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**Executive**

**15<sup>th</sup> December 2009**

Report of the Corporate Management Team

## **MoreforYork Update – Income Collection and Sustainability Review**

### **Summary**

1. This report sets out a general update on work on the 8 agreed moreforYork workstreams, provides a review of the sustainability impacts of the programme, sets out further proposals for member decision regarding the provision of community based cash collection and proposes commencement of 2 further blueprints, for inclusion in the programme.

### **Background**

2. The moreforYork Programme has been established to transform City of York Council into a more effective organisation that delivers
  - **More for our customers**
  - **More for our employees**
  - **More for our money**
3. The scope of the programme was agreed by Executive in July 09 and in October 09 Executive agreed the detailed proposals for 8 of the 10 workstreams. Two further blueprints are presented on this agenda (Organisation Review and Adult Social Care).
4. This report provides
  - Section 1 – An update on progress made on each of the 8 agreed blueprints
  - Section 2 – A review of the Sustainability impacts of the programme
  - Section 3 – Further detailed proposals for community based income collection
  - Section 4 – A summary of 2 additional recommended Blueprints

### **Section 1 – Progress report**

#### **Programme Office**

5. These 8 blueprints were agreed by members on October 20<sup>th</sup> 2009 and implementation work began immediately. Detailed plans are being drawn up for each

workstream with an overall Programme Plan outlining the dependencies between streams, and detailing the supporting workstreams such as IT HR and Finance. This is supplemented by directorate views of the plan setting out directorate specific workstreams and the impact of cross-cutting workstreams which enable each directorate to plan and co-ordinate their programme effort. Risk and Issue Logs, and mechanisms for tracking financial and performance benefits have also been developed.

6. Equalities Impact Assessments (EIAs) have been carried out for initiatives which will impact in the current financial year and feedback has been incorporated into relevant workstreams e.g. Provision of recycling containers. Further EIA events are planned to gain valuable input into all initiatives.
7. Consultation with staff and unions has commenced both at Joint Consultative Committees and directly with affected groups of staff.
8. Below are some of the highlights of this early work in each stream which may be of interest to members. This does not attempt to set out a comprehensive assessment of progress. This will be done in a milestone review in the next moreforYork Update report in the early Spring

## **Housing**

9. Good progress has been made and early savings have been identified from the Gas Maintenance area and from a deal to allow the University to source material from Jewsons via the Eco Depot. Productivity improvements have been achieved and a pilot of mobile working in Housing Repairs will commence in the New Year. A solution will shortly be procured for tracking vehicles to enable improved and more cost effective work allocation to teams working in the field.

## **Neighbourhood Services**

10. Waste and Neighbourhood Pride service - Major is work ongoing in order to optimise utilisation of waste and Neighbourhood crews and vehicles. A pilot of mobile technology will support the business in December and January. The provision of new containers is now being achieved in 5 days (down from 10 days). Recycling is now rolled out to 91% of the city.
11. Customer Services – Work is ongoing to streamline income collection in parking. Work is in progress to improve the end to end process, including major improvements to the YCC in April next year. This will make contact easier for the customer and will provide the necessary information to allow NS to continually and significantly improve the levels of service.
12. Highways - Work is ongoing on Highways maintenance contracts to enable them to work smarter with suppliers and neighbouring authorities.
13. Fleet and Transport - Significant ongoing savings of £176k have already been realised in the general running of the Neighbourhood's fleet, including renegotiation of the tyre contract.

## **Customer Services**

14. Resource analysis has been carried out to determine the optimum resource required in the York Customer Centre, resulting in the introduction of part-time working. All staff have been assessed for capability and performance, and team leaders have been coached in performance management.
15. A new face-to-face manager has been appointed. Work to co-locate city centre receptions in 9 St Leonard's and the City Finance Centre is ongoing and customers are being consulted as part of the Budget consultation.

## **Income Collection**

16. Work on the Top 30 commercial debtors is now complete, and £248k has either been paid or written off. £162k remains outstanding and is now being pursued aggressively.
17. The Single Person Discount review, matching council tax records for people claiming Single person discount with credit references to assess whether their claim is legitimate, has so far resulted in an increase in Council Tax collection of £237k.

## **Procurement**

18. A reduction in the use of first-class mail and the sending of all second class mail by TNT is expected to produce a saving of £90k with no reduction in service.
19. Changes to the authority's telephone tariff have been implemented and are expected to realise £35k of savings.
20. 67 contracts with a value of £24m have been identified as due for renewal before the end of the current financial year. The Head of Procurement is talking to each of the directorates to confirm the details and determine how best to progress.
21. Many anticipated quick win contracts have been identified including glazing, agency staffing, photocopiers and stationery. Benefits from improved arrangements can be anticipated this year.

## **ICT**

22. Savings of £14.5k have been achieved by the switch to BT One Bill.
23. Briefings with all of the staff likely to be affected have been held. Team members have also attended all DMTs, and agreed a plan for consolidation of teams and a list of staff to be included.
24. Multifunctional devices, which are to replace the current printers photocopiers and scanners, have been installed in 4 Museum Street and the Office of the Future, and their usage is being monitored.
25. An audit of all desktop hardware is almost complete, and the audit of the Microsoft licences will be complete by the end of the year.

## Property

26. Activity to date has concentrated on stakeholder engagement across CYC and obtaining input and buy-in to the detailed planning activity.
27. Two papers will go to Executive for approval in the New Year: A Review of the Commercial Portfolio and The Establishment of a Strategic Asset Management Board. Benefits from these are anticipated in 2010/11.

## HR

28. The e-recruitment system went live on 18<sup>th</sup> November, and to date there have been 21 applications submitted electronically. There have been 5270 hits on the site, with 260 people registering as users.
29. In November the HR Admin teams for Chief Executives, Learning Culture & Children's Services, Housing and Adult Social Care and the Recruitment Pool were co-located in Mill House, as the first stage in the formation of the HR Business Support Centre.

## Section 2 – Sustainability Review

30. The moreforYork Transformation Programme is built upon three key themes: More for our Customers, More for our Employees, More for our Money. Sustainability is an integral part of the initiatives within all of these themes. As a result of this the effectiveness of sustainability improvements will be a determining factor in the success of the programme.
31. Our customers and staff not only recognise the importance of sustainability but insist on CYC actively improving the sustainable environment. Whilst these views are sufficient in their own right to promote sustainability within the programme, it makes sound financial sense to deliver efficiencies in a sustainable way. Thereby the utilisation of new technology, processes and structures will enable us to provide our services more effectively and with less resources today and reduce potential negative impacts / costs in the future.
32. The More for York Programme team have joined the Carbon Management Programme Core Team to ensure that the realisation of benefits is consistent with the Carbon Management Programme and that no double counting of any emissions reduction or cost saving takes place.

### Approach to Realising Sustainable Benefits.

33. **Blueprint Development** - During the development of the respective blueprints we ensured that the focus of benefit identification was not solely financial savings. Benefits for our customers, staff and the environment were given importance. Sustainable Initiatives or initiatives which had associated sustainable benefits were captured. Likewise any initiatives with negative impact were identified and mitigation sought. For example by tracking our vehicles we will gain efficiency through improved utilisation and this will ensure overall fleet emissions will reduce. We will be able to provide accurate data regarding emissions to prove this benefit.
34. **Profiling Benefits** - Part of the blueprinting process involved the development of Individual Benefit Profiles. Benefits have been grouped into six strands, which links in with CYC's Sustainability Impact Assessment criteria:

- Natural & Built Environment
- Climate Change
- Transport
- Economy
- Social
- Housing

35. **Sustainability Impact Assessments (SIAs)** for each workstream and the overall Programme have been compiled. SIAs for the moreforYork Programme are attached. at Annex 1.
36. **Measurement** - In order to measure the success of any initiative it is imperative to be able to monitor improvements and quickly identify failings to be rectified. Whilst drafting individual benefit profiles, indicators are identified to enable effective measurement. Often these indicators are easy to identify i.e. reduced spend can be measured by normal accounting processes. However softer benefits may not be so self evident or be suitable to be measured numerically. We are corporately reviewing the indicators currently in use across CYC so as to avoid duplication of effort and employ best fit. From this we can identify any gaps in data collection and plan how to measure benefits and collate data.
37. **Baselining data** - Once suitable Indicators have been established it will be necessary to baseline data to be able to measure performance and update profiles. Where there is not data available it will need to be established and maintained.
38. **Monitoring** – We will use the existing benefits realisation process to track the achievement of sustainability benefits as they are one type of benefit. The individual profile will explain the particular process to collate data and from what source (corporate or directorate performance data, data collected by a partner organisation such as North Yorkshire Police, or if we will have to collect the data
39. **Collate, Monitor & Report** We will update Benefit Realisation Plans with data as it is made available and undertake ongoing reviews of progress & identify how to maximise benefit the sustainability impact of the work we do.
40. **Future Development of Sustainability Improvement Initiatives** will be picked up as part of the Staff Suggestion Scheme which moreforYork is currently drafting.
41. **Overview of Sustainability Impact** – from our initial work the moreforYork Programme is likely to have a very positive impact upon :-
- **The quality of the built environment and the cultural heritage of York, preserving the character and setting of the historic city of York** – improved waste collection and grounds maintenance will improve standards of cleanliness across the city. The introduction of generic operatives will ensure litter & waste is removed in quicker timescales. The introduction of a comprehensive Facilities Management function will ensure an effective planned maintenance programme for CYC buildings
  - **Climate change by reducing greenhouse gas emissions such as CO2** – Reduction in usage of vehicles (reduced numbers & promoting shared use) will reduce CO2 emissions. Also planned Street Lighting Controls will ensure that CO2

emissions reduce, this will be underlined by a review of the street lighting procurement specification. Using a better type of tyre on vehicles will reduce fuel consumption, have a longer lifespan and hence reduce CO2 emissions. Dynamic scheduling of work and mobile working, improved quality (less rework), less inspections (get right first time), utilisation of multi skilled workers, vehicle tracking will all reduce CO2. The re-provision of a Data Centre will use less servers, rationalisation of printers, bulk printing, desktop and mobile devices will all reduce carbon emissions. Increased contact options and introducing Single Point of Contact for customers (& extending contact times) will reduce the need for customers to visit CYC offices. Better procurement will ensure the sustainability compliance of suppliers.

- **Reduced waste generation and increased levels of reuse and recycling** – Provision of 3 containers for recycling will improve recycling usage. Trader Waste Audits will identify leakage into the domestic waste stream and ensure it is dealt with effectively. Rationalisation of Printer Services & Managed Print will reduce paper usage by 50% after three years and increase recycling of waste. Improved Procurement processes will reduce the number of goods purchased.
- **Reduced air, land and water pollution** - Improved use of the CYC fleet and reduced customer travel will reduce air pollution. Improved facilities management in CYC buildings will also contribute to reduced CO2 emissions.
- **Prudent and efficient use of energy, water and other natural resources** - Through reduced travel for customers, reduced use of CYC fleet of vehicles, reduced energy utilisation by computers and printers and better compliance with CYC policies of our suppliers and more sustainable goods and services procured e.g. recycled paper.
- **Safety and security for people and property** – The introduction of a Health & Safety Asset Manager system will improve safety precautions. The introduction of Street Lighting controls will improve safety & security to both. By providing effective Soft FM measures i.e. fire prevention, security services, bacteria testing, health and safety standards in CYC buildings will improve. Better procurement will ensure suppliers comply with CYC H&S standards.
- **Reduce inequality and embrace diversity** – Consistency of advice and utilisation of best practice throughout CYC will impact on CYC staff. Services will be designed & maintained around the customer and their changing needs.

### **Section 3 – Income Collection - Proposal to extend the external payment service.**

42. This report sets out a proposal for members' consideration to move from the current city centre single cash payment facility to an externally provided facility based in local shops and post offices. This would mean extending the scope of the Allpay bill payment contract currently used to collect rental income, to include all cash payments due to the council. The contract is operated through the Northern Housing Consortium and is due to be retendered prior to July 2010. This solution reflects the practice already implemented in many other councils (for example Newcastle City, Wakefield, Bolton and Haringey Councils).

43. Implementation of this proposal would result in local post offices and small retailers handling up to 194,000 cash payments annually, on behalf of the council. The Banking Hall at City Finance Centre, would no longer be handling cash payments, freeing up the accommodation to be used to provide integrated face to face services to customers in preparation for the move to new Head quarters in 2012. This proposal will contribute £125k pa to the moreforYork Efficiency Programme in 2010/11.

## **Background**

44. On 20th October, Executive agreed a series of blueprints relating to the moreforYork Programme. The Income Collection blueprint set out proposals to explore the most cost effective methods for maximising income collection. Amongst these proposals was a recommendation to consider the merits of moving away from cash collection in council offices to an alternative community based method. Executive agreed the Income Collection blueprint and requested a further paper on cash collection following discussions with the Post Office.
45. The council has long understood the benefits of introducing more convenient and cost effective payment methods for its customers. In 2006, Executive agreed to the introduction of a phone based bill payment service via the York Contact Centre. In 2007 the council established an on-line payment facility through its website. Both of these changes have provided the public with an alternative payment method to cash and account for approximately 40,000 transactions per year. In 2007, it was reported to Executive that £72k per annum had been realised from administrative budgets through the efficiencies achieved by the introduction of telephone and on-line payments.
46. There are, however, customers who have limited access to banking facilities and cannot take advantage of direct debit and card based payment facilities. Also there are customers, mainly older people, who prefer to pay their bills in cash. The council currently offers a cashiering facility at the Banking Hall at City Finance Centre for these customers. This service handles around 82,000 cash payments a year. The majority of cash payments received relate to Council Tax and a more detailed breakdown can be found at Annex 2. In addition to the services provided from the Banking Hall, cash payments are accepted at the reception and parking offices at 9 St Leonard's. Cash payments are also received at Kings Court, Mill House and Acomb. The provision of bill payment services via cashiers is an expensive option for an organisation both in terms of the cost of staff to perform the transaction, but also the administration associated with counting/sorting large amounts of banknotes and coins that need to be processed and banked. Additionally there are quite significant costs incurred through the provision of CCTV and the secure transfer of cash to and from the bank. Taking all of these elements into account the cost per transaction through CYC cashiers at the Banking Hall is £1.52. The cost via the web and phone is estimated to be around 30p per transaction.

## **Proposal**

47. Aside from the primary objective to improve efficiency, a key principle of the moreforYork Programme is to provide more convenience for customers through extended hours of service and more ways to access, enquire and pay for services. In addition, the Programme is also looking to increase the opportunity for services to be delivered in the community. The current payment arrangements do not support these principles and require customers who have no banking facilities to travel into the centre of York to pay their council bills. Therefore a combination of the relatively high

transaction cost and lack of convenience has prompted a review of how cash payments should be handled.

48. Many other local authorities are now moving away from the direct provision of bill payment services to specialist bill payment providers such as the Post Office and Allpay. Allpay offer the facility for customers to pay bills through nominated retailers and any post office, with unit transaction costs of 42p and 47p respectively. Experience of our own Housing service (see below) and other local authorities who have moved to providers such as Allpay indicate that not only is it successful in terms of cash collection, but that it also proves popular with customers.
49. In 2006, Executive agreed to the introduction of the Allpay service to allow council tenants to pay their rent at outlets across the city. The feedback from tenants has been that the change was welcome and the service is popular and convenient. Since its introduction, the majority of Housing cash payments are made through this route. Over £25k rent money is taken every weekend, indicating that there is significant demand for weekend services. Additionally the service has improved the collection of rent and rent arrears year on year since the service was introduced. In part, it is considered that the convenience associated with Allpay has supported the improved cash collection in Housing Services.
50. A limited survey has been carried out to understand whether those who travel into the city centre to use the Banking Hall do so because they also want to access other council services. Overall, we believe that customers are in the main, simply paying a bill. Very few of those sampled intended to visit other reception areas. Customers have also been consulted about their preferences in terms of services within the new HQ. Of the 1654 responses only 19 or 1.14% wanted a cash office or bill payment facility and 6 or 0.36% wanted cash machines/bank facilities.
51. Given the positive experience with Housing, learning from other local authorities and our understanding of our customer base, we believe that these proposals will allow customers more choice about where they pay their council bills using cash. It is recommended that the current facility for customers to pay bills at the Banking Hall be replaced by a network of retail and Post Office outlets through the Allpay facility. Customers will have a greater choice to pay their bills at 68 retailers and 43 post offices spread around the York Area, many of which open longer hours than currently available at the Banking Hall. A full list of Allpay outlets and locations is attached at Annex 2. Naturally the council will continue to take positive action to encourage customers to pay by even more cost effective and convenient ways such as Direct Debit, Web based automated payments and telephone payments through our customer services contact centre (the YCC).

### **How does it work?**

52. The Allpay service operates on the basis of providing customers with a payment card that they take along to a post office or retailer. The card contains details about the customer that are provided, securely, by the council. This information is encoded into the card by Allpay and allows the cash payment to be credited to the council's bank account. If a customer loses their card, a replacement can be issued within 5 days on request. The card can only be used to credit their CYC account. Some Housing customers already have a card for their rent account and also one for their electricity payments. As the cards are branded, it is obvious to the customer which card relates to what creditor. From the council's perspective, payments are received within 24



hours into our bank account which means that there is no adverse impact on our cash flow.

53. It is proposed that there would be a 'roll-out' of cards over several months. The council services that currently attract large volumes of cash payments such as Council Tax would be targeted first. The extension of the Allpay service would be supported through an extensive marketing campaign in post offices and small retailers and would be paid for by Allpay. The council would use opportunities such as the annual issue of Council Tax bills to also market the service.

### **Residual Service**

54. It is proposed that payments would still be accepted at reception areas at St Leonard's for the period up until the move to a new HQ. However it is expected that customers will take advantage of the facilities offered elsewhere and the numbers of cash transactions will significantly reduce. Our plans suggest that by April/May 2010 there will be sufficient capacity at the reception areas at 9 St Leonard's to allow residual cash payments to be handled there and the Banking Hall will close. At that point it is expected that a modest refurbishment of the Banking Hall will allow Housing Options/Advice to be provided from there. Consideration is being given to the provision of Automated Payment machines to supplement the reduced cashier service.

### **Post Office/Retailer Impact**

55. Changing demographics over recent years have seen local and neighbourhood shopping centres facing an uncertain future. The move to Allpay payments through local retailers and post offices will contribute to their sustainability and encourage wider use of post offices and other businesses. Officers recently met with the Post Office to discuss this proposal. They are very keen to work in partnership with the council and believe that Allpay is the best channel for Council Tax and Sundry Debtor accounts.

### **Link to Customer Service Blueprint**

56. On 20th October, Executive also agreed the proposals contained in the Customer Services Blueprint document. One of the key initiatives here was to consolidate all customer facing activities at the reception areas in St Leonard's. This consolidation is dependent upon the overall reduction in cashiering to a level that can be managed from within spare capacity at 9 St Leonard's. In future, the majority of residual cash transactions will be managed through the secure Parking reception area.

### **Conclusion**

57. The provision of the current cashier service is both costly and inefficient. Cash is expensive to process, with especially high bank charges for coin. For customers who currently pay their bills by cash, we currently only offer one facility through which to pay, meaning a trip into York city centre. The extension of the Allpay bill payment service to Council Tax and Sundry Debtors will not only significantly reduce costs, but will offer customers more choice about where they pay.

### **Risk Management**

58. Two key risks have been considered. The first relates to the risk that less income will be collected as a result of this change. It is not considered that this is a serious risk. Evidence from other local authorities suggests that the provision of more payment

outlets actually increases the amount collected. From our limited experience at CYC with Housing Services, there was an increase in the collection rates and that has been maintained since the move to Allpay. It has proved particularly effective in terms of the collection of rent arrears. Naturally this will be reviewed on a monthly basis should Executive agree the proposals in this paper. The second risk has related to the procurement approach. The original contract was procured for Housing Services. Having discussed it with procurement experts and legal services, we are content that the contract we have allows for an extension to other council services.

59. In addition to the above this proposal will raise additional risks, which will be managed by the Customer Services project team:
60. Staff morale may be affected by the proposal to move to an external bill payment method. The impact will be mitigated by reducing the impact on staff where possible through effective vacancy management, redeployment, training and turnover. An effective communication plan will also ensure that staff are kept informed about any changes impacting on them.
61. Some customers will inevitably be uncomfortable with the changes to service provision, which may result in some reputational damage. This risk will be mitigated through a positive marketing and communications exercise stressing the positive elements of the change (increase in customer choice and reduced costs to the council tax payer). Unions may challenge the changes. The project will ensure ongoing union involvement and staff consultation.

### **Equalities Implications**

62. An initial desktop Equalities Impact Assessment was carried out in the early stages of the Income Collection Blueprint. At that stage it was considered that this proposal would not have a detrimental impact on any customer groups. In fact it was considered that the increase in choice would be of benefit to some groups and feedback from customer groups suggested that those who collect their pensions or benefits at the post office would particularly welcome the change. In recent weeks specific consultation has been carried out in order to plan and deliver this service in a fair and inclusive way. Feedback has been positive and there is no evidence that this proposal will adversely impact any customers. We will continue to survey staff and customers to assess whether we need to make any further changes to improve the customer experience.

### **HR Implications**

63. There will be a reduction in the number of employee posts as a result of this proposal. It is expected that at least 6 posts will be removed from the establishment as the in-house demand for cashiering services reduces. Immediate alternative opportunities have already been identified for staff, within the customer services environment together with support for reskilling.
64. Employees and their representatives have been consulted on these proposals and ongoing communication with both staff representatives and individuals will take place throughout the change process.
65. The restructure of the Cashiers service will be implemented following council policies and procedures that are contained within the Management of Change policy. Suitable

redeployment opportunities will be provided wherever possible for any displaced staff. Any changes to staff roles will be supported by new and updated job descriptions which will be evaluated by the City of York Council's job evaluation team.

## Financial Implications

66. The proposals in this report contribute to the achievement of the efficiencies being sought through the moreforYork Programme. The current cashier function costs around £295,000 primarily in staff costs and banking charges. This equates to a unit cost per transaction of £1.52. The Allpay charges for the same volume of transactions would be £52,000 (based on an assumed 70/30 usage split of retail outlets to post offices). This represents a potential saving of £243,000. However there is still a requirement to provide some cashiering support to Parking Services to deal with the coinage that they collect. This will reduce the potential savings target to £125k pa. A further piece of work to consider how the collection of coin could be managed to reduce these costs further.

All Pay Costs	2009/10				2010/11
	January	February	March	Total	Full Year
<b>No of Transactions</b>					
Council Tax	6,300	-	-	6,300	75,600
Business Rates	173	173	173	519	2,076
Rents	2,658	2,658	2,658	7,974	31,896
Debtors	-	712	712	1,424	8,544
Housing Benefit Overpayment	-	121	121	242	1,452
	9,131	3,664	3,664	16,459	119,568
<b>Transaction Costs</b>	<b>3,973</b>	<b>1,594</b>	<b>1,594</b>	<b>7,161</b>	<b>52,020</b>
<b>Cashier Function Savings</b>					
Employees	-	11,180	12,096	23,276	145,152
Office Expenses	-	1,218	1,218	2,436	14,616
Bank Contract	1,492	1,492	1,492	4,476	17,900
<b>Total Savings</b>	<b>1,492</b>	<b>13,890</b>	<b>14,806</b>	<b>30,188</b>	<b>177,668</b>
<b>Net Savings</b>	<b>- 2,481</b>	<b>12,296</b>	<b>13,212</b>	<b>23,027</b>	<b>125,648</b>

## Options

67. There are only two options associated with this report:
- Agree the proposals . In summary, the move to Allpay improves accessibility and choice for all our customers and delivers a service that is responsive to our customers needs and generates annual ongoing savings of £125k.
  - Retain the existing form of service provision which will have a detrimental impact on future customer choice and the ability to achieve the efficiencies identified in both the Customer Services and Income Blueprints in the moreforYork programme.

## Section 4 – Additional Blueprints

68. The blueprints that have been agreed to date form the first phase of the programme. In order to achieve the agreed savings targets and to enable the organisation to respond to issues which arise during the implementation phase, it has always been the intention to identify further workstreams. Presented below are 2 further areas where a blueprint needs to be developed to identify whether work should be initiated. Members are asked to agree the development of the blueprints which will then come back to Executive for agreement before any implementation begins.

### **Children' s Social Care**

69. LCCS and Children's Social Care (CSC) in particular are facing very significant challenges as a result of developments across the national Children's Social Care environment. Specifically:
- A more frequent and rigorous inspection framework (including unannounced spot inspections)
  - A significant increase in referrals for safeguarding services following Lord Laming's review into the tragic death of Baby Peter
  - A subsequent increase in demand for care placements
70. These circumstances put the department under pressure both in terms of staff capacity and financial resources and hence maintaining a safe high quality service is more difficult.
71. The significant increase in referrals to children's social care has resulted in a rise in the number of looked after children, which in turn has increased the costs incurred by the service. This situation, reflected across the country, reduces any capacity for preventative work by social care professionals and leaves the organisation simply reacting and deploying already stretched resources to respond to some of the most vulnerable and 'at risk' children & young people in the city. This reduced capacity to undertake the critical preventative and early intervention work increases the likelihood of more costly and intensive interventions (including becoming looked after) at a later stage. An increase in such outcomes is in the interest of neither the council nor those involved.
72. After a careful analysis of local trends and national drivers, LCCS have developed a clear vision of the key changes that are needed to address this situation. However CSC recognise that they lack the change management and project management expertise to successfully deliver the ambitious yet necessary changes in the required time. The involvement and support of moreforYork in this work will give it the structure, resources and drive needed to enable the service to transform itself and meet the challenges it faces on cost and capacity. Without this support it is unlikely that the required changes will be delivered successfully.
73. This work will be undertaken by the CYC team and will not form part of the risk reward contract with Northgate Kendric Ash.

### **Finance, Performance and ancillary areas**

74. In July, Executive received a report on the 'Effective Organisation Programme-Efficiency Review'. It was stated in the report that "There are a range of early actions that need to be undertaken to provide a firm launch pad for the change. These include

consideration of the consolidation of some support services ahead of the move to the new HQ - specifically HR, Finance, IT and Procurement.'

75. Further to that report, it is now proposed to complete a blueprint focused on Finance, Performance & other support activities. The objectives are similar to those of the already completed HR, ICT and Procurement blueprint, where the potential to leverage efficiency gains and service improvements through the pooling and restructuring of resources into a central hub will be explored. This will include maximising opportunities/benefits by moving to consistent working practices whilst ensuring service delivery is fit for purpose for the respective activity areas.
76. The blueprint will support the proposal in the Organisation Review paper to create a central support hub for the organisation and will identify the most productive and efficient way of delivering these services. CMT are overseeing the work and it will run alongside the Organisation review and cover the following areas:
  - Financial support (including income and creditors as part of Income & Procurement Blueprints)
  - Performance
  - Policy
  - Partnerships
  - Associated admin support.
  - Any other support activities which are currently bundled together with finance, HT ICT or procurement within, which have not been covered in other blueprints so far
77. NKA are supporting this piece of work and if the blueprint is agreed by members (draft timescale March 2010) this will be incorporated into the contract and subject to the same Risk Model. Any savings made will contribute to the contract savings targets and will be covered by the existing proposed fee structure i.e. there will not be additional fees for implementation.

## **Financial Implications**

78. The Medium Term Financial Strategy (MTFS) presented as part of the Budget Report to Council on 26th February identified a cumulative 3-year target of £15m net real efficiency gains (2010/11 £3.25m, 2011/12 £5.15m, 2012/13 £7.15m). These targets were considered necessary in order to ensure that the council could meet forecast future financial pressures without the need for significant cuts or reductions in services. Given further pressures on public spending, and pressure for additional spending in areas such as looked after children and adult social care that have emerged in the last year, we know that the Council will need to make savings in excess of the £15m targets. Therefore the scope of the Programme will need to reflect this in the future.
79. The forthcoming budget for 2010/11 currently assumes that the Programme will generate net savings of £3.5m on the basis of the predicted savings from year 0 and 1, net of fees and investment costs. .
80. The proposals set out in the 8 blueprints already agreed contribute significantly to the achievement of £15m of ongoing net efficiency savings (after deduction of all fees and investment costs), specifically identifying £4.244m gross savings in 2020/11 rising to £13.225m by 2012/13. This is set out in the table below. Further proposals are to be considered on this agenda and additional recommendations will be will be brought

forward in the new year to ensure we meet the target of £15m pa of net savings and to address any increase in the savings targets for the Council in the future.

81. The table below summarises the gross savings predicted from each stream. The sums in columns Year 0-3 represent additional savings found in each year which go into the base budget. The eventual ongoing annual saving is featured in the Annual Savings column.

<b>More for York : General Fund Financial Summary</b>					
<b>General Fund</b>	<b>Year 0 2009/2010</b>	<b>Year 1 2010/11</b>	<b>Year 2 2011/12</b>	<b>Year 3 2012/13</b>	<b>Annual Savings</b>
	000's	000's	000's	000's	000's
<b>Efficiency Savings</b>					
Customer Services	267	530	385	60	<b>1,242</b>
Housing ( None HRA)	0	73	47	20	<b>140</b>
HR	0	230	716	778	<b>1,724</b>
ICT	0	390	996	202	<b>1,588</b>
Neighbourhood Services	401	1,308	345	267	<b>2,321</b>
Property	0	0	572	0	<b>572</b>
Procurement	20	410	925	2,125	<b>3,480</b>
Income Collection	435	1,303	370	50	<b>2,158</b>
<b>Gross GF Efficiency Savings</b>	<b>1,123</b>	<b>4,244</b>	<b>4,356</b>	<b>3,502</b>	<b>13,225</b>
<b>HRA</b>	<b>Year 0</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Annual</b>
Housing Savings	51	867	437	249	<b>1,604</b>

82. Specific financial implications arise from the need for capital investment, and revenue investment, plus the need for provision for redundancies. All of these costs will be a charged against the moreforYork Programme and were set out in the report in October 09.

## Corporate Priorities

83. The report directly supports the corporate strategy objective of delivering an Effective Organisation in delivering efficient and effective services. Provision of a corporate customer service culture will help contribute to the effective delivery of all corporate priorities in enhancing the customers' experience with council services

## Consultation

84. The Customer Strategy and moreforYork programme places customers at the heart of the design of services. The income collection workstream has been the subject of consultation with both the SWIG and the SERG and this will continue. In addition, all Directorates have been consulted about these proposals and CMT are supportive of the initiative. The budget consultation also includes a question about customer's willingness to embrace web and phone payments and their views on local collection of cash.

## Implications

85. The implications this report are: -
- **Financial** - covered in the report
  - **Human Resources (HR)** - covered in the report

- **Equalities** - covered in the report
- **Legal** – no implications
- **Crime and Disorder** – no implications
- **Information Technology (IT)** –. Interfaces with receipting systems, SX3 and our bank reconciliation programmes are currently being assessed.
- **Property** - These proposals will maximise the use of our current accommodation by streamlining the receptions and related services for the councils, contributing to the council's efficiency objectives and will help us to prepare for occupation of the new HQ.
- **Risk Management** – This report addresses two major corporate risks - the failure to achieve £15m of savings in the next three years and the failure to co-ordinate related change activity. This report seeks to mitigate both these risks by implementing a robust plan of action to achieve savings whilst aligning the delivery programme with other change activity. The specific risks of the Income Collection recommendations are set out in paras 58-61.

## Recommendations

86. The executive is recommended to :-
87. Note the progress made on the More for York Programme
88. Note the work undertaken to date on identifying the Sustainability benefits from the Programme
89. Agree the Income Collection proposals as set out in paras 42 - 67 particularly
  - a. the proposal to introduce the Allpay facility;
  - b. the closure of the cashiering function in the banking hall and the provision of a residual cashiering facility at 9 St Leonard's.
90. Agree the production of an additional Blueprints for work on Children's Social Care as set out in paras 69 - 73
91. Agree the production of additional Blueprints for work on Finance Performance and associated support as set out in paras 74 - 77

**Reasons**

92. To enable the council to deliver service improvements and create efficiency savings of £15m over the next three years and to redesign services enabling a more customer focused, locally based service delivery model.

**Contact Details**

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Director of Resources.

**Chief Officer Responsible for the report:**

*Chief Officer's name* Kersten England  
*Title* Chief Executive -

Tracey Carter  
AD Resources – Transformation  
& Efficiency

**Report Approved**

Date 2nd December  
2009

Dept Name Resources  
Tel No. 553419

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

**All**

**For further information please contact the author of the report**

**Annexes**

Sustainability Impact Assessments .....Annex 1

All Pay Outlets .....Annex2