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

10th June 2008

Report of the Director of Resources

**RESOURCES DIRECTORATE YEAR END PERFORMANCE AND
FINANCIAL OUTTURN - 2007/08**

Summary

1. This report combines performance and financial information for the Resources Directorate for 2007/08. The performance element covers key and Council Plan indicators and projects, and the financial aspect deals with capital, revenue and Treasury Management variances.

Background

2. Performance and financial information has now been reported to Members twice for the Directorate during 2007/08, as well as being raised on a monthly basis at Corporate Management Team through the new dashboard system of reporting that has been introduced.

EXECUTIVE SUMMARY

Director's Overview

3. Generally speaking 2007/8 was a successful year for Resources. Considerable extra income was earned through subsidy and additional income was collected from housing benefits overpayments and Council Tax. These together with slippage on some key IT projects, staffing underspends and resolution of some Housing Benefit and systems related accounting issues have contributed to the financial outturn being just over £1.5m better than budgeted. This was in line with projections made in the second monitor at Christmas. There have also been notable improvements in
 - a) Processing time for new Benefits claims and changes of circumstances
 - b) Backlogs of work in Council Tax have now been eradicated, due to significant improvements made as part of the [Easy@York](#) programme
 - c) Significant budget savings have been made in revenues and benefits
 - d) The Danesgate pupil resource unit, Acomb library and Yearsley Pool refurbishment were completed by Property services, and have received acclaim and awards.

- e) The first area Asset Management Plan was completed in Tang Hall.
- f) IT reliability and availability was above most targets set and over 33,500 It service requests were handled with customer satisfaction above 90%
- g) 92% of the audit programme was completed and a shared audit service with the County has been developed
- h) The council has agreed a Competition Policy, a Sustainable Procurement Policy, a Strategic Procurement Programme and an Information Governance Strategy and action plan
- i) A Score of 3 (Good) has been obtained for both the CPA Use of Resources and the Benefits service.

The main negatives during the year were the increase in staff sickness, slippage on significant IT projects and the loss of key staff. Staff sickness was due entirely to increased long term sickness (short term sickness fell) and this was mostly due to illnesses requiring hospital treatment. The majority of these staff have returned to work, although some are still off sick and it is to be hoped that the long term sick figures for 2008/9 will be much improved. A significant number of key staff left during the year and this included 2 Assistant Directors. Unfortunately this trend is continuing in the current year 4 further departures of senior staff already. There are also areas where we are unable to recruit staff and are having to use agency and temporary cover. The main IT project slippage was with Framework I in social services and the Financial Management System (FMS) system in Finance, although a number of other projects did slip, partly due to the concentration of staff on the Easy Project and partly due to non IT staffing other departments not being ready to progress projects. Work is being undertaken to review how we can ensure better delivery of major IT development projects.

Financial Overview

- 4. The table below summarises the outturn position for Resources. This shows net expenditure for the Directorate of £4,554k compared to a budget of £6,090k, a total underspend of £1,536k. This is a variance of 2.3% compared to the gross budget of £67,646k.
- 5. The overall underspend is significant however there are a number of projects which have slipped and which will require budget to be carried forward into 2008/09 if they are to be successfully implemented. Paragraph 108 details carry forward requests of £660k which mainly relate to the FMS project and various IT&T projects. A high level analysis of the underspend shows that key contributing factors were
 - 1) work done to free up provisions made due to past uncertainty of recoverability of housing benefit overpayments and other debts on the SX3 and payroll systems £-360k
 - 2) Slippage on FMS and Framework I IT projects £-565k

- 3) Slippage on mobile working and Electronic Document Management System (EDMS) projects £-111k
- 4) Additional Benefits income from subsidy and collection £-971k
- 5) Additional Easy work at York Contact Centre and in Revenues and Benefits £+281k

	Expenditure Budget £000	Income Budget £000	Net Budget £000	Provisional Outturn £000	Variance £000	%
Director	453	23	430	260	-170	-37.5
Public Services	42,589	40,014	2,575	1,967	-608	-1.4
Financial Services	2,455	2,266	189	-143	-332	-13.5
Audit & Risk Mgt	3,779	3,542	237	313	76	2.0
IT&T	5,437	6,043	-606	-856	-250	-4.6
EASY Project	2,423	720	1,703	1,621	-82	-3.4
Property Services	10,510	8,948	1,562	1,392	-170	-1.6
Total	67,646	61,556	6,090	4,554	-1,536	-2.3

6. The detailed variance analysis is shown in Annex 2 however key headline variances by service plan area are
- a) Public Services – A net underspend of £608k relates primarily to the review of the Council tax benefits subsidy, achieving 100% subsidy on Local Authority Error overpayments and a reduction in the bad debt provision for benefits. These have been offset by additional costs incurred on the benefits improvement work as part of the Easy Project (£+264k).
 - b) Financial Services – This service shows an underspend of £332k of which £234k is due to slippage on the FMS project, and is the subject of a carry forward bid essential to fund the project implementation with the anticipated go live date early in 2009. Staff savings contribute to the balance of the underspend.
 - c) Audit & Risk Management – An overspend of £76k includes a shortfall from the Yorkshire Purchasing Organisation (YPO) dividend of £40k
 - d) IT&T - The underspend of £250k reflects a combination of projects being reprioritised, deferred or cancelled, and projects coming in under budget. There is a carry forward bid for £129k in respect of three projects, Voice and data managed service, Electronic Data Management and Mobile working.
 - e) Easy Project – An in year underspend of £82k reflects the position against the current years programme, with funding for Phase 2 being held as a reserve balance. A carry forward bid for the underspend of £82k is required in order that the benefits integration and income collection projects may be finalised.

- f) Property – A net underspend of £170k is generated from several areas and which are detailed in Annex 2. There is a carry forward request of £50k to fund the business management review.

Analysis

7. The analysis of performance and achievement for 2007/08 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

Appraisals:

8. Of the 350 appraisals that should have been carried out for staff within Resources, 255 have been completed representing 72% of all appraisals. This is a 20% fall from the 06/07 outturn figure of 92%
9. There are varying reasons why target has not been met, but factors include staff absence due to long term sickness, staff turnover, prioritisation of other work particularly Job Evaluation and loss of some senior staff. A full breakdown of the figures appears in Annex 4.

Staff sickness

10. Sickness is measured across the Council through BVPI 12: The number of working days/ shifts lost to sickness absence.
11. The breakdown by Division is:

	Overall Sickness (days)	Long-term Sickness (days)	Short term sickness (days)
Directorate	10.99	5.72	5.27
Director	1.67	0	1.67
Public Services	9.81	2.39	7.42
Audit & Risk Management (ARM)	9.14	4.24	4.90
Financial Services	16.1	12.85	3.25
Property Services	8.13	3.65	4.48
IT&T	13.37	9.75	3.62

12. Overall, the Directorate lost 10.99 FTE days through sickness in the period 1st April 2007 – 31st March 2008. Of this, 5.72 FTE days were due to long-term sickness. Despite this, the 07/08 corporate target of 12 days per FTE

has been met and work will continue within service areas to reverse the direction of travel for 2008/09. More detailed information is provided in the ensuing paragraphs.

Days lost through Stress related illnesses

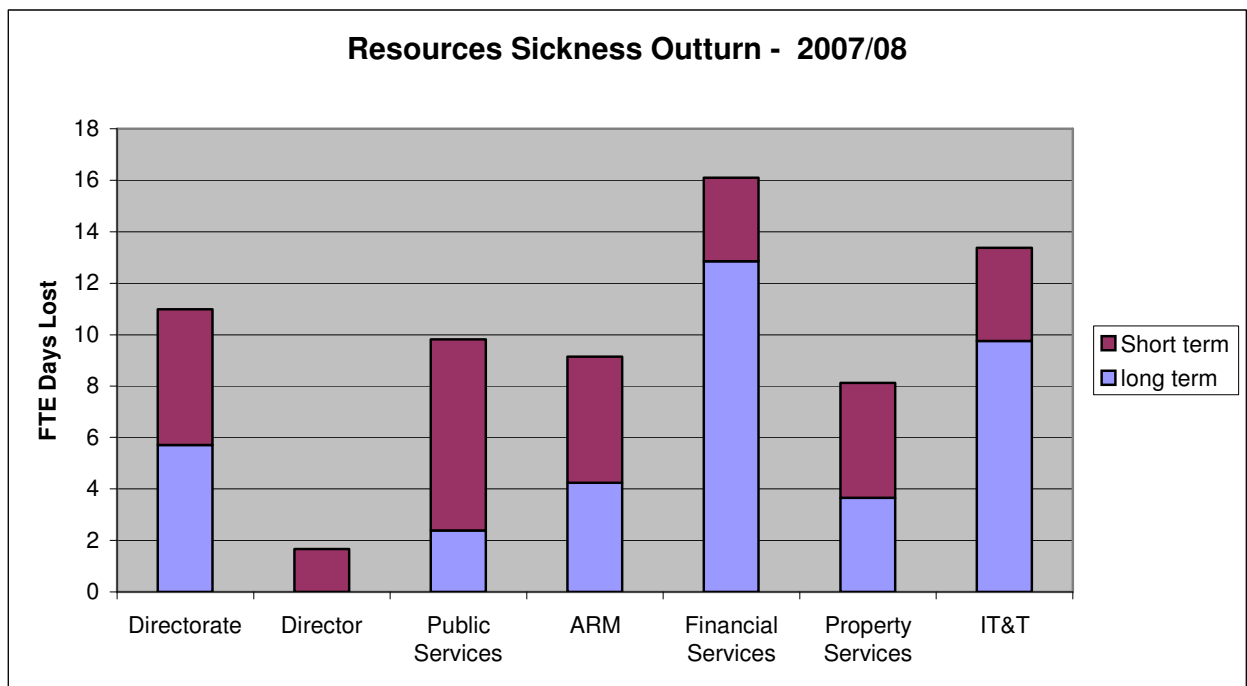
- The number of days lost through stress related illness equates to 629.72 FTE days. This is 0.83% days lost, or 1.89 days lost per FTE.

Long Term sickness

- Long term sickness within the directorate is of some concern but is often caused by staff being absent with serious illnesses that are outside our control. There have been 32 incidences of long term sickness within this monitoring period, but most members of staff have now returned to work.
- There are three ongoing incidences of long term sickness.
- When comparing types of sickness it should be noted that long term sickness is 52.04% of the overall sickness within the Directorate. This is far higher than it has ever been. A significant proportion of the long term sickness has been where staff have required hospital treatment and have had long recovery times afterwards due to the seriousness of their condition.

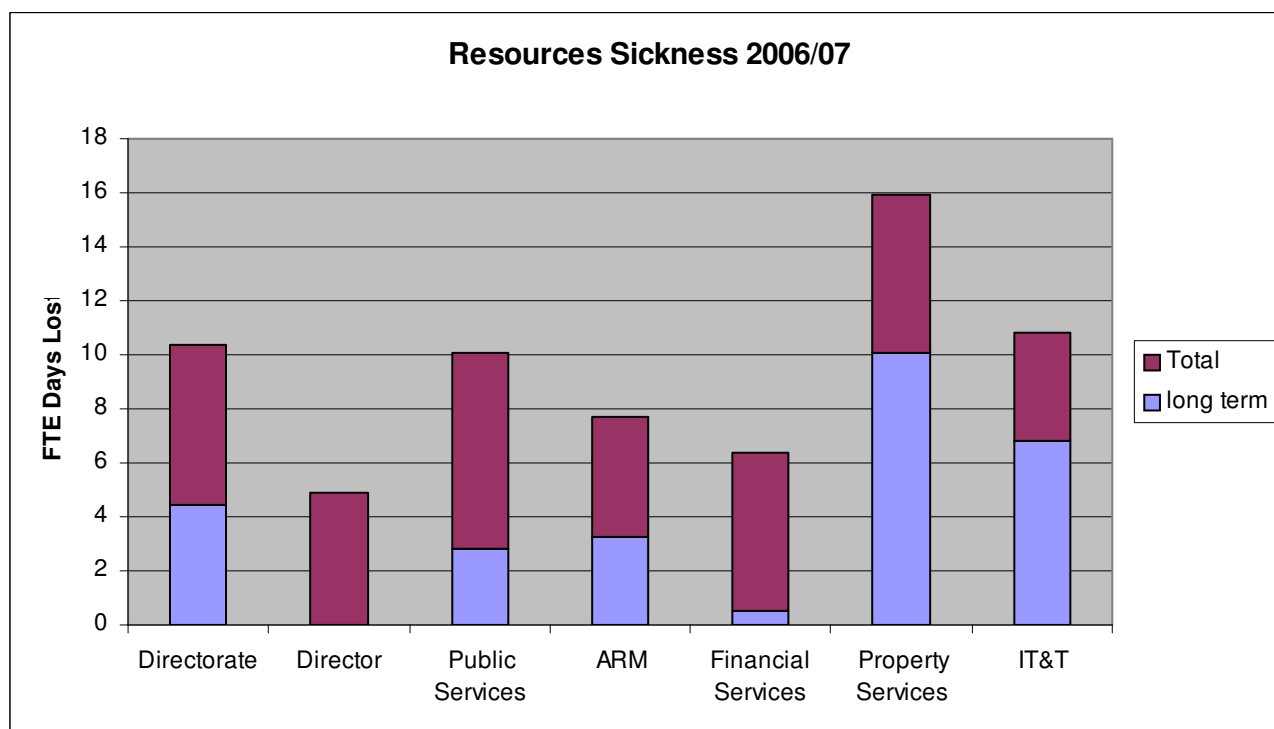
Comparisons

- Overall sickness absence figures for 2007/8 are represented in the following graph, which also illustrates how heavily long term sickness influences the data:



- The chart below shows the departmental sickness for 2006/07. Although the overall sickness is slightly lower than the present period – 10.38 FTE days

compared to 10.99 FTE days – it is worth noting that short term sickness has reduced from 5.97FTE days in 2006/07 to 5.27 FTE days in 2007/08.



19. Work to ensure greater accuracy of these figures has been built on significantly since 2006/07, and the Head of the Business Support group has developed a strong working relationship with central Human Resources to ensure that this continues.

Equalities

Male/Female Split

20. The average establishment for the period 1 April 2007 to 31 March 2008, based on the number of people employed, was:

	Head Count	Percentage
Full time male	149.50	40.46%
Full time female	143.50	38.8%
Part time male	9	2.44%
Part time female	67.50	18.26%
Total staff	369.50	100%

Ethnicity

21. The table below shows the number of staff and a breakdown of ethnicity within the Directorate, with the percentage representation overall for the Directorate in brackets:

	Total	Male	Female
Number of staff	380	161	219

White British	369 (97.10%)	153 (95.03%)	216 (98.63%)
Other ethnic groups	11 (2.90%)	8 (4.97%)	3 (1.37%)

Starters and leavers

22. Information has now been made available on new colleagues joining the Directorate and established staff leaving. Measuring this trend may become particularly pertinent in the light of Job Evaluation, but at the very least provides a snapshot of resourcing and retention issues.
23. The table below shows figures for 1st April 2007 to 31st March 2008:

Section	Starters	Leavers
Public Services	21	26
Property Services	2	6
IT&T	6	1
Financial Services	8	9
ARM	6	2
Total	43	44

Telephone calls

24. 925,557 external calls were made to Resources during 2007/08. Of this figure 664,993 were answered, 94.82% (611,609) of which were answered within 20 seconds.
25. This represents a marked improvement on the previous years performance of 88.63% overall for the Directorate and reflects the very significant improvements made in the Customer Contact Centre (YCC) during the year.
26. There are clear disparities among the number of calls received across divisions, purely because of the different types of service offered, some of which are not customer facing.
27. The overall totals per division are:

Division	Answered calls	Answered within 0-20 seconds	% within 0-20 seconds
Director	1,354	1,315	97.12%
Audit and Risk Mgt	7,455	7,365	98.79%
IT&T	21,115	20,824	98.62%
Property Services	29,378	28,263	96.21%
Public Services, incl YCC	554,927	523,545	94.35%
Finance	30,764	30,297	98.48%
Resources Total	644,993	611,609	94.82%

Customer First

Stage 1 and 2 complaints, visitors seen and letters answered:

28. The measures and targets for letters and complaints responded to and visitors seen are as follows:
 - a) The percentage of Stage 2 complaints responded to and the problem solved within 10 working days (Target 95%)
 - b) The percentage of Stage 3 complaints responded to and the problem solved within 10 working days (Target 95%)
 - c) The percentage of letters responded to within 10 working days (Target 95%)
 - d) The percentage of visitors seen by an officer within 10 minutes (Target 100%)
29. The Directorate has 41,435 visitors during 2007/08, 98.53% of whom were seen within 10 minutes. This is a marginal fall of 0.59% from 06/07, however this remains a high level of customer service, especially when taking into account the volume of customers seen.
30. Of these visitors, a further 1,378 needed to see another member of staff and 100% of those people were seen within a further 10 minutes, maintaining the 100% records of recent years.
31. Resources received five Stage 2 complaints during this reporting period, four of which were dealt with on time. At 80%, this is a fall from previous performance, however the number of complaints also fell from 14 in 2006/07 which is a drop of 64.3%.
32. There were no Stage 3 complaints for the Directorate during this period.
33. Letters responded to within 10 working days exceeded the 95% target, performing at 97.34%, or 10,068 of the 10,343 items received answered on time. This is the second successive annual increase, and reflects a positive direction of travel.
34. All Customer First results show high or above target performance, and reflect the high levels of customer service delivery and standards across the Directorate.

Public Services

Performance headlines

35. There are some major successes to report this year:
 - a) Processing times for benefit claims have improved better than target
 - b) New claims are processed on average 17% quicker than last year
 - c) Change of circumstances are handled 20% quicker
 - d) Workloads outstanding are significantly lower

- e) Collection rates are better than last year – Council Tax up by 0.52% and Business Rates by 0.13%
 - f) York Customer Centre (YCC) call handling has improved - calls are answered quicker, service levels have been met and there are fewer abandoned calls
36. As of 31 March 2008 the number of Council Tax work items waiting to be processed was 1,137, down by 70% on the 31 March 2007 position of 3,831 items. Similarly, the number of new Housing and Council Tax benefit claims and changes of circumstances waiting to be processed showed a 53% reduction, down from 1,237 to 585 items.
37. The Council Tax team underwent a major change at the start of the year with the shift of telephone call handling and some transaction processing to a front office in the YCC.
38. A full suite of Council Tax e-forms was introduced in July 2007. The forms are completed by staff in the York Customer Centre (YCC) and by using a set of “adaptors” and business rules between the Customer Relationship Management (CRM) system and the main Council Tax database we now automatically process about 43% of all transactions. This automation means that a bill is produced without the need for any updating by the back office. The success of this process has been widely recognised and we have hosted a number of open days for other local authorities.
39. The Revenues Service undertook a full review of how it planned and managed the Annual Billing process and this resulted in bills being despatched over a 2 week period. In addition the YCC offered extended opening hours (from 8 a.m. to 7 p.m.) and the combination of these two factors enabled the centre to better manage the customer contacts that typically result from the Council Tax billing mail out. There was very little impact on the percentage of calls answered and the lowest service level on any one day was 70%, although this was the busiest day since the take on of Council Tax calls with nearly 600 answered.
40. Comparative figures from March 2007 and March 2008 also demonstrate the impact within the YCC:
- a) Reduced number of calls offered by 44% (23,597 calls)
 - b) Reduced number of abandoned calls by 96%, from 16.3% to 0.7%
 - c) Increased the percentage of calls answered in 20 seconds by 105%, from 46.7% to 95.7%
 - d) Reduced the average speed of answer by 83%, from 41 seconds to 7 seconds
 - e) Increased the average call handling time by 14%, from 1.39 to 1.59 seconds
 - f) Increased the number of service request cases by 42%, from 5,151 to 7,301
41. The York Customer Centre handled 410,535 calls across a number of services over the full year and of those answered 80% within 20 seconds.

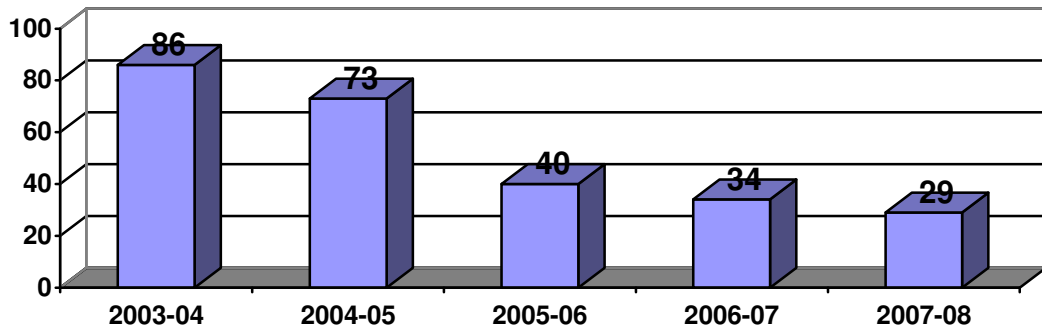
Over the last six months we have consistently met the Customer First target of 95%. Only 8.8% of calls were abandoned and a total of 79,125 cases were logged for service request. Of these request 96% were completed within the agreed Service Level Agreements – 98.91% within 1 day of the SLA.

42. Calls handling has improved. The amount of after call work (time spent competing the case after the call has ended) reduced by 26% over the year, from 130 hours in total in March 2007 to 33 hours in March 2008. The total volume of calls reduced by 30% in September 2008 following the launch of the new Interactive Voice Response (IVR) technology.
43. Since going live with the Council Tax services in 2007 the YCC has cross-skilled six additional team members from other services in the new processes, as well as developing the skills of the staff that transferred from Council Tax a year ago. This has enabled us to achieve the Customer First target of 94.9% calls answered within 20 seconds. We now handle 72% of Council Tax calls at the first point of contact.
44. The centre also handles payments for a range of services collecting £1.64m from nearly 13,000 transactions, up 97% on the previous year.
45. Two customer satisfaction surveys were conducted by the YCC. In both surveys 99% of respondents were either 'fairly' or 'very satisfied' whilst the second survey showed an increase in those 'very satisfied' from 79% to 93%.
46. The Benefits Service has exceeded its processing times targets (see below) and continues to work on re-structuring and re-engineering the business in conjunction with the easy@york programme.
47. There has been significant investment in resourcing the Benefits Reception to ensure that a high standard of customer service is maintained during the annual billing period. We have also trialled the processing of change of circumstance notifications at the point of receipt. This has proved extremely successful, with over 700 items processed in March, and will be used to inform the programme work on the new structure.
48. The service successfully managed the level of Housing Benefit overpayments classified as due to Local Authority error (usually as a results of delays in processing change notifications). The overpayments were some £60k below the threshold at which we would receive less subsidy. If the threshold had been exceeded it would have resulted in a subsidy loss of just over £100k.

Performance indicators

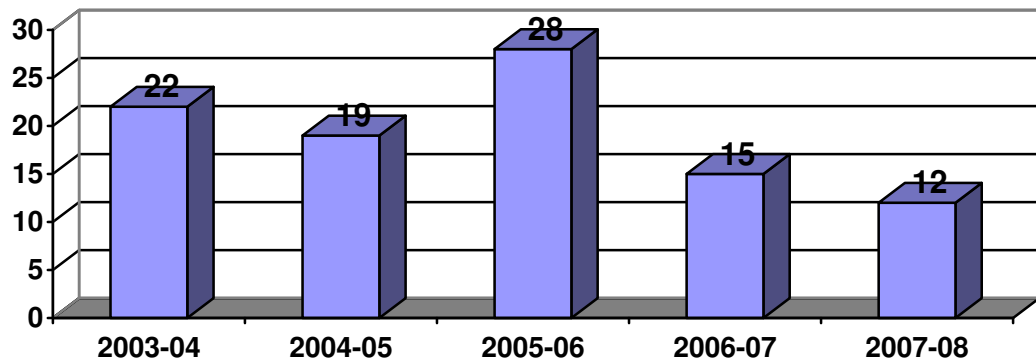
49. The processing of new claims (BVPI 78a) for Housing and Council Tax Benefit was ahead of target by 3 days, taking on average 29 days to process. This measure has seen considerable improvement over the last few years as shown below:

Average Days to Process New Benefit Claims



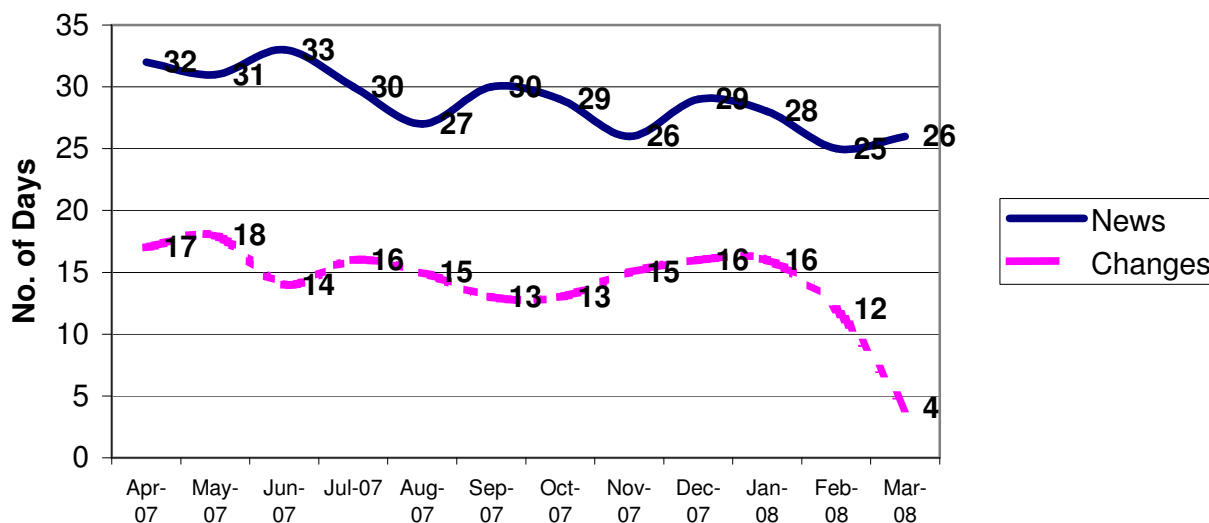
50. The number of days taken to process change of circumstances notifications (BVPI 78b) also exceeded target and improved on the outturn for 2006-07. We took an average 12 days, better than target by 2 days and 1 day quicker than last year. Improving our turnaround times for changes also helps reduce the incidence of local authority error overpayments occurring, which in turn has a positive impact on our subsidy budgets.

Average Days to Process Benefit Change Notifications



51. The improving trend over the last financial year is shown in the graph below which tracks the average days figures for claims calculated within each month:

Average Days Processing (In Month)



52. This is the last year that we will report on these two average day measures. From 1 April 2008 the new National Indicator NI181 will report on the combined processing times for both new claims and change notifications. Underlying data suggests that we would have achieved 21 days in 2007-08 on this measure, the target for 2008-09 is 18 days and then 15 days the year after.
53. The measure of accuracy of benefits processing (BVPI 79a) improved too. Outturn was 98.6%, up from 97.8% last year. We supplement this measure with more detailed quality assurance work where 4% of all claim calculations are checked.
54. Of the three indicators that measure our progress in the recovery of housing benefit overpayments, one shows a drop in performance and the other two are little changed from last year. BVPI 79b(i) measures the recovery of overpayments identified during the year. The outturn was 60.85%, down from last year's 70.33%. The amount recovered increased by just over £20k as compared to the previous year. However, the level of debt jumped by nearly £172k. Claimant error (43%) and fraud (33%) account for the majority of overpayments created during the year.
55. Despite the drop in performance this year recovery is still significantly higher than in 2005/06 when only 36.29% was recovered. However, during 2008/09 we intend to address a number of issues regarding the recovery and monitoring of overpayments including a review of the management of this function, full staff refresher training and implementing some IT system enhancements.
56. BVPI 79b(ii) measures recovery of overpayments against those identified during the year and brought forward from the previous year – this was little

changed at 22.71%. The level of debts written-off was some £25k less than 2006-07 so consequently BVPI 79b(iii) dropped from 7.12% to 5%.

57. As part of the Council's Local Public Service Agreement a target was set (COLI 109) to increase the number of new claims (and increase the value of existing awards) of Housing and Council Tax Benefit, Pension Credit, Attendance Allowance or Disability Living Allowance for those aged over 60. For the period 2006-2008 a target of 2,840 claims was set. The Benefits Service established a temporary team who undertook targeted campaigns and produced publicity material which eventually led to gains of 1,773 claims, or approx 62% of the target. Unfortunately the shortfall means that the Council receives no reward for this target.

Council Tax and Business Rates

58. The collection of Council Tax (BVPI 9) and Business Rates (BVPI 10) continues to improve. Council Tax collection increased from 96.8% in 2006-07 to 97.3% in 2007-08 whilst Business Rates was up just 0.1% to 98.3%.
59. We also monitor the prior year arrears debt position and for Council Tax this reduced by £1.86m or 38% over the year. The overall net debt position is little changed - £4.99m was outstanding at 31 March 2008 an increase of £60k over the previous year's figure. The target for 2008/09 is to reduce prior year arrears by 42%.

Projects

Work In progress		Update on activities
a	Benefit improvement work as part of easy@york programme	Increasing skills set of all benefits staff after training needs analysis work. Provision of training resource and material from external supplier.
b	Improvements in administering Benefits Change of Circumstances and New Claims	Two main measures have improved. Further improvement expected in 08/09 following implementation of new technology (see a above), accepting change of circumstances over the phone and new customer appointments system. Work has started on developing an action plan to satisfy the Benefits Key Lines of Enquiry document from the Audit Commission.
c	Council Tax – additional e-forms automation	Work ongoing to automate some of the customer self-service e-forms (subject to matching business rules). Also planned enhancements to reporting programs to enable quicker data analysis.

d	Performance Monitoring	<p>Business Management team working on enhanced monthly reporting and developing a dashboard for council tax, benefits and YCC.</p> <p>Changes to the way we submit benefits data files to the Department of Work and Pensions (DWP) in testing phase.</p> <p>YCC working to improve regular communications to a wider group of Members</p>
e	Benefits - Equalities Issues	Further development of ethnic group monitoring required. Equalities Impact Assessments needs to be completed.
f	Improvements in administering benefit overpayments and appeals	These work areas recently subject to external review by the DWP's Performance Development Team. Their recommendations will need to be costed and agreed.
g	Improving service quality within the YCC	<p>Plans to extend opening hours and pilot Mon-Sat opening for 3 months.</p> <p>Introduce Call Quality Framework.</p> <p>Mystery Shopper initiatives with partners in North Yorkshire</p> <p>Working towards compliance and accreditation of the Local Government Performance Framework, Contact Council Blueprint and Customer First</p> <p>Ongoing multi-skilling to cover Council Tax service</p> <p>New services and structure to support easy@york phase 2 and other new services</p> <p>Joint working with Neighbourhood Services to review end to end processes</p> <p>Remaining staff to complete NVQs</p> <p>Finalise progression matrix to develop staff skills and knowledge</p> <p>Satisfaction surveys to include Neighbourhood Services</p>

Financial information

60. Following the reported underspend at monitor 2 of £349k, the position within Public Services has changed further to a reported underspend of £608k.
61. As reported in monitor 2 the main underspend is due to the review of the Housing and Council Tax benefits subsidy (£-314.2k), taking into account a reduced bad debt provision (£-350.8k) and also the much improved collection of Overpayments (£-53k). In addition there is an underspend of £-97k within Housing benefits against the budget, due to 100% subsidy on Local Authority error overpayments where we are performing well below the thresholds. This has been offset by an increases in eligible overpayments and expensive B&B costs where we only receive a set amount of subsidy from the DWP.

62. Additional costs have been incurred as a result of the Benefits improvement work as part of the [Easy@York](#) programme, this has been a combination of additional Housing Benefit Support (HBS) agency staff costs (£+25k) in house Easy project staff costs (£+152k) and software enhancements (£+33k). Further costs are anticipated in the early part of 2008/09 on the provision of training and a carry forward request for £20k is requested. The Specialist queue management software has not been implemented and a carry forward request for £50k is being made so that this work can be completed in 2008/09 in preparation for the move to Hungate.
63. This has been a successful year for the York Customer Contact Centre, which has made continual improvements to its services over the year including additional Easy project work on technical telephony (£+79k). Staffing and training costs have overspent against budget (£+50k) due to the increasing complexity of the new services being incorporated.
64. There are other minor variances within Public Services which are detailed in Annex 2.

Property Services

Performance headlines

65. Danesgate School – Development of a sustainable timber-framed teaching environment including a wood-pellet biomass boiler, completed. Winner of the Green Apple Award for environmental achievement. (£2m)
66. Acomb Library 'Explore', completed within budget (£700k) and ahead of time. Including a wood-pellet biomass boiler. Yearsley Bridge Pool refurbishment completed to very tight timescale (£1.0m). Winner of a York Design Award on 15th May.'
67. Energy and Water Management Group (EWMG) - a cross-Directorate group focussed upon establishing policies, protocols and an action plan for the management of energy and water usage by the council, operating within the council's corporate Environmental Management System (EMS)
68. Contributed to the successful bid for funding to support the re-development of the St Clements Hall development (£1m)
69. Established the first Area Asset Management Plan at Tang Hall and identified Acomb and Leeman Road as the next two areas.
70. Achieved capital receipts of > £7m – including the Osbaldwick Lane Field, Lidgett Grove, Hebden Rise, Bonding Warehouse, Strensall Youth Club, 2 High Petergate and 3-4 Patrick Pool
71. Gone live with the new Technology Forge property database and successfully migrated data from the old Britannia system to the new.

72. Hungate new headquarters feasibility study and subsequent design development through to Royal Institute of British Architects (RIBA) Stage D (scheme design) and a subsequent planning application in May 2008.
73. Completion of a strategic review and business case for a proposed Facilities Management strategy for the new accommodation portfolio, with a recommendation that the strategy will be operated on the basis of a Total Facilities Management (TFM) /Bundled approach.

Performance indicators

74. Property Services achieved 88% of the capital receipts target, the outstanding disposal was subsequently completed in April 2008.
75. The council's relatively low investment in maintaining its buildings together with the Comprehensive Performance Assessment (CPA) requirement to complete condition surveys has caused a significant rise in both the percentage and value of buildings needing urgent repairs.

Description	06/07 perf.	07/08 Target	07/08 result
BVPI 156 - %of buildings open to the public with access for the disabled	83%	85%	87%
COLI 51 - % of target capital receipts received in the year	106%	100%	88%
COLI 52 - % of Council floor space vacant for more than 12 months	0.15%	1.25%	0.16%
COLI 67 - % of local authority buildings needing urgent repairs	11%	10%	27%
COLI 68 – Value of outstanding urgent/ essential repairs to council buildings	£12,773,833	Not Set	£18,990,468

76. Outstanding repairs to educational properties have risen by £6.3m. This will reduce in future years when major projects at Joseph Rowntree Secondary School and York High School are completed. Other property sector increases have been offset by the recent investment at Yearsley Pool.

Projects

Work In progress		Update on activities
a	Capital Programme	<p>Projects on site: York High, Tang Hall Phase3; Fulford 6-classroom extension; Haxby Road and Poppleton Road school extensions; Burton Stone Lane lift and alterations; Willows changing place</p> <p>Design stage: Silver Street toilets and changing place; Oaklands Pool; Scarcroft School Learning Resource building; Stockton on forest refurbishment and alterations.</p> <p>Pre-design stage: Clifton-Rawcliffe Primary School</p>
b	Yearsley Bridge/ Huntington Road Day Centre.	Closedown and demolition works being planned
c	Area Asset Management Plans	Acomb (North and South); Leeman Road; Clifton Without and Rawcliffe.
d	Service Asset Management Plans	Commercial Portfolio review – implementation and development of initial plan, Young People’s Service, Older People’s Care Provision, Parks & Open Spaces, Car Parks, Community Centres and Neighbourhood Services
e	Property Database and Asset Register Development (tf)	Developing Capital Valuation system which will integrate with new FMS system. Developing access to floor and site plans through property database.
f	<p>Hungate Land assembly:</p> <ul style="list-style-type: none"> • Relocation of the Ambulance Service, and the Peasholme residents • Demolition of the Ambulance Station and the Peasholme Hostel • Closure of the car park and subsequent phase 2 archaeology on the site <p>Completion of the new Homelessness Hostel at Fishergate</p>	<ul style="list-style-type: none"> • Final Negotiations with the ambulance service underway • Temporary relocation of the Peasholme residents to meet the project timescale for land assembly • Tender for archaeology awarded • New Hostel at Fishergate due for completion November 2008

g	Preparation of the planning application for Hungate	<ul style="list-style-type: none"> • Application to be registered end of May 2008 • Planning Committee scheduled for September 2008
h	Ongoing space planning	<ul style="list-style-type: none"> • Phase 1 space planning review July 2008 • Phase 2 June 2009 • Final Phase 3 March 2010
i	Maximum Target Price for Hungate Headquarters	<ul style="list-style-type: none"> • RIBA Stage D (Scheme design) through to RIBA Stage K (Operations on site)
j	Outline planning applications to support the sales of Ashbank, Hollycroft, Yearsley Bridge	<ul style="list-style-type: none"> • Framework planning consultants commissioned to undertake this work
k	<ul style="list-style-type: none"> • Facilities Management-Scoping exercise • Preparation specification /brief for new accommodation portfolio 	<ul style="list-style-type: none"> • Recruitment - Development Officer for FM • Procurement of FM Consultants

Financial information

77. Property Services has a net underspend of £170k. The main reasons have been the overachievement of the commercial portfolio (£118k) and lower than budgeted energy costs and costs of dealing with surplus properties (-£43k).
78. Of the £170k, £50k of carry forward is requested to enable completion of the review to improve business efficiency, work planning and communication.

IT&T

Performance headlines

79. The department continues to provide a secure, robust, scalable and highly available ITT infrastructure including corporate and departmental systems. It has exceeded most existing agreed service level targets for 2007/08 and has raised certain targets for 2008/09 and beyond.
80. The department received approx 33,500 requests for service during 2007/08 and satisfaction with the resolution of calls continues to exceed 90%. The overall satisfaction with the total portfolio of services provided by ITT is an impressive 91.16%.
81. The department successfully delivered a number of high profile and high-risk infrastructure projects supported by the introduction of governance controls that underpin current and future Council wide Service Delivery. These included:

- a) Successfully moving a number of the Business Systems data, including the Council's Integrated Revenues, Benefits and Housing system, over to a more flexible and robust information storage platform with no disruption to the customer base.
 - b) Further improved departmental system recovery services by expanding the use of a more effective back up process enabling the support teams to reduce the restoration time taken to recover from a failed Business System scenario.
 - c) Successfully installing a new antivirus solution for all the Corporate and Departmental Business Systems that provides a more effective level of antivirus protection without impacting upon the performance of the System itself.
 - d) Implemented a new secure email service that encrypts the information to ensure the secure transfer of information to recipients outside of the Council.
 - e) Successfully upgraded the capacity of the network link between 4 Museum Street and 10/12 George Hudson Street (GHS). This provides improved infrastructure services for the departments customers and further improves data recovery times and business continuity facilities.
 - f) Successfully installed a new Corporate anti spam solution that provides a more effective level of protection without impacting upon the performance of the email delivery service.
82. The department has worked on a total of 36 development projects during the year, of which 16 were from the 07/08 IT Development Plan process and 20 were already in progress from previous years and these included the longer term multi year projects.
83. The department has successfully completed 76% of the 07/08 IT Development Plan projects that were planned for in year completion.
84. The breakdown of the 22 projects open or active at the outturn of 2007/08 is as follows;
- a) 11 are multi year projects and were not planned to be complete in year
 - b) Three are behind schedule because of complex procurement/commercial discussions
 - c) Three are late because of change in business requirements that generate a re-assessment
 - d) One is behind schedule because of technical issues
 - e) Three are late to insufficient resource availability from the business
 - f) Two were cancelled due to changes of the original business requirements

85. An additional 37 requests for Business Development team Support resource time were received during 07/08 to meet new business or legislative priorities.

Performance Indicators

86. Although IT&T have a single Council Plan indicator, they have developed a robust suite of local indicators to map service performance. Some of the key ones are listed below and highlight the high levels of service achieved by the department.

Description	07/08 Target	07/08 Actual
Number of high priority calls resolved within the SLA of 0-6 hours.	90%	73.15%
Number of medium priority calls resolved within the SLA of 3 working days	85%	89.56%
Number of std priority calls resolved within the SLA of 5 working days	85%	97.84%
COLI 71 – % of time that the Council's ITT systems and corporate network infrastructure is available during the core business hours Mon/Fri 8am-6pm	99.30%	99.88%
% of time that the Telephony services is available during the core business hours Mon/Fri 8am-6pm	98%	99.88%

Financial Information

87. ITT is a very complex and dynamic area with a budget of £5.2 million and there are over 130 different active cost centres to manage.
88. There were 72 IT development projects and development activities worked on during 2007/08. Project completion is dependent upon a host of factors including staff resource availability from across the Council, the impact of changing priorities within the associated business areas and procurement negotiation activities. All of these can and do have a major impact on the ability to deliver to original timeframes and planned budget.
89. At monitor two the Department was reporting an underspend of £115k, at outturn this has increased to £250k, and this equates to 4.6% of budget.
90. Of the £250k, £129k of carry forward funding is requested to enable completion of the following work that is in progress:
- a) £18k to complete the externally provided consultancy work necessary to scope and deliver maximum benefit from a corporate Voice and Data managed service contract that is scheduled for replacement in November 2008. The current services are provided through 3 contracts negotiated separately within different directorates and the work being undertaken to consolidate these contracts into one are expected to deliver financial and contractual management benefits to the council and fund the internal network for Hungate
 - b) £62k to provide specialist project management and consultancy resource that is necessary to scope and deliver a corporate Electronic

Document Management Service to the council. This is a complex project encompassing not only the technology requirements but also the cultural and logistical issues that must be addressed to ensure that the authority has the required system in place prior to the move to Hungate in 2010.

- c) £49k to help fund the delivery of the Kirona/Vodafone Corporate Mobile solution work. This vital set of services will enable the authority to fully exploit the potential opportunities of flexible and mobile working technologies and culture and, as above, is necessary to deliver assumptions that have been made as part of the Accommodation review.

91. The remaining £121k underspend is the net result of a complex number of activities that are summarised at Annex 2.

Easy Project

Performance headlines

92. Since go live in February 2007 we have seen: -

- a) Still achieving 99% of customers satisfied but an increase in the higher level of “very satisfied” to 93% of the respondents from 90% in the higher category last time;
- b) £307k of efficiencies, cashable and non cashable savings
- c) A further £350K of ongoing annual savings planned from Phase 2
- d) 88% reduction in complaints in 2007/8.
- e) Speech recognition technologies handling 25% of telephone contact
- f) 72% of Revenues transactions handled entirely at point of customer contact
- g) 96% of all service requests completed within SLA – 98.91% completed within 1 day of the SLA (up from 92% last year) – this was on a total number of 79,215 Service Requests processed;
- h) Transactional web site with 14,013 transactions processed
- i) £1.6m of payments have been taken via the electronic transactional web/CRM in the past twelve months, up 97% on the previous year.
- j) The new web-site experienced 1,388,590 visits over the course of the year at an average of 3,793 per day representing 990,930 visitors;
- k) Council Tax call answering at year end billing time (for the months of March and April) radically improved – 91.4% calls answered in 20 seconds (representing a total of 11,333 calls answered within 20 secs) as against just 23.3% last year (representing just 2,622 calls answered within 20 secs). During that period the abandoned call rate was just 0.7% this year compared to 39.3% last year.

Financial overview

93. The [Easy@York](#) Programme has a reported underspend of £81.3k which is the variance against the current years activity. Some projects have slipped

(Benefits Implementation, Income Collection) and therefore the reported underspend is requested to be carried forward into 2007/08.

94. Funding available from Local Public Service Agreement (LPSA) grants of £1.39m and which has not been required by the Easy Phase 1 programme is being held on reserve and will contribute towards the funding of Phase 2.

Audit and Risk Management

Performance headlines

95. The Division has continued to build on the successes of the last few years, providing high quality, low cost, customer oriented services which serve to uphold and protect the corporate needs and interests of the Council and the wider community. Particular performance high-lights in 2007/08 include:
- a) the adoption of the Competition Policy, Sustainable Procurement Policy and Strategic Procurement Programme further to the publication of the Corporate Procurement Strategy and accompanying 3 year action plan for the on-going development and improvement of procurement practice at the Council;
 - b) the achievement of 92% of the annual audit programme for 2007/08 (compared to the industry standard target of 90%);
 - c) the successful on-going development of the shared service initiative with NYCC to provide Audit & Fraud services across north Yorkshire (a specific report on the next steps in progressing to go live during the remainder of 2008/09 is included elsewhere on the agenda for June Corporate Services EMAP);
 - d) the completion of approximately 87% of the Corporate Governance work programme, that included the adoption of a number of key infrastructure improvements and innovations such as the adoption Council's corporate Code of Governance by Audit & Governance Committee on 21 September 2007;
 - e) the review of Internal Audit Service by the Audit Commission which found that the service met the new Code of Practice standards (a composite of challenging professional service competencies that were introduced nationally in January 2007) and that the service had much to commend it;
 - f) a significant reduction in breaches of financial & procurement regulations as reported to Audit & Governance Committee on 21 September 2007. This improvement is strongly linked to the excellent progress made over the last 3 years to strengthen the Council's internal control arrangements and governance infrastructure and is viewed as a very positive step forward in helping the organisation to avoid the kinds of unnecessary risks and costs associated with the possible consequences of non-compliance;

- g) a score of 3 (Good) given in respect of the 2007/08 CPA Use Of Resources assessment by the District Auditor, compared to a score of 2 (Adequate) in 2006/07;
- h) continuing trend of improvement noted through the CPA Use of Resources (UOR) assessment for all ARM services from 1s and 2s in 2004/05 (first year of the UOR assessment) to 3s and 4s in 2007, the most improved being internal audit which has moved from 1s and 2s to consistent 4s across the piece in the last 3 years. The Council has also been recognised for the first time as a site of 'notable practice' by the District Auditor in respect of the arrangements for promoting fraud awareness and counter-fraud work;
- i) a comprehensive Information Governance Strategy and medium term action plan setting out a new policy framework and associated change management programme needed to support the Council's move to one site operations at Hungate;

Performance indicators

96. The Division is responsible for three Best Value Performance indicators relating to Housing and Council Tax Benefit fraud investigation services. Year to date performance is as follows:
- a) BVPI 76b – year end performance (0.49) is slightly below target caseload ratio (0.50) which is directly related to an 1.5% increase in claimant numbers compared to 2006/07 in the absence of a corresponding increase in Fraud Investigation resources compounded by other resourcing pressures including vacancies and the long term sickness absence of one investigator during the latter part of the year;
 - b) BVPI 76c – year end performance (43.20) is below target expectations of 45, affected in the same way as BVPI 76b by an increase in demand and resourcing pressures;
 - c) BVPI 76d – year end performance (3.96) was well below target expectations of 4.9 reflecting the impact of resourcing issues within the team during the year.

Projects

Work In progress		Update on activities
a	Development of the Supplier Contract Management System	Work continues and has been re-programmed to dovetail with the implementation of the new financial ledger during 2008/09.
b	Shared service initiative for Audit & Fraud services in partnership with NYCC	Members approved outline business case and wholly owned company vehicle
c	Development of a 3 year medium business plan for the Division	Work on this has been suspended subject to the outcome of e/ above

d	CPA UOR 2008 assessment	The 2008 self assessment has been completed and submitted to the Audit Commission for their review. It is expected that initial indicative scores will be discussed with officers in September 2008 and finalised in late autumn.
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Financial overview

97. Audit & Risk Management has a net overspend of £76k compared to the forecast overspend at monitor 2 of £104k. The main reason for the reduction against monitor 2 figures is that the anticipated fee increases from the Audit commission were avoided.
98. As previously reported the main reason for the overspend is the shortfall of income relating to the Yorkshire Purchasing Organisation dividend (£+40k). The additional pump priming expenditure on fraud and investigation activities, and procurement consultancy have largely been offset through holding staff vacancies and an increase in fee income.

Financial Services

Performance headlines

99. 2007/08 has been another successful year for Financial Services. In addition to achieving the deadlines for budget setting, closedown and reporting, we have selected a contractor for the financial replacement system and have negotiated a settlement on equal pay across the council. The payroll team have also provided ongoing significant support to the Job Evaluation process.
100. Since the second monitor the Accountancy section have again focussed on the need to agree a balanced budget for 2008/09 to 2010/11. This was achieved at Full Council on 21 February 2008.
101. This year the involvement with the budget process was even greater than in previous years because of the work undertaken with all the political groups in advance of, and during, the Budget Council meeting, to ensure that budget amendments are properly constructed and financially sound.
102. Financial Services is leading the replacement of the Council's financial systems and the transport project, has a key input into the job evaluation and equal pay process and is supporting key corporate projects such as the Admin Accom and Carbon Management Project. All of these are placing substantial pressures on the section, alongside the vacancy of the Head of Finance post for a critical period during the budget process.
103. Financial Services is also responsible for the Council's treasury management function, the performance for which is reported elsewhere.

Performance Indicators

104. The service is responsible for one indicator, BVPI 8, the percentage of invoices paid by the council within 30 days of receipt.
105. The target of 95% has not quite been achieved and performance has decreased from 93.29% in 2006/07 to 92.82% in 2007/08. This has arisen as

a result of more detailed controls being introduced and monitored. To put this into context, of the 77,104 relevant invoices processed by the Council during the last financial year only 5,171 were not paid within 30 days of their receipt, and in many instances this failure was only by a small number of days.

Projects

Work In progress		Update on activities
a	Statement of Accounts	Over recent months work has been underway to make the changes required to adapt to these changes and this will continue until the accounts are presented to Members in June. There have been some technical accounting changes that will require additional presentation of issues in 2007/08 accounts Closure of 2006/07 accounts on schedule and with an unqualified audit opinion
b	Job Evaluation/ Equal Pay	Managing the development of affordable solutions has taken a major staffing input at a senior level. Work is ongoing to implement changes if the staff ballot supports the changes. Agreements in respect of equal pay have been heavily supported by financial services teams
c	FMS Project	With the appointment of a new Project Manager the implementation process has commenced following the selection of the contractor. It is anticipated that the replacement system will go live in January 2009.
d	Transport Review	External consultants Kendrick Ash are currently drafting their findings on the outcomes of this review.
e	Oversight of major projects for final accounts	The service is currently undertaking a number of reviews to ensure that key projects such as Job Evaluation are properly accounted for in the 2007/08 statement of accounts.
f	Income Collection	The service is managing key aspects of the review of income collection policy and procedures across the council. A draft income collection framework policy is currently under consultation
g	Sickness Issues	HR policies and processes are being followed to reduce sickness levels, and in particular dealing with long term sickness which has been identified as a priority issue.

Financial information

106. An underspend of £332.3k is being reported for 2007/08 outturn, this relates primarily to the slippage of the FMS project due to a longer than expected procurement process. In order to bring the introduction of this project to a successful conclusion It is requested that the underspend of £234.5k is carried forward into 2008/09.
107. The remaining underspends have arisen due to savings on staff vacancies in the Accountancy team (£-64k) and due to staff being seconded to support the

job evaluation project from Payroll (£47.5k). Additional costs of £14.2k have been incurred on the budget consultation process.

Carry Forward Requests

108. There are a number of carry forwards due to slippage on projects which are detailed in the table below.

	£'000
<u>Financial Services</u>	
Project slippage on replacement Financial Management System.	234.5
Income Collection project - further process work is required and following this there will be the implementation costs of the policy.	45.0
<u>Audit & Risk Management services</u>	
Set up costs for the new shared service vehicle.	15.0
Additional Resources to fund work on the competition strategy	35.0
<u>IT&T Projects</u>	129.0
Corporate voice and data managed service - £18k	
Consultancy work to scope & deliver maximum benefit from the Corporate Electronic Document Management Service - £62k	
Delivery of the Kirona/Vodafone Corporate Mobile solution work. - £49k	
<u>Public Services</u>	50.0
Specialist Queue Management technology to be piloted in preparation for the move to Hungate.	
Ongoing Benefits improvement work and provision of training as part of Easy @ York Project.	20.0
<u>Property Services</u>	
Business management review to improve business efficiency and work planning	50.0
<u>Easy Project</u>	81.5
To support mobile working, income collection, and benefits implementation projects.	
Total Carry Forward requests	660.0

109. In addition there is a request for a corporate carry forward of £50k in respect of slippage in the IT Development plan for project staff. This will be considered by the executive as part of the Council wide year end monitor report.

Capital Programme

110. The Resources approved capital programme totals £6,062K with total expenditure for 2007/08 of £3,568k, representing a variance against budget of £2,494k. Details of the variances appears in Annex 5.
111. The main reasons for the underspend are associated with the slippage on the Admin Accommodation project (£-934.9k) and Slippage on the IT Development plan (£848.7k).

Options

112. That Members choose to support all, some or none of the carry forward requests.

Analysis

113. If Members were not to support the carry forward requests as laid out in this report this would put additional pressure on budgets in 2008/09 and a number of initiatives would not be able to proceed as planned.

Corporate Priorities

114. This report supports the priorities of the Corporate Strategy as follows:
- Improve our focus on the needs of customers and residents in designing and providing services
 - Improve the way the Council and it's partners work together to deliver better services for the people who live in York
 - Improve efficiency and reduce waste to free up more resources

Implications

Financial

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

Other Implications

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

Risk Management

117. Risk Management is a key issue and risks in this report have been highlighted in the various different service areas.

Recommendations

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

- Note the year end financial situation
- Note the improvement in performance achievements and comments
- Approve the carry forward requests to go forward to the Executive

Reason – in accordance with budgetary and performance monitoring procedures

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Report Approved **Date** 29/05/2008

Specialist Implications Officers: None other than those included in the report

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Documents referred to include back catalogues of Council Plans, the Resources year end report 2006/ 07 and mid term monitor reports.
Budget monitoring files held within City Strategy Finance

Annexes:

- Annex 1** – Service Plan monitoring reports
- Annex 2** – Revenue Budget variances
- Annex 3** – Resources performance tables
- Annex 4** – Appraisals indicators
- Annex 5** – Capital Programme 2007/08 variance report
- Annex 6** – Directorate priority updates