflects the training requirements of the CIPFA (Chartered Institute for Public Finance & Accountancy) study programme (which now includes Procurement);

c)   allowing the organisation to extend the training programme by a further 1 FTE, creating capacity across the Council that can not be sustained by the Training budget alone.

Exhibit 3   Funding statement

	£'000	£'000
Staffing costs of new establishment		153
Funded by		
Existing staffing budgets for CPT	148	
Transfer in of IT&T staffing budget	40*	
	188	188
Less		
Transfer out of match funding for CIPFA trainee	(10)	
Savings contribution	(25)	
	(35)	(35)
Funding available for new establishment		153

* This excludes additional increments currently paid by IT&T to the IT&T Procurement Manager for additional duties undertaken in respect of the Easy@York programme, scheduled until April 2008. This work will transfer to the new procurement team and IT&T have undertaken to honour the costs of these additional increments until April 2008 so that the work involved can continue to be resourced within the new team.

Consultation

15   The following parties have been fully consulted in bringing forward these proposals in accordance with Council policy:

- The AD Resources (IT&T) and Head of IT&T operations;
- The AD Resources (Finance);
- Resources Management Team;
- All staff affected by the detailed proposals as set out in paragraphs 8-14 above;
- Unison and HR;
- ARM and IT&T Management Teams in Resources.

Unison comment

16   Unison have been fully consulted are supportive of detailed proposals as set out in this report, commenting formally that.

"Unison are supportive of the proposed re-structure. Unison feel it is in the best interests of the organisation and staff to implement the proposals, and are particularly supportive of the intentions regarding the rotation of the CIPFA trainee post, currently established within the section".

Options

17   There are three main options that Members may wish to consider:

Option 1   Do nothing

18   This option is not recommended as it would prevent:

a)   the organisation from addressing the known problems with current services to better meet current and future service demands;

b)   the Directorate from achieving its budget savings target for 2007/08 in support of the overall Council budget;

c)   the phased development of the central procurement function at the Council and undermine future consideration of the further rationalisation of procurement functions and activities across the organisation in the lead up to the move to one-site operations at Hungate after 2010.

Option 2   Approve the proposals set out in paragraphs 8-14

19   This option is recommended as it:

a)   meets the short to medium term needs and objectives of the organisation at this time;

b)   provides a sound basis for developing the corporate function and management of procurement activities across the organisation in the future, and;

c)   represents a first step in the phased development of central procurement functions and activities between now and 2010

Option 3   Reject the proposals set out at paragraphs 8-14

20   This option is not recommended as:

a)   there is a need to take urgent action now to resolve the management, capacity and performance problems associated with existing arrangements to facilitate step change improvement in delivering against key service objectives and provide support to an expanded work programme to accommodate new demands and initiatives in the new year;

b)   the scope for realistic alternatives to the proposals set out in this report are constrained by budgetary considerations, the need to make speedy progress and improvement in this area in the short to medium term and the limited external market place for the alternative supply of services of this kind at this time.

Analysis

21 Not relevant for the purpose of this report.

Corporate priorities

22 This report contributes to the achievement of Corporate Priority Improvement Statement 13: *"To improve efficiency and reduce waste to free up more resources"*.

Financial implications

23 The proposals put forward for Members consideration and approval are fully funded and will result in recurring savings to the organisation of £25k in fulfilment of the budget savings required of the Directorate further to this exercise. Clearly, if these proposals are not accepted by Members it will undermine the ability of the Directorate to make these savings on behalf of the Council and in accordance with the requirements of the 2007/08 Council Budget. The re-structure will incur some one-off costs of redundancy. It is anticipated that the likely costs of redundancy will be in the region of £15-£20k, although this could vary subject to the individual circumstances of any given member of staff affected by the re-structure who may wish to be considered for redundancy. The costs of redundancy associated with this re-structure can be accommodated from corporate reserves.

HR implications

24 HR have been fully consulted and closely involved in the development of these proposals. In accordance with Council policy, all employees affected by the re-structure, and their representatives, will be consulted on these proposals, and ongoing consultation will take place throughout the process. The re-structure will be implemented in accordance with the procedures set out in the Council's Management of Change Policy document. The proposed post and grade changes will be evaluated in accordance with the Council's job evaluation scheme.

Other implications

25 There are no equalities, legal, crime and disorder or IT&T implications arising from this report.

Risk Management Assessment

26   The risks faced by the organisation if Members do not approve the re-structure proposals set out in this report will be that:

    a)   the Directorate will fail to achieve the savings arising from the re-structure of £25k and hence fail to make its full contribution to the savings needed across the Council to balance the 2007/08 Council Budget;

    b)   the current problems and difficulties with existing arrangements as set out in paragraphs 3, 5, 6, & 7 will remain unresolved and unsatisfactory;

    c)   there will be insufficient capacity within the CPT as it stands to support new initiatives and business needs of the organisation as set out in paragraphs 5 & 12;

    d)   the Directorate will not be able to provide employee development opportunities within the Division and risks losing dedicated and capable members of staff, undermining succession planning within the Division and potentially jeopardising the future function and performance of the Risk Management, Insurances the Corporate Procurement services at the Council;

    e)   it will not be possible to support the necessary development of the professional finance training scheme to the benefit of the organisation and in the interests of meeting the proper training needs of current and future CIPFA trainees at the Council.

27   The risks of undertaking the re-structure as proposed are minimal and can be easily mitigated by the effective management and implementation of the re-structure process by the Assistant Director of Resources (ARM) with the support of HR.

Recommendations

28   The Advisory Panel is asked to advise the Executive Member to:

    a)   consider and endorse the proposals for re-structuring procurement services within the Resources Directorate as set out in paragraphs 8-14 of this report, prior to the Director of Resources making his final decision in accordance with the terms of the Council's Constitution;

    Reasons

    To ensure the effective management and organisation of procurement services within the Directorate to better meet the current and future service needs of the organisation

    To achieve recurring budget savings to the Council of £25k in 2007/08 and thereafter

To provide match funding of £10k to the CIPFA training scheme in order to support the planned development of the scheme in 2007/08

b)   endorse the need for the Assistant Director of Resources (ARM) to undertake a full review how procurement functions and activities may be best managed and delivered across the whole authority in the lead up to one-site operations at Hungate, and that this work be included in the medium term action plan now being prepared in support of the new Corporate Procurement Strategy for implementation from 1 April 2007.

<u>Reason</u>

To ensure the effective and efficient management of all procurement activities and functions across the Council, optimise scarce resources, support the delivery of the Corporate procurement strategy and secure full compliance with all regulatory requirements and Council policy.

Author:	**Chief Officer Responsible for the report:**
Liz Ackroyd	Liz Ackroyd
Assistant Director of Resources (Audit & Risk Management)	Assistant Director of Resources (ARM)

Report Approved   Yes   **Date**   *25 November 2006*

Ext 1706

Specialist Implications Officer(s) Sue Foley (HR), Patrick Looker (Finance)

Wards Affected Not applicable   **All** [   ]

For further information please contact the author of the report

Background Papers

None

Annexes

None

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Executive Member for Corporate Services and Advisory Panel

12th December 2006

Report of the Director of Resources

FMS REPLACEMENT PROJECT – PROGRESS REPORT

Purpose

1. This report has been prepared to provide the Executive Member with an update of the progress made on the FMS Project started in March 2006.

Background

2. The 2004/05 IT Development Plan recognised the need for a replacement Financial Management System (FMS). The current system was implemented in 1994 and since then the functionality and technology platform that it uses has become dated. FMS is a critical system that holds the financial data that is used by the Council to operate as a business. The dependency on this system is very high as it is used for financial reporting and management information purposes as well as running the Councils purchasing, payments and sundry income collection operations. Although continued supplier support has been guaranteed for the system, the number of other local authority users is diminishing, meaning that future development will be limited.

Timescale

3. The original timescale of the project was based on a phased implementation with the new system implemented by April 2008.

    | Phase 1 | Procurement | March 2006 | - March 2007 |
    | Phase 2 | Implementation | April 2007 | - April 2008 |
    | Phase 3 | Rollout Programme | April 2008 | |

Objectives

4. A number of Corporate Objectives have been agreed for the Project and are included in Appendix A together with the Scope, however, primarily the Project aims are:

    'To implement a Financial Management System, whereby current systems and processes will be simplified to achieve an efficient and effective delivery of financial

information to the Council[1], it's customers and ongoing development of partnership working'.

Consultation

5. Key stakeholders within the organisation have been consulted during the procurement stage of the project with workgroups established to specify the requirements of the replacement system. A communications strategy has been developed, an intranet bulletin board has been set up along with a newsletter updating stakeholders of progress to date.

Options and Analysis

6. This report is to update the Executive Member on the progress of the FMS project and associated timescales to implementation. Analysis on the project progress to date is included in the sections below.

Project Progress

7. The progress achieved to date is:

A Project Communication Structure

a) Established a Project Board to capture representation across the Directorates.

b) Identified a number of personnel across all directorates who have a broad understanding of systems and processes common to the Financial Management System. These members of staff will provide a key communication channel to ensure the project achieves its aims and is implemented with minimal disruption to operations.

c) Draft communication strategy identified and methods and timelines for communicating information within the Project and CYC.

B Agreed the Approach - Stage 1 Procurement March 06 – April 07

a) The expected cost of the replacement system will be in excess of EU thresholds for public procurements. The advice received by the Project Board is that the most appropriate route for the Council to use in procuring the system will be the 'Restricted' procedure. Unlike the 'Open' procedure, the restricted procedure limits the number of tenders advancing to full evaluation through pre-qualification assessment without compromising the competitive process. This helps allows for a transparent, streamlined and efficient evaluation process that nonetheless ensures compliance with EU Directives.

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[1] Assumes those that are users of or recipients of Financial Management Information

C Project Support Recruited

a) At the beginning of June two Project Support staff were recruited onto the Project Team, their role to assist the Project Manager with administrative duties and co-ordination of specific activities in line with the Project plan.

D Project Objectives and Scope Agreed

a) See Appendix A

E Site Visits to Local Authority

a) Site visit to Wakefield Metropolitan Borough Council who are in the process of implementing a similar project, to understand their experiences and lessons learned to assist in our own approach to the project.

F Implementation and Resource Plans.

a) In order to identify resource for the project across all directorates, and assess the impact to daily operations it has been necessary to complete a high level implementation plan. The activities are based on experience from other Local Authorities and supplier information obtained from the Internet.

b) A high level estimation of resources has been identified for the duration of the project which has allowed us to identify key areas where backfill is required to support those staff who will be working on the project across all directorates.

G Allocated Resource funding for Backfill of operations.

a) The funding for the backfill of operations this financial year has been identified within the current budget.

Project Management

8. The project timetable suffered a temporary set back when the project manager took an unexpected opportunity to retire in September. The management of the project in the interim has been undertaken by the Corporate Finance Manager in conjunction with the ITT Business Development Team. Interviews for the project manager post took place in the last week of November and it is anticipated to have a full time replacement in post for January 2007.

Revised Timetable

Phase 1 – Procurement

9. Good progress has been made in building the requirements documentation, however, following a review of the initial draft, it was felt that additional technical review of the documents was necessary to ensure they were suitably worded to

meet contractual arrangements. This extra quality control process and the retirement of the project manager has had an overall impact of moving the completion of Stage 1 by three months to July 2007. The Project Board agreed to move this by an additional one month for contingency to allow for any further slippage as a result of the closure of accounts work during May and June of 2007 when resources may not be available to meet the demands of the project.

Planned Activity to end of Stage 1 – September 2007

10. The activities in progress or planned for completion are as follows:

Key Tasks	Completed by end of:
Requirements Document in draft and sign off	January 2007
Evaluation model to be agreed and the Suppliers and their Tender responses to be assessed and scored	January 2007
ITT to be completed and issued.	January 2007
Planning/Sizing work for the Business Process Re-engineering	February 2007
Evaluation of ITT and Short listing	March 2007
Post Tender Clarification	March to Sept 2007
Closure of Accounts	April – June 2007
Demonstrations from suppliers	June 2007
Site Reference visits	July 2007
Appointment of Supplier	September 2007

11. The closure of accounts process between April and June each year mean that most key accountancy staff will have limited or no availability during this period. If a 1st April implementation date is not achievable it would not be desirable to roll out the new system until July/August when accountancy resources can be switched in to the roll out. Research is being undertaken to evaluate the optimum time period to implement a new FMS and whether a mid year implementation results in any difficulties.

12. The delay in the procurement phase also has a knock on effect on the timing of the key evaluation work which will now coincide with the 2006/07 closedown period. This makes it unlikely that a supplier will be able to be appointed before September 2007. Until a supplier is appointed it is not known how long implementation will take, although experience from other Local Authorities who have recently implemented suggests it can take between 6 –12 months, depending on the suppliers experience of similar implementations and the level of resources committed. Taking account of this the more probable revised timetable is illustrated in the table below.

		Original Timescale	**Quickest Timescale**	**Probable Timescale**
Phase 1	Procurement	March 06 - March 07	March 06 - Sept 07	March 06 – Sept 07
Phase 2	Implementation	April 07 - April 08	Sept 07 – April 08	Sept 07 – Aug 08
Phase 3	Rollout Programme	April 08	April 08 – Nov 08	Aug 08 – Nov 08

Corporate Priorities

13. The corporate objectives and scope of the project are illustrated in Appendix A. Broadly, the replacement financial management system will ***Improve efficiency and reduce waste to free-up more resources*** through
    a) access better quality financial information on which to base decision,
    b) streamlining business process to free up resources and
    c) contributing to the Council's Gershon efficiency targets.

Financial Update

14. The project was granted £300k for project management and support to be delivered over 3 financial years between 2005/06 and 2007/08. The delays associated with recruiting a suitable project manager meant that only £12k was spent in 2005/06, with the remainder being carried forward in to 2006/07.

15. During the early phase of the project it became apparent that there would have to be a lot of input from the devolved finance teams in order to ensure the requirements work was done to an adequate standard. It was agreed that part of the IT budget underspend from 2005/06 would be vired to the project management budget to fund backfill for those finance staff who were working on the project. An analysis of the likely time inputs required was made and backfill was costed at the SO1 grade, meaning that £35k of back fill was required to support the project. This funding will be transferred to the teams affected.

16. The delay to the overall implementation of the system means that an April 2008 implementation, although still possible, is now unlikely. With the funding coming to an end in 2007/08 some funding will be required to be carried forward in to 2008/09 to enable the roll out. Table 1 illustrates the likely spend profile of the project management development budget. During 2006/07 the estimated costs of the project, excluding backfill, are estimated to be £100k for 2006/07, meaning that the carry forward from 2005/06 will need to be carried forward again into 2007/08 and on into 2008/09.

	2005/06	2006/07	2007/08	2008/09		Total
	£	£	£	£		£
Estimated Spend	12,451	127,179	124,877	82,493		335,000
Bal b/fwd	0	87,549	107,370	82,493		
Base Budget	100,000	100,000	100,000	0		300,000
Budget transfer from IT		35,000				35,000
FMS Dev't budget		12,000				12,000
Bal c/fwd	87,549	107,370	82,493	0		0

Table 1 – Spend Profile of Project Management Budget

17. The implementation budget remains at the level agreed in the IT Development plan Confidential Annex C updates the Advisory Panel on progress to date.

Implications

18. Human Resources - There are no HR implications.

19. Equalities – There are no implications.

20. Legal – There are no implications.

21. Crime and Disorder – There are no implications.

22. Information Technology (IT) – The delay to the project timetable can be accommodated within the IT support planning.

23. Property – There are no implications.

24. Procurement – The procurement of the project is in line with the advice received from the Corporate Procurement Team. The timescales for implementation highlighted in paragraph 12 are realistic for the procurement route chosen and has allowed sufficient time for the necessary EU procurement procedures.

Risk Management

25. A risk log has been established which operates on the same basis as the Easy@York risk log. It is kept and maintained in line with PRINCE2[2] project management principals. There has been no formal Risk workshop which will happen as we move into the Planning of the implementation. The Project Support team are identifying risks as they arise and managing them accordingly through regular risk reports to the Project Board. Appendix B illustrates the key risks highlighted to date.

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[2] PRINCE 2 is an industry recognised project management tool titled Projects in Controlled Environments (abbreviated to PRINCE).

Recommendations

26. That the Advisory Panel advise the Executive Member to accept the proposed move of the project completion date

27. Reason: as a result of the
    - quality controls that have been included in the plan,
    - delays caused by the departure of the project manager and
    - lack of business resource commitments dedicated to the project because of the statutory closure of accounts process.

Contact Details

Author: **Chief Officer Responsible for the report:**
Tom Wilkinson   Peter Steed
Corporate Finance Manager   Head of Finance
Resources
Tel No. x1187   **Report Approved** ☑   **Date** 30-11-06

Specialist Implications Officer(s) List information for all
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Tel No   x1706
Wards Affected: None   **All** ☐

For further information please contact the author of the report

Background Papers:
FMS Replacement Update Report – Resources EMAP 20th March 2006
2004/05 IT Development Plan

Appendix A – Project Scope
Appendix B – Risk Register
Confidential Appendix C – FMS IT Development Budget

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FINANCIAL MANAGEMENT SYSTEM REPLACEMENT PROJECT

Document Title: **PROJECT SCOPE**

Project Number : 04RE10
Release: Version 1.17.1
Date: 10 July 2006

Author: Jan Draper
Sylvi Aspden
Tom Wilkinson

Project Sponsor: Peter Steed

Project Manager: Vacant

CHANGE HISTORY

For ease of control all initially agreed documents will become V.1 subsequent document changes will follow V.1.1, V1.2 until authorized, then will assume the V.2 status.

VERSION CONTROL

Date	Version	Author	Authority (Name)	Reason for Change
24/2/06	1.3	J Draper	P Steed	Initial draft release
14/3/06	1.4	J Draper	J Lornie	Clarify
21/3/06	1.5	J Draper	Project Team and CM	Clarification
21/3/06	1.6	J Draper	CM	Clarification
28/3/06	1.7	J Draper	SA	Clarification
29/3/06	1.8	J Draper		Additions
11/4/06	1.9	J Draper	TW/SA	Revision
	1.10-1.17.1	J Draper	SA/TW/Project Board	Revison

DOCUMENT APPROVALS

This document requires the following approvals.

Signed approval forms are filed in the Management section of the programme files.

Name	Role
Peter Steed	Project Board Executive
Jan Draper	Vacant
TBC	Directorates
TBC	Project Board
TBC	User Representatives

INTRODUCTION

The purpose of this document is to describe the overall objectives of the project based on the original Business Case. The second part of the document will outline the scope which explains how the objectives will be achieved within this project.

The document is critical to the project as it forms the basis on which the Business Requirements specification can be written. The Business Requirements and the Scope form the basis of the ITT (Invitation To Tender) which is key to the negotiation of the contract. Therefore it is important that what is written in scope is reflected in the Requirements Document, and that the scope fully encompasses all our project requirements in terms of evaluation and procurement, as we cannot bring any additions into the scope once we are in the tender process.

Having clear objectives and understanding of the expected benefits will provide a framework for managing the project and people expectations. Where activities have been considered outside of the scope these have been documented for clarification and maintaining focus on our overall objectives. It may be necessary to refine the scope throughout the project but it will not be possible to add to it. Any changes to the scope will be subject to formal change control including an impact and risk assessment prior to authorisation by the Project Board.

The document will be authorised by the Project Board and relevant interested parties and will be a key driver to managing expectation and encouraging collaborative communication to implementing this project.

CORPORATE OBJECTIVES

1. To implement a Financial Management System (the system), whereby current systems and processes will be simplified to achieve an efficient and effective delivery of financial information to the Council[1], it's customers and ongoing development of partnership working.

2. The system will deliver accurate relevant and flexible reporting.

3. The availability of the system must meet the demands of the Council, its customers and appropriate Partners and Suppliers.

4. The system must provide relevant security measures to enable access to the systems in line with demand without risk to confidentiality or integrity.

5. The project will provide relevant key line of enquiry to assist in meeting the higher levels of excellence defined in the current CPA report.

6. The system must adhere to the national agenda and other regulatory bodies for accounting practices including those defined within the CYC Financial Regulations.

7. The system must have the ability to be adaptable and flexible to support the long term changes influenced by regulatory, corporate and business changes.

8. To assist with the unifying of the Financial Management operations across the authority by delivering streamlined processes and systems.

9. To support the performance management needs of the organisation by the of capture statistical data to allow key indicators to be set, monitored and improved year on year.

10. The system need to be reliable, scaleable and robust to meet an increasing demand for change from both external and Corporate needs.

11. The system will meet the requirements set out in the ITT Technical and Standard requirements Policy and in line with the corporate IT Strategy.

12. The system will be consistent with the Councils E-Procurement Strategy

13. The system will deliver intuitive and user friendly front end. To maintain data integrity and confidentiality within the Council the system must be compliant with Data Protection and Security regulations and standard policies and practices.

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[1] Assumes those that are users of or recipients of Financial Management Information

Financial Management System Replacement Project

PROJECT SCOPE

The main scope of the project will be to evaluate and procure a replacement Financial Management System which can be fully integrated with existing systems and user base, with capacity for expansion. Specific modules are summarised in Annex 1.   To ensure that the project delivers a system which is fit for purpose and meets the Business Objectives there are a number of deliverables which the project will cover, these are detailed below:

o In order to support the ongoing development of the system and growth of the council the supplier will provide a design which will meet the demands of the council and customers, for functionality, reliability, scalability and availability. This will include the delivery of systems to all sites to provide access to the Financial Management System.

o The project will consider the benefits of a managed or alternative service to provide a cost effective solution.

o The project will review all new, existing and potential FMS interfaces (manual and system based), and evaluate and propose cost effective solutions for integration and streamlining of processes. Proposals will consider the benefits of new technologies and automation where appropriate. The system implementation will include the implementation of agreed interfaces between FMS and back office systems.

o To identify reporting requirements across the directorate for Strategic, Corporate and Management information within the FMS User Community. To include the evaluation of the delivery methods and the tools available to deliver flexible 'online' reporting in line with the objectives.

o **Excluded:**   The evaluation of reporting tools for corporate use across multiple systems.

o The scope will include a simple assessment of any available Payroll module incorporated in the FMS solution. It is recognised that there will be no evaluation criteria, demonstrations or any high level requirements documented. The Payroll requirements will be written at the time the Payroll Project is authorised.

o To identify the E-Procurement requirements, evaluate solutions and make recommendations. The E-Procurement solution will need to integrate to the replacement FMS but will not be dependent on an available integrated module.

o A number of key performance indicators will be captured within the FMS to demonstrate how the council will use FMS to assist with the improvement of Performance Management.

o **Excluded:**   The setting of Key Performance indicators for reporting of Performance Management will be a separate business exercise.

- o **Excluded:** The integration to any existing Performance Management System.

- o Based on the Gershon Model the identification and analysis of the Return of Investment based on efficiency savings will be completed. Subject to Project Board approval savings may generate funding for further efficiencies.

- o Business process re-engineering will be included in the scope of the project so that business processes are improved to maximise the benefits of the new system. This is a significant area of work and will require further scope, however, the system procurement will explore suppliers capability to offer BPR services as part of the system implementation

- o **Excluded:** The scope will not include any management responsibilities to undertake reviews of supporting roles and responsibilities that are as a result of any Business Process Re-engineering activity. This work will be supported and directed by the Project Board.

- o Procurement of hardware, software and services, e.g. implementation, migration, integration, customisation, training and supplier project management, is included in the scope.

- o A phased implementation (to be determined) is in the scope of the project.

ANNEX 1

Priority Essential/Desirable	FINANCIAL MANAGEMENT SYSTEM	Funding	Scope
	Description		
E	General Ledger	Bid	Yes
E	Creditors Module –includes payment of invoices	Bid	Yes
E	Debtors Module	Bid	Yes
E	An FMS system that meets all statutory and management reporting module across all modules	Bid	Yes
E	Provision of a reporting tool (s) to deliver the management reporting requirements	Bid	Yes
E	Bank Reconciliation Module	Bid	Yes
D	Internal Charging Module	None	Yes
D	Debtors County Court recovery solution	None	Yes
E	Cash receipting system to include processing of miscellaneous income (b stubs) . Plus Integration with all other CYC applications	None	Yes
E	Purchase Orders Module	Bid	Yes
	Interfaces		
E	Interfaces and integration to new and existing systems. A total of 17 interfaces exists: Integration costs to replace existing process. Review and recommend changes.	None	Yes
E	Integration with Anite @work DMS system or an embedded DMS solution	None	Yes
	Integrated Workflow solutions (Expectation this is incorporated into the system)	Bid	Yes
	E-Procurement		
E	Implementation of E-Purchasing (Purchase to Pay P2P)	Bid	Yes
E	Purchasing cards (Payments)	None	Yes
E	E-Market Place	None	Yes (no impact to FMS
E	E-Catalogue Module	None	Yes (no impact to FMS)
D	E-Auctions	None	Yes (no impact to FMS)
	Services		
	Provision of Managed Services – review	None	Yes
E	Business process Re-engineering	None	Yes

	FINANCIAL MANAGEMENT SYSTEM		
Priority **Essential/Desirable**	**Description**	**Funding**	**Scope**
E	Training Services	Bid	Yes
E	Project Management	Bid	Yes
E	Implementation Services	Bid	Yes
E	Support Services	Bid	Yes

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Appendix B

Risk Ref	Probability (1 to 5)	Impact (1 to 5)	Risk Score	Level of Risk	Heading	Description of Risk	Mitigation	Current Status	Risk Mitigation	Date Risk Identified	Date Updated	Owner
1	4	5	20	High	Delivery of Requirements Documentation	Targets for writing the Requirements Document continually missed due to unrealistic timescales.	New target date for completion to be agreed by board on 12 October with a realistic measurement of remaining work required First draft to be ready by December by setting the following deadlines General Ledger, Debtor, Creditor and Common Requirements to be at first draft stage by Nov 1st Remaining documents to be ready by December 1st	No change	Reduction	1-Oct-06	1-Oct-06	Tom Wilkinson
3	5	5	25	Very High	Resourcing	No Project Manager as of 25 September 2006. Time lapse in filling vacancy will impact on overall project progress	Advert to be placed by IT for general project manager who will focus on FMS project. Initial advert by finance received a poor response. IT adverts have proved more sucessful over recent years. PM expected to be in post by early new year at the latest. Tom Wilkinson leading until then.	Increasing		1-Oct-06	1-Oct-06	Tom Wilkinson
2	3	4	12	Medium	Capturing full Business Requirements	Requirements gathered don't capture the full needs of the organisation as there has been minimum involvement from finance personnel outside the central finance team	Involve finance representatives from within and outside central finance in the final proof reading sign off process of the requirements documentation. Use the same people to agree the Evaluation criteria sign off. Increase knowledge of processes of Project Support Team.	No change	Contingency	1-Oct-06	1-Oct-06	Tom Wilkinson
4	3	4	12	Medium	Gaps in knowledge on Project Team	Insufficient Finance Process Knowledge in Project Team putting demands on other specialist within the organisation to assist/train Support Team with Requirements Documentation and Process Mapping	Specialist IT&T skills provided to help with writing of Requirements Documentation and training of Project Support Team of current project stage. Training plan/timetable and work package to be identified for next stage to include Evaluation Criteria and Process Mapping	Decreasing	Reduction	1-Oct-06	1-Oct-06	Tom Wilkinson
5	2	2	4	Very Low	Powersolve not supported by Civica	Risk of Civica not continuing to support current FMS	Procurement Manager to contact Civica to ensure support continues throughout the transition period.	No change	Acceptance	1-Oct-06	1-Oct-06	Sam Willets
6	4	4	16	High	Resourcing	Project Team funding ends April 2008 and insufficient budget to fund the level of project support needed for implementation	Money from IT has been identified for the short term, and there is potential access to venture fund for the longer term	No change	Reduction	12-Oct-06	12-Oct-06	Peter Steed

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Executive Member for Corporate Services and Advisory Panel

12 December 2006

Report of the Director of Resources

PERFORMANCE AND FINANCIAL INFORMATION - MONITOR 2, 2006/07

Summary

1. This report combines performance and financial information for the Resources Directorate.

2. There is an extensive library of local indicators for which Resources are responsible (See Annex 1), however this report contains only those which appear in the annual Council Plan.

3. Officers have also provided Service Plan Monitoring Reports which are included in Annex 2, and from which pertinent information has been extracted and added into the body of the report.

4. Financial information on revenue variances appears in Annex 3.

5. Information was submitted by means of a Performance Management Framework (PMF) - see Annex 4 for an example, and through the QPR (Quality Performance System) corporate monitoring system. The PMF will be used as part of the review looking at how Resources deal with performance.

6. Performance tables for each service area appear in Annex 5.

7. Appraisal information for each service is in Annex 6

8. Information on Resources capital programme appears in Annex 7.

9. There are an additional four Annexes providing financial information.

10. The information is as up to date as possible, and reporting timescales are denoted where appropriate.

Background

11. Two years ago it was decided that performance would not be reported on a quarterly basis as was traditional, but at two separate periods of 'monitoring'. Reports are now produced for Management Team, and then for EMAPs

(Executive Member Advisory Panel) in September and December each year, although some Directorates also report quarterly to Directorate Management Teams.

Consultation

12.   None required

Options

13.   None, this report is for information only.

EXECUTIVE SUMMARY

Director's Overview

14.   The performance of the Department overall is extremely satisfactory, with most targets and performance indicators being achieved, and those which have not nearly all show significant improvement.

15.   Most major projects are showing noteworthy improvement, but it is now a key stage for easy@york and substantial management input has been necessary to keep progress on track.

16.   Pressure on the Department has eased fractionally since the last monitor with key work on the budget having been completed, together with some vital project implementation work. Resources now, however, needs to turn its attention to some major outstanding issues including:

   a)   Getting appraisals done

   b)   Delivering/ making further progress in on key projects such as job evaluation, easy@york, Admin Accom and FMS replacement

   c)   Addressing some of the underlying expenditure pressures within the Department

   d)   Reviewing some structures and addressing recruitment problems in key areas.

Financial Overview

17.   It was reported at Monitor 1 that the Resources Directorate budget was projecting a headline underspend of £67k compared to a gross expenditure budget of £59,218k. However included in this figure was £87k of slippage that was needed to be carried forward for work on the Financial Management System (FMS). There was an underlying overspend therefore of £20k. In addition to this Corporate Management Team requested the Resources Directorate to identify in year savings of £125k to support the Council's overall financial position. This was agreed by the Executive as part of the first

Corporate Monitoring report (10th October 2006) and the budget has been reduced in accordance with that decision.

18. Following a detailed review of all the Directorate's revenue budgets the position has improved to a projected underspend of £178k.

19. The table below summarises the latest financial forecast for the Resources directorate by division.

	Expenditure Budget	Income Budget	Net Budget	Projected Outturn	Overspend/ Underspend	% Var
	£000	£000	£000	£000	£000	
Director	364	57	307	259	-48	-13.2
Public Services	37,391	34,664	2,727	2,873	+146	0.3
Financial Services	2,428	2,308	120	-37	-157	-6.4
Audit & Risk Mgt	3,589	3,717	-128	-29	+99	2.7
IT&T	5,838	6,114	-276	-707	-431	-7.4
EASY Project	1,913	699	1,214	1,214	0	0
Property Services	7,568	7,685	-117	-29	88	1.2
Savings Required	-125	0	-125	0	125	
Resources Total	**59,091**	**55,244**	**3,722**	**3,544**	**-178**	**-0.3**
FMS Carry Fwd					107	
Adj. Underspend					**-71**	

20. The table above shows that the Resources Directorate is anticipating to underspend by £178k. This is primarily due to underspends within IT&T due to underspends on leasing and a review of IT project budgets. It should also be noted that the forecast overspends within Audit & Risk Management and Property services have reduced since the first monitoring report. Included however within the Financial Services division is an underspend relating to the FMS replacement (£107k) which is anticipated to be carried forward to 2007/08. This means that the true directorate projected underspend is £71k.

21. Detailed contract discussions are ongoing with the main supplier in relation to easy@york. The outcome of these discussions could result in significant amendments to the forecast outturn for the current financial year. However if there is any slippage it will be needed for future years.

22. A detailed list of significant variances on Resources revenue budgets is shown in Annex 3. Notes on the Capital Budget are shown in Annex 7.

Analysis

23. The analysis of performance and achievement for Monitor 2 is broken down to cover the five elements of Resources and includes performance headlines, headline detail and relevant financial information.

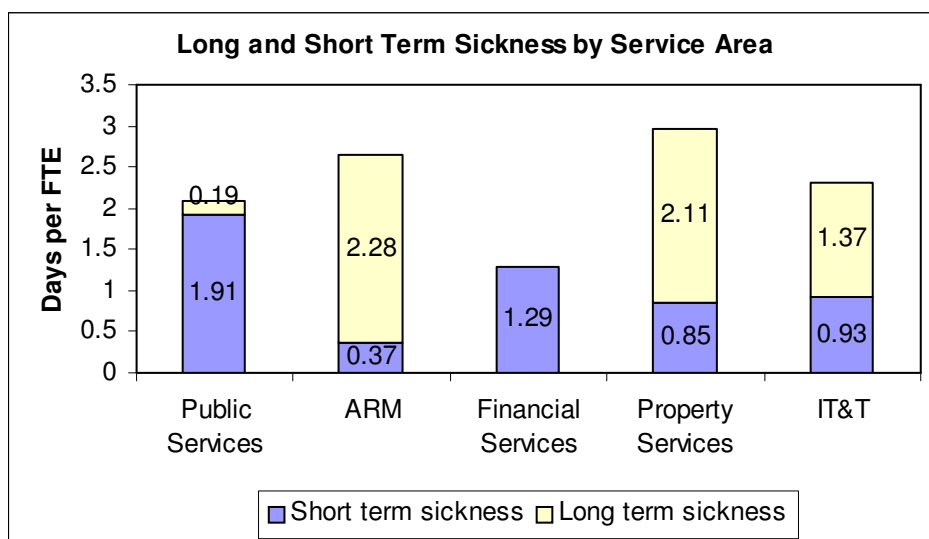## Customer First and Corporate indicators
Staffing indicators

24. **Appraisals**:

Of the 366 appraisals that need to be carried out on an annual basis within Resources, at 31 October, 79 had been undertaken. This is 22% of the target figure of 100%. Although this may currently seem quite a low figure, it covers the financial year not the calendar year and there is a programme of appraisals scheduled which will ensure that 100% of appraisals are forecast to be completed by March 2006.

25. **Sickness per FTE:**

26. Sickness figures continue to improve for the Directorate.

27. Corporate figures for 2005/06 were 12.48 days per FTE and for 2004/05 they were 13.5 days. The corporate target is 10.25 days per FTE, and the graph below (covering 1st August to 31st October 2006 inclusive) clearly shows that Resources Directorate fall well below these figures.

Long and Short Term Sickness by Service Area

	Public Services	ARM	Financial Services	Property Services	IT&T
Long term sickness	0.19	2.28		2.11	1.37
Short term sickness	1.91	0.37	1.29	0.85	0.93

Days per FTE (y-axis: 0 to 3.5)

Legend: ■ Short term sickness □ Long term sickness

28. Based on these figures, the Directorate is forecasts sickness figures of 8.27 days per FTE or below, therefore achieving the corporate target.

Customer First

29. **Telephone calls:**

Quarter 2 figures for telephone calls answered within 20 seconds. Performance is laid out below and the overview shows that 84.18% of the 278,304 calls to the Directorate were answered within 20 seconds.

Director	94.38%
Public Services (overall)	82.76%
YPAL	95.47%
Switchboard	79.92%
Audit and Risk Management	98.66%
Property Services	91.81%
Financial Services	98.64%

30. **Stage 1 and 2 complaints, visitors seen and letters answered:**

   The remaining customer first figures show how disparate the service areas are when dealing with communication with customers, especially in terms of volume, but the common thread is the high levels of achievement demonstrated by the data and year end forecasts.

31. What should be noted here is that almost all service areas, are above target for these indicators and, looking at historic data for the year, all are on course to remain in that position. Public Service, based on 12 months historic data is forecast to respond to 95% of letters within 10 working days despite the particularly high volumes received. There is a huge improvement on the figures from previous years in all areas.

32. The Directorate position is shown in the table below:

Service Area	Letters (July - Oct)	Forecast	Visitors (July - Oct)	Forecast	Stage 2 and 3 complaints (July - Oct)	Forecast
Directorate totals	99.4% (5373)	97.7%	99.3% (16332)	99.7%	100% (4)	100%

33. All three forecasts show above target performance, and reflect the high level of customer service offered by the Directorate.

Public Services

Performance headlines

34. The processing of new claims for Housing and Council Tax Benefits (BVPI78a) continues to show improvement and is now just one day off target at 35 days.

35. Performance on processing changes in circumstances for Housing and Council Tax Benefit (BVPI78b) is ahead of target by some 5 days with an average of 14 days. However, there has been an upward trend during the year to date and the forecast is that we will hit the 19 days target at outturn.

36. Delays in processing changes in circumstances notified as a result of interventions work are having an impact on benefit overpayments. Interventions changes are not counted as part of BVPI78b and so despite their obvious importance they were not treated as high priority – this is under review by the service. We are now forecasting a loss of subsidy partly as a consequence of an increase in the level of overpayments classified as local authority error (see Annex 3).

37. In addition, this indicator was qualified by the Audit Commission for 2005/06, with BVPI78(a) for new claims being qualified the year before. Partly in response to this, and to meet the Department of Work and Pension's (DWP's) Performance Standards, the Benefits service has introduced, with effect from

October 2006, a risk based management checking regime. This quality assurance will help to identify common errors and inform system or legislative training requirements. In addition sample checks will be carried on the underlying data to provide management assurance.

38. The service is closely monitoring the level of local authority error overpayments as current forecasts indicate that we will just exceed the lower threshold, resulting in 40% subsidy rather than 100%. We are aiming to minimise the loss by ensuring that, within the resources available, notifications of changes are actioned promptly. In addition, any large individual overpayments that are created are referred to a manager for validation. The creation and coding of overpayments also forms part of the daily checking undertaken by the newly appointed Quality Assurance team.

39. The recovery of Housing Benefit overpayments (BVPI79bi) shows a significantly improved performance on last year, up from 36% to 66%

40. The Council Tax collection rate has improved and is broadly on target.

41. The collection of NNDR (National Non-Domestic Rates) is behind target as at end of October but the service will review its recovery processes with the aim of ensuring that the outturn target is achieved.

42. Despite the popularity of the Registry Office venue the decrease in the number of marriage ceremonies, following a national trend, has contributed to an under-achievement of fees income (see Annex 3). This will necessitate a review of the fees structure for 2007/08.

43. Two of the City of York Council services, (York Pride Action Line & Switchboard) were relocated into the York Customer Centre on the 26th June 2006. During the last quarter (August to October) the Customer Centre had 21,921 calls offered, handled over 97% of all calls within 20 seconds and an 'abandoned' rate of 2.1%. This is a significant improvement in telephone answering and customer service.

Performance indicators

44. There are 11 performance indicators for Public Services, but one is reported on every three years as it is a customer satisfaction indicator: BVPI 80 – Benefits survey.

Financial information

45. An overspend of £146k is currently anticipated within Public Services. This is partly due to the change in regulations for the Housing Subsidy Admin Grant where it the grant payment is no longer split between the administration of the service and benefit investigation. The shortfall for the directorate is anticipated to be £49k and this has been shown within the public services service plan. There has also been a projected downturn in the performance on Local Authority errors which may result in a reduction to the final Housing Benefit Subsidy grant. Details of variances are shown in Annex 3.

Property Services

46.   Key achievements and performance

   o   The appointment of the Partnering Team for the delivery of the new York High School (£12.5m)

   o   The completion of the capital scheme at Canon Lee school (£900k) in 12 months

   o   Completion of an extensive programme of school building works during the summer holidays

   o   Development Teams established and progressing schemes for Oaklands, Lowfields, Manor, Yearsley Bridge, Joseph Rowntree School, Arclight and Peasholme

   o   Approval of the council's Capital Strategy and new CRAM   (Capital Resources Allocation model) process

   o   Disposal of Northfield School for a capital receipt of c £2.8m

Significant work in progress

47.   The Administrative Accommodation Project reached the end of Stage 1 and a progress report was submitted to Executive in October 2006 summarising those objectives achieved and those planned for Stage 2.

48.   The 25 July Executive approved the relocation of the Peasholme Centre from Hungate to the Fishergate site, which is currently occupied by the small business unit (EDU – Economic Development Unit). In order to avoid a delay to the accommodation project, it is proposed to move the business unit to a temporary location at Hospital Fields Road, prior to its permanent relocation to Amy Johnson Way. The project at Hospital Fields Road will ultimately provide for medium sized businesses as part of the council's commercial portfolio. The project to provide a new 'small business unit' at Amy Johnson Way is being developed in partnership with the Helmsley Group and will be complete in the autumn of 2007. The design work for the new Peasholme Centre is progressing and a planning application has been submitted.

49.   The Official Journal of the European Union (OJEU) notice for the major procurement of all of the design and construction elements of the new Administrative Accommodation Headquarters building was published in early June 2006. 122 expressions of interest were received and evaluated. Shortlisted companies have been asked to submit tenders and attend a mid tender interview to enable a price/quality assessment to be made prior to appointment. Appointment of Constructor and Project Manager will be in December 2006 and designers will be appointed in February 2007.

50.   The appointment of the Partnering Team for the delivery of the new York High School (£12.5m) on the Oaklands site has been made and feasibility and outline design stages are progressing. Property Services are contributing to

the delivery of a significant capital programme that includes Administrative Accommodation (Admin Accom) (£30m), Joseph Rowntree School (£24m), York High School (£12.5m), Pools provision (£6.5m), Arclight (£3.5m), Peasholme (£1.4m), Huntington School (£4.3m), Danesgate (£1.8m), Acomb Library (£800k) and other miscellaneous projects.

51. Development Teams established for Oaklands, Lowfields, Manor, Yearsley Bridge, Joseph Rowntree School, Arclight and Peasholme. Development Teams include representation from Planning, Highways, Property, Environment, City Development, Archaeology, Conservation, Ecology, Housing, relevant service areas, service and property managers and partner organisations as appropriate. The teams examine all of the needs, input, risks, constraints and guiding parameters that will ensure the delivery of successful projects without unwanted surprises and risks.

52. Disposal of Northfield School for a capital receipt of c £2.8m: This was the only major disposal achieved during this monitor period. Others such as the Barbican, Bismark Street, Shipton Street, Hebden Rise and the Bonding Warehouse are still ongoing.

53. The commissioning and implementation of the new Technology Forge property database is progressing on programme and will go live in December 2006 (limited to Property Services initially).

Issues including Risk

54. The energy market is extremely volatile at this time and is making budget planning very difficult. Energy is procured through the YPO (Yorkshire Purchasing Organisation) to gain the benefits of larger buying power from some 24 authorities. Electricity has risen by 71% in the last year. Energy and Water Management is focussed upon consumption and poor performing buildings. The EWMG (Energy and Water Management Group) will be reporting an action plan to Executive in the New Year for approval.

55. Recruitment of staff to important roles within Property Services has been challenging in a difficult market. This has had a significant impact upon the workload of current staff in meeting significant work in progress as defined above.

56. Dwindling capital resources and capital receipts will create a significant risk for existing property assets if funding is not available for investment in those assets to reduce the maintenance backlog. Whilst the strategy for dealing with the high backlog is very much focussed on getting out of poor performing buildings (e.g. Admin Accom Review and Joseph Rowntree School replacement) the risk is that lack of investment will lead to building failure and significant health and safety issues that may affect service delivery.

Performance indicators

57. There are currently six local performance indicators within this service area, and four additional measures which are included within the Council Plan.

Financial information

58. At monitor 2 Property Services is anticipating a net overspend of £87k. There are several pressures on Property services' budgets. These comprise of overspends on rents and a shortfall in rent income in the Admin Accom, overspends on repair and maintenance in the Commercial portfolio and costs not recoverable through the capital receipts protocol. Further detail available in Annex 3. One of the overspends reported is due to the use of additional external consultants working as part of the framework agreement within Strategic Business and Design. The additional cost of £171k is funded from additional income and it is recommended that a virement between expenditure and income of £171k is undertaken to realign the budgets.

IT&T

Performance headlines

59. The department is on track to exceed most of its existing agreed service level targets for 2006/07 and it is proposing to raise some of these targets for 2007/08 and beyond.

60. The latest customer satisfaction survey (undertaken during the past 6 weeks) is indicating an improvement on the departmental customer satisfaction ratings on previous year's results. Satisfaction with the resolution of calls has increased by 2% since last year to 96.3% and the overall satisfaction with ITT has risen by nearly 3% to 92.16%. The satisfaction with customer support services and the time it takes to resolve calls has remained at the same high levels of 95.6% and 95.9% respectively.

61. The department successfully delivered a number of high profile and high risk infrastructure projects supported by the introduction of governance controls to ensure that customers are provided with a secure, resilient and high performing ITT infrastructure that supports current and future Council Service Delivery.

62. The department's support and development resources have been heavily involved with the Easy@york business transformational activities throughout the year and were instrumental with the early go live phases that include the successful opening and on going support of the new Contact Centre within Stonegate.

63. In parallel with the Easy@york programme, the department has a total of 45 development projects in progress, 37 from the annual ITT Development Plan process and 8 introduced during the year to meet new business or legislative priorities. The department has successfully completed 70% of the projects expected to be delivered 2006/07.

64. The department has identified and surpassed its 2007/08 savings target and has delivered 115% of its 2006/07 target.

65. Some of the challenges facing IT&T over the coming months are:

o Absorbing Impacts of modern and flexible working practices including increasing collaborative partnership working.

  ➢ Resource levels
  ➢ Contract of employment (potential increased hours of support)
  ➢ Service level agreement

o Implications of the new integrated service delivery methods Corporate ITT governance regime including formal Change Control

  ➢ Corporate ITT governance regime including formal Change Control
  ➢ Collaborative working with 3rd parties and other internal support functions

o Manage the potential departmental implications of the corporate job evaluation scheme.

  ➢ Staff motivation/performance

o Resources implications of potential subsequent appeal process

Performance indicators

66.   Although there is an extensive suite of local performance for IT&T, only one is reported in the Council Plan

67.   This is a high performing indicator and it is worth looking at past performance and the way in which targets have been further stretched, even by the slightest margin, to show continuous improvement.

COLI 71 - % of time that the Council's major IT systems/ network infrastructure is available
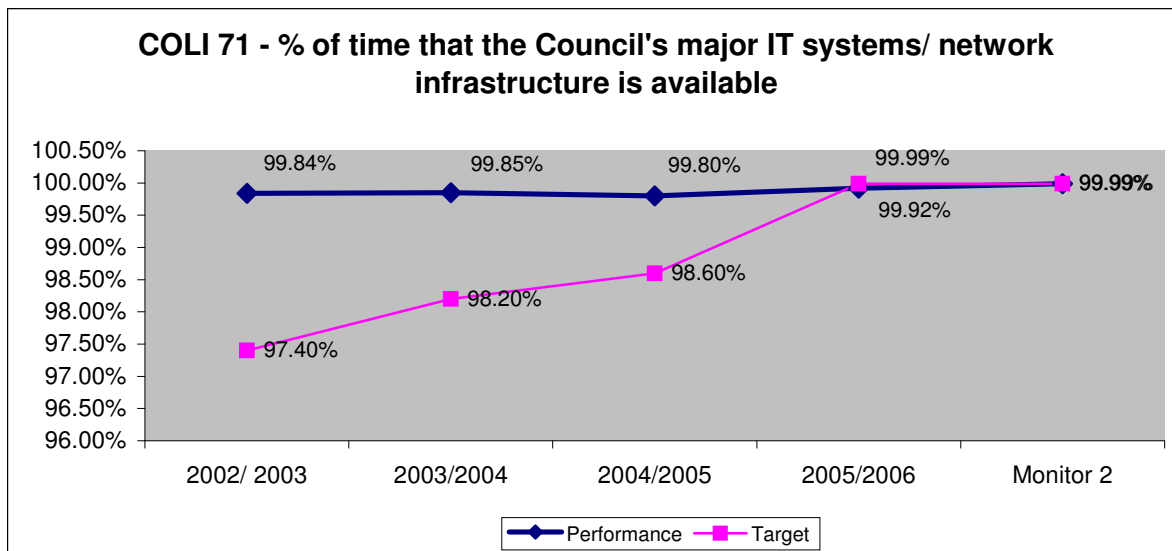
Financial information

68.   At monitor 2 IT&T are anticipating a net underspend of £431k due to mainly to project slippage of £232k on the FMS project. A total of £125k of this is being

reallocated to support other budget pressures in the Directorate. Further details are available at Annex 3.

Audit and Risk Management

Performance headlines

69.   Key achievements since the last monitor, principally include:

- establishing robust systems and processes for the proper client management and reporting of the external audit work programme;

- co-ordinating the completion and submission of the Comprehensive Performance Assessment (CPA) Use of Resources 2006 assessment and supporting working papers to the Audit Commission in accordance with national reporting deadlines

- achieving a very significant reduction in average staff sickness rates for short term sickness absence this year, from 8 days per full time equivalent (FTE) in 05/06 to 1.7 days per FTE in 06/07 to date;

- 100% of all insurance claims acknowledged and processed to target timescales;

- 45% of audit plan achieved to date compared to outturn target of 90%. This figure is broadly in line with what we would expect at this time during the audit year as a significant proportion of work is still in progress and will not be counted against % of plan achieved until the relevant report have been agreed and issued to client departments.

- 82% of customers satisfied or more than satisfied with individual audit products issued during the year to date and 100% of all high priority recommendations agreed by client departments.

Significant work in progress

70.   In addition to normal service activities, work is now on-going to:

- develop a medium term 3 year Business Plan for the Division which will be brought to Members for consideration in the New Year with a view to the Plan being adopted from 1 April 2007. The Plan will cover service needs and objectives, staff training and development/workforce & succession planning issues, performance management information and reporting routines and include a 3 year action plan for service development and improvement, amongst other things;

- develop and agree a Strategic Procurement Programme (SPP) for the Council which will encompass all strategic procurements within one programme for overall management and co-ordination by the Assistant Director Audit and Risk Management (AD-ARM) - the SPP will also form a discrete part of the Council's overall Efficiency Programme once adopted;

- deliver training across the organisation on the new Financial Regulations & procurement Rules as part of the post-implementation work needed

following the Review of the Constitution and support the work of the Constitution Project Board in undertaking a post-implementation review of the new Constitution following its adoption by Full Council in May 2006;

- deliver Risk Management training across the organisation further to rolling out work in relation to the development agenda for Risk Management as reported to Members previously, beginning with a corporate planning and visioning session with Corporate Management Team on 29 November 2006;

- deliver all work and actions designated to the AD Resources (ARM) within the Council's Corporate Organistaional Efficiency Programme, the CPA Use of Resources Action Plan (CPA UOR) 2005/06 and the current 3 year action plan for procurement (final year)

- review the scope of requirements in respect of the Information Governance agenda for the Council and make recommendations on the future organisational management, processes, procedures and accountabilities needed to properly discharge the authority's obligations in this area (this covers all Freedom of Information (FOI), Data protection Act (DPA), information security, data quality, records management, standards, corporate compliance, policy and strategy matters etc)

- review the function, performance and efficiency of procurement functions within Resources: how they can be improved and made more efficient in respect of the future business needs of the organisation

- identify further procurement savings across the organisation that can be made in year to go against the corporate procurement savings target for the authority

- establish and roll-out the use of the new Supplier Contract Management System across the organisation once fully populated and all staff training complete

- manage and co-ordinate the on-going delivery of the Officer Governance Group work programme for 06/07. Progress to date has been good overall as reported in detail to the Audit & Governance Committee on 4th October 2006.

- research and develop a Corporate Governance statement of principles and practice for the Council to be reported for officer and Member consideration in the new year

- agree the 2006 CPA UOR score with the Audit Commission and prepare the 2006/07 CPA UOR Action Plan for deployment in 2007/08 in the lead up to the full CPA Inspection scheduled for the Council in January 2008

- establish a Financial Investigations function within the Fraud Service and develop a Value for Money (VFM) programme as part of the 2007/08 Annual Internal Audit Plan to help support the delivery of the Council's Efficiency Improvement Statement and associated Development & Improvement Plan from 2007/08 onwards

- development of a Directorate Training Plan for Resources and review and development of the Council's professional finance training programme.

Major issues to note

71. The most significant outstanding matter of management concern has been the further delay to the development of the Corporate Procurement Strategy due to the long term sickness absence of the Procurement Manager since the beginning of July 2006. A number of other concerns regarding the performance and effectiveness of the Corporate Procurement Team (CPT) have come to light during this period and at the same time it has been recognised that the Directorate as a whole needs to make more efficient and co-ordinated use of procurement expertise and resources currently distributed across separate teams of staff. A separate report to this committee has been prepared setting out the issues and proposals on the way forward. It is anticipated that subject to Members approval the new team arrangements will be in place by the end of January 2007. In the meantime the AD (ARM) will lead on the on-going development of the Corporate Procurement strategy with a view to this being ready for Council consideration and approval before 1 April 2007.

72. Whilst there has been some improvement in the overall timeliness of individual audit undertaken, delays in reporting and finalising recommendations with client departments remain unacceptably high, taking an average of 46 days from the completion of the fieldwork to the issue of reported findings and recommendations. Work is now in hand to review our processes with a view to significantly improving the timeliness of the audit in 2007/08. Improvement actions include investing additional resources in file review activities, enhanced focus on risk based audit, developing alternative approaches to reporting the audit that may not always involve drafting a formal report on conclusion of every audit completed.

Performance indicators

73. This service area has the second largest number of performance indicators after IT&T and is currently actively seeking advice and guidance on how to streamline them to improve service delivery and to make performance management more meaningful. This is clearly an approach to be commended.

74. Audit and Risk Management have 28 local indicators, as well as four national indicators which are reported in the Council Plan.

Financial information

75. At monitor 2 Audit & Risk is anticipating a net overspend of £99k. The outturn forecast for Procurement savings is subject to further work being undertaken by officers to achieve additional in year savings which could result in a further £80k being taken by the year end. There is also an option to draw down £50k from the Venture fund. This decision will be taken by management at outturn dependant on underspends being available elsewhere. Further details are available in Annex 3.

Financial Services

Performance headlines

76.   As with monitor one the service continues to make significant progress. Work has now been successfully completed on the 2005/06 final accounts process with an unqualified audit opinion having been issued on the 29th September. Support for the equal pay and job evaluation continues to be a major drain on resources with high level and operational support being provided from within both the accountancy and exchequer functions. As a result of this work the council was able to make equal pay settlement offers made to relevant employees in October and this outcome is, to a large extent, due to the work undertaken by these staff.

77.   In terms of new developments there is a continued successful expansion of salary sacrifice benefits to staff with 323 separate arrangements now in place, a 40% increase since the start of the financial year. In September the council was able for the first time to offer childcare vouchers to teachers and the first cycle scheme offered to staff has resulted in 47 employees using this mechanism to purchase bikes. Overall take up of salary sacrifice as an employee benefit since its introduction in April 2005 can be seen in the graph below[1].

Number of Staff in Receipt of Salary Sacrifice Benefit
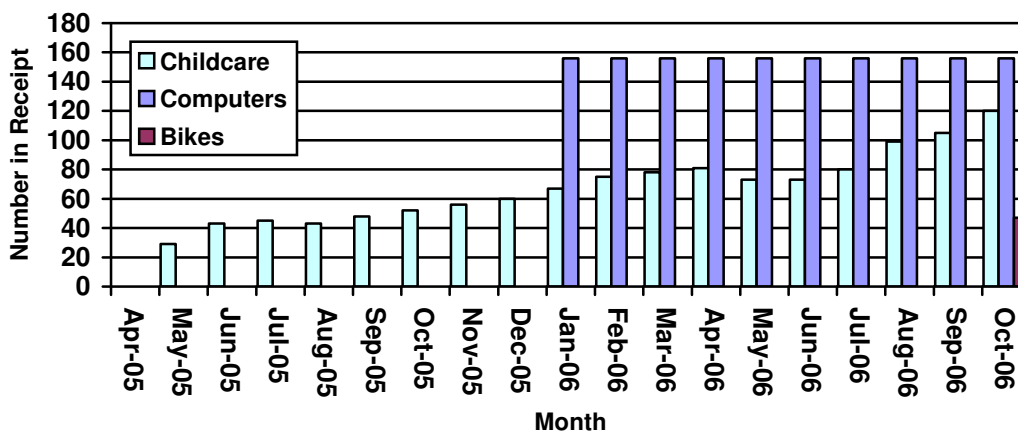
78.   The service also has key inputs to a number of other projects including leading the transport review (a collaborative study with health and the East Riding of Yorkshire Council) for which funding has been successfully gained from the Regional Assembly and Regional Centre of Excellence. The service is also a key contributor to the review of income collection policy and procedures across the council.

79.   Finally, alongside these developmental items the service still has to maintain its role in delivering services such as payroll, debt collection and payments; and its responsibility for leading the capital and revenue budget processes for

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[1] Due to changes in national legislation the Home Computer Initiative is no longer available.

2007/08. As we move towards finalising budget proposals and with the imminent publication of the Lyons Report on Local Government Functions and Funding this will be an increasing strain on the service.

Performance indicators

80. There are two Council Plan performance indicators for Financial Services, and nine local.

Financial information

81. At monitor 2 Financial Services is anticipating a net underspend of £157k. This arises largely as a result of the delay in incurring expenditure on replacement Financial Management System. Part of this underspend falls in Financial services (£96k), but the bulk of it is in IT&T (£262k). Further detail is available in Annex 3.

Treasury Management report

82. Treasury Management is part of the overall corporate budget. The table below illustrated the changes made by Executive to the budget to arrive at the current approved budget of £6,745k.

Changes to the Treasury Management Budget in 2006/07	£000
Start Budget	**4,884**
Removal of AMRA budget to reflect changes in the SORP	3,262
Removal of Item 8 budget to reflect changes in the SORP	-1,413
Budget transfers to cover prudential borrowing	145
Revised Budget	**6,878**
Monitor 1 underspend reallocated to other service pressures	-133
Current Approved Budget	**6,745**

[1] AMRA is the Asset Management Revenue Account and was used to reflect the cost depreciation in the accounts, this has since been removed as part of the SORP.
[1] SORP is the Statement of Recommended Practices for Local Government Accounting.

83. The forecast outturn for 2006/07 is forecast to be £6,564k, an underspend of £181k against the current approved budget, which is in addition to the £133k underspend reported at Monitor One. The Monitor One underspend was reallocated to priority services by the Executive, which has meant that Treasury Management budgets have been rebased to take account of this reduction in budget.

84. The additional underspend of £181k is mainly because of:

- reduction in the cost of borrowing to fund the capital programme (£104k) and

- a dividend payment to be received from the BCCI liquidators.

The recent increase in interest rates has had no impact on the outturn as this was already budgeted for.

85. The Council was forecast to borrow over £17m in 2006/07, but has only borrowed £10m to date. This borrowing is less than budgeted for, at a lower rate of interest and has been taken later in the financial year than originally budgeted for. This has resulted in a projected £104k underspend. The graph below illustrates the borrowing decisions taken against the rate movements in the market. The £10m was borrowed in two tranches at the lowest points in the market during this financial year.

CYC Borrowing against PWLB rates & base rate 2006/07

4.05%,£5m,46yrs   4.05%,£5m,47yrs
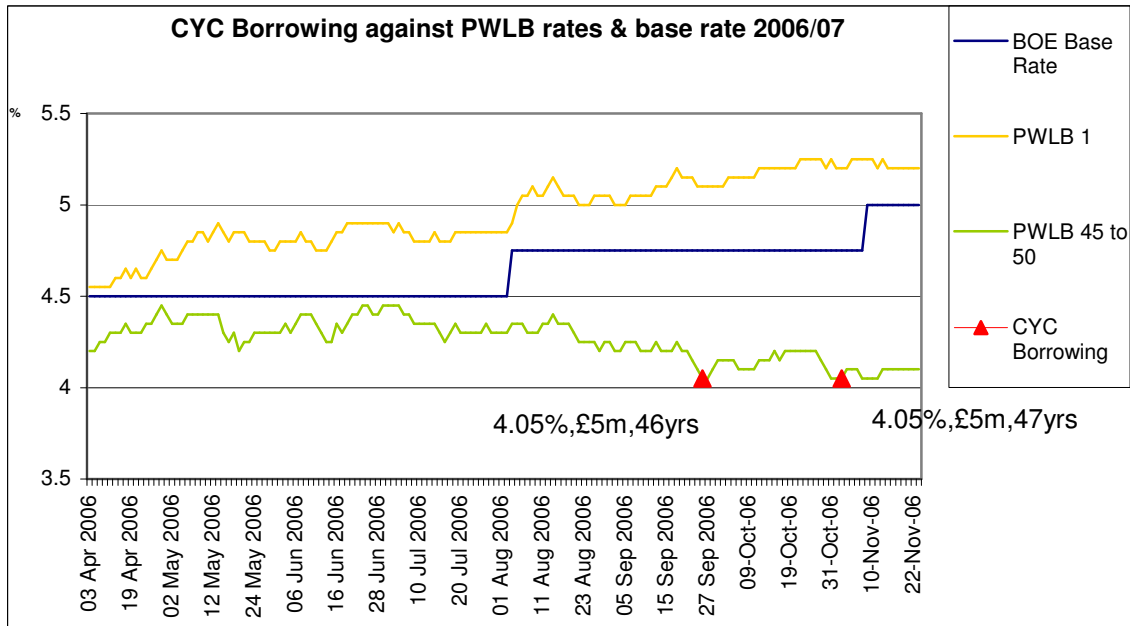
[1] PWLB is the Public Works Loan Board

86. The 5th dividend payment from the BCCI liquidators has been announced and the Council are due £154k, which equates to around £81k at current exchange rates.

87. The Bank of Credit and Commerce International (BCCI) collapsed in February 1992. At that time the City of York Council had outstanding investments with BCCI of £1,386k. To date the Council has received almost £1,243k (90%) of the initial investment. Further dividends are anticipated although the percentage amount recovered is likely to diminish.

88. As part of the prudential code, introduced to Local Authorities in April 2004, the Council has to set a number of Prudential Indicators. The prudential code relaxed the restrictions that were in place around external borrowing. Council's are now free to borrow more than they are funded for by the Government, providing it is prudent, affordable and sustainable. The Prudential Indicators were set by Council on 1st March 2006 to ensure that the Council is managing its finances in line with the code. Annex 9 lists the indicators and performance to date and Annex 10 provides a description of them and their purpose.

Capital Programme

89.   The Resources approved capital programme totals £6,842k and the latest monitoring information and proposed adjustments are shown in Annex 8.

Corporate Priorities

90.   The content of this report relates to Corporate Priority 7 – Ensure that City of York Council is a high-performing Council, and in particular to objective 7.4 delivery of services.

Implications

Financial

91.   There are no financial implications other than those laid out within this report

Human Resources

92.   There are no human resources implications.

Equalities

93.   There are no equalities implications.

Legal

94.   There are no legal implications.

Crime and Disorder

95.   There are no crime and disorder implications.

Information Technology (IT)

96.   There are no financial implications other than those laid out within this report

Property

97.   There are no property implications.

Other

98.   There are no other implications.

Risk Management

99.   Risk Management is a key issue and risks in this report have been highlighted in the various different service areas. This section will be expanded upon in future reports.

Recommendations

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

- Note the current financial projections

- Note the improvement in performance achievements and comments

  Reason – in accordance with budgetary and performance monitoring procedures

101. The Executive Member approve the virement of £171k between expenditure on framework consultants and capital income in Strategic Business and Design within property services (para 58)

    Reason – financial regulations require the Executive Memebr to approve all virements between £100k and £250k.

Contact Details

Author:	**Chief Officer Responsible for the report:**
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551420	Resources
Patrick Looker	
Finance Manager City Strategy	**Report Approved** ☑ **Date** */11/2006*
551633	

Wards Affected: N/A   **All** ☒

For further information please contact the author of the report

Background Papers:
Documents referred to include back catalogues of Council Plans and the Resources Monitor 1 report 2006/ 07.

Annexes:
Annex 1 – Library of local performance indicators
Annex 2 – Service Plan monitoring reports
Annex 3 – Revenue Budget variances
Annex 4 – Resources Performance Management Framework
Annex 5 – Resources performance tables
Annex 6 – Appraisals indicators
Annex 7 – Capital monitor 2006/07 variance report
Annex 8 – Capital programme 2006/07 to 2008/09
Annex 9 – Capital monitoring report – Prudential indicators
Annex 10 – Capital monitoring report – Reasons for Indicators
Annex 11 – Surplus on Money Market Trading Activity

LIBRARY OF LOCAL PERFORMANCE INDICATORS

Local PI Reference	Description
CUSTOMER FIRST INDICATORS	
None given	Paying invoices –by division
None given	Appraisals undertaken
None given	Answering complaints
PUBLIC SERVICES	
C4	% of revenues changes deal with in 10 working days
C5	% of direct debit take up (CT)
C6	% of e-payments for Council tax
C7	% of direct debit take-up (NNDR) – audit recommendation
P4	% of new claims outstanding for more than 50 days
P5	% of new claims decided within 14 days of all information
P7	% of valuation office schedules actioned on time (Ctax and NNDR)
F1	% of subsidy received against benefit paid
F3	Cost of collection (Ctax)
F4	% of court costs income collection
S1	Minimum number of training and development days per staff member
C1	Scanning complete within set time period
C4	Users set up with password and access
P1	Number of documents scanned per hour
FINANCIAL SERVICES	
C1	Identification of cashable and non-cashable efficiency savings to Gershon criteria
C2	Establish FMS project milestones
C3	Maintain and improve on relevant areas of CPA
C4	Statement of accounts complete
C5	Number of staff accessing a salary sacrifice benefit
P2	Paying staff correctly all year round
F3	Council income from salary sacrifice scheme
None given	Number of payroll payments made
None given	Total number of invoices processed
IT&T	
COLI 12	Number of calls to extension 2222
COLI 13	Support calls received for customer support
COLI 14	Support calls fixed for customer support
COLI 15	Support calls outstanding for customer support
COLI 16	Support calls received for networks
COLI 17	Support calls fixed for networks

COLI 18	Support calls outstanding for networks
COLI 19	Support calls received for telecoms
COLI 20	Support calls fixed for telecoms
COLI 21	Support calls outstanding for telecoms
COLI 22	Support calls received for training needs
COLI 23	Support calls fixed for training needs
COLI 24	Support calls outstanding for training needs
COLI 25	Support calls received for central systems
COLI 26	Support calls fixed for central systems
COLI 27	Support calls outstanding for central systems
COLI 28	Support calls received for development
COLI 29	Support calls fixed for development
COLI 30	Support calls outstanding for development
COLI 31	Support calls received for new users
COLI 32	Support calls fixed for new users
COLI 33	Support calls outstanding for new users
COLI 34	% of support calls resolved within SLA timescales – HIGH 0-6 hours
COLI 35	Number of support calls received within SLA timescales – HIGH 0-6 hours
COLI 36	Number of support calls resolved within SLA timescales – HIGH 0-6 hours
COLI 37	% of support calls resolved within SLA timescales – MEDIUM 3 days
COLI 38	Number of support calls received within SLA timescales – MEDIUM 3 days
COLI 39	Number of support calls resolved within SLA timescales – MEDIUM 3 days
COLI 40	% of support calls resolved within SLA timescales – STANDARD 5 days
COLI 41	Number of support calls received within SLA timescales – STANDARD 5 days
COLI 42	Number of support calls resolved within SLA timescales – STANDARD 5 days
COLI 43	% of support calls resolved within SLA timescales – SCHEDULED
COLI 44	Number of support calls received within SLA timescales – SCHEDULED
COLI 45	Number of support calls resolved within SLA timescales – SCHEDULED
COLI 46	% of calls resolved first time
COLI 47	% of successful back-ups (SAN cluster)
COLI 48	% of successful back-ups (Applications)
COLI 49	% of uptime for network (10 hours)
COLI 50	% of uptime for network (24 hours)

COLI 51	% of uptime for SAN cluster (10 hours)
COLI 52	% of uptime for SAN cluster (24 hours)
COLI 53	% of uptime for major systems
COLI 54	% of uptime for Phone Switch (10 hours)
COLI 55	% of uptime for Phone Switch (24 hours)
COLI 56	% of uptime for Citrix farm (10 hours)
COLI 57	% of uptime for Citrix farm (24 hours) – includes overnight re-boot, reducing maximum to 98.62%
COLI 58	Resilient capacity of the Citrix Farm (N+1)
COLI 59	% concurrency of Citrix Farm used
COLI 60	Number of Citrix server failures (24 hour)
COLI 61	Number of disrupted Citrix sessions (24 hours)
PROPERTY SERVICES	
None given	Projects of £100k+ - percentage of customers satisfied
None given	Projects of £100k+ - percentage of customers satisfied with constructed product
None given	Projects of £100k+ - time predictability
None given	Projects of £100k+ - cost predictability
None given	Commercial income target
None given	Property Services Trading Account
AUDIT AND RISK MANAGEMENT	
C1	Customer satisfaction with Insurance Service
C2	Customer satisfaction with Audit and Fraud
C3	Customer satisfaction with Procurement
C4	% of Audit Plan completed
C5	% of high priority recommendations completed
C6	% of insurance claims acknowledged within agreed timescales
P1	Repudiation rate – Employer's liability
P2	Repudiation rate – Public liability
P4	Reduced number of creditors
P5	Increased turnover with YPO
F1	Insurance external income target
F2	Delivery of procurement budget savings
F3	Fraud income target
F4	Value of fraudulent overpayment identified
None given	Decisions taken to prosecute
None given	Fraud referrals received
None given	Types of fraud referral
None given	Sources of fraud referral
None given	Numbers accepted for investigation
None given	Number of visits
None given	Use of officer authorised powers
None given	Successful interventions
None given	Time taken to complete FRISC
None given	Time taken to commence investigation following FRISC

| None given | HBMS data matches resolve din two months |
None given	Overpayments identified (closed cases and created in a month)
None given	Benefit fraud cases where street crime and / or anti-social behaviour is also a factor
None given	Fraud cases offered and accepted under the FPA

SERVICE PLAN MONITORING - REPORTS BY DEPARTMENT

**Resources – Public Services
Service Plan Monitoring Report 2, 2006 – 2007**

**Service: Public Services
Service Manager: James Drury**

Section A: Key Service Plan Initiatives and Actions

1.   Achievements.

The processing of new claims for Housing and Council Tax Benefit (BVPI78a) has improved in the year to date. The average has already reduced by 3 days since the start of the financial year and is days better than at the same time last year. Over the last four years there has been a dramatic fall in processing times, as demonstrated by the following graph:
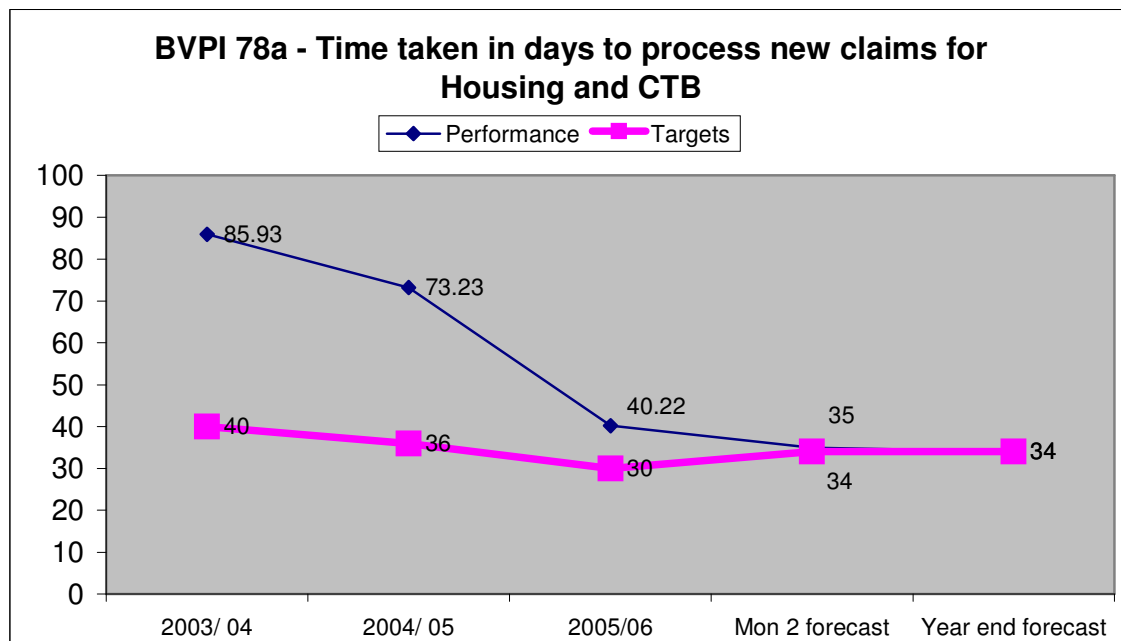
Performance on processing changes in circumstances for Housing and Council Tax Benefit (BVPI78b) is still ahead of the 19 day target at 14 days, and some 15 days less than the average for the same time last year. The trend for the year to date shows a gradual increase in the average days from eight days in April 2006 but performance in that month was skewed by the large amount of rent increases that were automatically processed and thus counted as taking one day to process.

The recovery of Housing Benefit overpayments (BVPI79bi) shows a significantly improved performance. In the first two quarters of the year we reported a 66% recovery rate, well above the target of 40%. The target was based on limited historical data as this was a revised Best Value Performance Indicator introduced in 2005/2006 (outturn was 36.29%). This year's position has been helped by improved management information and monitoring and better understanding of system parameters and processes.

In Local Taxation a more rigorous recovery process and better monitoring of accounts has helped to improve the Council Tax collection rate (BVPI9). For the year to date, up to end October 2006, in-year collection is 65.8%, which is on target and 1% ahead of this time last year. Whilst this approach has helped recovery levels it has also put the service under pressure by impacting on workloads and the number of complaints received. The collection of previous year's debt also shows an encouraging trend. Arrears now total £3.91m as against a target of £4.15m.

The collection of National Non-Domestic Rates (BVPI10) is 4.5% behind target at 66.82%, as at end October 2006. This is mainly attributable to a review of budget holders and codes for accounts relating to Council-owned property that was concluded after the monitor period. The amount outstanding for these accounts equates to 3.6% of the collectable debit. Arrears for previous years have reduced from the brought forward figure of £4.29m to £3.6m. However, this figure is prone to fluctuation due to the likelihood of large retrospective rateable value adjustments.

There have been improvements in the handling of YPAL calls within the York Customer Centre since the transfer in June 2006. We now answer 15% more calls and the percentage of abandoned calls is 10% less. Over the period July to October the number of calls answered has improved by 18.7% and the number of abandoned calls has reduced by 85%.

Public Services Customer First figures show that overall 94.86% of letters were answered within 10 working days, a slight improvement on the 92% reported in the first monitor.

The two Registry Office outstations continue to be successful. ASDA, in its 4th year for births, completes 2,000 registrations p.a., which is two-thirds of all births in York. The Hospital office for registering deaths completes over half of all events there.

York Register Office featured in the top 50 places in the world to be married in an Independent Newspaper review.

Civil Partnership ceremonies have reached 100. Feedback shows that they are well received by the couples for the choice of ceremony, venue and value for money.

The directorate's Green Office Policy has been drafted and will be presented to the Resources Management Team in December.

Business Continuity and Incident Management plans have been completed for Public Services

Benefit take-up work, as part of the LPSA target, has started over the summer. The aim is to increase the number of customers aged 60+ in receipt of Housing Benefit, Council Tax Benefit, Attendance Allowance and Pension Credit. A take-up campaign is running during November and December on the back of Morrison's supermarket till receipts.

2.   Progress on activities and update on risks

The Council Tax service have been working with the Easy@york team to scope the design for the service improvement work and the front-office service provision within York Customer Centre. Service managers, Easy managers and HR have been reviewing the front and back office staffing requirements for the re-designed service delivery model and have been consulting with staff and Unison. The success of this work has a direct impact on the Easy@york project and the delivery of a Council Tax service during 2007/08 annual billing period in February and March 2007.

From October the Benefits Service introduced a Quality Assurance checking team. The intention is that this will assist the service in improving its procedures and the accuracy of processing. Any findings will be used to inform appraisals and training needs. Long-term this should positively impact on key performance measures, help maintain the Good CPA rating and help avoid further qualification of BVPIs by the Audit Commission.

The web team, now part of Public Services, have been working on the launch of the new website which will have a different "look and feel" and improved navigation. This is key to the eventual development of an enhanced transactional website.

In October we went live with the Benefits National Performance Management Framework (NPMF). It is too early to see any benefits in terms of benchmarking and service improvement. Once DWP funding for this project has ended, in a year's time, the Service will need to review extending the contract and seek alternative funding.

Telephone sign-up for Direct Debit payments is in the final stages of testing and should be launched in time for the 2007/08 annual billing. Introduction of this facility will help increase the Direct Debit penetration level and the collection rate.

3. Work in progress.	Commentary
Implementing a mobile working solution within Benefits	Initial joint Business Appraisal with Housing was started. Project now on hold pending decision from easy project
Achieve cost neutral registration service	Decrease in marriage ceremonies nationally has affected budgetary predictions

**Resources – Property Services
Directorate Monitoring Report 2, 2006 – 2007**

**Service: Administrative Accommodation Project
Service Manager: Neil Hindhaugh**

Section A: Projects and issues update

1.   Key Initiatives and Actions

Stage 1 completion reported to Executive in October 2006
Stage 2 (September 2006 – March 2007) has commenced

2.   Progress on activities and update on risks

- The sale of St. Leonard's Place

- The acquisition of the Ambulance Station site at Hungate

- The selection of a site for the relocation of the Peasholme Centre

- Extension of existing leases until occupation of new building

- The production of the outline briefing document

Sale and leaseback of St Leonard's Place/2-4 Museum Street: St Leonard's Place and 2-4 Museum Street were placed on the market in April 2006. Fourteen bids were received in the first round from which six developers were short-listed. Rushbond PLC, a large, Leeds-based property development company with extensive experience of working with Listed Buildings, submitted the highest bid and were subsequently selected. The council will continue to occupy the premises under a leaseback arrangement prior to the completion of the Hungate building.

Purchase of the ambulance station site: The purchase of the ambulance station site is now complete and includes a leaseback arrangement for a maximum of three years ending in March 2009. Whilst this date exceeds that required for the delivery of the accommodation project (April 2008), the Ambulance Service has agreed to work with the council to identify relocation options to help secure an early release of the site.

Approval to relocate the Peasholme Hostel: The 25th July Executive approved the relocation of the Peasholme Centre from Hungate to the Fishergate site, which is currently occupied by the small business unit (EDU). In order to avoid a delay to the accommodation project, it is proposed to move the business unit to a temporary location at Hospital Fields Road, prior to its permanent relocation to

Amy Johnson Way. The design work for the new hostel is progressing and a planning application has been submitted.

Extension of the leases at 10-12 George Hudson Street and Swinegate Court East and West: The above leases have now been extended following negotiations with the landlords. Leases have been granted which meet both the timescales and cost profiles in the project plan and the updated financial model in this report (see below).

OJEU Notice – design and construction partners: The OJEU notice for all of the design and construction elements of the Hungate building was published in early June 2006. Expressions of interest have been received as follows:

- Architects   38
- Constructors   14
- Project Managers   23
- Cost Consultants   24
- Mechanical and Electrical Engineers   23

An assessment of the submitted documentation has been completed and shortlisted applicants have been invited to tender and attend mid-tender interviews.

User brief for the new building at Hungate: A Needs-based study has been undertaken across all services within the council. Following further consultation with Members, service providers, and specialist areas such as sustainability, ITT and Human Resources, a more detailed brief will be produced. This will be used to appoint design and construction partners in January 2007.

All risks associated with this project are contained in the Project Risk Register. The headline risks were reported as an annexe to the Executive report in October 2006

3. **Work in Progress**

The key targets for the next stage (September 06 – March 07) of the project are as follows:

- The agreement with the Ambulance Service for an early release of their Hungate site

- The development and agreement of the user brief for the new accommodation at Hungate

- The evaluation and appointment of design and construction partners

- A review of the council's facilities management arrangements

- The presentation of options and recommendations for the future delivery of facilities management services

- Renewal of the lease at 50 York Road Acomb.

**Resources – Property Services
Directorate Monitoring Report 2, 2006 – 2007**

**Service: Property Services
Service Manager: Neil Hindhaugh**

Section A: Projects and issues update

1.   Key Initiatives and Actions

- To have a balanced programme of capital expenditure and funding through the generation of capital receipts.
- Development of a new Capital Strategy and CRAM process for the Council
- Delivery of an extensive capital programme from inception to completion
- To produce a clear and approved strategy for the council to improve the condition of its buildings and to make them accessible (BVPI 156) and compliant with all Health & Safety legislation.
- Development of improved customer communication system for all client services
- Development of the Corporate Asset Management Plan
- Development of Service Asset Management Plans for all services
- Development of Area Asset Management Plans
- Seek approval from Executive for Energy and Water Management Policy and Action Plan and begin implementation.
- Development of a framework for Sustainability by Design, including the provision of a sustainability statement for each building project.
- Review the commercial portfolio.
- Implementing and installing the Technology Forge Property Database
- Project Managing the Administrative Accommodation project. An update on this project is given on a separate annexe.

2.   Progress on activities and update on risks

The appointment of the Partnering Team for the delivery of the new York High School (£12.5m) on the Oaklands site has been made and feasibility and outline design stages are progressing.

The completion of the capital scheme at Canon Lee school (£900k). This project has been developed, procured, designed and built in 15 months and provided the school with a development beyond their expectations and gave a value for money solution to their needs.

Completion of an extensive programme of school building works during the summer holidays: Improved planning and programming of our workload has resulted in improved delivery of this work programme during the busy summer holiday period.

Capital expenditure on Repair and Maintenance, Health & Safety and DDA needs is on programme.

Development Teams established for Oaklands, Lowfields, Manor, Yearsley Bridge, Joseph Rowntree School, Arclight and Peasholme. Development Teams include representation from Planning, Highways, Property, Environment, City Development, Archaeology, Conservation, Ecology, Housing, relevant service areas, service and property managers and partner organisations as appropriate. The teams examine all of the needs, inputs, risks, constraints and guiding parameters that will ensure the delivery of successful projects without unwanted surprises.

Approval of the council's Capital Strategy and new CRAM process: Following a significant amount of work by CAPMOG a new Capital Strategy and CRAM process was presented to the Executive in September 2006. The report highlighted the capital challenges facing the council for the next five years due to the reduced number of capital receipts.

Disposal of Northfield School for a capital receipt of c £2.8m: This was the only major disposal (excluding St Leonard's Place) completed during this monitor period.

3. **Work in Progress**

Work is continuing to complete on capital receipts to balance the capital programme. Receipts expected before 31st March include: 51 Bismarck Street, Barbican, Foss Island Depot, Hebden Rise and 23 Hospital Fields Road.

The Corporate Asset Management Plan is planned to be presented to Executive in the New Year and will contain a clear strategy for the management of our building stock, particularly with regard to the 'Repair and Maintenance Backlog' and an integrated approach to service provision from within less but better buildings.

Service Asset Management Plans have now gathered momentum and all are expected to be completed by mid summer 2007. Area Asset Management Planning has been developed around the Tang Hall Pilot Study, progress on this study is scheduled for the December 2006 EMAP. An ad hoc scrutiny topic is expected to deal with the 'public consultation' element of the pilot study to ensure that local needs have been fully accounted for.

Work is ongoing to improve the flow of information between our offices and clients. Systems have been developed that will give clients live access to relevant project information.

The first quarterly 'Ward Member Briefing Reports' have been issued to all ward members to raise their awareness of local property issues, both in terms of management and investment projects.

Work is being done in partnership with our main client, LCCS, to integrate property services activities with their resource planning team. Workshops will be organised for the new year to move this forward.

The Energy and Water Management Group (cross directorate)will be reporting to Executive in the new year on a proposed council policy, action plan and set of targets for invest to save initiatives. Funding opportunities are also being examined in consultation with our finance division and the Grants Officer.

Attention is drawn to the volatility of the current energy market and assure members that whilst it is difficult to manage cost every effort is being made to focus our attention upon consumption levels.

The Sustainability in Design Group are also drafting council policy to be adopted by in house design teams and as a guide to our appointed framework and project consultants. The design framework will give guidance on the use of BREEAM and be responsive to the latest planning guidance draft documents.

The review of the Commercial Portfolio is ongoing and a final report is expected in the New Year.

Resources – ITT.

Service Plan 2006/09 2nd Quarter Monitoring Report.

Service: ITT
Service Manager: Roy Grant

Section A: Key Service Plan Initiatives and Actions

1.   Achievements.

a)   Successfully managed the considerable technology, staff migration, operational installation and training issues associated with the major strategic initiative of delivering the early phases of the Easy@york programme. The York Contact Centre was commissioned on the agreed go live date and this was achieved without significantly impacting on the performance outputs of either the Switchboard or York Pride Action Line Services. The ITT Departments Operational Service Level Agreement standards were also maintained during this challenging period.

b)   Successfully completed the migration of the majority of City of Council (CYC) staff from traditional and aging telephony hardware to Voice over Internet Protocol (VoIP). This modern technology is far superior to its predecessor in terms of support, cost and additional business benefits it is able to provide that will support future CYC strategy i.e. Easy@york programme. A recent successful trial has proven the concept of extending the CYC telephony network out to home workers and in the near future this will include a small selection of Elected Members. This enables their home to effectively become an extension off the council telephone system. Additional benefits of this home based solution include cost savings as calls to and from council extensions are free and external calls made are charged at corporately negotiated rates through the service provider.

c)   Identified, promoted and improved business efficiencies through the appropriate targeting of resources as approved and delivered via ITT Development Plan projects. Examples include a major project to upgrade Housing, Adult and Social Service sites by introducing new and improved ITT Infrastructure along with the service and cost benefits associated with the Voice and Data Managed Service Contract. This pre-emptive action provides the necessary ITT platform to ensure the benefits of the new Social Care system are deliverable.

d)   Continued to develop services to ensure that customers are provided with a secure, resilient and high performing ITT infrastructure that supports current and future Council Service Delivery. Examples include:

●   The migration of email to a more secure, resilient, supportable and future proof system that will also support the Easy@york programme.

- The implementation of a more resilient corporate file storage solution that increases capacity and reduces file/information recovery time if lost or deleted by accident.
- The introduction of virtual server technologies. This allows multiple systems to be housed on one physical server. Along with improving resiliency and reducing future growth costs, there are environmental benefits including less physical accommodation space is required and also energy consumption is reduced.

In order to support service delivery and planned growth, the department has replaced its electricity generator and some of its key uninterrupted power supply (UPS) systems. These were undertaken as part of a proactive monitoring and maintenance regime and also as part of the preparation work ahead of the Easy@york programme activities.

2. Progress and update on identified risks.

Emergency planning does not meet the requirements of the Civil Contingencies Act 2004.

Status - As a member of the Corporate Business Continuity group, ITT will help develop and implement the Corporate Business Continuity plan using the outputs from the departmental and directorate continuity assessment plans that are currently being formulated within each department.

Inadequate ITT Business Continuity Plan (BCP).

Status – Improvements identified and actioned include:

- Further developed the use of virtualisation technologies as a service restoration method.
- Renegotiated the ITT Disaster Recovery Contract to take account of the Easy@york programme requirements and the impacts of ITT's developing use of virtualisation technologies.
- Preparation work has been undertaken to enable the further development of using 10/12 GHS as a secondary and/or backup location for housing key ITT Infrastructure.
- Produced revised draft departmental BCP that includes draft team recovery plans, further work required to finalise and link up to the Corporate BCP.
- Revised and updated Corporate Risk Management Register.

Failure to replace ageing ISIS and FMS systems

Status - Approved ITT development replacement projects are in progress for both systems and are at different milestones.

FMS
Revised, agreed and achievable project timetable is in place taking into account resource availability and the financial year-end close down process.

ISIS

Suppler selection process completed, further development of requirements definition in progress. Work to prepare the ITT infrastructure at a number of sites has been completed and further work to replace ageing PC's is scheduled for completion by the end of January 2007.

3.	Work in progress.
ISIS – replacement of the Social Care System	The suppler selection process has been completed and resulted in a contract being agreed with Deloitte MCS Limited. Further development of the requirements definition is in progress. Work to prepare and expand the ITT infrastructure at a number of sites (30+) has been completed and further work to replace ageing PC's is scheduled for completion by the end of January 2007. This pre-emptive infrastructure upgrade work will provide the necessary ITT platform to ensure the benefits of the new Social Care system are deliverable.
FMS – replacement of the Corporate Financial Management System.	A revised, agreed and achievable project timetable is in place after taking into account resource availability and the financial year-end close down process. A recruitment campaign to replace the current vacant project manager post is in progress.
Corporate ITT Governance.	Major steps have been taken during the year including: • formalising and maintaining email and home area storage limits for all customers • ensuring that automated computer operating system security updates are deployed and independent of staff involvement • progress made on standardisation and removal of unsupportable ITT hardware within the Council.
Development of departmental Business Continuity Plan (BCP).	Following a review of existing plans, ITT support teams were tasked to provide revised team recovery plans that will link back to and support the revised departmental BCP. Drafts are now complete and the next stage is to ensure completeness and consistencies within the departments plans and then link them back into the Corporate BCP in support of the 2004 Civil Act requirements.
Sustain the relocation of Neighbourhood Services Depot to its new location in James Street.	Provided voice and data networking consultancy and installation services that will enable the migration of staff and their services to the new location. This is being achieved within challenging project timescales and requirements, including the accommodation of project slippage.

Implement robust contracts with suppliers that comply with national and international legislation, the council's policy and financial regulations in protection of the council's interests.	The department is reviewing standard terms and conditions of contract to ensure they reflect on going legislative and internal council requirements. Collaborating with North Yorkshire County Council (NYCC) to secure framework agreements that will provide cost effective and consistent cabling services. Working with Central Procurement colleagues to develop and implement a council wide proactive contracts management database. The benefits will include protection for the department and council against possible breaches along with identifying common purchases that may result in more cost effective council wide procurement.
Provide on going support to enable the council to achieve its e-gov targets by delivery of the Easy@York transformational programme.	The department is heavily involved in a number of activities to ensure the successful programme implementation including: • Supporting the ongoing operational elements of the current and future phases of the agreed programme that will include the migration of the Revenues and Benefits services into the Contact Centre Operation. • Resource investment in terms of Service Improvement work being undertaken by the Business Development Team.

Resources – Easy@york
Directorate Monitoring Report 2, 2006 – 2007

Project : Easy@York
Service Manager: Tracey Carter

Section A: Projects and issues update

1.   Key Initiatives and Actions

- Agreement of detailed design of processes and systems
- Delivery of Speech server internally – 660 calls a day connected automatically
- Completion of service improvement work on Revenues service
- Commenced use of e-consultation system in November for Swimming pools consultation
- Completed migration of existing web content onto new system
- Undertook first phase of User Acceptance testing
- Updated customer contact details for A-Z to be published in Jan 07
- Implemented e-democracy system

2.   Progress on activities and update on risks
An incomplete build of the core easy solution (CRM, CMS Integration and GIS)has meant delays in the delivery of implementation for
- Go live of New web site – January
- Go live of YPAL and PBC in YCC -
- Go live of transactional web site
- Design of Revenues Phase 1c

Full details of progress are set out below. This obviously represents a significant risk to the Council – delay, additional cost, reputational damage, legal action against LCMG, loss of momentum and credibility for the change programme.

Programme Phase 1b - Establishment of York Customer Centre, Core Technical solution & "to be" processes for YPAL Switchboard and Planning and Building Control, designed and configured into the technical solution.	√	**New Date**
July 06 – Overall Solution design finalised	√	
August 06 – Recruitment complete (CSR's, system admin, & GIS)	√	
August 06 – e-Consultation system in place	√	
August 06 – Implementation of speech recognition for internal calls	√	
October 06 – New web site launched improved graphics/look feel – No integration.	**Delayed**	**December**
September 06 – Technical build complete all systems	**Delayed**	**November**

October 06 – User Acceptance testing complete	**Delayed**	**January**
November 06 –Training rolled out to users	**Delayed**	**January**
November 06 – Phone menu introduced into switchboard and made available to the public (subject to CYC management decision)	**Delayed**	**TBC**
November 06 – Web site: Further functionality including transactional capabilities available to the general public	**Delayed**	**February**
December 06 –Phase 1b ready to launch	**Delayed**	**February**
Programme Phase 1c - Revenues Service "to be" processes configured into the CRM, Revs staff trained and transferred into the YCC		
• **September 06 –** CYC Service Improvement work completes in Revenues	**Delayed**	**Unknown**
• **October 06** – Revenues build complete including interfaces to I-World	**Delayed**	**Unknown**
• **December 06** – Revs user acceptance testing complete	**Delayed**	**Unknown**
• **January 07** – Revenues ready to launch	**Delayed**	**Unknown**
Programme Phase 1c - Benefits Service LogicaCMG led refresh and build of Benefits into YCC	**Green**	
• **April 07 -** Benefits CRM design commences	**On target**	
• **June 07** – CRM Benefits build complete	**On target**	
• **July 07** Life events processes introduced	**On target**	
• **August 07** – Bens user acceptance testing complete	**On target**	
• **August 07** Management Information end to end measurement in place	**On target**	
• **August 07** – Bens "pilot" period completed	**On target**	
(**Programme Phase 1d – New corporate INTRANET**	**Delayed**	**Unknown**

In addition to continuing testing on Phase 1b and design on Phase 1c
we are launching staff consultation on revenues (complete January)
Undertaking preparatory work on Benefits service improvement (Complete Feb)
Scoping Phase 2 (complete March)
Communications plan activities including A-Z out in January
Consultation with customers - Jan

**Resources – Audit and Risk Management
Directorate Monitoring Report 2, 2006 – 2007**

**Service: Audit & Risk Management Services
Service Manager: Liz Ackroyd**

Key Service Plan Initiatives and Actions

1   Achievements since Monitor 1

- Establishing robust systems and processes for the proper client management and reporting of the external Audit & Inspection work programme.

- Co-ordinating the completion and submission of the CPA Use of Resources 2006 assessment and supporting working papers to the Audit Commission in accordance with national reporting deadlines.

- Achieving a very significant reduction in average staff sickness rates for short term sickness absence this year, from 8 days per FTE in 05/06 to 1.7 days per FTE in 06/07 to date;

- 100% of all insurance claims acknowledged and processed to target timescales;

- 45% of audit plan achieved to date compared to outturn target of 90%. This figure is broadly in line with what we would expect at this time during the audit year as a significant proportion of work is still in progress and will not be counted against % of plan achieved until the relevant report have been agreed and issued to client departments.

- 82% of customers satisfied or more than satisfied with individual audit products issued during the year to date and 100% of all high priority recommendations agreed by client departments.

- Fraud Investigation & Prosecution Policy reviewed and revised policy issued following Member approval in September 2006.

2   Progress on activities and update on risks

Significant progress has been made by the Division over the summer months despite the long term absence of a key manager within the Procurement Team. In addition to normal service delivery, the Division has absorbed extra responsibilities for clienting the external Audit & Inspection services, developing a Directorate Training Plan and taking on the function of Information Governance following the transfer of the Information Manager to ARM from Public Services in

July 2006. An update on the Division's activities in managing it's key service risks are detailed overleaf.

Red Risks	Update on activities
Fraud team fail to investigate all cases where HB Fraud exists	Mitigation has included to date: • ensuring robust risk based assessment of all referrals (FRISK system); • Proactive fraud detection programme of works including completion of the National Fraud Initiative data matching analysis & follow up work • Completion of a targeted Counter-fraud awareness campaign during the summer • Inclusion of proper and comprehensive reference to the relevant roles, responsibilities and activities of the Council and all staff in respect of counter-fraud requirements in the new Financial Regulations adopted as part of the new Constitution in May 2006
Audit Plan not delivered to standard/insufficient coverage to hit 90% target for completion	Mitigation includes: • Introduction of new automated working papers and programme management software package to support effective performance management routines; • Staff training and technical update work • Effective staff supervision and file review routines prior to issue of audit products to check quality and coverage of individual audits as they are undertaken • Closer liaison between the external auditor and the IAS and integration of the Council client function for both services following the restructure of the Chief Executive's department, to ensure co-ordinated planning and deployment of scarce audit resources
Audit work fails to identify control weaknesses and/or does not follow up recommendations to ensure all necessary action has been taken	Mitigation includes: • As above; • Introduction of new reporting and escalation procedures including ultimate referral to Audit & Governance Committee

	for remedial action as necessary
Procurement team fail to achieve savings target	It is very likely that the team will fail to identify sufficient savings to meet the 2006/07 savings target. Work is now on-going to try to identify further savings that can be taken in year to reduce the level of underachievement by outturn. It is believed that this on-going problem will be finally resolved by a restructure of procurement functions within Resources (subject to separate report to Members on 12 December 2006) and the re-alignment of the corporate target to better match what is achievable in 2007/08.

2 Work in progress

In addition to normal on-going service activities, work is also now in-hand to:

- Develop a medium term 3 year Business Plan for the Division which will be brought to Members for consideration in the new year with a view to the Plan being adopted from 1 April 2007. The Plan will cover service needs and objectives, staff training and development/workforce & succession planning issues, performance management information and reporting routines and include a 3 year action plan for service development and improvement, amongst other things.

- Develop and agree a Strategic Procurement Programme (SPP) for the Council which will encompass all strategic procurements within one programme for overall management and co-ordination by the AD (ARM) The SPP will also form a discrete part of the Council's overall Efficiency Programme once adopted.

- Deliver training across the organisation on the new Financial Regulations & procurement Rules as part of the post-implementation work needed following the Review of the Constitution and support the work of the Constitution Project Board in undertaking a post-implementation review of the new Constitution following its adoption by Full Council in May 2006.

- Deliver Risk Management training across the organisation further to rolling out work in relation to the development agenda for Risk Management as reported to Members previously, beginning with a corporate planning and visioning session with Corporate Management Team on 29 November 2006.

- Deliver all work and actions designated to the AD Resources (ARM) within the Council's Corporate Organisational Efficiency Programme, the CPA Use of Resources Action Plan (CPA UOR) 2005/06 and the current 3 year action plan for procurement (final year).

- Review the scope of requirements in respect of the Information Governance agenda for the Council and make recommendations on the future organisational management, processes, procedures and accountabilities needed to properly discharge the authority's obligations in this area (this covers all FOI, DPA, information security, data quality, records management, standards, corporate compliance, policy and strategy matters etc).

- Review the function, performance and efficiency of procurement functions within Resources: how they can be improved and made more efficient in respect of the future business needs of the organisation.

- Identify further procurement savings across the organisation that can be made in year to go against the corporate procurement savings target for the authority.

- Establish and roll-out the use of the new Supplier Contract Management System across the organisation once fully populated and all staff training complete.

- Manage and co-ordinate the on-going delivery of the Officer Governance Group work programme for 06/07. Progress to date has been good overall as reported in detail to the Audit & Governance Committee on 4th October 2006.

- Research and develop a Corporate Governance statement of principles and practice for the Council to be reported for officer and Member consideration in the new year.

- Agree the 2006 CPA UOR score with the Audit Commission and prepare the 2006/07 CPA UOR Action Plan for deployment in 2007/08 in the lead up to the full CPA Inspection scheduled for the Council in January 2008.

- Establish a Financial Investigations function within the Fraud Service and develop a VFM programme as part of the 2007/08 Annual Internal Audit Plan to help support the delivery of the Council's Efficiency Improvement Statement and associated Development & Improvement Plan from 2007/08 onwards.

- Develop a Directorate Training Plan for Resources and review and development of the Council's professional finance training programme.

Resources – Financial Services
Service Plan Monitoring Report 2, 2006 – 2007

Service: Financial Services
Service Manager: Peter Steed

Section A: Key Service Plan Initiatives and Actions

1. **Achievements.**
   a   Closure of accounts by the 30th June deadline, a month earlier than ever before with unqualified audit opinion being received on the 29th September.
   a. Compliance with new Whole of Government Accounts requirements.
   b. Continued growth in the uptake of salary sacrifice schemes including 45 members of staff signing up to purchase bikes for use at work.
   c. Successful defence against the potential capping of the 2006/07 budget.
   d. Development of in year proposals to maintain a balanced budget for 2006/07.
   e. Continuing development of budget proposals for 2007/08 to 2009/10.
   f. Maintaining a level of payroll payment accuracy of over 99.6%.

2. **Progress on activities and update on risks**
   a   Absorption of additional activities within existing resources including:
   - Whole of Government Accounts
   - Job Evaluation and Equal Pay
   - Transport review
   - Capping response
   - Development of actions to address 2006/07 spending pressures
   - Undertaking a council wide review of income collection policies and procedures.
   - Reflecting new directorate structures on the payroll system
   b. The service remains very exposed in terms of its reliance on a small number of key staff. The departure or prolonged absence of such staff would have a significant short to medium term impact on the quality of services provided.

3.	Work in progress
a) FMS Project	While the project is progressing well the departure of the Project Manager and the scale of work required in developing the overall requirements are putting pressure on the intended implementation date of April 2008, depending on progress in the next few months this date may need to slip by three or four months.
b) Transport Review	The service has successfully bid to the Regional Assembly and Centre of Excellence to fund a collaborative study with local health providers and the East Riding of Yorkshire

		Council aimed at significantly reducing the impact that the council and NHS have on York's traffic. External consultants, Kendrick Ash, are currently undertaking the first phase of this review.
c)	Job Evaluation / Equal Pay	Managing the development of affordable solutions has taken a major staffing input at a senior level. Resolution to both areas is still scheduled for the current financial year.
d)	Income Collection	The service is managing key aspects of the review of income collection policy and procedures across the council.
e)	Changing Statutory Requirements	Work is underway to make adjustments to accounting details and analysis for 2006/07 and 2007/08 in advance of significant changes in statutory accounting requirements from April 2007.
f)	Development of 2007/08 to 2009/10 budget	Work is ongoing to ensure that balanced budget proposals are submitted to all December EMAPS, Budget Executive and the Budget Council.

REVENUE BUDGET VARIANCES	Variance £'000
Director of Resources Earmarked allocations to be distributed	**(-) 48.0**
Public Services	
Housing & Council Tax Benefits Subsidy The Council's homeless and planning policies are leading to additional costs falling on Housing Benefits as the Government only funds a small proportion of the costs of homeless people placed in higher cost rented accommodation. This type of accommodation is being used more and more as an alternative to bed and breakfast. There is also an increase in the number Private tenants claims combined with higher rent charges which are over DWP approved thresholds. Additionally, Local Authority errors are currently just below the threshold that attracts the full 100% subsidy. Therefore the forecast under-achievement of income also includes an assumption of receiving only 40% subsidy as opposed to the 100% anticipated in the first round monitor. This 'error' situation is largely as a result of an increase in the processing times of 'change of circumstance' and 'interventions' which are then counted as 'errors' for the purposes of the subsidy calculation.	(+) 75.0
Revenues and Benefits Service Net underspend on staffing due to vacant posts plus some unbudgeted recharge income offset by overspends on research and printing costs.	(-) 25.0
Housing & Council Tax Benefits Subsidy Administration Grant The Housing Benefit admin Grant covers activities in both Audit & Risk and the Housing Benefits teams within the Resources directorate. Due to a change in the DWP regulations it is anticipated that here will be an overall shortfall of admin grant received by the Council. This is being addressed by officers within the Directorate and with the DWP itself.	(+) 49.0
Registrar Additional costs for publishing Public Notices and under-achievement of income on statutory fees due to a down-turn in the number of marriages, offset by an over-achievement of income from licences for approved premises.	(+) 36.0
Other Minor Variances	
Various minor underspends within the service plan area	(-) 8.0
Various minor overspends within the service plan area	(+) 19.0
Public Services Total	**(+) 146.0**
Financial Services	
Accountancy	(-) 30.0
Underspend on staffing £30k due to vacancy within corporate Accountancy.	
Underspend on FMS enhancement budget is anticipated that this will be a year end carry forward bid.	(-) 12.0
FMS Project	(-) 96.0
Anticipated project slippage into 2007. It is anticipated that this will be a year end carry forward bid.	
Other Minor Variances	
Various minor underspends within the service plan area	(-) 24.0
Various minor overspends within the service plan area	(+) 5.0
Financial Services total	**(-) 157.0**

REVENUE BUDGET VARIANCES	Variance £'000
Audit & Risk Management	
<u>Insurance team</u>	(-) 16.0
Underspend on staffing for part year vacant post £14k plus additional income achieved on Commission and Fees £2.2k	
<u>Procurement savings</u>	(+) 112.0
This outturn forecast is subject to further work being undertaking by officers to achieve additional in year savings which could result in a further £80k being taken by the year end. There is also an option to draw down £50k from the Venture fund. The decision will be taken by management at outturn dependant on underspends being available elsewhere.	
<u>Other</u>	(+) 3.0
Minor overspend	
Audit & Risk Management Total	**(+) 99.0**
Information Technology & Telecommunications	
<u>FMS Replacement Project</u>	(-) 262.0
Replacement FMS system being procured during this year but spend will not start until April 2007. The underspend of the base budget of £214k will be used to cover predicted overspends elsewhere in Resources in the current year.	
<u>Voice and Data Network</u>	(-) 10.0
Cost reductions due the successful implementation and rollout of a new telephony system. This has resulted in voice traffic being carried down data lines and a resultant reduction in the number of voice links to sites thereby reducing costs.	
<u>Salaries</u>	(-) 25.0
Staff on temporary reduced hours and maternity leave have resulted in in year predicted underspends	
<u>Lease Buy Outs</u>	(-) 34.0
A one-off surplus of funds has been generated from robust negotiations regarding lease buyout charges. This has resulted in costs that are lower than planned and budgeted for in 2006/07.	
<u>Various project underspends</u>	(-) 100.0
Following a robust review of all projects a number of underspends have been identified associated with project slippage, work completed within budget, or schemes cancelled this year.	
Information Technology & Telecommunications Total	**(-) 431.0**
Property Services	
Facilities Management	
<u>Staffing variances</u>	(+) 29.0
Overspend on agency staffing covering for sickness and vacancies	
<u>Income</u>	(-) 46.0
Additional income above Service Level Agreement plus capital fee income	

REVENUE BUDGET VARIANCES	Variance £'000
Admin Accom	
Premises	(+) 39.0
Overspend of £38.7k on rents payable within the administration accommodation portfolio.	
Income	(+) 29.0
Vacant space at 20 George Hudson Street where no income is being received.	
Asset & Property Management	
Employees	(-) 15.0
Underspend due to the vacant post of Head of Asset & Property Management	
Commercial Property Portfolio	
Premises	(+) 84.0
Additional expenditure on repairs and maintenance at Hospital Fields Road (£+36k funded by income), Blossom Street (£+41k) and Kings Court (£+7k)	
Supplies & Services	(-) 30.0
Budget set aside for Venture Fund repayments funding refurbishment of 33 Hospital Fields road (£-18k), Blossom Street (£-12k) not required in 2006/07 (£-30k)	
Income	(-) 22.0
Commercial rents overachievement £24.5 primarily Shambles/Hospital Fields offset by underachievement at Coppergate/Parkside.	
Strategic Business & Design	
Consultants	(+) 171.0
Overspend on external consultants re framework arrangement funded from additional income see below.	
Other Minor Variances	(-) 17.0
Net underspend on staffing , transport costs, photocopying and mobile communications.	
Income	
Additional income of £202k for the capital scheme fee to cover the framework.	(-) 202.0
Reduced income from feasibility work compared to budget (£+13k)	(+) 13.0
Property Transfer & Disposal	
Premises	(+) 15.0
Overspend on premises costs not recoverable through the capital receipts protocol	
Supplies & Services	(+) 40.0
Assessment of costs that are not recoverable through the capital receipts protocol.	
General	
Other miscellaneous overspends across the service plan	(+) 22.0
Other miscellaneous underspends across the service plan	(-) 22.0
Property Services Total	**(+) 88.0**
Savings required as per Executive (10th October 2006)	**(+) 125.0**
DIRECTORATE NET TOTAL	**(-) 178.0**

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Forecast monitor 1	Forecast monitor 2	Year end forecast	04/05 top quartile for Unitaries	07/08 target	08/09 target	Comments
Half yearly PI	72%	84%	Not available	85.00%	90.00%	
Annual PI	Annual PI	0.93%	N/A - local PI	1.25%	1.25%	Annual indicator
Annual PI	Annual PI	14.81%	N/A - local PI	10.00%	10.00%	Annual indicator
Annual PI	Annual PI	£15.26m	N/A - local PI	Not set	Not set	Annual indicator
99.99% (31/07/2006)	99.90% (31/10/2006)		N/A - local PI	99.30%	99.30%	Based upon current performance, target for the year will be met.

Forecast monitor 1	Forecast monitor 2	Actual 06/07	04/05 top quartile for Unitaries	07/08 target	08/09 target	Comments
92.62% (31/07/2006)	93.32% (31/10/2006)	93.70%	93.3%	95.5%	96.0%	
Annual PI	Annual PI	Annual PI	262.8	439	439	This indicator is collated on an annual basis
Not provided	0.51 (as at 30/09/06)	0.51	Not available	0.51	0.51	This is unlikely to change significantly and any change which does occur will be due to increases/ decreases in the underlying claim amount
Not provided	42.4 (as at 30/09/06)	42.4	44.6	45	46	Performance fluctuates each month and depends a lot on the number of cases already being investigated and the number of referrals received. The latter depends on the timing of any high profile court cases abd the success of the annual fraud awareness publicity campaign, The campaign for this year will be in January/ February. Although the forecast is slightly below target, the expectation is that target will be met.
Not provided	3.75 (as at 30/09/06)	3.75	4.4	5	5.1	This indicator fluctuates and is subject to delays outside our control, particularly at the Department of Work and Pensions and within the court process. Although the forecast is currently below target , it is based on figures to the end of September and does not take into account figures for October which has been as very good month and has already exceeded target for the whole first quarter. The team also achieved the number of outcomes achieved in the same period last year. Based on this information, target is expected to be achieved.

Forecast monitor 1	Forecast monitor 2	Year end forecast	04/05 top quartile for Unitaries	07/08 target	08/09 target	Comments
38.5% (31/07/2006)	65.80% (31/10/2006)	96.90%	97.30%	97.5%	97.8%	The in -year collection rate is very close to the target and 1% ahead of the same position last year. This has been helped by adopting a more rigorous recovery process which has seen improved monitoring and better use of systems to enable bulk progression
40.69% (31/07/2006)	66.82% (31/10/06)	98%	99.06%	98.95%	99%	The in-year collection is about 4.5% behind target. However, this will improve once the accounts relating to City of York owned properties have been paid following an internal review of budget holders and budget codes. These accounts equate to about 3.6%
36 days (at 01/07/06)	35 days (at 31/10/06)	34 days	33.8 days	32 days	30 days	Average performance has gradually improved this year and is now at target. In April 2006 we took on average 38 days to process a new claim and this has reduced to 34 days as at the end of October 2006.

Forecast monitor 1	Forecast monitor 2	Year end forecast	04/05 top quartile for Unitaries	07/08 target	08/ 09 target	Comments
11 days (at 01/0706)	14 days (at 31/10/06)	19 days	8.7 days	15 days	9 days	Slight decrease in performance but we remain ahead of target at 14 days. Performance in the first quarter was skewed by a large number of rent increases that were automatically processed and thus counted as taking 1 day to action.
96.8% (Qtr 1)	97.6% (Qtr 1 + Qtr2)	98%	98.60%	98.4%	99%	Performance in quarter 2 improved slightly to 98.4%. The average for the first two quarters also shows a 0.6% improvement on last year. The expectation is that accuracy will improve following the appointment of two dedicated Quality Assurance officers fr
66.6% (Qtr 1)	68% (Qtr 1 + Qtr 2)	66%	New for 05/06	45%	50%	Geatly improved performance in the collection of overpayments which is currently 28% ahead of target. Position has been helped by improved management information and monitoring, better understanding and use of system paramters and processes.
6.7% (Qtr 1)	Report at year end	20%	New for 05/06	29%	33%	Report at year end
2.3% (Qtr 1)	Report at year end	8%	New for 05/06	6%	5%	Report at year end
	35.40%	108.90%	Local PI	100%	100%	Forecasted outturn for year end is 108.9%. This is because of greater receipts than anticipated in the original projections .

Forecast monitor 1	Forecast monitor 2	Actual 06/07	04/05 top quartile for Unitaries	07/08 target	08/ 09 target	Comments
		See body of report for breakdown	8.78 days	11 days	10 days	
Not provided	90.1%	100%	Local PI	85%	95%	Proportion of staff who have received a formal induction or appraisal in the last 12 months. Figure for this is currently running at 90.1% (53 relevant staff of which 48 have been reviewed).

Forecast monitor 1	Forecast monitor 2	Year end forecast	04/05 top quartile for Unitaries	07/08 target	08/ 09 target	Comments
		96%	Local PI	95%	95%	
		99.30%	Local PI	100%	100%	
		100%	Local PI	95.00%	95%	
		See Annex 6 for breakdown	Local PI	95%	95%	

RESOURCES PERFORMANCE TABLES

PUBLIC SERVICES

PI	05/06 performance	06/07 Target	Monitor 2 forecast	Year end forecast	Comments	On target for year end?
BVPI 9 - % of Council tax collected	96.07%	97.10%	65.80% (31/10/06)	96.9%	As at 31.10.06 the in-year collection rate in very close to the target of 66% and 1% ahead of the same position last year. Based on trend analysis the outturn will be close to the target.	✓
BVPI 10 - % of non-domestic rates received by the authority	96.87%	98.4%	66.82% (31/10/06)	98.0%	As at 31.10.06 the in-year collection is about 4.5% behind target. This will improve once accounts for City of York owned properties have been paid, equating to about 3.6%. However based on trend analysis the forecast shows a slight shortfall against the target but over 1% better than last year.	✗
BVPI 76a – Housing & CTB – number of claimants visited per 1000 caseload	454.27	439	**Annual PI**	**Annual PI**	This is collated on an annual basis	Unknown
BVPI 78a – Housing and CTB – speed of processing new claims	40.22 days	34 days	35 days	34 days	Average performance has gradually improved over the year and is forecast at target.	✓
BVPI 78b - Housing and CTB – speed of processing changes in circumstances	27.93 days	19 days	14 days (31/10/06)	19 days	Slight decrease in performance since monitor 1 which is likely to continue in the short-term due to processing delays. Outturn forecast is set to be on target.	✓

PI	05/06 performance	06/07 Target	Monitor 2 forecast	Year end forecast	Comments	On target for year end?
BVPI 79a – Housing and CTB – accuracy of processing new claims	97%	98.35%	97.6%	98%	Performance in quarter 2 improved slightly to 98.4% from 96.8% in quarter 1. The average also shows a 0.6% improvement on last year. The expectation is that accuracy will improve following the appointment of two dedicated Quality Assurance officers.	✓
BVPI 79bi - Housing Benefit – overpayments recovered as a % of amount identified for the period	36.29%	40%	66.8%	66%	This was a new indicator in 2005/06	✓
BVPI 79bii – Housing Benefit – overpayments recovered as a % of amount outstanding at the end of the period	17.23%	25%	14.8%	20%	This was a new indicator in 2005/06	✗
BVPI 79biii – Housing Benefit and CTB – overpayments rewritten off during the period as a % of the total outstanding at the end of the period	6.19%	8%	4.7%	8%	This was a new indicator in 2005/06	✓

PROPERTY SERVICES

PI	05/06 performance	06/07 Target	Monitor 2 forecast	Year end forecast	Comments	On target for year end?
BVPI 156 - %of buildings open to the public with access for the disabled	**72%**	**80%**	**72%**	84%	Work in progress will be completed in year	✓
COLI 52 - % of Council floorspace vacant for more than 12 months	**1.6%**	**1.25%**	**No data provided**	0.93%		✓
COLI 67 - % of local authority buildings needing urgent repairs	**13.3%**	**10%**	**No data provided**	14.81%	Increasing priorities	✗
COLI 68 – Value of outstanding urgent/ essential repairs to council buildings	**£14,975,108**	**Not set**	**No data provided**	£15.26m	Improved and updated information from some schools	-
COLI 51 - % of target capital receipts received in the year	**57%**	**100%**	**35.4%**	108.9%	Forecasted outturn for the year end is 109.8%. This is because of greater receipts than anticipated in the original projects	✓

IT&T

PI	05/06 performance	06/07 Target	Monitor 2 forecast	Year end forecast	Comments	On target for year end?
COLI 71 - The percentage of time that major IT systems and infrastructure is available	**99.92%**	**99.3%**	**99.99% (30/09/2006)**	**99.4%**	This is consistently high performing indicator which, on current figures, is again set to exceed its target of 99.3%.	✓

AUDIT AND RISK MANAGEMENT

PI	05/06 performance	06/ 07 Target	Monitor 2 forecast	Year end forecast	Comments	On target for year end?
BVPI 76b – Housing & CTB – number of Fraud Investigators per 1000 caseload	**0.51**	**0.51**	**0.51**	**0.51**	This is unlikely to change significantly and any change which does occur will be due to increases/decreases in the underlying claimant count	✓
BVPI 76c – Housing & CTB – number of fraud investigations per 1000 caseload	**43.33**	**44**	**42.4 (30/09/06)**	**42.4**	Subject to in-year fluctuations but on target for outturn	✓
BVPI 76d – Housing & CTB – numbers of prosecutions/ sanctions per 1000 caseload	**5.53**	**4.9**	**3.75 (30/09/06)**	**3.75**	Subject to in-year fluctuations but on target for outturn	✓

FINANCIAL SERVICES

PI	05/06 performance	06/ 07 Target	Monitor 2 forecast	Year end forecast	Comments	On target for year end?
BVPI 8 - % of invoices for goods and services that were paid for in 30 days	**93.08%**	**95.5%**	**93% (30/09/06)**	**93.7%**	Forecasted outturn is 93.7%. Whilst this is still below target is still represents top quartile performance	✗

Resources EMAP –12th December 2006
Annex 5

Number of appraisals completed

Service area	Total number completed	Number of staff	Monitor 2 percentage complete for service area	Forecasted completions
RESOURCES MANAGEMENT TEAM	8	8	100%	Complete
PUBLIC SERVICES	43	179	24%	All by end February 2007
AUDIT AND RISK MANAGEMENT	15	21	71%	All by end February 2007
PROPERTY SERVICES	12	56	21%	All by the end of December 2006
FINANCIAL SERVICES	1	51	2%	All by end February 2007
IT&T	0	51	0%	1st March 2007
Totals	79	366	22% complete	

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Annex 7

2006-07 Capital Programme – Resources

SCHEMES	Budget £k	Variance £k
Property Schemes		
25 Hospital Fields Road	110.0	-110.0
35 Hospital Fields Road	335.0	0.0
Access Audits/DDA work	494.0	-75.0
Admin Accom	1,759.0	0.0
Holgate Windmill	105.0	0.0
James St (Phoenix) Business Park	12.0	0.0
Preservation of Buildings Repairs Backlog	560.0	-25.0
Preserving Property Assets –Commercial Properties	10.0	0.0
Property Key Components	250.0	0.0
Removal of Asbestos	100.0	0.0
Sub-total	**3,735.0**	**-210.0**
Easy @ York project	2,606.8	0.0
IT&T Equipment Purchase	500.0	310.0
Total capital programme	6,841.8	100.0

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Capital Programme 2006/07-2008/09 Monitoring

1. The original gross capital budget approved for the Resources Directorate at Budget Council was £1,974k. The Capital Outturn resulted in slippage of £901k from 2005/06 in to 2006/07 increasing the budget to £2,875k. Adjustments at Monitor One increased the programme by £3,967k to £6,842k after:
   - the inclusion of the Easy@York programme,
   - an increase in the Admin Accomm budget to reflect the purchase of Dundas Street Ambulance Station and
   - the inclusion of the IT equipment budget.
   - The funding of overspends on the Holgate Windmill scheme.

2. This monitoring report highlights further adjustments of £100k, which are illustrated in the table below.

	2006/07	2007/08	2008/09	Total
	£000	£000	£000	£000
Start Budget	**1,974**	**5,118**	**8,560**	**15,652**
Outturn Slippage	+901			901
Monitor 1 Adjustments:	+3,967	-800		3,167
Current Approved Budget	**6,842**	**4,318**	**8,560**	**19,720**
Monitor 2 Adjustments:				
25 Hospital Fields Road	-110			**-110**
Transfer to Social Services	-100			**-100**
IT Equipment	+310			**+310**
Revised Budget	**6,942**	**4,318**	**8,560**	**19,820**

3. There are 3 key changes to schemes in the programme.
   - **25 Hospital Fields Road (Current Budget £110k)** – the scheme to take back the lease is no longer going ahead as the liquidator has assigned the lease to another company. The budget to be funded from prudential borrowing, to be repaid from the projected rental stream is therefore no longer required.
   - **DDA and Repairs Backlogs (£1,054k)** - An existing scheme within Social Services to refurbish Windsor House EPH has resulted in an opportunity to address some Access and repairs backlog issues at the building as part of the main refurbishment contract. Economies have been made by including this work as part of a larger scheme. The Executive Member is asked to agree the transfer of £100k of capital allocation from the Resources Property Services programme to the Housing and Adult Social Services programme. It is proposed that the transfer is funded from the Property Access Audits & Improvements

DDA scheme (£75k) and the Preservation of Buildings - Repairs Backlog scheme (£25k).

- **IT Development Equipment (£500k)** – The Director of Resources has the approval to carry out a quarterly evaluation process to determine the most cost effective funding method for the purchase of IT equipment. The monitor one process gave an estimate of £500k of IT equipment spend for 2006/07 to be funded from prudential borrowing which is repaid from the revenue savings generated from not purchasing rather than leasing the assets. However, good progress on the Social Care Management system along with other IT spend increases the estimated spend for the year by £310k.

4. These adjustments take the 2006/07 budget to £6,942k.

Capital Budget 2007/08 – 2010/11

5. The current approved Council capital programme runs until March 2009 and is investing over £130m in the asset base of the city, of which the council is financing over £51m through capital receipts and borrowing.

6. The Council is legally required to set a 3 year capital budget, however, it is proposed that the 2007/08 budget process considers a 4 year capital programme, running from 1st April 2007 until 31st March 2011. This will align it with the 4 year political cycle which runs from May 2007 until May 2011.

7. The current high level of capital investment, a decline in the amount of surplus assets available to sell, and uncertainty surrounding the capital receipt from the sale of land at Osbaldwick means that the it would be imprudent for the Council to commit to additional capital receipt funded schemes as part of this years process.

8. Therefore, apart from continued investment in the 8 rolling programme schemes beyond 2008/09, there is no additional capital receipt funding for new schemes, over and above the current approved programme, which are not fully funded from external sources.

9. Resources has one rolling programme aimed at preserving property assets currently budgeted at £250k per annum. However, because of the pressures on the capital programme and the move to the new Admin Accomm facilities in 2010/11 it is proposed that this budget be reduced in 2009/10 by £50k and a further £100k in 2010/11. Following the completion of the Admin Accomm scheme the level of this budget will be reviewed in light of the future property needs of the Council.

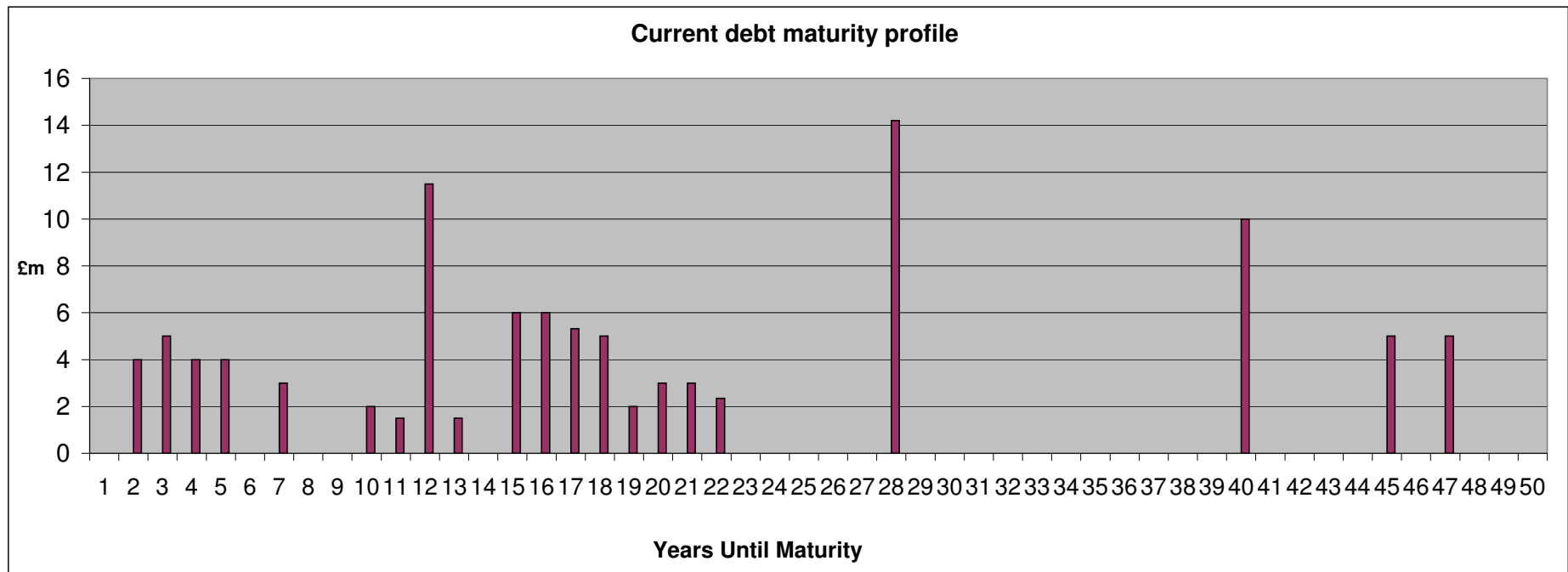Administrative Accommodation Review

10. The current approved Admin Accom budget was approved by the Executive in September 2005. The scheme extended beyond the life of the Council's capital programme. It is necessary, in light of the latest estimates, to revised the profile of the spend and include the 2009/10 and 2010/11 budgets in the capital programme.

11. The table below illustrates the proposed Resources capital programme for 2007/08 to 2010/11 following the proposals made in paras 5-10.

	2007/08	2008/09	2009/10	2010/11	Total
	£000	£000	£000	£000	£000
Current Approved Budget	4,318	8,560	0	0	12,878
Preserving Property Assets			+200	+100	+300
Admin Accom	-311	+4,666	+14,899	+2,253	+21,507
Proposed Capital Programme Budget	4,007	13,226	15,099	2,353	34,685
Made up of:					
Preserving Property Assets	250	250	200	100	800
Admin Accom	3,757	12,976	14,899	2,253	33,885

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	PRUDENTIAL INDICATORS	2006/07 budget	2006/07 estimated out-turn	2006/07 Variance	2007/08 estimate	2008/09 estimate	Notes / Reason for Variance
1)	**Capital Expenditure**	£'000	£'000	£'000	£'000	£'000	
	Non - HRA	42,099	45,459	-3,360	33,638	28,789	Increase due to 2005/06 slippage carried forward into 2006/07
	HRA	8,001	8,098	-97	6,329	6,723	
	TOTAL	50,100	53,557	-3,457	39,967	35,512	
2)	**Ratio of financing costs to net revenue stream**						
	Non - HRA	6.09%	5.64%	0.45%	6.00%	6.34%	Borrowed less than estimated at cheaper borrowing rates
	HRA	3.39%	3.00%	0.39%	3.04%	3.22%	
3)	**Incremental impact of capital investment decisions - Council Tax**	£ p	£ p	£ p	£ p	£ p	Making greater use of grants and capital receipts rather than borrowing
	Increase in Council Tax (band D) per annum	19.35	18.02	1.33	14.51	12.60	
4)	**Incremental impact of capital investment decisions - Hsg Rents**	£ p	£ p	£ p	£ p	£ p	All HRA borrowing is funded from subsidy, no unsupported borrowing taken by Housing
	Increase in average housing rent per week	0.00	0.00	0.00	0.00	0.00	
5)	**Capital Financing Requirement as at 31 March**						
	Non - HRA	81,622	83,332	-1,710	96,268	103,733	Reduced levels of capital receipts achieved in 2005/06 impacting on the CFR opening balance in 2006/07
	HRA (applies only to housing authorities)	14,399	14,669	-270	15,669	16,669	
	TOTAL	96,021	98,001	-1,980	111,937	120,402	
6a)	**Authorised Limit for external debt -**						
	borrowing	165,700	103,400	62,300	179,700	194,000	Limit not breached
	other long term liabilities	0	0	0	0	0	
	TOTAL	165,700	103,400	62,300	179,700	194,000	
6b)	**Operational Boundary for external debt -**						
	borrowing	144,200	103,400	40,800	158,200	180,800	Limit not breached
	other long term liabilities	0	0	0	0	0	
	TOTAL	144,200	103,400	40,800	158,200	180,800	
7)	**Adoption of the CIPFA Code of Practice for Treasury Management in Public Services**						
	Treasury Management Policy Statement	✓	✓				Approved June 2006
	12 Treasury Management Practices	✓	✓				Approved June 2006
	Policy Placed Before Council	✓	✓				Approved June 2006
	Annual Review Undertaken	✓	✓				Approved June 2006

	PRUDENTIAL INDICATORS	2006/07 budget	2006/07 estimated out-turn	2006/07 Variance	2007/08 estimate	2008/09 estimate	Notes / Reason for Variance
8a)	**Upper limit for fixed interest rate exposure**						
	Net interest re fixed rate borrowing / investments	150%	150%		150%	150%	
	Actual Net interest re fixed rate borrowing / investmets	n/a	124%		n/a	n/a	Limit not breached
8b)	**Upper limit for variable rate exposure**						
	Net interest re variable rate borrowing / investments	20%	20%		20%	20%	
	Actual Net interest re variable rate borrowing / investments	n/a	-24%		n/a	n/a	Limit not breached
9)	**Upper limit for total principal sums invested for over 364 days**	25%	£0		£10,000	£10,000	
	Current Investments over 364 days	0%	£0		£0	£0	Limit not breached

10)	**Maturity structure of new fixed rate borrowing during 2006/07**	lower limit	upper limit	Actual	Actual £'000
	under 12 months	0%	10%	0%	0
	12 months and within 24 months	0%	10%	4%	4,001
	24 months and within 5 years	0%	25%	13%	13,004
	5 years and within 10 years	0%	25%	5%	5,002
	10 years and above	20%	90%	79%	81,393

Current debt maturity profile

£m — Years Until Maturity

Prudential regime – Reasons for Indicator   **Annex 10**

Indicator 1: - Size of the Capital Programme
Reason for Indicator:
To allow the authority to plan for capital financing as a result of the capital programme. To enable the monitoring of capital budgets to ensure they remain in budget and don't place pressure on the authority's capital resources.

Indicator 2: - Ratio of Financing Costs to Net Revenue Stream
Reason for Indicator:
This indicator estimates the cost of borrowing in relation to the net cost of Council services to be met from government grant and council tax payers. In the case of the HRA the net revenue stream is the income from Rents and Subsidy

Indicator 3: - Incremental Cost of the Capital Programme in terms of a Band D council tax increase.
Reason for Indicator:
Shows the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council tax is used in financing the capital programme and any related revenue implications that flow from it.

Indicator 4: - Incremental Cost of the Capital Programme in terms of a HRA rent increase
Reason for Indicator:
Shows the actual impact of capital investment decisions on HRA rent. For CYC, the HRA 2006/07 planned capital spend is based on the government's approved borrowing limit so there is no impact on HRA rents.

Indicator 5: - Estimate of Capital financing Requirement (CFR)
Reason for Indicator:
Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.

Indicator 6: - Operational Boundary and Authorised Limit for External Debt.
Reason for Indicator:
The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cashflow for the year.

The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cashflows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities for 3 financial years.

Indicator 7: - Adoption of the CIPFA Code of Practice for Treasury Management in Public Services
Reason for Indicator:
Ensuring the keeping Treasury Management Practices remain in line with the SORP.

Indicator 8: - Exposure to Variable and Fixed Interest Rates
Reason for Indicator:
The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts

Indicator 9: - Prudential Limits for the Maturity Structure of borrowing
Reason for Indicator:
To minimise the impact of debt maturity on the cashflow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long term loans mature in different periods thus spreading the risk.

Indicator 10: - Investments for longer than 364 days
Reason for Indicator:
The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.

Annex 11

Surplus on Money Market Trading Activity

	2007/08	Rate of Return
	£	%
Interest received from trading	**2,068,000**	
Less: Interest paid on temporary borrowing	0	
Gross trading surplus	**2,068,000**	**4.70%**
Less: Estimated direct running costs		
- Staff	14,000	
- IT Equipment	750	
- Subscriptions	4,000	
- Bank Charges	800	
Total	**19,550**	
Net Trading Surplus	**2,048,450**	**4.66%**
Less: Added value adjustment for notional Bank interest	1,676,171	**3.81%**
Notional Value Added by Trading	**372,279**	**0.85%**
Average Balance for the period £43,994,000		

Note: The added value adjustment reduces the net trading surplus by the amount that would have been achieved if the daily cash balance had simply been invested with the bank.

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CITY OF
YORK
COUNCIL

Executive Member for Corporate Services and Advisory Panel

12 December 2006

Report of the Assistant Director Audit and Risk Management

Risk Management Development Plan

Summary

1. This paper is for information purposes only. Full details of the future agenda for Risk Management development and monitoring is set out in the report presented to Audit and Governance Committee on 4 October 2006 (The Role of Audit & Governance Committee in Managing and Monitoring the Implementation of Risk Management). The key priorities of the development agenda are:

    - ensuring the consistency and quality of data entered into the Risk Management system (Magique)

    - ensuring all directorates and service areas have the opportunity to consider, record and manage risks using the Magique Risk Management system on an ongoing as opposed to an annual basis

    - provide formalised Risk Management training to Officers to ensure that they have an understanding of the role and purpose of Risk Management in delivering their services

    - continue to build on the pre-Council seminar of 29 June 2006 engaging Members more fully in their understanding of Risk Management and its benefits to the Council

    - develop a risk reporting process that provides information on key risks to inform the decision making process

    - work with the Performance Improvement Team to formalise the relationship and role of risk in business planning and performance management routines.

Background

2.   The Audit & Governance Committee under schedule 2 part 3 of the new constitution have responsibility for monitoring the effective development of Risk Management and corporate governance at the Council. The Executive Member for Corporate Services maintains responsibility for the overall Risk Management strategy (Annex 1). This report is provided to keep the Executive Member & Advisory Panel (EMAP) appraised of the development agenda.

3.   Risk Management is a business discipline that public and private sector organisations use to better manage potential opportunities and threats to the achievement of corporate objectives. Risk Management forms a key part of the Council's corporate governance arrangements, strategic management and performance management process.

4.   Risk can best be described as uncertainty of outcome. Nothing is achieved without some element of risk. In common with many other authorities, relatively little was done generally in the past to formally evaluate and manage risk at the Council. Where departments did consider risk the approach tended to be piecemeal. Any failure to clearly identify and manage risks accordingly can mean that not enough is done to reduce exposure to hazards, loss or failure. Equally it can mean that opportunities may be lost if the organisation is not confident in how it should manage any risks associated with new initiatives or changes in practice. Risk Management is therefore concerned with how the organisation can best evaluate and balance hazards and opportunities to make well-informed decisions and provide sustainable improvements in service delivery.

5.   Risk Management can only be effective if officers and Members fully engage in the process. Managing risk is not about producing a risk register or identifying as many risks as you can. It is about embedding the process into our current management practices and taking a systematic approach to managing risks only when they pose a significant threat.

Data Quality

6.   The risk register provides a proactive management tool that profiles risk across the whole Council making it transparent and allocating accountability for controls and actions. There are areas of good Risk Management practice across the Council but the Risk Management process is far from fully embedded. This has meant that the data in the risk register is patchy in terms of those services that provide information on their risks. The descriptions of risks are at best adequate but in many cases they are badly described and fail to inform the reader of the real impact on the organisation should they occur.

7.	The Risk Register is the fulcrum of the Risk Management process and it is imperative that the data it contains is of the highest quality The system not only provides a register of risks but is also an action planning tool allowing for the monitoring of actions related to reducing risk. It is for this reason that the development plan identifies this to be one of its most important priorities. If this does not happen there is a danger that the risk register may become compromised as an effective tool. This would seriously undermine the Risk Management agenda and be detrimental to the Council's Comprehensive Performance Assessment (CPA) score.

8.	To ensure that this does not happen a systematic review of all risks contained within the register is to be carried out over the next 12 months to improve the consistency and quality of data. In addition areas where risk management has not been undertaken across the Council are to be identified and appropriate workshops and training provided.

Use of Magique

9.	The Risk Management process at the Council until recently relied upon each directorate management team giving consideration to risk on an annual basis. In addition service managers considered risk when completing their annual service plan, the output of this was usually a one line description of the risk. This was then transferred into an Excel spreadsheet, which became the Council's risk register. This meant that the register did not provide a comprehensive record giving full details of the risk and any actions to be taken to mitigate it

10.	The introduction of Magique (A web based Risk Management database tool) means that the Council now has a real time system into which risks can be input at any time. The system allows owners to fully describe the risk its impacts, identify and describe controls and action plan around areas of identified weakness. In this way Risk Management should become part of our every day management culture. To make best use of Magique and ensure that it operates as an early warning system to the Council risk should be regularly considered and the level of existing risks reviewed by risk owners. The team are currently developing a comprehensive procedure manual, which will provide advice and guidance on the process and timetable for identifying and reviewing risk. An example of a well described and poorly described risk are shown below:

- Significant failure of corporate data / voice network - Significant large scale failure of the corporate data network would prevent access to corporate and Departmental Business Systems and information for both staff and elected members. A failure on the same scale of the corporate telephone system preventing calls in/out of the council would severely disrupt one of the vital

communication channels the council has with its customer base and business partners.

- High Staff Turnover

Officer & Member Training

11. Underpinning everything that we are trying to achieve within the development plan is training. Risk Management training has been delivered across the Council but it has been very much on an 'ad hoc' basis. It is difficult to secure the 'hearts and minds' of officers if they do not really understand what Risk Management is all about. The view that Risk Management is an additional function or bureaucratic 'bolt on' is still prevalent across the Council at all levels.

12. A more formalised training programme is currently being planned using external providers. The intention is to deliver this to key officers early in the New Year. Before this happens a risk management strategic visioning session will be undertaken with Corporate Management Team on 29 November. This session will look at the key threats as well as benefits and opportunities to the Council of embedding Risk Management into the culture. This will help set the context for the training in relation to strategic Risk Management at the Council. A full outline-training programme can be found at Annex 2.

13. As well as developing a more formalised training program for officers it is important that we continue to build on the pre-Council seminar of 29 June 2006 by engaging Members more fully in their understanding of Risk Management and its benefits to the Council. The inclusion of a Risk Management section within committee reports has raised Members awareness of risk but at the same time there is a danger that it has made risk look to be a separate process.

14. Raising Member awareness has been further developed within the new Council Constitution, which assigns responsibility for the Risk Management function to the Executive Member for Corporate Services as such he is now responsible for bringing key corporate Risk Management issues to the Executive. In addition full Council appointed a Member Champion (Cllr Tom Holvey) for Risk Management at the Annual General Meeting in May 2006. This roll will provide leadership for risk at Member level and help promote, communicate and champion risk management across the organisation. Risk Management training will be made available for new Members following next May's elections.

Risk Reporting

15. Identifying and recording risk is important but unless action is taken to mitigate and manage the risks it serves very little purpose. The new

Constitution has given responsibility to the Audit and Governance committee to take regular monitoring and exception reports with regard to the deployment and development of Risk Management. This role will provide overall management assurance that risk is properly managed across the organisation and will allow for escalation in the event that appropriate action is not taken.

16.   At Directorate level the inclusion of risk in the new service planning template will allow for a more formalised reporting process on progress against risk mitigation actions. These reports will be generated from Magique and can be provided to Directorate Management Teams on a quarterly basis. This should ensure the profile of Risk Management stays on Directorate agendas and becomes more integrated into formal management routines.

Risk & Performance Management

17.   Risk Management plays an important role in effective planning and needs to be properly built into the organisations routines and processes. Risk needs to be considered as early as possible in the planning process and through its effective management the Council should benefit by improved performance.

18.   To ensure that risk can be incorporated into the Council's planning routines consultation is being undertaken with the Performance Improvement Team. The purpose of the consultation is to gain better coordination and understanding of how and when risk should be considered in the process.

Options

19.   Not applicable.

Corporate Priorities

20.   Risk Management relates directly to the Council's priority to *'improve leadership at all levels to provide clear, consistent direction to the organisation'* clear and consistent leadership and direction requires a thorough understanding of all the risks and challenges to the organisation. As Risk Management should be integrated into all the Council's processes and routines it should help contribute to the effective delivery of all 13 corporate priorities. The key development issues raised in this paper support the actions required to improve the Councils CPA score of 2 for Risk Management to 3 as a minimum prior to the next full inspection in 2008.

Implications

21.   Funding for the risk management training is being provided from the risk management fund. There are no further financial, HR, equalities, legal, crime & disorder, IT, property or other implications arising from this report.

Risk Management

22.   In compliance with the Council's Risk Management strategy. There are no risks associated with the recommendations of this report

Recommendations

23.   That the Advisory Panel advise the Executive Member to:

a)   note the contents of this report;

Reason

To raise awareness of the Risk Management development agenda and advise Members of the further work now needed to support the effective development of risk management at the Council.

Contact Details

Author:	**Chief Officer Responsible for the report:**
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Risk and Insurance Manager	Assistant Director of Resources (ARM)
Phone No 01904 552261	

Report Approved | *yes* | **Date** *29/11/06*

Specialist Implications Officer(s) None

Wards Affected Not applicable   **All**

For further information please contact the author of the report

Background Papers

The Role of Audit & Governance Committee in Managing and Monitoring the Implementation of Risk Management

Annexes
Annex 1   Risk Management Strategy
Annex 2   Risk Management Training Programme

City of York Council Risk Management & Insurance Strategy

Mission Statement

City of York Council aims to provide a high quality diverse range of services to the public. It is essential that the council protects and preserves its ability to continue to provide these services, by ensuring that its assets both tangible and intangible are protected against loss and damage.

The management of risks is, therefore, a key organisational responsibility. All employees must accept the management of risk as one of their fundamental duties, and every member of staff must have a real sense of ownership and commitment to identifying and minimising risks.

Elected members endorse the Authority's Risk Management Strategy, which is a proactive approach to:

- **Identify** the risks that exist

- **Assess** those risks for potential frequency and severity

- **Eliminate** the risks that reasonably practicably can be eliminated

- **Reduce** the effect of those risks that can not be eliminated

- **Put in place** financial mechanisms to absorb the financial consequences of the risks that remain

- **Monitor** the results of any risk management action taken

- **Evaluate** and balance hazards and opportunities to make well-informed decisions and provide sustainable improvements in service delivery

Risk Management Strategy

The aspiration of the strategy is the integration of risk management into the strategic and routine decision making processes of the Authority. This includes the consideration and implementation of risk management into all operational areas of the Authority including partnerships to assist with the development of a positive risk management culture at City of York Council.

Responsibility

Risks are allocated to specific owners as part of the strategy however they do not uniquely belong to that individual, they belong to everyone within the authority. All staff associated with the authority have a responsibility to respond actively to

Ins/bv/strategy 2006

any risk that threatens the ability of the authority in its provision of services. It is a fundamental principle of the strategy that risk management must be accepted as a line management responsibility. All managers must take action to identify, assess and resolve any risk issues affecting their service including partnerships.

It is important that managers stimulate the interest of their staff in the identification and reporting of hazards and risks, and that manager's respond positively to this. This responsibility should be inherent in managers performance plans and will be supported by professional, expert advise and training opportunities made available through the Risk Manager.

The Chief Executive has been charged by members to embed corporate risk management at City of York Council.

The Risk Manager has been made responsible for the development and implementation of the risk management strategy. The terms of reference for the manager are:

- Promote a shared corporate approach to the implementation of risk management within City of York Council

- Identify appropriate mechanisms for assessing and evaluating risk and agree targets against which the success of the strategy will be evaluated

- Raise awareness and knowledge of risk management across the council including partnerships

- Develop a corporate risk management strategy and SMART objectives

- Promote and co-ordinate Directorate level and specialist risk management activity within the council including partnerships

- Promote corporate risk management strategy to Directorate management teams

- Report progress and developments directly to council management team

- Identify and monitor resource requirements to effectively implement risk management offering a framework for allocating resources to identified priority risk areas

- Development of a risk management mission statement

Risk Identification

It is not possible to manage risk until it is known what the risks are. A formal process of risk identification needs to be implemented at both strategic and operational level. The implementation of a risk identification process is vital to the success of the Authority's risk management program.

The identification process will embrace both a proactive approach and one, which reviews issues retrospectively. Many lessons can be learned from examining why an adverse incident occurred and then taking appropriate action to avoid recurrence.

Risk Assessment/Analysis

The Risk Manager will assist senior and local managers to ensure that when risks are identified, they are analysed in order to assess the likelihood of them occurring, and what impact they may have on the organisation should they occur.

The Risk Manager will monitor the analysis of the data and other risk management assessments. They will ensure that action is taken to mitigate the risk and that there is an audit system (compliance) in place to verify that appropriate action has been carried out.

Control Mechanisms

The Risk Manager will act as a fulcrum for risk management within the Authority. There are already risk management activities being carried out on a daily basis by operational and support service departments. The manager will identify risks that are not already being addressed both strategic and operational. They will also form the hub into which other risk management groups can feed information and vise versa.

The other Authority agencies with responsibility for various areas of risk management include:

♦ **I .T.** – The Authorities work processes have a high dependence on Information Technology (IT) Almost all administrative functions are completely dependant on computer hardware and software. The IT department is

responsible for developing a strategy, which takes into account all the risks, which are inherent to the service, which they provide.

- ♦ **Health and Safety** – The Health & Safety Steering group is responsible for all aspects of health and safety in the authority including work place fire risk assessments

- ♦ **Audit Internal/External** – The audit function ensures compliance with policies and procedures e.g. Financial Regulations, HR policy, H&S policy, and standing orders.

- ♦ **Information Management Officer** – Implementation, training and advice on all issues relating to data protection, FOI.

- ♦ **Performance & Improvements Unit** – Implementation of strategic policy across the Authority reflecting changes in both UK and European legislation that affect Local Government.

- ♦ **Capital Monitoring Group** – This group has the responsibility to ensure that the Authority meets annual capital receipt targets.

- ♦ **Asset Management Group** – This group has the responsibility for the efficient and effective management of all council assets.

- ♦ **Full Executive, Executive Leader, Executive Member** – This is the members role in ensuring officers are complying with members approved policies and procedures. It also offers members the opportunity to scrutinise areas of concern.

- ♦ **Audit & Governance Committee** – Acts as the responsible body for governance at the Council and provides independent assurance of the adequacy of the risk management framework and associated control environment.

- ♦ **Council Management Team** – The role of council management team in the management of risk is that they operate as the conduit between the risk manager and elected members. They can pass risks referred to them by the Risk manager to members for consideration or they can pass them directly back to the group for action. They can also pass risks they have identified themselves back to the Risk Manager for analysis.

- ♦ **Emergency Planning** – This group looks after the risks to both the community at large and the council. This includes disaster recovery, crisis management, contingency and continuity planning.

♦ **Service Based Management Information Systems** – There are a number of control systems across the Authority some which are shared e.g. FMS (Financial Management System) and others that are specialist e.g. QLAS (Quantum Loss Analysis System).

<u>Use of Risk Data</u>

When all the current major strategic risks facing the organisation have been identified a profiled corporate risk register will be developed and the risks reviewed on an annual basis taking into account any risk management action that has been taken in order to mitigate them.

When all key strategic risks have been captured the same processes will be applied to operational risks ensuring that the risk management concepts and aims cascade down the organisation. The operational risks will again be profiled and added to the Authority's risk register.

This information can then be used to effectively manage potential opportunities and threats to the organisation achieving its objectives

<u>Development, Review and Objectives</u>

This is a dynamic strategy and it is intended that it will evolve as the concept of risk management is embedded into the authority as a whole. The risk management strategy will be reviewed annually by the Risk Manager.

The objective of the strategy is **S**pecific in that it will embed risk management into the organisation at all levels. When risks have been identified assessed and profiled, action will be taken where possible to reduce or eliminate the risk. The risk profile will be reassessed following appropriate action so a **M**easure of the risk improvement can be obtained. The action taken to control risks will be **A**greed by all parties involved. It is accepted that not all risk can be eliminated and that a proper analysis has to take place to ensure that only **R**ealistic and cost effective control measures are put in place. The implementation of risk management is a long-term plan and will not happen over night. The implementation will be properly **T**imetabled to ensure that all risks are identified and categorised at the appropriate time in the process.

City of York Council Insurance Strategy

The Insurance strategy at City of York Council is to provide a leading edge, comprehensive and flexible insurance service. This has been developed in consultation with its key stakeholders these being: -

- Internal Customers

- External Customers

- Insurers

- Elected Members

The main aim of the strategy is to maintain or reduce where possible the price of insurance and bring long-term stability to the cost of insurance premium. This will assist in facilitating Directorates future financial planning with regard to insurance costs. The two key strands to this are: -

- To retain as much financial risk 'in house' as is prudent to do so

- To purchase catastrophe cover only from the external insurance market

In order to achieve these aspirations the strategy is underpinned by a comprehensive analysis of past and future insurance trends and the implementation of risk management aimed at reducing the frequency and severity of insurable incidents occurring. This is achieved by: -

- The monitoring and evaluation of insurance trends, markets and performance of suppliers and agent

- Regular involvement in benchmarking exercises

- Regular tendering of the insurance contract through the OJEC procedures

- Premium being charged to internal departments on a 'risk and reward' basis

- Implementation of risk management measures into areas of high frequency claims

Ins/bv/strategy 2006

- Analysis of the Authority's historical claims experience to project future trend and allow policy excesses to be set at an appropriate the level.

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Table 2.1 – Outline course/workshop content		
Agenda Item	**Contents**	**Approx. Time (mins)**
Introduction	Participants introductions and objectives Agenda, aims and objectives of the training programme Definitions of risk and risk management	15
Risk management in the public sector	Drivers for risk management Strategic objectives and planning Corporate governance and CPA Service delivery and service support Projects and partnerships	20
Risk management framework and principles	Risk management cycle Strategic planning and objectives Risk identification and assessment, Risk treatment and improvement actions Measuring, monitoring and reporting Communication and consultation Embedding	20
Risk management in York City Council	Policies, procedures and management organisation Risk registers Links to Council strategy and service planning	25
Break	**Coffee/ Tea**	**15**
Workshop 1	Practical application within York City Council - risk identification and assessment	40
Risk treatment options and action planning	Risk retention and risk transfer Risk control/ mitigation Pre and post incident controls. Action planning Effectiveness of existing controls and potential to improve	20
Workshop 2	Practical application within York City Council - risk treatment and action planning	30
Embedding Risk Management	Building risk into the planning process Barriers to embedding Monitoring and reporting Maintaining momentum	10
Workshop 3	Practical application within York City Council - how can we make our own contribution? (possible use of pledge cards)	15
Questions & answers	General session to discuss the training session, workshops and the outputs. Completion of training course assessment	15
Course close	**Elapsed Time**	**225**

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CITY OF YORK COUNCIL

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

12 December 2006

Report of the Director of Resources and Deputy Chief Executive

Presentation on the Collaborative Transport Project

Summary

1. This report gives a brief background to a presentation that is to be given by the consultants, Kendric Ash on their findings to date on the collaborative transport project.

Background

2. The collaborative transport project is a project that commenced in late 2005 when funding was awarded to the Council from the Yorkshire and Humber Centre of Excellence to conduct a transport review and work collaboratively with the York Hospital Trust to explore areas where the two organisations could work together. The project scope got wider when the East Riding Council and East Riding Primary Care Trust (PCT) became involved and further funding was awarded from the then Yorkshire and the Humber Regional Assembly.

3. The Local Authorities awarded the work to Kendric Ash who have a proven track record in local government transport reviews and who specialise in working with authorities as a 'transformational partner' and work with them to bring about change. The brief given to Kendric Ash was to review the transport operations in each of the organisations then to look at opportunities for collaboration between the different organisations.

4. The review is to be done in several phases, the presentation to the Executive Member for Corporate Services and Advisory Panel will focus on the findings from phase 1 which was to gather information about existing transport operations and then state what feasible options could be further investigated to improve the quality of services, make them more efficient and reduce costs. The areas covered in York were social services transport of clients, home to school transport, special educational needs (SEN) transport, fleet management and the use of pool cars. In total the council spends in excess of £3m per annum on these services.

Consultation

5. Kendric Ash have consulted with all the relevant officers in each organisation.

Options

6. There are no options to be considered in this report which is just giving background to the presentation. The report from Kendric Ash on phase 1 will contain options about how to continue with this review of transport services and therefore a further report will be brought back to members once these options have been considered.

Analysis

7. This section is not applicable.

Corporate Priorities

8. The main corporate priority that this review is supporting is to 'Improve efficiency and reduce waste to free up more resources', There could also be a link to 'Increase the use of public and other environmentally friendly modes of transport' where some of the actions the council could take from this review actually reduce the number of vehicle journeys currently being made.

Implications

9. Any implications arising from the options that the council would wish to pursue will be included in the further report to Members. The implications included here relate to the work done in phase 1 Kendric Ash

- **Financial** – The fees payable for phase 1 will be funded from the grant awarded by the Yorkshire and Humber Regional Assembly.

- **Human Resources (HR)** – There are no implications

- **Equalities** There are no implications.

- **Legal** There are no implications

- **Crime and Disorder** - There are no implications

- **Information Technology (IT)** There are no implications

- **Property** There are no implications

- **Other** - There are no implications

Risk Management

10. Any risk implications will be included in the further report to members.

Recommendations

11. That the Advisory Panel advise the Executive Member:

To note the information contained in the presentation on the collaborative transport review.

Reason: To update the Executive Member on the findings from phase 1 of the review.

Contact Details

Author:	**Chief Officer Responsible for the report:**
Author's name	***Chief Officer's name: Simon Wiles***
Stephen Morton	***Title: Director of Resources and Deputy***
Title	***Chief Executive***
Corporate Finance Manager	
Dept Name	**Report Approved** ✓ **Date** *1-12-06*
Resources	
Tel No. 1129	

Specialist Implications Officer(s) *None*

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

For further information please contact the author of the report

Background Papers: None

Annexes: None

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