



Notice of meeting of

Executive Member For Corporate Services and Advisory Panel

To:	Councillors Healey (Chair), Jamieson-Ball (Executive Member), Looker, Pierce and R Watson
Date:	Tuesday, 11 December 2007
Time:	5.30 pm
Venue:	The Guildhall, York

AGENDA

Notice to Members - Calling In:

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

10:00 am on Monday 10 December 2007, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 13 December 2007, if an item is called in *after* a decision has been taken.

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

1. **Declarations of Interest**

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

2. Minutes (Pages 1 - 8)

To approve and sign the minutes of the meeting of the Executive Member for Corporate Services and Advisory Panel held on 30 October 2007.

3. Public Participation

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Executive Member's remit can do so. The deadline for registering is Monday 10 December 2007, at 5.00 pm.

4. Forward Plan Update (Pages 9 - 16)

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

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

ITEMS FOR DECISION

5. Resources Directorate, Monitor 2 Performance and Finance Report, 2007/08 (Pages 17 - 68)

This report combines performance and financial information for the Directorate of Resources for Monitor 2, 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.

6. Register Office - Approved Premise Marriage and Register Office Fees for 2008/9, Proper Officer and Employment Status, and Update on Service and Projects (Pages 69 - 78)

This report seeks approval for the suggested increase in fees for marriage ceremonies conducted at the Register Officer and at Approved Premises in the City of York from 1st April 2008 to 31st March 2009, and the process involved. It also seeks approval to adopt a change to charges for certificate supply, based on service quality, and fees charged by competing authorities. It updates Members on the change in employment status of some Members of the Registration Service, and the current services and projects that

York Registration and Celebratory Services offer and are embarked upon, and seeks a recommendation to Full Council to transfer Proper Officer responsibility from the Head of Public Services to the Director of Resources.

ITEMS FOR INFORMATION

7. Corporate Procurement Team Mid-Term Monitor 2007/08
(Pages 79 - 114)

This report informs Members of the work and progress of the Corporate Procurement Team to date in 2007/08.

8. Treasury Management Second Monitor Report & Review of Prudential Indicators (Pages 115 - 136)

This report updates the Executive Member and Advisory Panel on the Treasury Management performance for the period 1 April to 31 October 2007 compared against the budget presented to Council on 21 February 2007.

URGENT BUSINESS

9. Any Other Matters which the Chair decides are urgent under the Local Government Act 1972.

Democracy Officer:

Name: Tracy Johnson

Contact details:

- Telephone – (01904) 551031
- E-mail – tracy.johnson@york.gov.uk

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

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

Contact details are set out above.

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Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন অর্ধাতে তথ্য জানানোর জন্য সব ধরনের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোঅবী সরবরাহ করা হবে। টেলিফোন নম্বর (01904) 551 550।

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- Public libraries get copies of **all** public agenda/reports.

City of York Council

Minutes

MEETING	EXECUTIVE MEMBER FOR CORPORATE SERVICES AND ADVISORY PANEL
DATE	30 OCTOBER 2007
PRESENT	COUNCILLORS HEALEY (CHAIR), JAMIESON-BALL (EXECUTIVE MEMBER), PIERCE, R WATSON AND BLANCHARD (SUBSTITUTE FOR LOOKER) (NOT PRESENT FOR MINUTE 36)
APOLOGIES	COUNCILLOR LOOKER

29. Declarations of Interest

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Cllr Blanchard declared a personal non prejudicial interest in Agenda item 10 (Supplier & Contract Management System – Minute 38 refers) as a member of the Chamber of Commerce.

30. Exclusion of Press and Public

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

Annex A to Agenda Item 6 (Review and Strategy for the Commercial Property Portfolio – Minute 34 refers) on the grounds that it contains information relating to the business affairs of the commercial tenants of the council. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

Agenda Item 7 (Yorkshire Purchasing Organisation (YPO) Update – Minute 35 refers) on the grounds that it contains information relating to the financial or business affairs of any particular person, including the authority holding that information. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

31. Minutes

RESOLVED: That the minutes of the last meeting held on 11 September 2007 be approved and signed as a correct record.

32. Public Participation

It was reported that there had been no registrations to speak under the Council's Public Participation scheme.

33. Forward Plan Update

Members received an update on the Resources Directorate items which were listed on the Forward Plan.

It was reported that the Resources Departmental Strategy report which was scheduled for the Corporate Services EMAP meeting in December had now been deferred to the January EMAP meeting.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the update on the Forward Plan be noted.

Decision of the Executive Member

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

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

34. Review & Strategy for the Commercial Property Portfolio

Further to the introductory report to Corporate Services EMAP on 11 September 2007, attached to this report as Annex A was the exempt full report on the review of the Commercial Portfolio. The review formed a Service Asset Management Plan linking to the council's approved Corporate Asset Management Plan.

Options and analysis relating to policy in respect of the properties were discussed at the meeting. Any properties which might be suitable for disposal would be the subject of a separate report, as this review focussed on performance and policy only.

Members suggested that any proceeds received from selling any of the properties suitable for disposal (excluding those receipts already committed to fund the approved capital programme) should be put into a fund to be used for future acquisitions and investments.

Members requested that a yearly report be brought to EMAP on the Performance Indicators identified in the report.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the report be received and the performance of the Commercial Portfolio be noted;
- (ii) That a yearly report on Performance Indicators as identified in the report be received;
- (iii) That any proceeds received from selling any of the properties suitable for disposal (excluding those receipts already committed to fund the approved capital programme) should be put into a fund to be used for future acquisitions and investments;
- (iv) That the views of Members expressed at the meeting be referred to the Executive on 20 November to inform the council's future policy on its non-operational and operational Property Portfolios.

Decision of the Executive Member

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

REASON: To provide Members input to the Commercial Property Review, to set targets for future performance and to identify actions on individual properties as determined at the meeting.

35. Yorkshire Purchasing Organisation (YPO) Update Report

Members considered a report which provided an update on the current position regarding recent events at the Yorkshire Purchasing Organisation (YPO), further to the report brought to Corporate Services EMAP in September 2007 and Members' request at that meeting to be kept informed of the situation as matters progressed.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the contents of this report and the intention of the report author to bring an informal verbal update on this matter to Members at the December EMAP 2007 meeting be noted.

Decision of the Executive Member

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

REASON: To update Members on recent events at the YPO further to the report brought to Corporate Services EMAP in September 2007 regarding this matter.

36. Construction (Design & Management) Regulations 2007 - Implications for City of York Council

Members received a report which advised of the necessary actions to ensure the Council's obligations under the Construction (Design & Management) regulations (CDM) are met, highlighting duties within the authority and the necessary protocols to ensure adherence, for endorsement by Members.

Members were presented with two options:

Option A – Do nothing

Option B - Project Board representation of, or referral by sponsors to, professional teams with CDM experience for CDM Regulations compliance. Delegation of CDM tasks and duties on all projects to the Council's professional teams, with exception of budgeting. Set up CDM Co-ordinator framework and briefing for 'client' teams. This was the recommended option.

Members queried who was the client in relation to schools. Officers reported that it was the LEA and that there was a need to speak to the Learning, Culture and Children's Services (LCCS) directorate, the LEA, and schools about compliance with the CDM regulations so that schools were not put at risk of negligence.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That Option B be endorsed for action across Directorates involved in construction design and management.

Decision of the Executive Member

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

REASON: The Council is vulnerable under the Health & Safety at Work Act if construction design and management and the safe operation of buildings is compromised. The current position is that the design of buildings, the project management of construction work and the operation of premises may be carried out by various sections within the council, including schools, without real direction or monitoring in the application of the CDM Regulations. This should not be allowed to continue. Formal channels for the development of projects and the safe management of buildings under an auditable regime relative to the CDM Regulations should be put in place.

37. Insurance Services Mid Term - Monitoring Report 2007/08

Members received a report which informed of the progress made by the Insurance service during 2007/08. It considered the team's key achievements in relation to the effective and efficient management of the insurance portfolio; in particular, performance of the insurance funds, efficient management of claims and Employers' Liability trends.

Members congratulated staff on the progress made by the Insurance service and noted how important the capital programme was in helping to lower costs to Insurance.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the contents of this report and the progress and significant contribution made by the service to VFM at the Council be welcomed.

Decision of the Executive Member

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

REASON: To advise Members of the insurance issues affecting the Council and the success of the insurance self-funding programme.

38. Supplier & Contract Management System (SCMS)

Members considered a paper which informed Members of the progress made in implementing and deploying the Supplier and Contract Management System (SCMS) at City of York Council.

The introduction of the SCMS system would significantly improve the way in which procurement was carried out at the Council providing accurate management information, transparency, formal commissioning processes and engagement of suppliers. Once fully populated it would assist in identifying any un-contracted spend or spend outside of corporate contracts. A robust approach had been taken to its implementation to ensure the successful delivery of the project.

Members queried whether all procurement would go through the SCMS system. Officers reported that small to medium sized businesses might not be able to use the system and so there was a need to provide the traditional ways to tender, however these tenders would be entered onto the system by officers to provide a comprehensive audit trail of activity and a complete electronic register of contracts. Further information was requested on the costs of supporting the two systems and whether it would be legally possible to put all procurement through the SCMS system. Officers reported that they would investigate the costings, check with legal

services whether just using the SCMS system would be discriminatory practice and email the findings to members.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the progress made to date in implementing and embedding the SCMS system be noted;
- (ii) That the Project plan attached as Annex 1 to this report be noted.

Decision of the Executive Member

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

REASONS: To advise Members of the progress made to date in delivering the SCMS project plan.
To advise Members of the contents of the project plan developed to deliver SCMS across the organisation

39. Introduction of the Local Housing Allowance

Members received a report which advised Members of the introduction of the Local Housing Allowance from April 2008 and its implications for the calculation and payment of Housing Benefit. This report was for information only and no decision was required.

Members raised concerns about the extension of the Broad Rental Market Area (BRMA) for York into rural parts of the East Riding of Yorkshire and parts of Selby, which may result in a lower median rent, and the impact this would have on York where rents were higher than these areas. It was agreed that the Executive Member would write to the minister to express concern about extending the BRMA.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the content of this report be noted
- (ii) That it be noted that further advice will be provided to Members once the regulations have been published and more detail about the scheme is known.
- (iii) To write to the minister to express concerns about the impact of extending the BRMA on York.

Decision of the Executive Member

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

REASON: To keep the Executive Member informed of changes in legislation that impact on the processing and payment of Housing Benefit.

40. Update on Gershon Efficiency Savings

Members considered a report which was for information only and gave an update on progress against the Gershon efficiency targets in the light of the 2006/07 out-turn (backward look) and the 2007/08 forecast (forward look).

Members welcomed the report and thanked officers for achieving the Gershon efficiency targets.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the progress against the Gershon efficiency targets be welcomed and noted.

Decision of the Executive Member

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

REASON: To inform the Executive Member.

C JAMIESON-BALL
Executive Member

P HEALEY
Chair of Advisory Panel
The meeting started at 5.30 pm and finished at 7.45 pm.

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CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FOR DECISION/ INFORMATION	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG/CMT DATE	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
1	Pensions Presentation	Finance Louise Dixon	To update CMT on recent changes to the pensions system and how this affects them		CMT 12/12/2007				At the Request of the Report Author
2	Energy and Water Management - Policy and Practice*/Sustainability in Design	Property Services Neil Hindhaugh/ Gary Christie	As a response to the Climate Change Agenda, Members will be informed on best practice and will be asked to approve a draft policy which will generate an Action Plan to prioritise energy and water management issues and sustainability in design projects and work with external partners.	18/11/07	CMT 28/11/2007		EBS 11/12/2007	EXEC 18/12/2007	This is a combined report. The two original reports have been deferred from the Executive Meetings of 24 July and 23 October. This report forms part of the Action Plan arising from the report from City Strategy on the Council's Environmental Management System (EMS). It is also being scheduled to go to COG
3	Thin Client Management Arrangements	Simon Wiles/ Liz Ackroyd	A review of the Client & Contractor roles within the Council - this report seeks to rationalise and streamline them.	21/11/07	CMT 28/11/2007		EBS 11/12/2007	EXEC 18/12/2007	Report at the Request of the Author Initial discussion held at EBS on 28 November Deferred from the Executive Meeting of 19/12/2006 to allow for late additions to the report and for further consultation with other Departments. Deferred again on 27/03/2007, 12/06/2007, 24/07/2007, 11/09/2007, 23/10/2007, 6/11/2007 & 20/11/2007
4	Budget Update	Finance Peter Steed	To provide CMT with an update on the budget situation	09/12/07	CMT 19/12/2007				Requested by Report Author

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5	Risk Management Quarterly Monitoring Report	Audit & Risk Management Quarterly Monitoring Report David Walker	To provide CMT with progress on managing the agreed key corporate risks	20/12/07	CMT 02/01/2007				Business Cycle
6	Mid-Term Monitor Progress against the Internal Audit & Fraud Plan	Audit & Risk Management Quarterly Monitoring Report Richard Smith		05/01/08		Audit & Governance Committee 15/01/2008			Business Cycle
7	Consultation & Shaping Session on the IAS Strategic Audit Plan	Audit & Risk Management Quarterly Monitoring Report Max Thomas		05/01/08		Audit & Governance Committee 15/01/2008			Business Cycle
8	Shared Service Briefing and Update	Audit & Risk Management Quarterly Monitoring Report Max Thomas		05/01/08		Audit & Governance Committee 15/01/2008			Business Cycle
9	Car Parking Follow Up Report	Audit & Risk Management Quarterly Monitoring Report Max Thomas		05/01/08		Audit & Governance Committee 15/01/2008			Report at the request of the Author
10	Easy@York Phase 2	IT&T Tracey Carter	This report will set out a detailed scope for the second phase of the easy@york programme and will identify funding arrangements. Members will be asked to approve the recommendations made in the report		CMT 12/12/2007		EBS 08/01/2008	EXEC 15/01/2008	Requested by Report Author
11	Second Corporate Performance & Finance Monitor	Finance/Janet Lornie PIT/Peter Lowe	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to plans, mitigation for identified issues and financial adjustments (such as allocations from contingency and virements) which are reserved to the Executive.	09/12/07	CMT 19/12/2008		EBS 08/01/2008	EXEC 15/01/2008	Business Cycle
12	Second Capital Monitor	Finance Tom Wilkinson	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to the capital programme and financial adjustments which are reserved to the Executive.	09/12/07	CMT 19/12/2008		EBS 08/01/2008	EXEC 15/01/2008	Business Cycle

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13	Resources Service Plans, including Revenue & Capital Budget Proposals 2007/08 to 2009/10*	Sian Hansom/Patrick Looker	A report to set before Members detail of the Services provided by Resources Directorate in relation to key drivers, critical success factors, current performance, budget proposals and future direction. A further report will be brought to the meeting in March for Members' approval.	05/01/08		Corporate EMAP 22/01/2008			Business Cycle
14	Resources Departmental Strategy*	Simon Wiles	To consult and involve Members on a strategy documents which sets out the medium and long term objectives and priorities of the directorate	05/01/08		Corporate EMAP 22/01/2008			Business Cycle Deferred from 11/12/07 because of Acting Up Arrangements/Pressure of Work
15	FMS Replacement Appointment of Supplier	Finance Tom Wilkinson	A report to set before Members detail of the Procurement Process	05/01/08		Corporate EMAP 22/01/2008			At the Request of the Report Author
16	Annual Governance Statement	Audit & Risk Management Quarterly Monitoring Report Liz Ackroyd	New legislation requires the Council (under the Accounts & Audit Regulations) to prepare and publish an Annual Governance Statement. The AGS replaces the Statement on Internal Control. Members are asked to note this new requirement and approve the contents of the report.	20/12/07	CMT 02/01/2008	Audit & Governance Committee 15/01/2008	EBS 22/01/2008	EXEC 29/01/2008	Report at the Request of the Author
17	Administrative Accommodation Review: End of Stage Update Report	Property Services Maria Wood	To advise Members of completion of Stage 3 of the Admin Accom Review (Finance, Timeframes, Risk & Performance of Work Streams) and identify objectives for Stage 4	029/12/2007	CMT 09/01/2008		EBS 22/01/2008	EXEC 29/01/2008	Report at the Request of the Author. Deferred from 04/12/2007 Executive Meeting at the request of the Project Board

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18	Revenue Budget 2007/08 to 2009/10	Finance Peter Steed	To consolidate the budget proposals from Directorate EMAPs and consider added corporate issues with a view to setting the Council's budget.	13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
19	Capital Budget 2007/08 to 2009/10	Finance Tom Wilkinson	To consider the capital budget proposals from Directorate EMAPS and consider corporate funding of the programme	13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
20	Treasury Management Policy 2007/08 to 2009/10	Finance Tom Wilkinson	To conform to statutory requirements to set the Council's Treasury Management Policy & Strategy and Performance Indicators for the period to 2010	13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
21	Bids for Funding from the Council's Venture Fund	Finance Tom Wilkinson	The purpose of this report is to provide Members with the views of the Venture Fund Panel on a number of bids which are requesting funding from the Venture Fund. The Venture Fund is a source of funding to provide short to medium term financing for capital and/or revenue projects which will reduce the Council's net budgeted expenditure and support and/or achieve the overall goals of the Authority. Members are requested to approve (where appropriate) the advance of funds from the Venture Fund.	13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Business Cycle
22	CPA Use of Resources 2007	Audit & Risk Management Quarterly Monitoring Report Liz Ackroyd	To advise Members of the outcome of the 2007 CPA UOR assessment prior to national publication by the Audit Commission	07/10/07	CMT 06/02/2008		EBS 19/02/2008	EXEC 26/02/2008	At the Request of the Report Author

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23	IT Strategy 2007-2012	IT&T Tracey Carter	Members are asked to agree the strategic objectives for use of technology in the Council over the next 5 years which will drive our investment in IT	28/01/08	CMT 06/12/2007		EBS 19/02/2008	EXEC 26/02/2008	Requested by Report Author Deferred from 23/10/07 & 15/01/2008 because of Acting Up Arrangements/Pressure of Work
24	Accounts Submitted for Write Off	Public Service Jenny Smithson	Mid-year submission of accounts for write-off by the Executive Member and details of write-offs made by delegated authority to the Head of Finance.	01/03/08		Corporate EMAP 18/03/2008			Business Cycle
25	Resources Service Plans For Approval	Business Management Sian Hanson	This report will highlight for Members any significant amendments to the draft Service Plans which were brought to them at the January meeting.	01/03/08	RMT February 2008	Corporate EMAP 18/03/2008			Business Cycle
26	Fraud & Corruption Response Plan	Audit & Risk Management Quarterly Monitoring Report Max Thomas	This report updates the Council's existing Counter Fraud Strategy and seeks Members' approval for the revised Fraud & Corruption Response Plan	01/03/08		Corporate EMAP 18/03/2008			Also to go to the Audit & Governance Meeting on 01/04/2008
27	Annual Audit Letter	Audit & Risk Management Quarterly Monitoring Report Liz Ackroyd/ Alastair Newell	It is a statutory requirement for External Audit to report to the Authority the findings of their Audit Work. Members are asked to note the findings and the Action Plan	23/02/08	CMT 05/03/2008		EBS 18/03/2008	EXEC 25/03/2008	Business Cycle
28	Fraud & Corruption Response Plan	Audit & Risk Management Quarterly Monitoring Report Max Thomas	Members are asked to approve the updated Fraud & Corruption Response Plan	22/03/08		Audit & Governance Committee 01/04/2008			Also taken to EMAP on 18/03/2008

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29	The Annual Outturn Report of OGG (Progress against annual work Plan)	Simon Wiles/ Liz Ackroyd		22/03/08		Audit & Governance Committee 01/04/2008			Business Cycle
30	Risk Management Outturn Report	Audit & Risk Management Quarterly Monitoring Report David Walker		22/03/08		Audit & Governance Committee 01/04/2008			Business Cycle
31	Mid Point Follow Up Review of Implementation of IAS Audit Recommendations (July 2007- December 2007 Audits)	Audit & Risk Management Quarterly Monitoring Report Richard Smith		22/03/08		Audit & Governance Committee 01/04/2008			Business Cycle
32	Risk Management Quarterly Monitoring Report	Audit & Risk Management Quarterly Monitoring Report David Walker	To provide CMT with progress on managing the agreed key corporate risks	27/04/08	CMT 07/05/2008				Business Cycle
33	Insurance Outturn Report	Audit & Risk Management Quarterly Monitoring Report David Walker	To provide information on the progress in delivering an efficient and effective insurance service to the Council including details on the performance of the Insurance Funds			EMAP May/June 2008			Business Cycle
34	Procurement Outturn Report	Audit & Risk Management Quarterly Monitoring Report David Walker	To provide information on the progress made in delivering an effective and efficient procurement service to the Council including details on performance and corporate procurement savings			EMAP May/June 2008			Business Cycle
35	Information Governance Outturn Report	Audit & Risk Management Quarterly Monitoring Report Robert Beane	To provide information in the form of statistics and performance indicators to update Members on progress and performance on Information Governance			EMAP May/June 2008			Business Cycle

CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FOR DECISION/ INFORMATION	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG/CMT DATE	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
36	Information Management Outturn Report	Audit & Risk Management Quarterly Monitoring Report Robert Beane				EMAP May/June 2008			Business Cycle
37	Resources Performance and Finance Outturn Report*	Business Management Sian Hanson			RMT	EMAP May/June 2008			Business Cycle
38	The Action Plan Arising from the Annual Letter of the District Auditor	Audit & Risk Management Quarterly Monitoring Report Liz Ackroyd				Audit & Governance Committee June 2008			Business Cycle
39	The Annual Audit & Inspection Plan (Audit Commission) for 07/08 & Outturn Monitoring Report for 06/07	Audit & Risk Management Quarterly Monitoring Report Liz Ackroyd/ Audit Commission				Audit & Governance Committee June 2008			Business Cycle
40	Revenue Outturn Report* (incorporating Treasury Management Outturn Report)	Finance Janet Lornie/Tom Wilkinson	To report the final financial position on the council's revenue budgets for the financial year ending the 2006/07 and for the Executive to note overall performance and authorise relevant financial adjustments such as budget carry forwards and virements.		CMT June 2008		EBS June 2008	EXEC June 2008	Business Cycle
41	Capital Outturn Report*	Finance Tom Wilkinson	To report the final financial position on the council's xcapital programme for the financial year ending the 2006/07 and for the Executive to note overall performance and authorise relevant financial adjustments.		CMT June 2008		EBS June 2008	EXEC June 2008	Business Cycle

CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FOR DECISION/ INFORMATION	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG/CMT DATE	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
42	The Statement of Accounts	Finance Janet Lornie/Peter Steed	The statement of accounts records the overall financial position of the council at the 31st March in line with the nationally set Accounting Code of Practice. It is a requirement on the council that the draft statement of accounts are considered and agreed by council by the 30th June.			Audit & Governance Committee June 2008	EBS June 2008	EXEC 26/06/2007	Council 28/06/2007
43	Risk Management Quarterly Monitoring Report	Audit & Risk Management Quarterly Monitoring Report David Walker	To provide CMT with progress on managing the agreed key corporate risks	24/08/08	CMT 03/09/2008				Business Cycle
44	Mid Term Monitor on Progress against the Internal Audit & Fraud Plan	Audit & Risk Management Quarterly Monitoring Report Max Thomas				Audit & Governance Committee September 2008			Business Cycle
45	First Corporate Finance & Performance Monitor	Finance/Janet Lornie PIT/Peter Lowe	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to plans, mitigation for identified issues and financial adjustments (such as allocations from contingency and virements) which are reserved to the Executive.		CMT September 2008		EBS October 2008	EXEC October 2008	Business Cycle
46	First Capital Monitor	Finance Tom Wilkinson	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to the capital programme and financial adjustments which are reserved to the Executive.		CMT September 2008		EBS October 2008	EXEC October 2008	Business Cycle
47	Risk Management Quarterly Monitoring Report	Audit & Risk Management Quarterly Monitoring Report David Walker	To provide CMT with progress on managing the agreed key corporate risks	22/11/08	CMT 03/012/2008				Business Cycle



Executive Member for Corporate Services 11th December 2007 and Advisory Panel

Report of the Director of Resources

RESOURCES DIRECTORATE, MONITOR 2 PERFORMANCE AND FINANCE REPORT, 2007/08

Summary

1. This report combines performance and financial information for the Directorate of Resources for Monitor 2, 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. This is the second monitoring report to be brought to Corporate Services EMAP for 2007/08, combining financial and service performance. The first report of the year showed further improvement on 2006/07 figures, and the contents of this report further compound this. Overall progress has been good, and realistically targeted improvements have ensured that this trend continues.

EXECUTIVE SUMMARY

Director's Overview

3. This report identifies satisfactory progress across most measures of operational and financial performance in the department.
4. A financial underspend of almost £0.5m is projected after allowing for carrying forward unspent monies on the first phase of Easy@York into the 2nd phase. This underspend is partly due to slippage in IT projects, but also is substantially due to improvements made in Revenues and Benefits, where significant additional income has been generated by reducing subsidy losses, increasing benefit overpayment recovery and other administrative improvements.
5. The turnaround time of new benefit claims has been reduced to its lowest level in anyone's memory. Despite positive performance in most areas the department as a whole is under significant pressure. There is an enormous

volume of work, and many improvement projects to deliver. This will be set out clearly in the forthcoming Departmental Strategy which will be ready early in 2008.

6. There are quite a few vacancies where it has been impossible to recruit staff, and a number of key senior staff, including two Assistant Directors, are leaving at Christmas. Urgent steps are being taken to make alternative interim arrangements to manage these service areas, whilst medium to longer term plans are being made on a wider corporate basis.
7. An additional problem is long term sickness, which continues to grow. This is almost entirely due to long term hospitalisation and recuperation time for several officers. The Department is certainly facing the most significant volume and range of major illness requiring operations in more than a decade, and again this is putting extra pressure on most other staff, who are responding well to the challenge.

Financial Overview

8. The table below summarises the forecast outturn position for Resources by service plan area. This shows that the directorate is forecasting a net underspend of £1,526k compared to a budget of £4,904k. This is a forecast variance of 2.3% compared to the gross budget of £66,307k.

	Expenditure Budget	Income Budget	Net Budget	Outturn £000	Variance £000	%
Director	528	57	471	229	-242	-43.3
Public Services	42,802	40,171	2,631	2,282	-349	-0.8
Financial Services*	2,472	2,307	165	72	-93	-3.8
Audit & Risk Mgt	3,826	3,663	163	267	104	2.7
IT&T	5,672	5,870	-198	-313	-115	-2.0
EASY Project*	2,087	719	1,368	382	-986	47.2
Property Services	8,920	8,616	304	434	130	1.5
Total	66,307	61,403	4,904	3,353	-1,551	-2.3

* = Both services marked with a * are seeking to carry forward their full underspends to complete key projects. This would leave a departmental underspend after carry forwards of £472k

Customer First and Corporate indicators

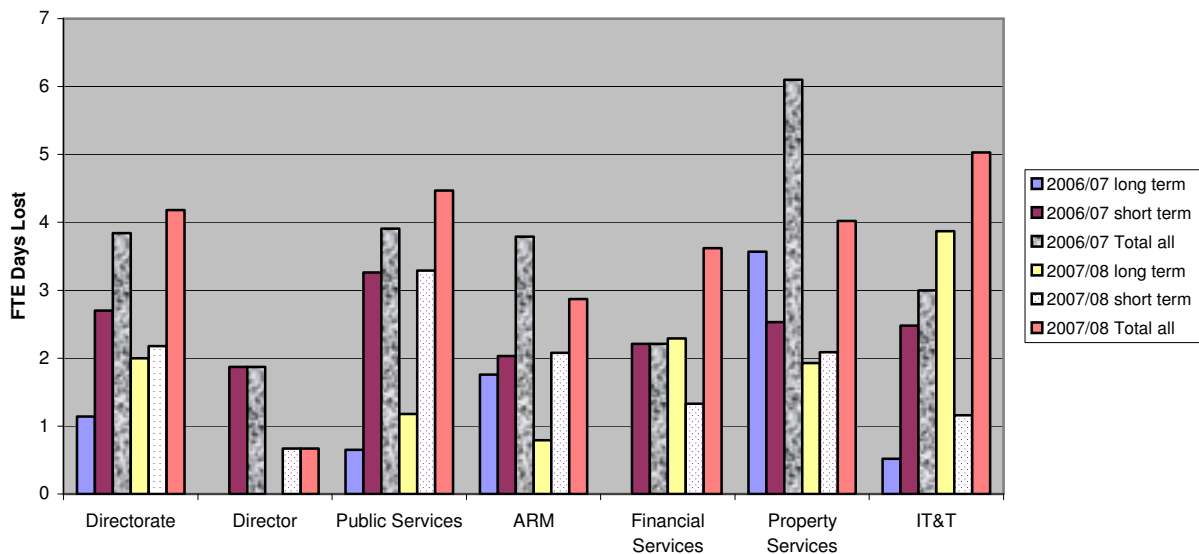
Staffing indicators

Staff sickness

9. Sickness is measured across the Council through BVPI 12 – the number of working days/ shifts lost to sickness absence.
10. All figures included in this section cover the period 1st April to 30th September 2007.

11. During 2006/ 07 the time lost to sickness was 10.38 days per FTE, but was inflated by high numbers of days lost to long term sickness absence per FTE.
12. Current data shows that long term sickness continues to have an impact on the figures, but the Directorate as a whole lost 4.18 days per FTE through sickness up to the end of the second monitor period. Long term sickness contributes 2 days per FTE to this figure, and when comparing types of sickness it should be noted that long-term sickness is 47% of the overall total within the Directorate.
13. Long-term sickness within the Directorate is of some concern, but is often due to absence because of serious illness which is beyond our control. There have been 14 incidences of long-term sickness within this monitoring period but the majority of members of staff have now returned to work, with only four ongoing incidences.
14. The graph below illustrates the number of FTE days lost to sickness, including long term sickness such as stress related illness, and also compares the information with that from the period 1st April – 30th September 2006.

Resources Sickness Monitor 2 2006/07 - 2007/08 Comparison



15. In comparison with the figures from 1st April 2006 – 30th September 2006, the chart shows that overall sickness is slightly higher in the present period at 4.18 FTE days, compared to 3.84 FTE days from previous year. However, it should be noted that short term sickness has reduced from 2.7 FTE days to 2.18 FTE days
16. The breakdown of days lost per FTE by Division for the year to date is shown in the table below. The actual number of staff suffering from serious illness that make up the long term sickness figures, ranges from 1-3 members of staff per Department.

	Overall Sickness	Long-term Sickness	Short term sickness
Directorate	4.18	2	2.18
Director	0.67	0	0.67
Public Services	4.47	1.18	3.29
ARM	2.87	0.9	1.97
Financial Services	3.62	2.61	1.01
Property Services	4.02	2.2	1.82
IT&T	5.03	3.56	1.47

17. Based on the figures to date, Resources will improve on the outturn figure from 2006/07 of 10.38, and will also meet the 12 day corporate target set for 2007/08. This is clearly a positive direction of travel.

Appraisals:

18. Appraisals, or Personal Development Reviews (PDRs), are in progress for 2007/08. New paperwork has been produced by Central HR following on from the LAMS training (Leadership and Management Standards) that is being carried out at the moment. All managers have been informed that new forms are available and have been directed to the HR intranet site where they can be found.
19. 30 appraisals have so far been completed and based on a total workforce of 375 this equates to 8.0%. It is expected that 100% will be completed by March 2008.

Equalities

Male/Female Split

20. As at 31st August 2007, the establishment based on the number of people employed, with the overall percentage of the Directorate appearing in brackets, was:

	Head Count	Percentage
Full time male	141	37.60%
Full time female	143	38.13%
Part time male	18	4.80%
Part time female	73	19.47%
Total staff	375	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	375	159	216
White British	370 (98.67%)	156 (98.11%)	214 (99.07%)
Other ethnic groups	5 (1.33%)	3 (1.89%)	2 (0.93%)

Customer First

Telephone calls

22. The figures for the telephones are based on Monitor 2 and a performance change of +/- 0.5% since Monitor 1 has been shown as a stable performance in the direction of travel column.

Department	Total Calls Answered	% Answered within 0-20	Direction of travel from Monitor 1
Directors Office	305	97.70%	↑
Audit & Risk Management	1,888	98.52%	↑
Property Services	7,084	95.55%	↑
ITT	4,727	96.95%	↓
Finance	7,437	98.80%	→
Public Services	51,377	96.93%	→
Sub total	72,818	97.03%	→
York Customer Contact Centre	114,462	79.40%	↑
Resources Total	187,280	86.29%	↓

23. By and large service levels remain stable, and all service areas have achieved and exceeded the corporate target of a 95% response to calls within 20 seconds. This reflects the continued high levels of service provided by the Directorate, particularly in Public Services where the number of calls rose by over 5,000, yet service standards remained stable and over target. Issues remain, however, with York Call Centre.
24. The figures for York Call Centre (YCC) show a fall in performance of 5.4% on quarter 1 although there were almost 30,000 more calls during quarter 2. During the latter period YCC had a number of challenges and issues to address in relation to both system and staff performance. The majority of these issues now sit in action plans to ensure that both focus on improvement and momentum remain. A high percentage of these are now completed and will continue to be monitored.
25. Council Tax calls were introduced into the YCC in quarter 1 which brought monthly peaks in call demand as a result of the reminder and summons letter runs. This is a key focus where additional cross schilling of resource is

underway to complement the increased activity and balance the workload across the wider departmental processes.

26. Fundamental needs within the department will continue to be addressed through review of technology to improve efficiency of processing time and increase customer satisfaction levels.
27. As an initial reward of the focus and monitoring activities, September saw a significant improvement in performance, with 90.7% of calls answered within 20 seconds. October to date is showing 92.3% and it is envisaged that quarter 3 will also achieve results in the 90% percent bracket.

Stage 2 and 3 complaints, visitors seen and letters answered:

28. These figures cover up to, and including, Monitor 2 (1st April – 31st September 2007). Again, where there has been a performance change of +/- 0.5% since Monitor 1, this is reflected as a stable performance in the direction of travel column.

(CG3) Letters received	Letters answered within 10 working days	%	Direction of travel from Monitor 1
5,332	5,142	96.44%	↑
(CG4) Customers seen	Customers seen within 10 minutes		
20,449	20,172	98.65%	→
(CG5) Customers seeing a second member of staff.	Customers seeing a second member of staff within 10 minutes		
729	729	100%	→
(CM 10) Stage 2 Complaints	Stage 2 complaints dealt with within 10 days.		
4	4	100%	→
(CM 11) Stage 3 Complaints	Stage 3 complaints		
0	0	100%	→

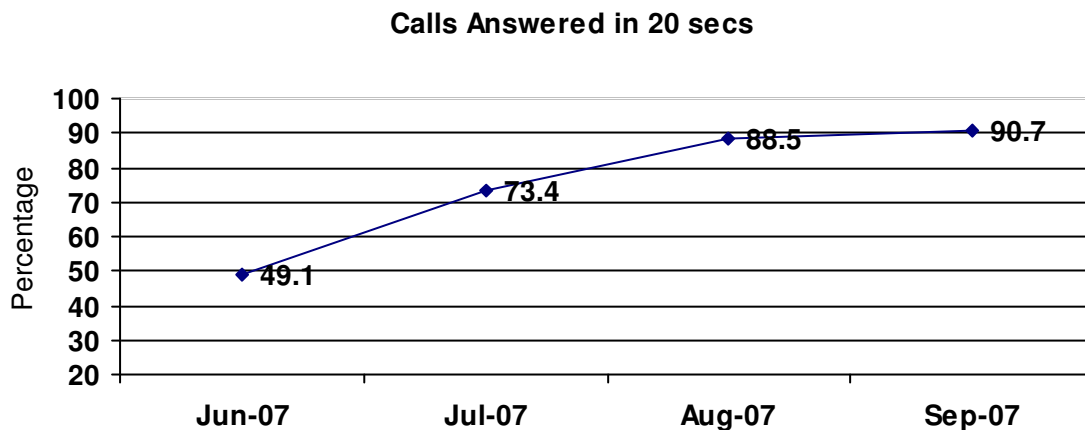
29. Service in all areas has been maintained and improved upon, and all targets have been met. It is expected that this trend will continue to the end of the year, and the teams will continue to provide high standards of customer care to residents.

Public Services

Performance headlines

30. The year to date has been very successful for the Revenues and Benefits Services with performance continuing to improve. New claims to Benefit are now being processed more quickly than ever before and the amount of work outstanding is also at its lowest level for a number of years.

31. Since the Benefits Fraud Inspectorate (BFI) issued their report in December 2004 the benefits service has had to (a) devise and implement a detailed 199 point Action Plan for improvement and (b) provide separate monthly monitoring reports to the Parliamentary Under Secretary of State and the Housing Services Division of the DWP. The Action Plan was completed earlier this year; this was included in the 2006/ 07 outturn report on 8 June 2007.
32. We have now received very welcome news from the Minister who wrote on 25 September 2007 saying that he was satisfied that the improvements in claims processing times “can be sustained” and that a “more focused and proactive approach is being made to performance management”. As a consequence we have been advised that the monitoring has been discontinued
33. Council Tax and Business Rates collection figures maintain the ongoing year on year improvement since April 2003.
34. The Council Tax service has also been working with the easy programme to make the business processes more efficient and also deliver a better customer service. This is still all very new but already over half of some processes are being successfully automated. Other Councils are beginning to visit us to see the innovation and improvements that these changes are making.
35. Within the York Customer Centre, a lot of work has been done to improve the performance. This has included further staff training, better allocation of staff to telephone calls, improvements to process and supporting IT. This has resulted in a significant increase in the number of telephone answered within 20 seconds – as seen from the graph below.



36. This level of performance is not likely to improve further in the short term. Some new staff have been appointed and need to be trained and become more experienced to enable them to take a wider range of calls. Until this can be achieved, performance will not improve.

Performance indicators

37. The processing of new claims for Housing and Council Tax Benefit is currently ahead of the 32 day target as at 30 September 2007, taking on average 30 days.
38. The average number of days taken to process change of circumstances notifications remains unchanged from the Monitor 1 report at 16 days, 2 days below target.
39. The collection of Council Tax and Business Rates both remain on target. As at end September 2007 Council Tax recovery was 56.70%, against a stage target of 56.52% whilst Business Rates had reached 61.93%, against a stage target of 60.38%.
40. One of the locally set indicators was to increase the volume of e-payments for Council Tax. This includes payments made using the Council's website, by telephone in the Council Tax section and at the York Customer Centre and via automated telephone system. We set a target of 4.00% by volume and as at 30 September we have exceeded this at 4.67%. The outturn for 2005/06 was 2.50% and in 2006/07 3.40%. The largest collection method is Direct Debit with nearly 66% of customers paying this way.

Projects

41. There are a number of ongoing projects for this service area, all of which are documented in Annex 1.

Financial information

42. There is a significant projected net under spend of £349k in public services for Monitor 2, this follows a fundamental review of the Housing and Council Tax benefits subsidy (£314k) and takes into account the change in the likely bad debt provision required at the year end (£414k), and also reflects the significant improvements in the benefits service resulting in less government penalties within the benefits subsidy process. This projection is based on a 100% subsidy for Local Authority error overpayments (£132k) which is the current reported position, however the subsidy levels achieved are dependant on meeting tight thresholds for errors and are very sensitive to change.
43. Within the Revenues and Benefits service there are staffing budget pressures, some of which reflect the additional work done on recovery. There is also an un-achieved saving of £50k which was linked to a restructure in Benefits but due to delays in the easy programme / service improvement work, this has not yet been agreed or implemented.
44. The projected overspend on the York Contact Centre of £40k is still being reviewed but is partly due to a flexible approach to the transfer of services to YCC, this ensures that services only transfer when the systems and training are fully in place so that standards of customer service are maintained and improved upon. The net under spend of £349k reflects the decision to include

the costs of Easy project work both by staff in Public Services and the Easy team within Public Services reflecting the work done in that area. It also allows for a possible £45k of external service support from HBS during the Easy implementation period in Benefits and for the costs of specialist queue management equipment.

Property Services

Performance headlines

- a) The completion of the capital scheme at Huntington School (£4.5m)
- b) Completed the refurbishment and repair of the Yearsley Pool on time. Reopened on 29th October 2007.
- c) Completion of the outline design stage within the Administrative Accommodation Project
- d) Achieved capital receipts –the Bonding Warehouse, 3-4 Patrick Pool, 2 High Petergate, Lidgett Grove and Hebden Rise are all completed
- e) Significant contribution to the Discus Bungalow Project including successful marketing and evaluation of the bids made.
- f) Established a council policy for the Community Management and Ownership of Council Property Assets as a response to the Quirk Review.
- g) Commercial Portfolio – only one small shop vacant at this time, with around. 200 properties now fully let and no properties vacant for more than 12 months. (see PIs)

Performance indicators

45. BVPI 156 - % of public buildings with access for the disabled - target is currently set 85% from last year's result of 81%, and performance is on course to achieve this. Projects are currently underway at Acomb Library, Guildhall and the Central Library which will achieve this target.
46. COLI 52 - % of council floor space vacant for more than 12 months - last years figure was 0.15% of floorspace vacant for more than 12 months. In the last 6 months we have let both of these properties and only 1 smaller property unit has now been vacant for less than 12 months. As a result the figure has now reduced to 0.0%

Description	06/07 Actual	07/08 Target	07/08 Monitor 2
BVPI 156 – DDA accessibility % of public buildings accessible	83%	85%	85%
COLI 51 - % of target capital	106%	100%	annual

receipts received in the year			
COLI 52 - % of council floor space vacant for more than 12 months	0.15%	1.25%	0.0%
COLI 67 - % of local authority buildings in need or urgent repair	11%	10%	annual
COLI 68 – Value of outstanding/ urgent repairs to Council buildings	£12,773,833	Not set	annual

Projects

47. The Administrative Accommodation Project reached the end of Stage 3 and a progress report is to be submitted to the Executive in December 2007 summarising those objectives achieved, and highlighting those objectives planned for Stage 4.
48. The Partnering Team are progressing the delivery of the new York High School, Swimming and Hydrotherapy pools (circa £20m) on the Oaklands site. The project is in the detailed design stage.
49. Property Services are contributing to the delivery of a significant capital programme that includes Administrative Accommodation (Admin Accom) (£30m), Joseph Rowntree School (£28m), York High School (£13m), Pools provision (£6.5m), Peasholme (£1.4m), Danesgate (£1.8m), Acomb Library (£800k) and a number of other miscellaneous projects.
50. Property Services are represented on the Joseph Rowntree School Board and are providing advice to the Project Team in preparing relevant procurement documentation. The new school is being delivered as a Pathfinder project through the Partnership for Schools (PfS) initiative and is valued at £28m.
51. Development Teams have been established for Oaklands, Lowfields, Manor and Yearsley Bridge. The teams include representation from Planning, Highways, Property, Environment, City Development, Archaeology, Conservation, Ecology, Housing, relevant service areas, service and property managers and partner organisations as appropriate. They examine all of the needs, input, risks, constraints and guiding parameters that will ensure the delivery of successful projects without unwanted surprises and risks.
52. Assisting Housing Services with the re-development of the Discus bungalow sites. Property Services have prepared the development particulars, received the development bids and have coordinated the evaluation of those bids. The preferred bidder was approved by Executive in October 2007.
53. Disposals such as the Strensall Youth Centre, Galmanhoe Lane, Parkside, Osbaldwick Lane (Derwent School), Clifton Family Centre site, Blake Street, North Carlton Farm, Acres Farm and the Monk Bar Garage are still ongoing.

54. Property database - The condition and access modules have been purchased for the Technology Forge (TF) database and populated with existing data. A Development Plan for TF is being produced which will set out priorities and timescales for the development of this system to meet the authorities needs.
55. The energy market is still extremely volatile at this time and is making budget planning very difficult. Energy is procured through the YPO (Yorkshire Purchasing Organisation) to gain the benefits of larger buying power from some 24 authorities. Energy and Water Management is focussed upon consumption and poor performing buildings. The EWMG (Energy and Water Management Group) reported an action plan to the Executive in the October 2007 for approval.
56. Recruitment of staff to important roles within Property Services has been challenging in a competitive market. This has had a major impact upon the workload of current staff in meeting significant work commitments in progress, as defined above.
57. Dwindling capital resources and capital receipts will create a significant risk for existing property assets if funding is not available for investment in those assets to reduce the maintenance backlog. Whilst the strategy for dealing with the high backlog is very much focussed on getting out of poor performing buildings, for example the Admin Accom Review and Joseph Rowntree School replacement, the risk is that lack of investment will lead to building failure and significant Health and Safety issues that may affect service delivery. A report will be going to Executive in December 2007 to consider this risk and a possible strategy to mitigate against it.

Financial information

58. The position has improved overall since Monitor 1 to a projected net overspend of £80.6k. This is primarily due to a stronger position in Asset and Property Management, whereby changes to the workloads are now reflected in the Service Level Agreement. Given the pressures faced by Property Services and the critical deadlines looming on a number of projects £50k of the departments overall underspend is being redirected towards Business Management and support within the team to try to improve business efficiency, work planning and communication.
59. Other budget pressures within this service are on Administration Accommodation, where savings offered from surplus leased space will not materialise, and from further cost pressures identified on the repair and maintenance of property prior to disposal.

IT&T

Performance headlines

60. The department continues to provide a secure, robust, scalable and highly available ITT infrastructure, including corporate and departmental systems.

61. ITT is achieving the majority of its revised and agreed service level targets for 2007/08, with the exception of the very low volume, high priority fault calls received. When compared to the same months in the previous year, 23 high priority calls were received compared to 38 during the same period last year. This equates to an impressive 39% reduction and is a testament to the dedication of the staff involved, the cycle of continual improvement within the department and the ongoing investment made in ITT. Of the 23, 13 were resolved within the 6 hour target. The remaining 10 fell into three categories:
- 3rd party issues – BT pipe severed at a building site
 - Hardware faults where workarounds were put in place during the working day to reduce customer impact and replacement work was undertaken outside of core service hours.
 - Intermittent faults that were complex in nature and required extensive investigation.
62. The Department has received 15,567 requests for service during this period of 2007/08 and is currently achieving a successful first time resolution rate of 98.29%, which is a continual improvement on previous results.
63. The three major business projects outside the Easy@york programme are progressing well, with Phase 2 of the implementation of the replacement Social Care system on track and scheduled to go live during February 2008.
64. A full and comprehensive evaluation of the tenders for the replacement of Financial Management System has been completed and supplier site reference visits are being planned prior to the next phase of preferred status being awarded. An evaluation of the technical options to facilitate corporate mobile working is underway alongside the work to evaluate the benefits around flexible working and its links to the Accommodation project and other corporate priorities.
65. In addition to the approved projects from 06/07 and 07/08, there are 20 additional Business Development projects that have been started or are at a planning stage in response to new business demands that have arisen during the first half of the year.
66. The year to date number of days lost resulting from staff sickness is 5.03 per FTE, of which, 3.56 are due to the impacts of long term serious illnesses with the remaining low volume 1.47days lost per FTE associated with short term absence.

Performance Indicators

67. To support the single Council Plan indicator, the department have developed a robust suite of local indicators to map service performance. Some of the key ones are listed below and high light the levels of service achieved within the first quarter of 2007/08.

Description	07/08 Target	07/08 Year to Date
Number of high priority calls resolved within the SLA of 0-6 hours	90%	56.52%
Number of medium priority calls resolved within the SLA of 3 working days	85%	90.96%
Number of standard priority calls resolved within the SLA of 5 working days	85%	97.59%
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%	99.86%
% of time telephony services is available during the core business hours (Mon/Fri, 8am-6pm)	99%	99.89%

Financial Information.

68. Against a 2007/08 savings target of £250k, the department have identified and declared ongoing savings of £334k, this exceeded the agreed departmental target by 33%.
69. ITT is a very complex and dynamic area with a budget in excess of £5.5 million. Currently there are more than 70 ITT development projects in progress on behalf of the Council. These projects are dependent upon resource availability from across the Council, and are subject to the impacts of changing priorities within the associated business areas.
70. There is an early identification of a predicted net underspend for the department of £637k, of which, £438k is attributable to project slippage and delays. The remaining £199k is due to effective project management, contract negotiation and budget monitoring processes, coupled with successful income generation activities. £442k of this is contained within the Business Development Service area and is linked to identified project delays, cancellations or their delivery under budget. The major contributors for this element of the surplus are:
- a) £162k is due to the FMS replacement project now being scheduled for commissioning during 08/09 and not 07/08.
 - b) £102k due to the lack of available staffing resources within the business departments to deliver the approved projects or where the business case is being re-evaluated. Mainly LCCS, City Strategy and HASS.
 - c) £44k is attributable to projects that have been completed delivered under budget during 07/08.
 - d) £32k from the re-phasing of the replacement Social Care system due to the technical and commercial complexities associated with this programme.
 - e) £30k from the Asset Management project where the final phase of this project is linked to the delayed FMS project.

- f) £27k due to the reorganisations within business departments that have led to delays within Integrated Transport project.
- g) £21k relating to systems that have either been decommissioned or where the original project business case no longer exists.
- h) £15k resulting from supplier takeovers or mergers that have elongated some of the associated procurement activities.

71. The main contributors to the remaining surplus are:

- a) £70k is due to long term vacancies, maternity leave, staff working reduced hours and long term staff sickness on reduced pay.
- b) £70k of previous development schemes that are now fully paid off
- c) £37k income has been secured through the sale of additional services
- d) £8k due to the transfer of printing to the Guildhall Print Unit.
- e) £26k due to a number of small value predicted budgeted surpluses in a number of cost centres

72. The projected underspend of £637k allows for the following work to be carried out:

- a) Some SOCITM support totalling £36k will be utilised to support senior management with IT strategy work and reviewing the Council's devolved and centralised IT provision prior to the move to the Hungate offices.
- b) A virement of £295k is required to pay for the enterprise licenses required to link existing Council systems and the new CRM system and it has been decided not to recharge the Easy project for some IT staff time totalling £96k. The effect of the above is to reduce the underspend to £210k.
- c) In addition, Members have the option to purchase some 'green' IT and desktop management equipment costing £95k, leaving a net underspend in IT of £115k. The benefits of this would be that the Council needs to re provide a substantial amount of old desktop IT equipment, which is already planned for use in the new Hungate offices. Buying it early would mean it was ready and in use pre-Hungate, and environmental and energy savings could be achieved earlier. It is expected that savings of £10k per year could be generated by this purchase in addition to the environmental benefits of so doing.

Audit and Risk Management

Performance headlines

73. The Division has continued to build on the successes of 2006/07, 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 highlights since Monitor 1 include:

- a) the development of the Competition Policy and adoption of the Strategic Procurement Programme as essential pre-requisites of taking forward work on a Competition Strategy for the Council during the remainder of this year, further to the publication of the Corporate Procurement Strategy earlier this year;

- b) development of a shared service initiative with NYCC to provide Audit & Fraud services and go live of Phase I on the 1 October 2007;
- c) the adoption of a corporate Code of Governance by Audit & Governance Committee on 21 September 2007;
- d) 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;
- e) a significant reduction in breaches of financial and procurement regulations as reported to Audit and Governance Committee on 21st September 2007. This improvement is strongly linked to the excellent progress made over the last three 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;
- f) 2007 CPA UOR self-assessment submitted and provisional indications of significant improvements in all scores relating to ARM services (internal control) and 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. Improvement in overall CPA UOR score anticipated in 2007 compared to 2006 but final scores are embargoed until the new year following the conclusion of the Audit Commission's internal moderation and quality assurance processes;
- g) continued low levels of staff sickness totalling 2.65 days per FTE year to date to the end of September 2007 (an 39% reduction compared to the same year to date period in 2006/07) giving a projected year end position of 5.96 days per FTE (an estimated 31% reduction in year on year figures compared to 2006/07). Please note these figures do not include finance trainees who are included in the figures presented at Exhibit.

74. In addition, work is ongoing to complete the following key developments by the end of the current financial year:

- a) a Competition Strategy for the Council;
- b) 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;
- c) the 'go-live' implementation of the new Supplier Contract Management System across the organisation and with the business community.

Performance indicators

75. 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:
- BVPI 76b – year to date 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;
 - BVPI 76c – year to date performance (22.17) is slightly below profiled mid-year expectations of 22.50, but the service fully expects to meet or exceed its annual target by year end;
 - BVPI 76d – year to date performance (2.69) is well above profiled mid-year expectations of 2.11 reflecting a 29% increase in prosecution and sanctions work compared to this time last year. This reflects a significant improvement in the overall performance of the team
76. A comprehensive suite of 54 key performance measures for the Division has been developed, replacing those previously included in the Directorate's existing Performance Management Framework for ARM. Work is on-going currently to put in place all the necessary supporting data collection systems and reporting arrangements to ensure we are able to comprehensively report on all key performance information for the purposes of the second monitor in 2007/08.

Projects

Work In progress		Update on activities
a	Development of the Supplier Contract Management System	Work is progressing on the population of the system and associated staff training across Directorates. More work is required in respect of the supplier management module before the system is officially launched with the business community. Initial discussions have been held with the Chamber of Commerce to agree a 'partnership' approach between CYC and the Chamber in raising awareness of SCMS across the business community and providing training and workshop opportunities for local businesses and SMEs in the area
b	Information Governance Strategy	The IGS will be reported to CMT and the Executive in Autumn 2007.

c	Competition policy, strategy and procedural handbook	The policy and strategy will be referenced to the CPS and will be reported to CMT and the Executive in autumn 2007. Work on the handbook is awaiting further work on Thin Client arrangements at the Council and it is anticipated that this will follow to report to Members in the autumn
d	Exploration of a shared service initiative for Audit & Fraud services in partnership with NYCC	Discussions have taken place at officer level with NYCC to explore possible shared service options for Audit & Fraud services across the region. Work is no ongoing to develop potential options and the outcome of this work and officer recommendations will be reported fully to Corporate Service EMAP in Autumn 2007 for Member consideration & approval
e	Development of a 3 year medium business plan for the Division	Work on this has been suspended subject to the outcome of e/ above
f	Deliver all work and actions designated to the AD (ARM) in respect of the Corporate Efficiency Programme, the CPA UOR Action Plan, the OGG work programme, A&G Committee forward plan and the new 3 year action plan for Procurement 2007-2010	This covers a multitude of different tasks and change programmes and the associated work is in various stages of completion. Information about progress against any of the detailed tasks scheduled in the OEP and CPA action plan will be reported corporately during 2007/08. Progress against the 3 year CPS action plan will be reported separately to Corporate Services EMAP later this year
g	Review the function, performance and efficiency of procurement functions across the organisation and examine how they can be made more efficient and effective when we move to a one-site operation after 2010	This review is now in hand further to the EMAP decision for this to be done (December 2006). It is anticipated that the review will report its recommendations before Christmas 2007 for Members consideration and approval.
h	CPA UOR 2007 assessment	The 2007 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 2007 and finalised in late autumn.

Financial overview

77. The projected outturn for this service is a net overspend of £104k and as previously reported the main reason for this is the potential shortfall of income relating to the Yorkshire Purchasing Organisation dividend together with a prudent assessment of the pump-priming expenditure required for Fraud and Investigation activities. The position reported also allows for an increase in the fees from the Audit Commission, although some of these fees may be recovered from other Directorates.

Financial Services

Performance headlines

78. From mid August to mid October the Head of Finance acted as the Council's responsible Financial Officer (Section 151 Officer). The additional workload associated with these duties was successfully absorbed into the service's existing resources.
79. As was reported at the previous monitor, staffing issues combined with major changes at a national level to the format of information, meant that problems were encountered in finalising the Council's accounts for 2006/07. However ongoing work has resolved these problems and the Audit Commission has provided an unqualified opinion on the 2006/07 accounts. These accounts were then approved by Urgency Committee on the 28th September. The service is currently working with colleagues in the Chief Executive's Department to arrange the publication, for the first time, of a formal Annual Report combining financial and performance information.
80. The financial system replacement project continues to progress well. In September three potential suppliers each spent a week in York demonstrating their systems to staff in three general sessions and 18 dedicated workshops. In total over 50 staff from across the authority took the opportunity to review the options available and to provide their opinions on what each supplier could potentially provide.
81. Following on from this, a small number of staff will be making visits to other councils to see how these systems work in practice, and hence how they could be utilised at York. Should these visits and the remaining stages be successful, it is hoped that a final supplier will be selected in January 2008. This would allow for an initial go live date in the summer of 2008 and an on-going roll-out for the remainder of that year. However EMAP are reminded that funding for the project team ends in March 2008 and so, in order to complete the project, relevant underspends will need to be carried forward from 2007/08 into 2008/09.
82. Finance staff have also worked alongside colleagues in Audit and Risk Management to complete and support the annual 'Use of Resources assessment' by the Audit Commission. Staff are hopeful that this process will see an improvement in performance from that shown for 2006/07.
83. Work has also now commenced on preparations for the 2008/09 budget which is co-ordinated by the Head of Finance and his staff. This will be a major piece of work which will occupy key members of staff between now and Budget Council on the 21st February 2008.
84. Alongside this, the service has also had to keep up its input into a number of business critical projects such as job evaluation and the transport review. Balancing such work, much of which requires significant input at a senior level, alongside the ongoing roles and responsibilities of the service remains a major challenge. This will be particularly be the case as the job evaluation project moves into implementation from the current modelling phase.

Performance Indicators

85. The service is responsible for BVPI 8 - the percentage of invoices paid by the Council within 30 days of receipt. In the first seven months of the year performance improved from 93.06% in 2006/07 to 93.62% in 2007/08. To put this in context, this means that of the 34,544 relevant invoices processed by the Council during this period 2,217 were not paid within 30 days of their receipt. If previous years performance were to be repeated this would equate to a 2007/08 outturn of approximately 93.50% against a target of 95%.

Description	06/07 outturn	07/08 Target	07/08 Actual
BVPI 8 - Percentage of invoices paid within 30 days of receipt	93.29%	95%	93.50%

Financial information

86. It is anticipated that Financial Services will underspend by approximately £93k in 2007/08. However this underspend relates primarily to funding carried forward to meet costs associated with earlier delays in the FMS Project. In order to bring the project to a successful conclusion it is requested that the relevant underspend of £99k be carried forward to meet unfunded project costs in 2008/09.

Capital Programme Update

87. The Resources approved capital programme totals £8,610k, including slippage from Property of £291k and approved additional prudential borrowing for IT of £1,438k reported at monitor 1. The latest monitoring information and proposed adjustments are shown in Annex 4.

Consultation

88. None required

Options

89. This report is primarily for information only and therefore no options available.

Corporate Priorities

90. 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

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

Other Implications

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

Risk Management

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

Recommendations

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

- Note the current financial situation
- Note performance, achievements and comments
- Approve the adjustments to the capital programme subject to approval by the Executive.
- Approve the FMS carry forward request of 99k to go forward to Executive.
- Approve the virement for enterprise licenses (para 72b) to go forward to the Executive
- Support the purchase of 'green' IT equipment and software (para 72c)

95. Reason – in accordance with budgetary and performance monitoring procedures

Contact Details

Author:

Penny Hepworth
Business and Performance Manager
(Director Support), City Strategy
551420
Patrick Looker
Finance Manager, City Strategy
551633
Jean Lewis
Accountant, City Strategy
551103

Chief Officer Responsible for the report:

Simon Wiles
Director of Resources
Resources

Report Approved **Date** 30/112007

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

Wards Affected: N/A

All

For further information please contact the author of the report

Background Papers:

Documents referred to include back catalogues of Council Plans and the Resources Monitor year end report for 06/07, and Monitor 1 2007/08 outturn report for finance and performance.

Annexes:

Annex 1 – Service Plan monitoring reports

Annex 2 – Revenue variances schedule

Annex 3 – Resources performance tables

Annex 4 – Capital variances schedule

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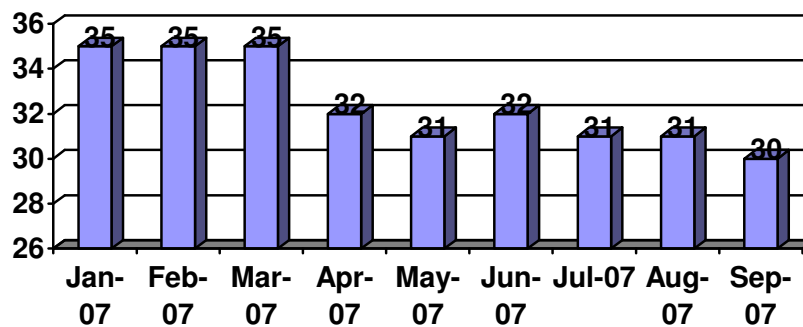
SERVICE PLAN MONITORING
Progress update for Monitor Report 2, 2007/08

Public Services

1 Achievements

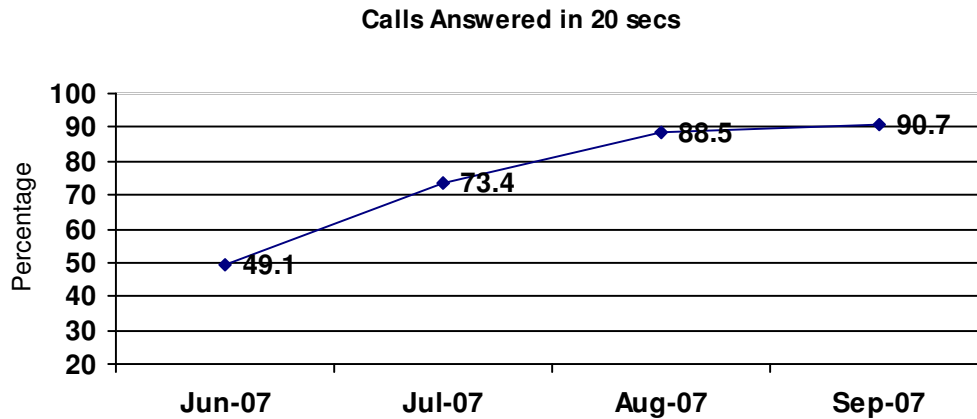
- a) The processing of new housing and council tax benefit claims again shows a gradual improvement, with performance at end September 2007 of 30 days. The improvement over the last few months is shown below:

AVERAGE DAYS TO PROCESS NEW CLAIMS (Year to date figures)



- b) The processing of benefit changes of circumstances notifications remains slightly behind target at 16 days (target is 14 days) but towards the year end we anticipate a large volume of bulk rent increases in respect of registered social landlord properties that are automatically processed and count as one day transactions, thus helping to improve the annual average.
- c) The recovery of Housing Benefit overpayments identified in the first two quarters (BVPI79bi) shows a drop from 72% reported in Monitor 1, to 58.3%. This is as a result of an increase in the value of overpayments identified in August and September whereas the amount recovered has remained fairly level at £52k per month. The measure of overpayments recovered as a percentage of the amount at the beginning of the year plus raised in quarters 1 and 2 (BVPI79bii) is 13.6%, marginally improved on the 13.3% for the same period last year.

- d) Council Tax collection figures continue to show a small improvement. In-year collection as at 30 September is 56.7%, up by 0.31% on the 2006/07 figure and 0.18% up against the stage target that we have set to achieve an outturn of 97.2%.
- e) In July we fully implemented the telephone sign-up for new Direct Debit payment instructions (sometimes referred to as “paperless Direct Debit”). Customer Service Representatives (CSRs) are taken through a scripted series of screens on the Council Tax system that allow us to enter and validate the customer’s bank account details. This means that the customer is no longer required to fill out and return a form and enables the Council to issue bills with the correct payment method much quicker. From end July to mid October we signed up just over 280 customers.
- f) Business Rates collection shows that we are well ahead by 3.79% of the same position last year at 61.93%. This is also 1.55% ahead of the stage target and suggests that we could achieve our 98.9% annual target.
- g) In July the York Customer Centre (YCC) undertook a customer survey for over 500 callers. Satisfaction with the overall service provided by the centre was very high with 99% being very or fairly satisfied. Satisfaction with the person that handled the call was 100%. Just 5% of customers were dissatisfied with the time taken to answer the call, with respondents waiting on average 5.5 minutes.
- h) In the second quarter YCC dealt with over 114,000 calls with 79.4% answered within 20 seconds. Council tax recovery activity (responding to calls after the issue of reminders, summonses and discount reviews) had an impact both in terms of the increased number and duration of calls.
- i) To address the issues of call response times and the number of abandoned calls the YCC has been reviewing its processes and implemented some software changes. Though in July the service was affected by large numbers of council tax calls (see above) and unplanned staff absences the service level has improved over the quarter as shown below:



- j) The web team continue to provide support to all directorates as they update, restructure and create new web content. During July to September 28% of web content updated by directorates directly was refreshed, either published for the first time or re-published after an update. There are currently 43 editors across the Council trained to use the new Content Management System and nearly 50 service managers who are trained to sign-off website content before it goes live.
- k) The System Support team have been heavily involved in supporting the implementation of the CRM and e-forms systems. The manager of the System Support team left the Council in August. As an interim measure the team is under the caretaker management of ITT pending a corporate review of ITT provision and support.

2 Work in Progress

Work in progress		Update on activities
a	Improvements in administering benefits Change of Circumstances and New Claims	Two main measures have improved this year. Current work on process mapping and implementation of e-benefits (see e below) will drive out further improvement
b	Operation and support of CRM System in York Customer Centre	Additional processes moved to CRM in August
c	Improvements in telephone call handling at YCC	Full system evaluation to identify efficiencies. System enhancements to help reduce call handling times. Performance management implemented for CSRs. Staff cross-skilling introduced to increase call handling capacity IVR switch-on 10 September 2007

d	Revenues improvement work as part of easy@york programme	<p>Good progress since implementation of full e-forms solution 30 July 2007. Further automation of transactions planned in near future.</p> <p>On-line student discount/exemption application system went live on Council website.</p> <p>Some management information issues to be resolved</p>
e	Benefits improvement work as part of easy@york programme	Workshops held with staff looking at a range of processes. Future structure of service under review and it is hoped to commence consultation by November.
f	Increase in benefits take-up	<p>Older Persons (aged 60+)</p> <p>LPSA funded work progressing but is currently behind target. Increase in take-up is reported over the summer months. This autumn sees launch of major campaign called "<i>Get something extra</i>" to increase take-up of Attendance Allowance, Disability Living Allowance, Pension Credit as well as Housing & Council Tax Benefit.</p> <p>Young Persons (aged 16-25)</p> <p>New initiative launched to help young people to claim benefits. Text service introduced supported by posters and pocket guide. So far 36 young people have been referred to the benefits service. Benefits Advisors have steady demand for advice about welfare benefits from agencies and groups, as well as potential claimants.</p>
g	Implementation of Local Housing Allowance scheme	National scheme that must be implemented by 7 April 2008. Coordinator post created and secondment made. DWP funding has been received. Staff awareness training sessions completed. Report to EMAP on 30 October. Rollout of payment to claimants by Direct Credit has commenced.
h	Registration on-line	<p>National rollout for Births and Deaths should be back on-line January 2008.</p> <p>Register Office looking to expand service provision at York Hospital</p>

3 Update on risks

Risks	Update on activities
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a	Benefits - Failure to assess benefit entitlement accurately and within timescales	<p>Mitigation includes:</p> <p>Structure review has now started to ensure customer-centric focus</p> <p>Service improvement work as part of easy@york programme and introduction of e-claiming software. Full implementation date yet to be agreed.</p> <p>Focus on LA error cases to identify problems and better manage financial (subsidy) impact. New monthly internal financial monitoring book produced.</p> <p>Review of existing procedures and implementation of new ones in progress</p>
b	York Customer Centre – Failure to have a business continuity plan in place to ensure continued service to customers	<p>Mitigation includes:</p> <p>Plan maintained and reviewed</p> <p>BCP to be exercised</p>
c	York Customer Centre – Failure of the telephony systems and/or CRM	<p>Mitigation includes:</p> <p>Message taking, call back and emergency message procedures</p> <p>Incident report log maintained and reviewed weekly</p> <p>CRM enhancements delivered</p> <p>Consultancy review of systems and procedures</p>

Easy@york Programme

1 Achievements

- a) In July 2007, the full Revenues service successfully went live in the York Customer Centre
- b) 72% of all Revenues transactions are now dealt with entirely at the point of contact with the customer, with all the information automatically transferred into the back office system
- c) Additional self service e-forms have been launched on the website for all YPAL services, including:
 - Online forms for students to apply for Council Tax exemptions and discounts
 - Online forms for schools music tuition enrolment
 - Online forms for road safety.
- d) Delivery of a package of measures to maximize productivity, speed up call answering and consolidate training to address early teething problems. Service levels improved by 9 – 17%
- e) Launch of IVR phone menus including external use of speech server – no adverse customer reaction and 2000 calls a week being automatically directed to the recipient with no human intervention. This has resulted in significant improvements in call answering times.
- f) Undertook Service improvement work on Benefits in conjunction with DWP

2 Work In Progress

	On Schedule
• Development of e-forms for Members to report issues to YCC	√
• Development of feedback emails for customers and Members	√
Programme Phase 1c – Benefits Service implemented as part of easy@york solution	
• October 07 - 'To-be' process review with Business	√
• October 07 - Scriptflow/ E-form design	√
• October 07 - Create functional specifications	√
• November 2007 – commence development of e-benefits change of circumstances module with Northgate	√
• December 07 – System Build	√

<ul style="list-style-type: none"> January 08 – User Acceptance Testing 	√
<ul style="list-style-type: none"> March 08 – User Training 	√
<ul style="list-style-type: none"> March 08 - Go-Live 	√
Development of easy@york Programme Phase 2 – January 2008	
<ul style="list-style-type: none"> October 07 – Easy Lessons Learnt complete 	√
<ul style="list-style-type: none"> October 07 – Scope Phase 3 services, Identify Programme costs and potential savings 	√
<ul style="list-style-type: none"> November 07 – Sign off of service specifications & costing/ savings 	√
<ul style="list-style-type: none"> November 07 – CMT review of business case 	√
<ul style="list-style-type: none"> January 07 – Exec approval 	√
Development of New Intranet – September 2009	
<ul style="list-style-type: none"> Jan 2008 (Provisional) – implement new search engine on web site 	√
<ul style="list-style-type: none"> September 2008 – Commence design & development work 	√
<ul style="list-style-type: none"> September 2009 – Launch new intranet 	√

3 Risk Management Issues

Red Risks		Update on activities
a	Failure to identify sufficient savings from phase 2 to fund the programme	<ul style="list-style-type: none"> Benefits mapping exercise to be undertaken with each phase 2 service to identify improvement objectives and set savings targets Progress reported into the budget process

Audit & Risk Management Services

1 Achievements

- a) Competition Policy drafted and adopted in principle by the Executive in October 2007 further to full Council's adoption of the new Corporate Procurement Strategy, associated medium term action plan and complementary Guidance Manual for procurement Practitioners in June 2007.
- b) 5 year Strategic Procurement Programme formally adopted by the Executive and all necessary in-year monitoring and reporting arrangements implemented within the CPT.
- c) Phase I of the shared service initiative with NYCC for audit & fraud services went live from 1 October 2007.
- d) New Code of Governance for the Council drafted and adopted by Audit & Governance Committee in September 2007.
- e) 2007 CPA UOR self-assessment completed and submitted for scoring by the Audit Commission.
- f) Annual Breaches & Waivers report to Audit & Governance Committee in September 2007 showed a marked improvement in compliance and regularity concerns across the organisation compared to prior years. This improvement is strongly linked to the excellent progress made over the last three years by the Division to strengthen the Council's internal control arrangements and governance infrastructure and is viewed as a very positive step forward.

2 Work In Progress

Work In progress		Update on activities
a	Information Governance Strategy	The IGS will be reported to CMT in December 2007. This was deferred from September 2007 by the Acting Director of Resources to allow the Directorate to take a rounded view across of various different drivers for change and how best to conceptualise and manage those things over the next few years.

b	Competition policy, strategy and procedural handbook	The policy has been approved in principle by the Executive as a precursor to the work now on-going to develop the Competition Strategy. This will be referenced to the CPS and will be reported to CMT and the Executive before the end of 2007/08. Work on the handbook is awaiting further work on Thin Client arrangements at the Council and it is anticipated that this will be reported in tandem with the Strategy when ready.
c	Development of the Supplier Contract Management System	Work is progressing on the population of the system and associated staff training across Directorates. More work is required in respect of the supplier management module before the system is officially launched with the business community. Initial discussions have been held with the Chamber of Commerce to agree a 'partnership' approach between CYC and the Chamber in raising awareness of SCMS across the business community and providing training and workshop opportunities for local businesses and SMEs in the area
d	Exploration of a shared service initiative for Audit & Fraud services in partnership with NYCC	Phase I of the initiative was implemented with effect from 1 October 2007. Work is now ongoing to develop potential options and a medium term business case as part of Phase II works. The outcome of this work and officer recommendations will be reported fully to Corporate Service EMAP in spring 2007 for Member consideration and approval
e	Development of a 3 year medium business plan for the Division	Work on this has been suspended subject to the outcome of d/ above
f	Deliver all work and actions designated to the AD (ARM) in respect of the Corporate Efficiency Programme, the CPA UOR Action Plan, the OGG work programme, A&G Committee forward plan and the new 3 year action plan for Procurement 2007-2010	This covers a multitude of different tasks and change programmes and the associated work is in various stages of completion. Information about progress against any of the detailed tasks scheduled in the OEP and CPA action plan will be reported corporately during 2007/08. Progress against the three year CPS action plan will be reported separately to Corporate Services EMAP later this year
g	Review the function, performance and efficiency of procurement functions across the organisation and examine how they can be made more efficient and effective when we move to a one-site operation after 2010	Resourcing pressures since the end of August have made it necessary to slip this review until a suitable resource can be identified and the review scoped and commissioned before the end of the current financial year.

h	CPA UOR 2007 assessment	The 2007 self assessment has been completed and submitted to the Audit Commission for their review. Officers will agree moderated scores with the Commission in November 2007 although it is understood that the final score for the authority will be embargoed by the Commission until Jan/Feb 2008.
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3 Risk Management Issues

	Red Risks	Update on activities
a	Failure to be effective in discharging the Division's role in developing robust governance & compliance arrangements at CYC	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • leadership and management of the OGG work programme • professional development and capacity of the teams within ARM • planned and managed approach to the development of the Council's governance infrastructure (new Constitution, Financial Regulations, Audit & Governance Committee) • new powers and sanctions for the S151 Officer, the Monitoring Officer and the Chief Internal Auditor
b	Failure to improve the UOR CPA score for KLOE 4 Internal Control	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • raising corporate awareness of the risks faced by CYC if UOR CPA score deteriorates and gaining CMT ownership of key actions to be taken before 31/3/07 • management of corporate action plan for development and improvement and implementation of key deliverables before 31/3/07 • review of assessment process by AC in 2006
c	Failure to plan and manage the work of the Division effectively	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • established and capable ARM Mgt Team and development of a 3 year Business Plan • development of a performance management framework across the Division as part of a wider Directorate improvement initiative

d	Audit Plan not delivered to standard/insufficient coverage to hit 90% target for completion	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • introduction of new automated working papers and performance management routines • staff training and technical update work • effective staff supervision and file review • integrated CYC client function for external and internal audit
e	Audit work fails to identify control weaknesses	Mitigation includes all of the above at d/ and the introduction of new reporting and escalation procedures including ultimate referral to Audit & Governance Committee for remedial action as necessary from 2006/07
f	Procurement team fail to achieve the corporate savings target	Unmanageable risk has led to change in Council arrangements, devolving savings within Directorates for 2007/08, exercised through the Council's annual service planning & budget management cycles. The CPT will continue to inform and report on savings across the piece.
g	Failure to establish corporate contracts management portfolio	Portfolio identified and all corporate contract clients established. CPT responsible for managing an reporting across the portfolio for corporate assurance purposes. New arrangements went live from 1 April 2007.
h	Failure to promote compliance with procurement regulations	Mitigation focuses on governance infrastructure work (as at a/ above) effective monitoring and reporting arrangements, new SCMS system, robust IAS annual and five plans, breaches and waivers work, IAS follow up programme, staff training across CYC, greater professionalism and capacity in ARM

ITT Services

1. Achievements

- a) The department continues to provide a secure, robust, scalable and highly available ITT infrastructure including corporate and departmental systems. It is achieving all but one of its revised and agreed service level targets for 2007/08. The exception is the low volume high priority requests for service. These breaches have mainly resulted from external network providers suffering major disruption within their own infrastructure, hardware faults where workarounds were put in place during the working day to reduce customer impact and replacement work was undertaken outside of core service hours and Intermittent faults that were complex in nature and required extensive investigation.
- b) Three major projects outside the [Easy@york](#) programme are in progress. Phase 2 of the implementation of the replacement Social Care system is on track and is scheduled to go live during February 2008. A full and comprehensive evaluation of the tenders for the replacement Financial Management System has been completed and supplier site reference visits are being planned prior to the next phase of preferred status being awarded. An evaluation of the technical options to facilitate corporate mobile working is underway alongside the work to evaluate the benefits around flexible working and its links to the Accommodation Project and other corporate priorities.
- c) The Department has successfully delivered a number of behind the scenes infrastructure projects that underpin current and future Council wide service delivery. The projects are supported by the continued development of effective governance controls and include:
 - Successfully moved 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.
 - 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.
 - Successfully installed 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) The Department continues to support the corporate Accommodation Review Project through the identified design, project and user group work streams.
- e) The Department has assumed additional interim management responsibility for the Resources Systems Support and Development Team following the departure of the team manager in August. A decision not to recruit pending the results of a review to be undertaken during November/December 2007 has been taken by RMT, and these current interim arrangements are expected to be in place for the remainder of this financial year.
- f) The Department played a significant role within Phase 1 of staged refresh project to replace the computer related services within the Central and Branch Libraries in order to transform them into 21st Century facilities for the public. Phase 1 included the transformation of Room 18 from its previous computer based resource suite function into a Lifelong Learning Centre and the creation of a new computer based resource centre within the impressively refurbished Lending Library section.
- g) In response to the provision of Corporate Training via the internet for both elected Members and staff, the Department has successfully implemented a method of delivering this new and emerging requirement using part of the existing infrastructure.

2. Work in progress

Work In progress		Update on activities
a	Framework – replacement of the Social Care System	Planning work for the Finance elements of Phase 2 is progressing. The mapping of Finance processes has started and a scoping exercise to establish which elements can be successfully delivered in the timescale is also in progress.
b	FMS – replacement of the Corporate Financial Management System	Phased procurement activities in progress, site reference visits are being planned prior to the identification of a preferred supplier before the end of 2007.
c	Corporate ITT Governance.	Further developing change control procedures through process mapping and subsequent workflow regimes. These will be incorporated into the next release of the departments Customer Support Service Desk system during 07/08. Further review/update of the Electronic Communications Policy (ECP) will be planned once feedback from the elected members is made available.

d	Continued development of departmental Business Continuity Plan (BCP).	Revised draft departmental BCP documents using the new corporate templates have been produced. Further development of the team recovery plans is in progress to ensure completeness and consistency. The departmental profile will be linked back to the Corporate BCP group as part of the Council wide response to the 2004 Civil Act.
e	Provide on going support for the delivery of the Easy@York transformational programme.	The department is heavily involved in a number of activities to support and help sustain the successful implementation of the current and future phases of the agreed programme.
f	Expansion of the network managed service contract to incorporate Broadband for Schools and Libraries and City Strategy connectivity requirements.	Reviewing the scope and requirements prior to the renegotiation of the existing voice and data network managed service contract to incorporate Broadband for Schools and Libraries and City Strategy requirements during 2007/08. The new and expanded contract is scheduled to commence Autumn 2008.
g	Implement the approved ITT Corporate Business Development and Infrastructure projects from ITT Dev Plan 06/07 and 07/08	Work continues to gather the business requirements ahead of replacing the Corporate Personnel and Payroll System. The previously approved and agreed key Departmental Business projects are in progress and the proposals for the ITT Development Plan 08/09 have been reviewed by the Corporate IT Strategy Group and will be presented to CMT and Elected members during October and November 2007.
h	Develop a forward-looking technology and major systems replacement roadmap.	The initial work in terms of reviewing the current ITT estate and the external pressures it faces in terms of lifespan of the products in use has been undertaken. This has led to 2 Business appraisals which are now underway to determine the hardware, software and licensing options that will meet the anticipated future flexible requirements of the council at the most economically advantageous cost. These appraisals will potentially lead to ITT Development bids in 2009/10.
i	Establish a Corporate mobile working strategy and infrastructure	A corporate mobile test platform has been established and is being evaluated. Alternative ways to mobilise processes are also being tested prior a decision being taken on the preferred option(s) to progress this project.
j	Implementation and the further development of key infrastructure projects that underpin current and future Council wide Service Delivery.	Continuing to move Business Systems information over to the recently expanded replacement Corporate Storage System. Migrate additional Business Systems over to the recently established and more effective back up process, the support teams are also using this process to test the Disaster Recovery process for each System as this work is progressed.

2. Update on risks

Risks		Update on activities
a	Failure of the disaster recovery procedures.	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • Completion of the project to successfully upgrade the corporate virtual servers to a version that enables the department to provide a reduced recovery time in the event of individual System failures, in some cases with no disruption to the customer base. • Expanded the use of 10/12 GHS as a secondary site for locating key ITT Infrastructure. • 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 a failed Business System scenario.
b	Inadequate ITT Business Continuity Plan (BCP).	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • Revised draft departmental BCP documents using the new corporate templates have been produced. Further development of the team recovery plans is in progress to ensure completeness and consistency. • Recovery toolkits (containing BCP documents and guidance) are being established and will be stored at two off site locations to aid incident management and recovery processes. • On going testing plans to be established as part of proactive BCP testing regime. • Individual Business System testing is being undertaken as part of the work to expand the use of the improved system back up solution.
c	Failure of corporate data/information storage service	<p>Mitigation includes:</p> <p>Increased the recently installed and more resilient corporate storage system enabling the migration of additional Business Systems over platform during 07/08.</p>
d	Significant failure of corporate data / voice network	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • Improved environmental facilities at locations where key network components are located. • Proactive management of managed service

		<p>provider and network vendors.</p> <ul style="list-style-type: none"> • Incorporated elements of resiliency into the network design for the YCC in Stonegate.
e	<p>Failure to replace ageing Social Care, Financial Management and Payroll/Personnel Systems.</p>	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • Approved and funded ITT development replacement projects are in progress for both Social Care and Financial Management systems. • ITT development project being put forward for elected member approval to start the process of replacing the existing Payroll & Personnel System during 08/09.

Financial Services

1 Achievements for Year

- a. Produced a comprehensive Financial Strategy for the period 2008/09 to 2010/11.
- b. Provided on the day briefings following the announcement of the Comprehensive Spending Review.
- c. Audit Commission provided and unqualified opinion on the Statement of Accounts and these were approved by Urgency Committee on the 28th September.
- d. Maintaining a level of payroll payment accuracy of well over 99.9%.
- e. To the end of September 93.62% of all council invoices were paid within 30 days, this compares to the equivalent 2006/07 figure of 93.06%.
- f. Continued progress on the replacement of the council's financial systems with demonstrations from the three preferred providers being undertaken during September. Work is now on-going with two of these potential providers to finalise the contract.
- g. Worked to settle 90% of equal pay liabilities with eligible staff
- h. Doubled the number of staff accessing cycles via salary sacrifice.
- i. One of only two Unitary authorities involved with Treasury and Cabinet Office on DCLG Working Group looking at the development of new efficiency and transformation performance indicators.
- j. Provided financial training sessions for newly elected members.

2 Work In Progress

Work In progress	Update on activities
a 2008/09 Budget	Work has commenced on co-ordinating the development of the 2008/09 budget. This work will conclude with the formal agreement of the budget at full Council on the 21 st February.
b Job Evaluation / Equal Pay	Managing the development of affordable solutions has taken a major staffing input at a senior level. Work is on going to resolve both of these workstreams. In terms of funding on the 28th September the council was successful in obtaining an agreement to capitalise additional costs relating to equal pay. This means that the council can borrow to meet some of these obligations spreading the cost of implementation across a number of years.
c FMS Project	The project is now well into the formal procurement process. It is anticipated that the replacement system will go live in the summer of 2008.

d	Transport Review	The service successfully bid to the Regional Assembly and Centre of Excellence to fund a collaborative study with local health providers and the East Riding of Yorkshire Council aimed at significantly reducing the impact that the council and NHS have on York's traffic. External consultants, Kendrick Ash, are currently undertaking the second phase of this review and starting to let initial contracts.
e	Income Collection	The service is managing key aspects of the review of income collection policy and procedures across the council. At present a temporary post (funded from prior year underspends) is being established to progress this work alongside the opportunities presented by the FMS project.

3 Risk Management Issues

- a. The service is currently developing the 2008/09 budget for the council. However this process is constrained until the formal announcement of grant by DCLG in late November / early December. Until such details are provided accurately forecasting future financial positions is particularly difficult.
- b. The implementation of single status will have major resource implications both in terms of adjustments to the council's budgets and amendments to the payroll system. The recent capitalisation agreement will help mitigate such pressures to a certain extent.
- c. The 2006/07 closedown process has shown the importance of ensuring adequate planning mechanisms are in place. The service remains very exposed in terms of its reliance on a small number of key staff. The departure or prolonged absence of such staff would have a significant short to medium term impact on the quality of services provided. The impending departure of the Head of Finance will impact upon the ability of the service to react to pressures in the short term and it is imperative that appropriate temporary and permanent arrangements are put in place early in the new year.
- d. Implementation of a new financial ledger will have major resource implications for aspects of the directly managed and devolved services. Ensuring the release of properly skilled staff will be a key factor in ensuring the eventual success of the project.

Property Services

1. Achievements

- a) The completion of the capital scheme at Huntington School (£4.5m)
- b) Completed the refurbishment and repair of the Yearsley Pool on time. Reopened on 29th October 2007.
- c) Completion of the outline design stage within the Administrative Accommodation Project
- d) Achieved capital receipts – including the Bonding Warehouse, 3-4 Patrick Pool, 2 High Petergate, Lidgett Grove and Hebden Rise are all completed
- e) Significant contribution to the Discus Bungalow Project including successful marketing and evaluation of the bids made.
- f) Established a council policy for the Community Management and Ownership of Council Property Assets – response to the Quirk Review.
- g) Commercial Portfolio – only one small shop vacant at this time, c. 200 properties now fully let and no properties have been vacant for more than 12 months. (see PIs)

2 Significant work in progress

The Administrative Accommodation Project reached the end of Stage 3 and a progress report is to be submitted to Executive in December 2007 summarising those objectives achieved and highlighting those objectives planned for Stage 4.

The Partnering Team are progressing the delivery of the new York High School, Swimming and Hydrotherapy pools (c £20m) on the Oaklands site. The project is in the detailed design stage.

Property Services are contributing to the delivery of a significant capital programme that includes Administrative Accommodation (Admin Accom) (£30m), Joseph Rowntree School (£28m), York High School (£13m), Pools provision (£6.5m), Peasholme (£1.4m), Danesgate (£1.8m), Acomb Library (£800k) and other miscellaneous projects.

Property Services are represented on the Joseph Rowntree School Board and are providing advice to the project team in preparing relevant procurement documentation. The new school is being delivered as a

Pathfinder project through the Partnership for Schools (PfS) initiative and is valued at £28m.

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

Assisting Housing Services with the re-development of the Discus bungalow sites. Property Services have prepared the development particulars, received the development bids and have coordinated the evaluation of those bids. The preferred bidder was approved by Executive in October 2007.

Disposals such as the Strensall Youth Centre, Galmanhoe Lane, Parkside, Osbaldwick Lane (Derwent School), Clifton Family Centre site, Blake Street, North Carlton Farm, Acres Farm and the Monk Bar Garage are still ongoing.

Property database - The condition and access modules have been purchased for the Technology Forge database and populated with existing data. A Development plan for TF is being produced which will set out priorities and timescales for the development of this system to meet the authorities needs.

3. Issues including Risk

The energy market is still extremely volatile at this time and is making budget planning very difficult. Energy is procured through the YPO (Yorkshire Purchasing Organisation) to gain the benefits of larger buying power from some 24 authorities. Energy and Water Management is focussed upon consumption and poor performing buildings. The EWMG (Energy and Water Management Group) will be reporting an action plan to Executive in the October 2007 for approval.

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

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

will be going to Executive in November 2007 to consider this risk and a strategy to mitigate against it.

4. Performance indicators

BVPI 156 - target is 85% (from last years result of 81%). Projects are currently underway at Acomb Library, Guildhall and the Central Library which will achieve this target.

COLI 52 - last years figure was 0.15% of floorspace vacant for more than 12 months. In the last 6 months we have let both of these properties and only 1 smaller property unit has now been vacant for less than 12 months. As a result the figure has now reduced to 0.0%

Description	06/07 Actual	07/08 Target	07/08 Monitor 2
BVPI 156 – DDA accessibility % of public buildings accessible	83%	85%	85%
COLI 51 - % of target capital receipts received in the year	106%	100%	annual
COLI 52 - % of council floor space vacant for more than 12 months	0.15%	1.25%	0.0%
COLI 67 - % of local authority buildings in need or urgent repair	11%	10%	annual
COLI 68 – Value of outstanding/urgent repairs to Council buildings	£12,773,833	Not set	annual

Financial information

Property Services : Administrative Accommodation Project

1. Achievements.

- a) Commencement of the construction phase of the new hostel on the Fishergate site
- b) Completion of the initial archaeological investigations on the Hungate site
- c) The completion of RIBA Stage C sketch proposals for the design of the new offices at Hungate
- d) Completion of the Facilities Management Review
- e) Commencement of the space planning process for the new offices at Hungate
- f) The extension of all current leases to meet the timescale for the completion of the new offices at Hungate

2. Work In Progress.

Work In progress		Update on activities
a	Land Assembly - Hungate	<ul style="list-style-type: none"> • The demolition and commencement of piling for the new hostel at Fishergate • Final agreement for the vacation of the ambulance station site • Further archaeological investigations on the Hungate site • The start of proceedings to close the Haymarket car park
b	Design - Hungate	<ul style="list-style-type: none"> • RIBA Stage D (detailed design) • Submission of the Planning application for Hungate
c	Facilities Management	<ul style="list-style-type: none"> • Business Case review to assess the impact on current service delivery particularly Commercial Services • Scoping exercise to identify resource requirements to deliver the implementation plan
d	User Group Development	<ul style="list-style-type: none"> • Initial space planning study to inform the draft configuration of Hungate to meet the timetable for the agreement of the final design and target price in April 2008

e	Property Exit Strategy	<ul style="list-style-type: none"> Secure satisfactory terms for the sale and leaseback of Blake Street Prepare draft schemes for the development of the Yearsley Bridge site, Ashbank and Hollycroft Develop the strategy for the sale of 17-21 Piccadilly
f	Timetable For Hungate	<ul style="list-style-type: none"> Detailed design options Hungate – November 2007 Planning approval –March/April 2008 Agreed final design and price –March/April 2008 Commencement of construction- Hungate– July 2008 Completion of Hungate– April 2010 Occupation of Hungate – June 2010

3. Update on key risks.

Risks		Update on activities
a	Risk of unforeseen archaeological requirements at Hungate	Some archaeological investigations already undertaken. Work ongoing to commission York Archaeological Trust to investigate further areas on the north western corner of the site following the closure of the Haymarket car park and the demolition of the ambulance station.
b	Lack of corporate direction/vision in terms of corporate change to enable service provider to influence the design process and achieve the wider benefits.	Organisation and cultural transformation programme being developed at a corporate level to ensure the alignment of key projects to achieve full benefit realisation .
c	Others	Risks being managed effectively through the project administration and risk register

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RESOURCES PERFORMANCE TABLES – Monitor 2 07/08

PUBLIC SERVICES

PI	06/07 performance	07/ 08 Target	07/08 monitor 2 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 9 - % of Council tax collected	96.8%	97.2%	56.70%	✓	↑
BVPI 10 - % of non-domestic rates received by the authority	98.2%	98.9%	61.93%	✓	↑
BVPI 78a – Housing and CTB – speed of processing new claims	35 days	32 days	30 days	✓	↑
BVPI 78b - Housing and CTB – speed of processing changes in circumstances	15 days	14 days	16 days	✗	↓
BVPI 79a – Housing and CTB – accuracy of processing new claims	97.8%	98.4%	98.4%	✓	↑
BVPI 79bi - Housing Benefit – overpayments recovered as a % of amount identified for the period	70.33%	72%	58.3%	✗	↓
BVPI 79bii – Housing Benefit – overpayments recovered as a % of amount outstanding at the end of the period	22.89%	29%	13.6%	✓	↑

PROPERTY SERVICES

PI	06/07 performance	07/ 08 Target	07/08 monitor 2 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 156 - %of buildings open to the public with access for the disabled	81%	85%	85%	✓	↑
COLI 52 – Percentage of Council floorspace vacant for more than 12 months	0.15%	1.25%	0.00%	✓	↑

IT&T

PI	06/07 performance	07/ 08 Target	07/08 monitor 2 result	Target met?	Direction of travel: 06/07 year end to 07/08
COLI 71 - The percentage of time that major IT systems and infrastructure is available	99.98%	99.3%	99.86%	✓	→

AUDIT AND RISK MANAGEMENT

PI	06/07 performance	07/ 08 Target	07/08 monitor 2 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 76b – Housing & CTB – number of Fraud Investigators per 1000 caseload	0.50	0.50	0.49	X	↓
BVPI 76c – Housing & CTB – number of fraud investigations per 1000 caseload	44.59	45	10.59	✓	→
BVPI 76d – Housing & CTB – numbers of prosecutions/ sanctions per 1000 caseload	4.22	4.9	1.16	✓	→

FINANCIAL SERVICES

PI	06/07 performance	07/ 08 Target	07/08 monitor 2 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 8 - % of invoices for goods and services that were paid for in 30 days	93.29%	95%	93.50%	X	↑

CUSTOMER FIRST INDICATORS

PI	06/07 performance	07/ 08 Target	07/08 monitor 2 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 12 – Number of working days lost to sickness absence	10.38 days	12 days	4.18 days	✓	↑
CG 3 – The number of letters received responded to within 10 working days	94.85%	95%	96.44%	✓	↑
CG4 – Number of visitors seen within 10 minutes	99%	95%	98.65%	✓	→
CM 10 – The number of Stage 2 complaints received responded to within 10 working days	83%	95%	100%	✓	↑

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2007-08 Capital Programme – Resources

The revised total capital programme was £7,463k at Monitor 1, with a further £1,438k being added to the programme for IT&T and a net reduction of £291k in Property, making the revised capital budget of £8,610k at Monitor 2. The latest financial position on admin accom is a projected underspend of £1.790m, mainly as a result of the delays to Fishergate Hostel, the Social Services adaptations works slipping to 2008/09 and the Guildhall refurb work slipping. The IT development plan projected expenditure of £1.180k reflects delays in several projects including FMS replacement and the Social Care replacement programme.

SCHEMES	Budget £k	Projected Outturn £k	Variance £k	Comments
PROPERTY				
35 Hospital Fields Road	170.0	170.0		This scheme is funded through Prudential borrowing repayment of which is funded by increased property rental income.
Access Audits/DDA work	181.0	181.0		The work consists of carrying out condition surveys, water and fire safety risk assessments required by legislation, continuing to improve access to our public buildings for disabled people, external redecorations and priority repairs to youth clubs, libraries and retained admin accom properties.
Preservation of Buildings Repairs Backlog	179.0	179.0		
Property Key Components	238.0	238.0		
Admin Accom	4,560.0	2,770.0	(-) 1,790.0	There has been a 3 month delay to the Fishergate Hostel project due to planning issues. The old building has now been demolished and ground works have started. This will result in £420k being slipped in to 2008/09. The work on the Social Services adaptations are predominatly linked to the completion of Oaklands Pool and it is therefore necessary to slip £800k in to 2008/09. The Guildhall refurb work will not take place until 2008/09 and £250k will therefore slip, with there being minor reprofiling to the Design and Construction, and other project budgets totalling £320k. This results in total slippage of £1,790k in to 2008/09.
Holgate Windmill	7.0	10.3	(+) 3.3	Awaiting settlement of final account. Any variance to budget will be funded through Preservation of Buildings Repairs Backlog - contingency
Preserving Property Assets –Commercial Properties	91.0	91.0		
Removal of Asbestos	83.0	83.0		Survey work committed, balance acts as a contingency for high risk survey outcomes.
Knapton Recreational Field	40.0	40.0		Support for planned community project.
Sub-total	5,549.0	3,762.3	(-) 1,786.7	
Easy @ York project	1,261.0	1,120.2	(-) 140.8	Reduced capital funding of Benefits system
IT&T Equipment Purchase	1,800.0	1,180.0	(-) 620.0	It is anticipated that the annual level of capital expenditure on IT&T schemes will reduce by £620k. This is mainly due to Directorates re-prioritising their resources away from new IT developments. Finance perform a quarterly review of spend and complete a financial appraisal on whether to purchase out right or to lease. Given the large proportion of intangible assets being procured it is more beneficial to capitalise the spend and fund from prudential borrowing. The borrowing will be financed from the existing budgets held within the ITT revenue area.
Total capital programme	8,610.0	6,062.5	(-) 2,547.5	

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

11 December 2007

Report of the James Drury – Assistant Director , Public Services

Register Office

Approved Premise Marriage and Register Office Fees for 2008/9. Proper Officer and Employment status. Update on service and projects.

Summary

1. This paper seeks Executive Member approval for the suggested increase in fees for marriage ceremonies conducted at the Register Office and at Approved Premises in the City Of York from 1st April 2008 to 31st March 2009, and the process involved.
2. To adopt a change to charges for certificate supply, based on service quality, and fees charged by competing authorities.
3. To update Members on the change in employment status of some members of the Registration Service
4. To update members on the current services and projects that York Registration and Celebratory Services offer and are embarked upon (contained in Appendix 1)
5. To request that the decision to transfer the Proper Office responsibility from the Head of Public Services post to the Director of Resources post be passed for consideration and approval to Full Council

Background

6. The Register Office in York is successful which is due to a combination of reasons including the location and attractive facilities offered. Due to the high levels of demand for the services offered and the ongoing budgetary pressures on the Council, it is planned to make the service the first in the country to be break even financially and become financially self sufficient. This needs to be achieved to reduce the reliance on other Council funds or

the council tax payer's subsidising the service. Currently the service is operating at a net cost of about £25,000 per year.

The proposed changes to fees and the intended expansion of the business activities (see appendix 1) will secure additional income and thus achieve a financial break even ie net cost of nil, whilst ideally generating a small amount of income to ensure that any additional costs are covered. However the fees have been reviewed with a view to customer choice too and therefore ceremonies remain available at nationally set levels and also some charges are not increasing at all.

Consultation

7. All couples who have given notice for ceremonies after 31st March 2008, have been briefed that the fees will probably be higher than they are currently. Many customers purchasing certificates from York Register Office have commented that they would be willing to pay more than the £7 statutory fee, for a superior quality service.

We have discussed the levels of charges with North Yorkshire County Council, East Riding of Yorkshire and Leeds City Council and can confirm that our charges are similar and that they will be increasing their charges across the board for 2008/9.

Consultation has taken place with all affected staff regarding the change in employment status.

Increase in fees for marriage ceremonies

8. The fees currently are:

Register Office (Bootham Suite) £150 (Mon – Sat)

Approved Premises £375 (Mon – Sat) £425 (Sun/Bank Holiday)

Register Office (small room) £43.50 (Mon- Sat, fee set nationally)

The Bootham Suite is the main marriage room available at the Register Office, and hosts the majority of civil ceremonies in York since it opened in April 2004.

The smaller room is currently “The Register Office” and the proposal is to incorporate this room into the Bootham Suite and therefore enable City of York Council to set the fee for this room at a more realistic price than the current national fee. In addition people choice is not being restricted at all, as they can still decide to use another room (a registrars office) and pay the national rate of £43.50.

Nationally the figures for marriage and partnership ceremonies dropped by between 10 and 20 % in 2006/2007. However in York the figures have remained constant, although the larger Bootham Suite has seen a slight reduction, whilst the smaller room has seen an increase.

We need to develop a charging structure that is competitive with other areas, offers customer choice and generates income to help the service become self-funding.

Proposed Fee Structure

9. It is recommended that the fees are restructured to charge higher rates for weekends and Bank holidays when the cost of providing the service is higher, and not increasing fees during the week, whilst maintaining the availability of ceremonies at the national fee. The revised fees have taken into account the increased fees in the surrounding areas, and therefore the proposed fee structure for 2008/09 is:

- Bootham Suite Large Room Mon/Thurs £150 (currently £150) No change
- Bootham Suite Large Room Fri / Sat £200 (currently £150)
- Bootham Suite small room Mon/Thurs £75 (currently £43.50 national fee)
- Bootham Suite small room Fri/Sat £100 (currently £43.50 – national fee)
- Approved Premises Mon/ Thurs £375 (currently £375)
- Approved Premises Fri and Sat £425 (currently £375)
- Sunday / Bank Holidays £475 (currently £425)
- Fee for approving a venue for marriages £2000 for 3 year licence (currently £1,750)
- Statutory Register Office Ceremony – Registrar's office (national fee - £43.50 – no change)

Analysis

10. The fees for the Bootham Suite rooms would achieve an increased income of £20,000 based on 200 ceremonies large room (fri/sat) and 150 ceremonies small room (fri/sat) 50 (mon/thurs)

The fees for Approved Premises to be set at £400 and £450 would achieve an increase of £6,250 based on 250 ceremonies

The fees for approving a venue for marriages and partnerships would achieve £1,500 based on 6 renewals per annum

In the context of the overall cost of getting married to be able to use the superior facilities at Bootham, for £200 at peak times is not considered excessive.

The same applies to the Approved Premises. Having been set initially in 1995 in line with an average church ceremony. The fee is still on a similar level and is similar to those of our competitors in neighbouring authorities.

Fees for certificate supply

11. The fees for a certificate supplied from the City of York Register Office archive is set nationally at £7.00 per certificate.

The fee incorporates the cost of the certificate supplied by HMSO, the staff time used in producing it, the postage cost of stamps and envelopes.

The make up of the fee does not account for method of payment (credit/debit cards were not available when the statute came into force). The fee does not account for staff time taking the application over the phone and recording credit/debit details and the confidential disposal of those details. The fee does not account for the speed of supply (the same fee applies for a certificate supplied within 1 hour of application, as within 10 days of receipt of that application).

To make an additional charge for a superior service is legally “ultra vires” according to guidelines issued by the Registrar Generals Office. However many Local Authorities including Leeds, East Riding of Yorkshire, Manchester and Kent, have decided to challenge that statement and set fees for the supply of the service in accordance with the amount of work involved and the speed of production.

Proposed Fee structure

12. It is recommended that a fee structure be developed reflecting the speed of service, the method of payment, and special requests for pre-ordering and alternative postal services. This is considered appropriate due to the business practice in surrounding, competing council areas. The fact that the fees can be charged separately as a council service and not as part of the statutory certificate production, satisfies the “ultra vires” aspect of the issue, and would be accounted for separately. The proposed fee structure for 2008/9 is:

- Certificate provided while you wait (within 1 hour) £8 – total charge £15.00
- Certificate provided after 1 hour, but on same day, or posted same day first class £5 – total charge £12.00
- Certificate provided from phone/electronic information £5 – total charge £12.00
- Certificate requiring same/next day delivery postal service £15 –total charge £22.00

- Certificate sent out within 10 days - £7.00

Analysis

13. The fees would achieve an increased income of approximately £25,000 based on 6,000 certificates supplied in 2006/7. This is a prudent estimate due to the expected slight fall in demand after new passport rules were introduced in 2005 requiring full birth certificates which resulted in a peak in production which is expected to level out.

Registration Officers - change in employment status

14. The Government intends to change the employment status of Registration Officers throughout the country. Under Section 69(1) of the Statistics and Registration Services Act 2007 those holding office under the Registration Service Act 1953 (including deputies) will become employees of the relevant local authority, whereas they are currently statutory officers employed at Her Majesty's pleasure. Under Section 69(3) the terms and conditions of appointment of the office holder shall become his or her terms and conditions of employment with the relevant local authority.

In York this will mean that five staff will become employees of the City of York Council. This is expected to take place on the 1st December 2007.

All staff affected are fully aware of this change and HR and Legal Services have been advising to ensure the transfer is managed correctly and they will then be subject to job evaluation.

15. The Register Office in York has always been forward thinking and examples such as the outstation at Asda, have been at the forefront of national service delivery. To ensure members are aware of the current services and projects that York Registration and Celebratory Services offer and are embarked upon we have compiled a list and this is detailed in Appendix 1.

Proper Officer designation

16. Proper Officers for Registration were introduced by the Local Government Act 1972. They have statutory functions detailed in various Registration Service Acts.

In the City of York Council the Proper Officer for Registration is part of the responsibility of the Head of Public Services. James Drury is the current post holder, although as he is leaving the Council at the end of December, the Council needs to ensure that this duty is covered by another officer. A new Head of Public Services will not be in post by the of December and therefore the duty and title should be assigned to the Director of Resources to ensure the duty is discharged.

Corporate Priorities

17. The changes recommended in the report support our corporate values of delivering what our customer wants and encouraging improvement in everything we do.

Implications

- 18.
- **Financial** – have been involved in advising on the budget setting and charging structures
 - **Human Resources (HR)** – HR have been involved throughout the process of change in employment status
 - **Equalities** – None
 - **Legal** - *All legal requirements will be met*
 - **Crime and Disorder** - None
 - **Information Technology (IT)** - None
 - **Property** - None
 - **Other**- None

Risk Management

19. In compliance with the Council's risk management strategy the main risks that have been identified in this report are those which could lead to the inability to meet business objectives (Strategic) and to deliver services (Operational), leading to financial loss (Financial), non-compliance with legislation (Legal & Regulatory), damage to the Council's image and reputation and failure to meet stakeholders' expectations (Governance). Measured in terms of impact and likelihood, the risk score all risks has been assessed at less than 16, This means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.

Recommendations

20. That the Advisory Panel advise the Executive Member to :

approve the proposed fees (see paragraph 8 and 11) are charged in order to maintain the drive to make the service cost effective, still offering value for

money and choice to the citizens of York for a superior service, whilst remaining competitive compared to neighbouring Register Offices. National charges will also still apply.

Note the change in employment status of five members of staff.

Recommend the transfer of Proper Officer responsibility from the Head of Public Services to the Director of Finance to Full Council in accordance with the Council's constitution.

Reason: To increase income, whilst retaining customer choice, to achieve a self financing service.

Contact Details

Author:
Robert Livesey
Register Office Manager
553190

Chief Officer Responsible for the report:
James Drury
Assistant Director – Head of Public Services

Report Approved **Date** *29/11/07*

Specialist Implications Officer(s) *None*

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

All

For further information please contact the author of the report

Background Papers: *None*

Annexes:

Appendix 1 – Projects and Service Update – City of York Registration and Celebratory Services

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Projects and service update - City Of York Registration and Celebratory Services.

1. Civil Funerals (funerals with no religious content) were offered in 2004. We conducted 4 in that year, 8 in 2005, 16 in 2006 and 22 so far this year. Very well received by the bereaved families, wonderful feedback, Funeral Directors are on board and promoting the service, hence the increasing numbers year on year.
2. Hospital sub-office opened 2006 and operates every afternoon to register deaths. Service now being expanded to register Births.
3. The success of the ASDA sub-office has been tempered with problems encountered with Registration on line (RON) and the connectivity at the store. We are now looking to open another sub-office at the Mothercare Store on Clifton Moor in January to take the place of Asda.
4. RON was introduced in March 2007. It crashed nationally after 2 weeks. Authorities are coming back on line in a gradual process. York is scheduled for January 2008.
5. Citizenship Ceremonies are a regular monthly occurrence at the office. They are attended by the Mayor and/or Sheriff and are very well received by all who attend. We welcomed 101 and 17 children in 2006 and 104 and 24 Children so far in 2007.
6. Nationality Checking Service is a partnership between the Home Office Immigration and Nationality Directorate and local councils. We are currently investigating the possibility of offering the application processing for British Citizenship from the Register Office. There is a cost involved to register and train staff, and insurance is required, but it is an additional service that customers are likely to demand.
7. The production of an equivalent to the Deed Poll Service offered by solicitors, to enable people to officially change their name. This is something that we can offer as a purely Council Service. The Register Office is ideally placed to offer this, as we receive all the enquiries about changing names, and although the birth entry can never be changed, another document can be drawn up to prove a change of name. Again the Council can set the fee.

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Executive Member for Corporate Services & Advisory Panel

11 December 2007

Report of the Assistant Director Audit and Risk Management

Corporate Procurement Team Mid-Term Monitor 2007/08

Summary

- 1 The purpose of this paper is to inform Members of the work and progress of the Corporate Procurement Team to date in 2007/08.

Background

- 2 The Corporate Procurement Team (CPT) was re-structured with effect from 1 April 2007 following a report to Corporate Services EMAP on the 12 December 2006. The restructure realigned CPT services to better cater for the organisation's business needs and create greater capacity within the central service, through rationalising corporate procurement advisory and support function within the Resources Directorate. One of the first priorities of the new team has been to develop its core role of providing clear leadership, purpose and direction to procurement activity across the organisation. The CPT has had to contend with significant organisational challenges for delivery of procurement at City of York Council as set out in the Corporate Procurement Strategy including:

- poor management information
- lack of knowledge & skills
- weak contract client management

Overview: Progress to date

- 3 Council approved the new Corporate Procurement Strategy and medium term action plan in June 2007. This is a robust, comprehensive and challenging plan developed on the basis of the 9 service continuums set out in the corporate procurement strategy these being:

- VFM, competition & efficiency;
 - Performance management;
 - Sustainability;
 - Partnership & collaboration;
 - Standards and governance;
 - Staffing & organisation;
 - Equalities & inclusion;
 - New technologies;
 - Ethical purchasing.
- 4 The medium term action plan comprises 63 core actions to be taken over the next 3 years in order to achieve improvement as set out in strategy's continuums. Appendix B of this report sets out progress to date against these. In summary work is now in progress on 20 actions and a further 43 are not yet scheduled. The key progress in the last 6 months include:
- adoption of a corporate procurement strategy, policy and medium term action plan;
 - publication of a complementary procurement manual;
 - phase 1 of Supplier Contract Management System (SCMS) project plan including officer training completed in preparation for full live contract register from 1 April 2008
 - implementation of three major new corporate framework contracts for – Legal, Property and Agency Staff.
- 5 To ensure consistency and provide a thread linking the team's annual workplan to both the strategy and medium term action plan, the annual workplan format is based on the 9 continuums set out at paragraph 3 above. The annual workplan itself contains some 80 work streams of which 57 are currently in progress or of an on-going supportive nature, 15 have been completed, 6 are awaiting IT to commission the project and only 2 are yet to be started. Full details of workplan along with progress to date are set out in detail at Annex C of this report.
- 6 The CPT's annual workplan has been developed from the:
- medium term action plan;
 - IT development bids;
 - annual breaches and waivers report;
 - strategic procurement programme.
- 7 CPT are currently working on a number of the key deliverables included in the medium term action plan. Many of these are closely linked with the implementation of the Supplier and Contract Management System (SCMS) which will help to provide more robust management information with regard to contract spend and aggregation issues, while at the same time delivering better compliance with procurement regulations and an enlarged internal and external

procurement community. Members asked the CPT to look at any opportunity for cost saving through the use of SCMS at Corporate Services EMAP in October. This work is now ongoing and will be reported to Members in advance of the 1 April 2008 go live date. The SCMS has been a big draw on staff time in terms of configuration and officer training but will help to provide one of the key building blocks in delivering the medium term action plan.

- 8 The issue of the practitioners procurement manual has coincided with work being undertaken to develop standard tender evaluation models for inclusion in both the manual and future corporate training programmes. This work is on-going and will take into account a similar exercise currently being undertaken by the Regional Centre of Excellence with the output due early in 2008.
- 9 Work to develop a comprehensive corporate contracts portfolio of major areas of spend to be used by all Council departments is currently being undertaken. All identified contracts that fall into this category are being prioritised for review and a full list of these can be found at Annex D.
- 10 The implementation of the SCMS system will help to identify further areas of Council spend that may be appropriate to include in the corporate contract portfolio. Ensuring that all spend is channelled through the current corporate contracts to deliver cost benefits to the organisation is problematic and work to publicise the contracts more widely is currently in hand. The implementation of the new FMS later in 2008 will provide a better contract management solution which allows for the linking of budget detail codes to corporate contract suppliers prohibiting officers from spending outside corporate contracts.
- 11 Further development work with regard to the procurement framework is also in progress with all stakeholders currently being consulted with regards to the drafting of a corporate sustainable procurement policy. In addition to this considerable officer time is being taken up in supporting Recycling Action Yorkshire (RAY), Waste Resource Action Plan (WRAP) and Carbon Management initiatives
- 12 There are a number of actions that have yet to be started within the action plan especially with regard to the New Technologies continuum. The efficiencies and improved performance that will be delivered by both SCMS and FMS will not be available in full until early 2009 although some elements will be delivered during 2008 especially with regard to e-tendering and the new electronic contracts register.
- ..
- 13 While many of the actions in the plan require new technologies or officer time, there are a number of wider issues of a more critical nature that need to be addressed by the Council. These include partnerships, shared service and the growing emphasis of procurement in delivering the future shape of the organisation.

- 14 The ability of the CPT to provide the resource and capacity to deliver advice and support to the large number of partnerships (250) in which the Council is involved is limited. There have been occasional requests for ad hoc advice and support but there is no structured programme of work to ensure that partnerships are procuring in an efficient, effective and legally compliant way. The emphasis on partnership working in the coming years makes this a critically important issue and while new technology may go some way to creating capacity, the teams current level of resource is unlikely to provide the level of support that will be required.
- 15 The Transformational Government Strategy published in November 2005 set out the aims of the shared service agenda 'encouraging a shared service approach to realise efficiencies across the system and support delivery more focussed on customer needs'. This provides both future challenge and opportunity for procurement to deliver the increased efficiencies envisaged to the Council and regionally through a shared service approach.
- 16 The Council needs to be conscious of how it responds to this developing agenda. There is no formal strategy in place to do this however, the CPT over the last six months has become actively involved in driving the development of the SCMS system regionally through user groups and has raised its professional profile across the region by attending and influencing at procurement managers meetings. To support this approach ensuring the CPT has the right skills set to be able to lead is vital and staff training is one of the core values of the Audit & Risk Management Division. Work is already in hand through formal skills analysis to identify gaps in officer's knowledge and provide appropriate training through Personal Development Plans (PDP's).

Procurement Savings

- 17 The CPT has provided support to change management programmes including the Integrated Transport review which will deliver efficient and effective future use of the customer transport fleet. It has also supported major procurement exercises such as the new Park & Ride contract which will not only increase the Council's revenue but will see the more environmentally friendly buses being used helping to reduce the carbon footprint of the city. Savings generated from work supported by the CPT will be delivered in the form of straightforward cost reduction and efficiency savings. While cost reduction would suggest a budget saving this is not always the case, as some spend is unbudgeted in many service areas i.e. temporary agency staff or a tender may bring the cost in line with existing budgets and reduce prior year overspends.

- 18 Major efficiency savings arise through all corporate frameworks and this year has seen the procurement and implementation of three new frameworks (Legal, Property and Agency) The legal framework will provide a single focus for commissioning legal support services across the organisation while the property framework will provided suppliers for many of the professional services required by the Property division saving time and money on having to go to tender on a regular basis.
- 19 A full summary of the major procurements supported or managed by the CPT which have generated cost savings is set out at Exhibit 1 below.

Exhibit 1

Procurement	2007/08	Future Years
Managed Agency Services for Temporary Staff	£125K (Est)	£125K PA (Est)
Electricity (Street Lighting Contract)	£100K	£100k
P&R Tender	£0	£210K PA
School Bus/Taxi contracts (Transport review)	£70K	£312K PA
Rail Travel Services	£5 (Est)	£10 PA (Est)
Abandoned Vehicles	£18K	£18KPA
O2 XDA Contract recovery	£8K	£0
Total	£326K	£775K

Training & Communication

- 20 The Corporate Procurement Strategy set out the necessity to develop and deliver a coordinated training and communication programme across the organisation to ensure procurement best practice is embedded and compliance with financial and EU regulations is understood. The focus on other key priorities within the CPT workplan has meant that this work has not yet started and needs to be delivered during 2008/09 once the tender evaluation model work (Para 8) has been completed.
- 21 In the mean time the team have provided priority training which has been well received and successful, providing a good basis for developing a full training programme next year. This has included:
- 2 specialist training sessions to school bursars;
 - 7 SCMS training courses to procurement practitioners.

Consultation

- 22 Not applicable.

Options & analysis

23 Not applicable

Corporate Priorities

24 Efficient and effective procurement activity provides cross cutting support to the 10 priorities of the revised corporate strategy as well as our imperatives, values and vision

Implications

25 There are no financial, HR, Equalities, Legal, Crime & Disorder, IT or Property implications to note.

Risk Management

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

Recommendations

- 27 The Advisory Panel are asked to advise the Executive Member for Corporate Services to:
- a) note the contents of this report and the progress made by the Corporate Procurement Team to date.

Reason

To advise Members of the progress made to date in delivering an effective and efficient procurement service to the Council

Contact Details

Author:

David Walker
Risk, Insurance & Procurement
Services Manager
01904 552261

Chief Officer Responsible for the report:

Liz Ackroyd
Assistant Director of Resources (ARM)

Report Approved



Date 28/11/07

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Corporate Services EMAP Report - Supplier & Contract Management System (SCMS)

Corporate Services EMAP Report - Future organisation and function of procurement services in Resources

Corporate Procurement Strategy

Annexes

Annex A – Role and Remit of CPT

Annex B – Progress against medium term action plan

Annex C – Progress against workplan 2007/08

Annex D – Corporate Contract Portfolio

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Role and Remit of CPT

- a) set out the strategic function, purpose and direction of procurement at the Council and in doing so develop, maintain, communicate and direct the implementation of a suitably comprehensive and robust policy framework, a Corporate Procurement Strategy and medium term action plan;
- b) devise, maintain and regularly review procurement regulations, processes, guidance (both internal and that intended for an external audience i.e. to suppliers and the general business community), all standard procurement documentation and e-forms and to develop and maintain a suitable Intranet site;
- c) tender, negotiate, implement and manage contracts for corporate supplies and services including commodities such as office supplies/stationery, print, agency staff, furniture, fixtures & fittings, taxis etc;
- d) provide best practice advice and guidance to staff involved in purchasing and procurement activities across all Council Directorates, and support and advise Chief Officers and Members as necessary in the decision making process;
- e) provide operational support to major projects and/or significant initiatives requiring specialist/expert procurement inputs as required across the organisation (e.g. Admin Accommodation, large works contracts such as Highways and other significant and complex procurements such as PFI schemes, shared service initiatives, regional procurement solutions etc);
- f) promote compliance and help to remedy and report non-compliance, ensuring the organisation is not placed in breach of its own regulations, legislation or EU directives;
- g) analyse corporate spend patterns and identify scope for efficiencies at the Council, working with the relevant Directorates to secure change, VFM and achieve year on year savings to support the Council's corporate budget requirements;
- h) keep up to date with developments in the national policy arena and assessing how the Council might best benefit from new initiatives and advise Chief Officers and Members accordingly;
- i) promote the use of the YPO and find new ways of 'remotely' directing best value purchasing options (i.e. introducing e-catalogues for managing all spend on common commodities);
- j) provide a single point of contact and liaison for external organisations (ie suppliers, Government departments and agencies, non-governmental bodies, best practice advisory groups, local authority networks etc).

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VFM, competition & efficiency

	Action	Responsibility	Deadline	Progress
1	Complete the work needed to maintain a comprehensive automated register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact for purposes of new SCMS system	CPT	1 April 2008	SCMS will be fully populated with live contracts by April 2007 and will become the Council's contract register
2	Identify how the 'thin client' function will be organised and resourced in the relevant Directorates, the respective role and responsibilities of 'thin clients' and the 'quality assured provider' (QAP) in managing service delivery and monitoring performance and all related member reporting arrangements.	Director of Resources	Spring 2008	This has been pended during Director of Resources time as acting Chief Executive over the summer and will need to be delivered following his return to his post of Director of Resources
3	Develop a competition strategy that sets out the vision of where the Council wishes to place itself in the future with regards to 'make or buy' and a handbook that sets out how to review, test and document the competitiveness of the Council services when determining 'make or buy' decisions. (10)	AD ARM	Spring 2008	Competition Policy presented to Executive in October 2007 by AD ARM. Work on strategy currently pended subject to progress on 2 above Aim to have an early draft for Member consultation early spring 2008
4	CPS to be reviewed and updated as necessary in light of the on-going development of a Competition Strategy and Policy for the organisation and associated thin-client management arrangements	AD ARM	To be reviewed in 2008	CPS to be updated in 2008 to reflect competition policy, strategy and 'thin client' arrangements
5	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Spring 2008	Output from work currently being undertaken at CYC needs to refer to current Centre of Excellence (CoE) work to ensure consistency and best practice especially in the light of shared SCMS system

VFM, competition & efficiency (continued)

	Action	Responsibility	Deadline	Progress
6	SCMS fully implemented and used to analyse complete range of goods, works and services procured across the authority to identify further opportunities to maximise economies of scale through aggregation and the targeted use of framework contracts and/or corporate contracts	CPT	Spring 2008	The benefits of the management information currently being input into the system should benefit the Council during 2008 onwards
7	Programme of aggregation and the further targeted use of framework contracts and/or corporate contracts developed for phased implementation up to 2010/2011	CPT	2010/11	This will flow from current IT development work to implement FMS & SCMS and will also be informed by item 6 above. In the mean time three new frameworks have been introduced during 2007.
8	All major procurement exercises to be managed in accordance with project management standards of the organisation and individual risk registers documented	Commissioning officers with CPT support	On-going	The team is now involved in most of the major projects currently being delivered across the Council either on the project board or in an advisory capacity including Admin Accom, Waste PFI, Internal Transport review, Building Schools for the future. Work still required to ensure that all projects are compliant with Prince 2 methodology and have adopted Council standards
9	Undertake a comprehensive review of the number of suppliers regularly used across the Council with a view to rationalising select lists and reducing proliferation	CPT	Spring 2008	This will follow on from 6 above once SCMS implemented
10	Develop the use of automation and IT solutions following the implementation of SCMS and the new ledger system to streamline administrative procedures and maintain complete and accurate contract data, records and volume and spend analyses	CPT	From 2008 onwards	This will form part of the 2008/09 workplan

VFM, competition & efficiency (continued)

Action	Responsibility	Deadline	Progress
11 Undertake a full review of the use and take up of partnership and collaborative working arrangements including YPO as a means of streamlining supplier numbers, achieving greater economies and scale, enforcing standards and benchmarking alternative costs of supply and changes to existing contract arrangements	CPT	December 2008	This is a developing and large area of work which needs to take into account CPA and future CAA inspections and also requires the management information building blocks of SCMS & FMS
12 Implement effective control mechanisms as part of the implementation of the new ledger system to control the addition of new creditors within the ledger system and prevent purchasers placing multiple small orders for supplies or making orders outside contracts or standardised product ranges	CPT & FMS Project Team	By 31/3/09	Further to FMS/SCMS
13 Establish the use of e-catalogues within the new ledger system to channel all spend on high volume/low cost items and generic goods and services	CPT	By 31/3/09	Awaiting implementation of new systems
14 Undertake initial pilot to trial the use of purchase cards following the implementation of the new ledger system in 2008/09	CPT	By 30/6/2009	Awaiting implementation of new systems

Performance management

	Action	Responsibility	Deadline	Progress
15	Establish robust suite of performance measures for the procurement function based on an agreed basket of measure reflecting both national and local standards and targeted improvements	AD ARM	Done	Local performance indicator suite developed and implemented. Members to be asked to consider adopting national indicator suite in EMAP monitoring report
16	Establish reporting and monitoring arrangements consistent with the requirements of the new strategy	AD ARM	Done	Bi-annual monitoring reports established detailing progress against three year action plan and strategy continuums
17	Undertake regional and national benchmarking exercises based on agreed basket of measures to inform development and improvement work	CPT	From 1/4/08	This will form part of the 2008 workplan
18	Establish new MIS infrastructure based on SCMS & new ledger system to facilitate the development of a robust performance monitoring and management framework for procurement.	CPT	Fully operational by 31/3/09	Will follow from above.
19	Identify data requirements for performance management purposes and ensure that new MIS infrastructure fully utilised to collect and report all required information	CPT	Spring 2008	This will follow from above and has been taken into account in SCMS design and implementation
20	Meaningful MIS used to routinely analyse spend, drive improvement and/or innovation within the Council	CPT	Spring 2008	Will follow from SCMS implementation
21	Meaningful MIS used to help analyse spend, drive improvement and/or innovation across the market place for key categories of goods and services	CPT	By 31/3/2008	This should fall out of the work undertaken during 2008/09 in relation to 20 above

Sustainability

	Action	Responsibility	Deadline	Progress
22	Review all standard procurement documentation and processes to ensure full consideration of sustainability considerations is built into standard contracting arrangements and evaluation procedures	CPT	Done	All documentation includes sustainability issues where appropriate in accordance with legislation and best practice.
23	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	As 5 above	Output from work currently being undertaken at CYC needs to refer to current Centre of Excellence (CoE) work to ensure consistency and best practice especially in the light of shared SCMS system
24	Policy fully realised and implemented across the organisation within the context of an overall sustainability and environmental policy for the Council	CMT	Spring 2008	The policy is currently being drafted in consultation with all key stakeholders and anticipated that it will be presented to Members in spring 2007
25	Complete the work needed to maintain a comprehensive automated register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact that includes designation of compliance with sustainability considerations for MIS and reporting purposes	CPT	Spring 2008	SCMS will be fully populated with live contracts by April 2007 and will become the Council's contract register

Partnership & collaboration

Action	Responsible Officer	Deadline	Progress
26 Review regulatory framework to help facilitate innovative partnering procurement and collaboration and issue further detailed guidance as required	AD ARM	On-going	Amendments to the regulatory framework to include e-auctions and partnering currently being drafted to support this action.
27 Continue to develop collaborative events such as 'meet the buyer' to develop avenues of communication and opportunity for existing and potential suppliers and contractors on a regular basis	CPT	On-going	Contact made with York Chamber of Commerce and to be further developed to support and promote SCMS to the local business community in addition a collaborative meet the buyer event has been undertaken this year with NYCC
28 Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Spring 2008	This is on-going as at 5 and 23 above
29 Develop in-house skills and competencies to support the delivery of Council objectives for partnering and collaboration in the future	CPT	Spring 2008	To be developed and delivered to support 26and 27 above

Standards & governance

	Action	Responsible Officer	Deadline	Progress
30	Review regulatory framework to ensure it meets the needs of the new strategy and issue further detailed guidance as required	AD ARM	Review currently underway	Amendments to the regulatory framework to include e-auctions and partnering currently being drafted to support this action and work currently being undertaken by the Constitutional Project Board
31	Review all standard core procurement documentation in light of the introduction of SCMS and ensure consistent use across the organisation	CPT	On-going	On-going work parallel to current development work on SCMS and implementation plan .
32	Review the procurement site on the Council Intranet ensuring all standard documentation, guidance, Codes of practice, key contacts and advice on 'most commonly asked questions' are up to date	CPT	Done	The site is kept under review by the team throughout the year
33	Complete the work needed to maintain a comprehensive automated register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact	CPT	Spring 2008	SCMS will be fully populated with live contracts by April 2007 and will become the Council's contract register
34	Utilise the SCMS maintain a record of officers involved in procurement on behalf of the Council and include principal contact details for all contracts including major service agreements for internal works previously specified under CCT in the central Contracts Register	CPT	Spring 2008	This is being undertaken as part of the SCMS implementation and will be completed before go-live on 1 April 2008.
35	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Spring 2008	This is ongoing as at 5, 23 and 28 above

Staffing & Organisation

	Action	Responsible Officer	Deadline	Progress
36	Identify all existing knowledge and skills gaps amongst officers currently involved in procurement work and provide training and development support to ensure all relevant staff meet the minimum standards necessary to support the Council's needs	CPT	Spring 2008	Identification of skills gaps undertaken as part of a wider ARM divisional exercise of CPT staff. Need to develop an auditable and systematic assessment of all staff across the organisation as part of overall remit of procurement function at CYC in lead up to Hungate
37	Undertake a full review of CPT skills and expertise following re-structure of the service in December 2006 to ensure it meets the service needs of the Council and commissioning departments	AD ARM	Spring 2008	Identification of skills gaps undertaken as part of a wider ARM divisional exercise. Development needs of team members addressed through PDP's
38	Undertake a full organisational management review of procurement activities and functions across the Council and report to Members	AD ARM	Spring 08	Outstanding funding and appropriate resource needed to undertake project needs to be identified
39	SCMS used as a vehicle for delivering and sharing good practice, supporting local practices and the work of departmental commissioning officers and effecting light touch compliance across the Council for good governance purposes	CPT	Spring 08	To follow as above.
40	Design and deliver an on-going programme of annual training events including induction workshops for all existing and new staff involved in procurement (31)	CPT	On-going	Formal generic programme to be developed interim training delivered to schools, SCMS workshops to procurement community, and articles on team in news and jobs
41	Design a programme of procurement 'master classes' covering a variety of procurement related topics to be presented by guest speakers and external experts in the relevant field. This will be used to engage both internal and external stakeholders including Members, CLG and Chamber of Commerce	CPT	31/03/09	Not scheduled yet

Equalities & inclusion

	Action	Responsible Officer	Deadline	Progress
42	Review regulatory framework to help facilitate and encourage SME and local suppliers access and participation.	AD ARM	Work Commenced	Being reviewed further to on-going work to develop policy framework as set out in the Corporate Procurement Strategy.
43	Review all standard procurement documentation and processes to ensure full consideration of sustainability considerations is built into standard contracting arrangements and evaluation procedures	CPT	Done	As 22 above
44	Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Spring 2008	This is ongoing as at 5, 23, 28 and 35 above
45	Equalities & inclusion policy fully realised and implemented across the organisation within the context of the Council's overall Equalities Strategy	CMT	31/3/08	New Equalities policy to be written and Equality strategy to be updated by Equalities team.
46	Complete the work needed to maintain a comprehensive automated register of all contracts that includes designation of compliance with equalities requirements for reporting purposes	CPT	Spring 2008	SCMS will be fully populated with live contracts by April 2007 and will become the Council's contract register
47	Develop in-house skills and competencies to support the delivery of Council objectives covering all equalities and inclusion issues	CPT	Spring 2008	As 36 and 37 above

Equalities & inclusion (continued)

Action	Responsible Officer	Deadline	Progress
48 Equality and inclusion issues are broadly publicised both within the organisation and with the supplier community and included as part of regular awareness raising opportunities such as 'meet the buyer' events	CPT	Not yet started	Will be included in the teams training and communication plan for implementation during 2008
49 Utilise the SCMS to monitor equality and inclusion for MIS purposes including supplier and locality profiling	CPT	Not yet started	Will follow from system implementation being specified to deliver this information

New technologies

	Action	Responsible	Progress 2007	Comments
50	E-procurement strategy fully developed for implementation across the organisation within the context of the overall CPS	AD ARM	On-going	This will be developed in line with the delivery of SCMS & FMS
51	Utilise new technologies to promote and embed the use of e-procurement solutions across the organisation	CPT	31/12/2008	In-progress - Implementation of SCMS has started this process which should be completed with the implementation of FMS
52	Utilise the SCMS and new FMS to encourage suppliers to be e-compliant for example by paying by BACS, accepting purchase cards, providing access via internet sites. Wherever appropriate the requirement to transact electronically will be included in contract terms and conditions	CPT	31/12/2008	In-progress this forms part of the P2P module of the new FMS system which is specifically designed to deliver this
53	Establish new MIS infrastructure based on SCMS & new ledger system to facilitate the development of a robust performance monitoring and management framework for procurement.	CPT	31/12/2008	In-progress this forms part of the P2P module of the new FMS system which is specifically designed to deliver this
54	Utilise the SCMS and new FMS to provide management information on the proportion of procurement transactions currently undertaken and set annual targets for shifting to e-procurement solutions by 2010	CPT	31/12/2008	In-progress this forms part of the P2P module of the new FMS system which is specifically designed to deliver this
55	Establish the use of e-catalogues within the new ledger system to channel all spend on high volume/low cost items and generic goods and services	CPT	31/12/2008	This will follow implementation of the FMS system
56	Undertake initial pilot to trial the use of purchase cards following the implementation of the new ledger system in 2008/09	CPT	30/6/2009	This will follow implementation of the FMS system

Ethical purchasing

Action	Responsible Officer	Progress 2007	Comments
57 Review all standard procurement documentation and processes to ensure full consideration of ethical considerations is built into standard contracting arrangements and evaluation procedures	CPT	Done	Documentation regularly reviewed
58 Establish standard evaluation models and corporate methodology for whole life costing and valuation include all cost and quality considerations where whole life costing issues are known to be essential to assessing the way in which the Council wishes to deliver services within the community	CPT	Spring 2008	This is ongoing as at 5, 23, 28,35 and 44 above
59 Policy fully realised and implemented across the organisation within the context of an overall ethical conduct and standards policy for the Council as a whole	CMT	Done	Ethical audit completed in 2007. Awaiting appointment of new monitoring officer to progress policy work through officer governance arrangements
60 Develop in-house skills and competencies to support the delivery of Council objectives covering all ethical trading and purchasing issues	CPT	Spring 2008	Outstanding - forms part of 36 & 37 above
61 Ethical purchasing issues are broadly publicised both within the organisation and with the supplier community and included as part of regular awareness raising opportunities such as 'meet the buyer' events	CPT	Spring 2008	Will be as part of actions at 27 above
62 Utilise the SCMS to monitor equality and inclusion for MIS purposes including supplier and locality profiling	CPT	Summer 2008	Forms part of SCMS specification
63 Ensure the staff training programme for procurement includes coverage of all ethical trading issues covered in the corporate procurement strategy	CPT	Not yet done	Will be included in future training programmes as at 36 & 37 above

Procurement Work Plan 2007/08

Annex C

Work stream	Progress	Days	Source
VFM, Competition & Efficiency			
RAISE (Integrated Children's System) - Establish contract	Contracts have been Issued to the Supplier and should be complete by December 07	5	IT Project
Integrated Pupil Support Module - Purchase of additional modules	Complete	2	IT Project
Corporate EDM & Workflow - corporate DMS solution	Awaiting decision by IT to start the project	60	IT Project
Realign Savings Targets – Ensure process operates effectively for 2008/09 budget	Complete	2	Budget
Minor works review - The whole area of minor works needs to be reviewed to identify spend and how contractors are used and suitable solution developed	Initial workshop has been held with Property Services, HASS and Neighbourhood Services to do some initial fact finding about the services we procure and to what value. This is a large piece of work that will entail aggregating the Council's small works spends and finding an appropriate procurement solution.	50	Breaches & Waivers Report
Establish Corporate Contract Portfolio – Identify relevant contracts and client officers	All corporate contracts identified. We have split them into 3 phases to review and ensure that they are effectively managed and promoted throughout the authority	30	3 Year Action Plan
Corporate Contract - Consolidation of postal requirements – Look at savings quick wins for post contract with CoE and other LA's	This work has yet to be started and needs to consider future FM solutions for Hungate	10	3 Year Action Plan
Corporate Contract - Staff Agency Contract – support on delivering a framework. Ongoing contract management lies with HR	Complete	10	Corporate Contract
Schools Framework agreement for provision of ICT services and hardware – provision of an EU compliant framework for schools	Tenders due to be issued by end of November	15	IT Project
Mobile voice and data network - 02 to Vodafone	Migration due to begin in next few weeks onto the corporate Vodafone contract	0.5	IT Project
Children's Trust - website and system procurement	This is now completed and a contract has been signed with Opportunity links	1	IT Project
Connexions - new system procurement	A full OJEU procurement has been undertaken and a preferred supplier has been selected.	30	IT Project
Adult Social Care Finance	In progress	1	IT Project
Servitor Mobile Data Transfer	Project on Hold by IT	1	IT Project
Servitor - Contract needs updating and novating	In progress	3	IT Project
Asset Management - Support & maintenance agreement to be done	The support and Maintenance agreement has been completed	1	IT Project
Integrated Transport Finance - Purchase & implementation of finance module	This is awaiting progress of Transport Review	2	IT Project
HANER - issue regarding supplier going into liquidation. Negotiation required with new provider	A contract has been placed with a new provider that can provide our requirements and that was a runner up in the original procurement exercise.	5	ITD
Vehicle Tracking Procurement – support to deliver a new system	Contract has been drafted and is with the supplier to review	5	IT Project
Commercial Waste Procurement – support to deliver a new system	Contracts are currently being drafted	5	IT Project
SAP - Procurement of system to support single assessment process	On-going	1	IT Project

Work stream	Progress	Days	Source
Geronimo - Contract for service	In progress	2	IT Project
Joseph Rowntree Pathfinder Project	We are at tender stage with the 2 design and build companies. Work is underway to identify the best route to procure the ICT for the new school.	15	Strategic Procurement Programme
Park and Ride Procurement – ongoing procurement support	A preferred supplier has been approved and contracts are currently being finalised	10	Strategic Procurement Programme
QPR - issue surrounding support	Complete	5	
CAPS - GIS contract issue regarding support and upgrades	Complete	6	Contract Management
Monitor performance of Legal Framework – to monitor income to procurement budget from corporate usage	Monitors put in place	2	Budget
Corporate Contract for Legal Services Framework - Identify and Publish the mechanism for using Framework, including schedule of rates	Legal Services are leading on this, however the legal framework comes under the corporate contracts portfolio	2	Corporate Contract
Torex - Novate contract	In progress	2	IT Project
Library Service - Renew Contract and partnership agreement	Complete	2	IT Project
SX3 - Novation to Civica for cash receipting	In progress	3	IT Project
Mapping Positional Accuracy - Procurement & Implementation	Not yet started by IT	20	IT Project
TRL Junction Design Programmes - Purchase & implementation of programmes	This has been completed. No new procurement was required just re-activation of existing licences	20	IT Project
Secure e-mail - Use of web-base service	Not yet started by IT	1	IT Project
Mobile Library - Procurement of system	Project being assessed by IT, Procurement input may not be required	10	IT Project
Crematorium Booking - Procurement of system	Not yet started by IT	8	IT Project
e-purchasing – Fully embedded P2P module of FMS and SCMS to also review NYS Evolvi System as part of Corporate Contract Portfolio	Work underway in all these areas with delivery over the next eighteen months	2	3 Year Action Plan
Consolidated Invoicing – Use NYS and Jewson contract to look at consolidated invoicing.	Awaiting implementation of new FMS system	8	3 Year Action Plan
Corporate Contract for Security Services - Identify who uses security services Identify number of suppliers Aggregate contracts	Initial work to identify the spend and the services required has begun. A formal procurement review will be undertaken as part of the corporate contracts portfolio	5	Breaches & Waivers Report
Managed Voice and Data Network – ongoing procurement support to deliver a new contract	A business case is still being developed. An OJEU notice should be placed by the beginning of next year. Extensions have been negotiated with our existing suppliers in accordance with the contract terms	60	Corporate Contract
Support to Highways PF1	Still awaiting Government decision on whether York will be successful in its bid	20	Strategic Procurement Programme
City Walls Maintenance Contract	This is at PQQ stage	3	Breaches & Waivers Report

Work stream	Progress	Days	Source
Education Contracts with Foundation now Tribal - Consolidation of 3 contracts, possible novation or new agreements required including company name change. Additional modules to be included. Assess technical consolidation of systems, Assess potential cost saving Create and agree new contract	Not yet started	5	IT Project
Corporate Contracts - Lift Purchase and Maintenance - Identify who uses lift services, Identify number of suppliers, Aggregate contracts	Initial work to identify the spend and the services required has begun. A formal procurement review will be undertaken as part of the corporate contracts portfolio	10	Breaches & Waivers Report
Maintenance and review of Escrow Arrangements	Ongoing, work to bring Escrow agreements into the corporate contracts register to allow us to monitor and maintain effectively is underway	6	Routine
Adult learning - extend existing support & procure new system	Not yet started	1	IT Project
Parkfolio - contract for managed service	This has been completed and a contract entered into with Parkeon	0	IT Project
ICIS - Change Controls for further software and services	Complete	5	IT Project
Warden Call Replacement	This is being procured through the NHS framework agreements for Community alarms. A tender was issued to the relevant suppliers and a preferred supplier has been selected	10	IT Project
New Technologies			
SCMS - Development and delivery	Work on this is ongoing with contracts register due at end of March 08 and electronic tendering to be implemented during 2008/09	120	3 Year Action Plan
FMS Replacement – input into procurement module	Support from CPT provided to project	220	4 Year Action Plan
FMS Replacement – Procurement support and input into procurement module	Implementation due to start Jan/Feb 08	30	IT Project
SCMS – Maintenance and ongoing support	On-going	52	Routine
Performance Management			
Review and Monitor the Strategic procurement programme providing regular progress reports	On-going	10	Strategic Procurement Programme
YPO - Need to re-establish officer role and formalise reports to Member Benchmarking etc linked to 3 year action plan	On-going	2	3 Year Action Plan
Document the performance management framework required for procurement including the development of PI's, standards and targets for future monitoring and reporting purposes.	This work is partially complete	2	3 Year Action Plan
Standards & Governance			
Evaluation models development – issue guidance on evaluation models and weightings	A revue of evaluation models has started	5	3 Year Action Plan
Complete the work needed to prepare and maintain a full register of all contracts that details type and nature of contact, tenders received, details of successful bid, duration, value and lead officer contact. In accordance with SCMS project plan	This should be available from April 2008	5	3 Year Action Plan

Work stream	Progress	Days	Source
Review and standardise all core procurement documentation and ensure consistent use across the organisation	A standard suite of procurement documentation has been developed and is now in operation.	5	3 Year Action Plan
Prepare a specific staff guidance manual to managing risks in major procurement projects and incorporate the Councils purchasing policy and code of practice	A practitioners guidance manual has been written and distributed across the authority.	60	3 Year Action Plan
Embed procurement strategy and review progress on an annual basis.	The procurement strategy has been agreed through Executive and is being embedded into the authority	2	3 Year Action Plan
Develop Competition strategy and handbook	Policy written with strategy and handbook to follow	15	Strategic Procurement Programme
Ongoing support to the organisation on Procurement	The procumbent team is now offering consistent good advice on procurement related issues and offering assistance with a range of procurement processes	200	2 Year Action Plan
Complete the set up of a user friendly procurement site on the Council intranet to hold all standard documentation, guidance, codes of practice, key contacts and advice on most commonly asked questions	This is currently work in progress and will follow the format of the guidance manual.	20	3 Year Action Plan
Support to Community Transport review	Procurement have been providing consistent support on this programme of work. We attend board meetings and have offered significant support on the taxi framework agreements and home to school bus's	5	Strategic Procurement Programme
Support to Admin Accom Review	Procurement continue to sit on the planning board for this project offering procurement advice. They are involved in the procurement activities that fall out of this programme of work, such as furniture procurement and Facilities management for the new building.	10	Strategic Procurement Programme
Review the Supporting People area to find solution to their procurement requirements which avoids future Waivers	A review of the supporting people area has been undertaken and the department are now following tendering guidelines in accordance with the EU directives, therefore an ongoing waiver will not be required in this area. We continue to offer support to the supporting people team when required	20	Breaches & Waivers Report
Identify all officers involved in procurement on behalf of the Council and include principle contact details for all contracts including major service agreements for internal works. Delivered through SCMS, see project plan	This is currently work in progress. We have identified and recorded a majority of officers involved in procurement, and included them within the SCMS training. We are also organising procurement communities specific to their spend area or whether they are operational procurement officers or more strategic. This is to ensure that we are targeting the right people with the right information	10	3 Year Action Plan
Staffing and Organisation			
Identify all existing knowledge and skills gaps amongst officers currently involved in procurement work and provide training and development support to ensure all relevant staff meet the minimum standards necessary to support the Council's needs.	This work has been completed in part through the ARM divisional skills gap analysis and will be used to inform PDP's	10	3 Year Action Plan
Admin of Procurement Shared drive and Review and Tidy of Procurement Hard Files – to tidy up and correspond to the shared drive	This is work in progress	10	Information Management Agenda
Design and deliver an on-going programme of annual training events including induction workshops for all existing and new staff involved in procurement.	SCMS training and training for the schools bursars have taken place. We are also planning training for Neighbourhood services and a programme of formal procurement training courses	15	3 Year Action Plan
Design a programme of procurement 'master classes' covering a variety of procurement related topics to be presented by guest speakers and external experts in the relevant filed	This will be moved into future CPT workplans as a follow up the initial wave of general and SCMS procurement raining	2	3 Year Action Plan

Work stream	Progress	Days	Source
Identify all staff involved in procurement and maintain a central register of purchasing and contracting responsibilities and delegated authorities and Establishing Effective council wide procurement network as a vehicle for sharing good practice and policing compliance across the organisation	This is currently work in progress. We have identified and recorded a majority of officers involved in procurement, and included them within the SCMS training. We are also organising procurement communities specific to their spend area or whether they are operational procurement officers or more strategic. This is to ensure that we are targeting the right people with the right information	5	3 Year Action Plan
Equalities and Inclusion			
Review and revise all tender documentation and application forms for approved supplier status to include extended questions on company compliance with equalities legislation.	A clause on Equalities has been included in our Standard Tender Documentation and we include it in our pre-qualification questionnaires for suppliers to assess their suitability for contracting with the Council	5	3 Year Action Plan
Ensure equalities details are logged as a separate field in the contracts register for MIS purposes.	This form part of the considerations for SCMS	3	3 Year Action Plan
Sustainability			
Review of sustainable and environmental contracts – review contracts with environmental impacts to look at whether we can procure high environmental impact goods more sustainably through the use of RAY	We are working closely with Planning & Sustainable development to deliver the councils objectives on environmental policy	15	Corporate Objectives
Ethical Purchasing			
Ensure that all procurement decisions give due regard to ethical concerns and that ethical considerations are considered where possible as part of the tender evaluation process	This forms part of the CPS and will inform the regular review of standard procurement documentation and procurement website	5	Three Year Action Plan
Partnership & Collaboration			
Develop more collaborative working with regional groups such as CoE and Northern Procurement Officers Group to achieve national procurement strategy objectives	We are working with North Yorkshire on a number of collaborative procurements, such as Cabling, the Connexions service and xx	5	Three Year Action Plan
Collaboration with NYCC to establish a cabling contract	Work started	0.5	
Continue to monitor opportunities for collaboration when undertaking any procurement exercise	On-going	2	Three Year Action Plan

Very High priority	
High priority	
Medium priority	
Low priority	

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Corporate Contract Portfolio

Contract Reference	Contract Title	Contract Description	Supplier	Contract Management	Status
COR – 2007.29	Recruitment Advertising Services	As title	Pearsons	CPT: Samantha Willetts Client:: Stephen Forest	3
COR – 2006.08	Managed Agency Services for Temporary Staff	As title	Adecco	CPT: Samantha Willetts Client:: Stephen Forest	3
COR – 2007.09	Legal Services	Framework Agreement Services Areas <ul style="list-style-type: none"> • Housing and Property • Planning and Environment • Adults/Children's Services and Social Services • Head of Legal • Litigation 	Dickinson Dees Schulmans Walker Morris Langleys Harrowell Shaftoe Jordans Praxis	CPT: Samantha Willetts Client:: Glen McCusker	3
COR – 2007.15	Rail Travel Services (UK)	Rail travel tickets.	NYS Corporate Ltd	CPT: Samantha Willetts Mark Stower Client::	3

Contract Reference	Contract Title	Contract Description	Supplier	Contract Management	Status
				N/a	
COR – 2007.28	Hotel Accommodation	Under Review	NC Travel	CPT: Samantha Willetts Mark Stower Client:: N/a	1
COR – 2007.16	General Office Supplies	As title	Yorkshire Purchasing Organisation	CPT: Samantha Willetts Joe Cieslik Client:: N/a	3
COR - 2007.17	Confidential Waste	As title	tbc	CPT: Samantha Willetts Mark Stower Client:: (Business Support)	2
COR – 2007.18	Furniture	As title	tbc	CPT: Samantha Willetts Gillian Haw Client:: N/a	1

Contract Reference	Contract Title	Contract Description	Supplier	Contract Management	Status
COR – 2007.19	Photocopiers	Framework Agreement (YPO) Photocopier lease and purchase	Konica Cannon Xerox Arena (Toshiba) NRG	CPT: Samantha Willetts Joe Cieslik Client YPO: Ian Summerscales	1
COR – 2007.10	External Reprographics Services	As title	tbc	CPT: Samantha Willetts Mark Stower Client:: Print Unit	1
COR – 2007.30	Pre-printed Stationery	As title	tbc	CPT: Samantha Willetts Gillian Haw Client:: Marketing and Communications	1
COR – 2005.14	Office Stationery	As title	Lyreco	CPT: Samantha Willetts Gillian Haw Client:: N/a	3

Contract Reference	Contract Title	Contract Description	Supplier	Contract Management	Status
COR – 2007.21	Bulk Paper Supplies (Minimum order value 5 boxes).	As title	Banner	CPT: Samantha Willetts Mark Stower Client:: N/a	3
COR – 2007.22	Water Coolers	As title	tbc	CPT: Samantha Willetts Gillian Haw Client:: N/a	2
COR – 2007.23	IT Printer Consumables	As title	Lyreco	CPT: Samantha Willetts Gillian Haw Client:: Ian Goater (IT&T)	3
COR – 2007.24	Corporate Cleaning Public Buildings Materials Council Buildings	As title	tbc	CPT: Samantha Willetts Mark Stower Client:: Tbc	2

Contract Reference	Contract Title	Contract Description	Supplier	Contract Management	Status
COR – 2007.11	Postal Services	As title	tbc	CPT: Samantha Willetts Mark Stower Client:: N/a	2
COR – 2007.20	Courier Services	As title	tbc	CPT: Samantha Willetts Mark Stower Client:: N/a	2
COR – 2007.25	Electricity	As title	tbc	CPT: Samantha Willetts Client:: Energy and Sustainability Officer	3
COR – 2007.26	Gas	As title	tbc	CPT: Samantha Willetts Client:: Energy and Sustainability Officer	3

Contract Reference	Contract Title	Contract Description	Supplier	Contract Management	Status
COR – 2007.27	Insurance Services	As title	Insurance Department, CYC	CPT: Samantha Willetts Client:: Lisa Nyhan	3
COR – 2007.13	Lift Maintenance	As title	tbc	CPT: Samantha Willetts Joe Cieslik Client:: tbc	2
COR – 2007.12	Security Services	As title	tbc	CPT: Samantha Willetts Joe Cieslik Client:: tbc	2
Various	IT & T Hardware	Framework Agreement • IT Equipment	Various	CPT: Samantha Willetts Client:: IT Procurement Officer	3
Various	IT & T Systems	Various	Various	CPT: Catherine Cowling Samantha Willetts Client::	3

Contract Reference	Contract Title	Contract Description	Supplier	Contract Management	Status
				Various	
Various	Telecommunications	As title	tbc	CPT: Catherine Cowling Client:: Operational Head of IT	1
Schools Only					
LCCS – 2007.05	For the Supply and Delivery of Data Cabling Services	Framework Agreement led by NYCC As per title Under Review	<ul style="list-style-type: none"> • Advantex Network Solutions Ltd • Azzurri Communications Ltd • Connex Data Communications Ltd • CSE Educations Systems Ltd • Ultimate Communications Systems Ltd • WG&R UK Ltd 	CPT: Samantha Willetts Client:: Laura Conkar (LCCS)	1
LCCS – 2007.04	For Hardware, Software & Network Services	Framework Agreement Under Procurement	tbc	CPT: Samantha Willetts Client:	1

Contract Reference	Contract Title	Contract Description	Supplier	Contract Management	Status
				Laura Conkar (LCCS)	
LCCS-2007.06	For the Provision of Broadband Fault and Change Request Reporting Services	Annual Agreement As per title	Vital York Limited	CPT: Samantha Willetts Client: Laura Conkar (LCCS)	3
EDU – 2001.11	For the Provision of Broadband Services	As per title	Kingston Communication	CPT: Catherine Cowling Client: Laura Conkar (LCCS)	1

Status

- 1 – Under immediate review Oct – Dec 2007
- 2 – Under review Jan – March 2008
- 3 – Longer term review



Meeting of the Executive Member for Corporate Services and Advisory Panel

11 December 2007

Report of the Director of Resources

Treasury Management Second Monitor Report & Review of Prudential Indicators

Summary of Report

1. This report updates the Executive Member and Advisory Panel on the Treasury Management performance for the period 1 April to 31 October 2007 compared against the budget presented to Council on 21 February 2007.
2. The report highlights the economic environment for the first seven months of the 2007/08 financial year and in relation to this reviews treasury management performance covering:
 - Short-term investments,
 - Long-term borrowing,
 - Venture Fund,
 - Treasury Management Budget and
 - Prudential Indicators.

Background

3. The Council's treasury management function is responsible for the effective management of the Council's cash flows, its banking, money market and capital transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
4. The Council approved the Treasury Management Strategy and Prudential Indicators on 21st February 2007. This resulted in an approved treasury management budget of £7.433m for 2007/08. A number of adjustments made at Monitor One revised this budget to £7.407m.

Consultation and Options

5. This report is for information and reporting on the performance of the treasury management function and therefore there are no options for

consideration. The budgets and prudential indicators were set in light of the prevailing expenditure plans and economic conditions, based on advice from the Council's Treasury Management advisors.

Corporate Priorities

6. The Council has a priority to ensure value for money and efficiency of its services. Treasury Management maximises the interest earned from surplus cash balances and minimises the interest payable by the Council on its debt structure.

Economic Background and Analysis

7. The Council's short term investment and long term borrowing decisions have been affected by the following economic conditions:
 - a) The Bank of England base rate started 2007/08 at 5.25% after having risen 3 times since August 2006. The Bank of England is responsible for managing the rate of inflation (measured by the Consumer Price Index – CPI) in the UK and does this through increasing and decreasing interest rates. In March the CPI breached the 3% limit set by the chancellor and this resulted in the base rate being increased twice, in May to 5.5% and again in July to the current level of 5.75% in an attempt to bring inflation back down to the 2% target level.
 - b) August saw the start of what has become known as the 'Credit Crunch', where banks no longer feel confident enough to lend to each other. The credit crunch was started in the USA where mortgages were granted to people with poor credit rating histories. The mortgage companies then repackaged these debts and sold them on to main stream banks who themselves repackaged it and sold it on to pension and hedge funds. It is still unclear as to whom holds these bad debts and the banks' are reluctant to lend to each other. This resulted in the short term interest rates on money market investments increasing in response to the reduced supply of money. At one point lenders were willing to pay 6.84% on money lent for 3 months. These rates have reduced since these highs but remain higher than average because of the continued uncertainty. Figure 1 shows the actual base rate movements since 2004/05 with predictions from economic commentators for the remainder of 2007/08 and up to 2011.

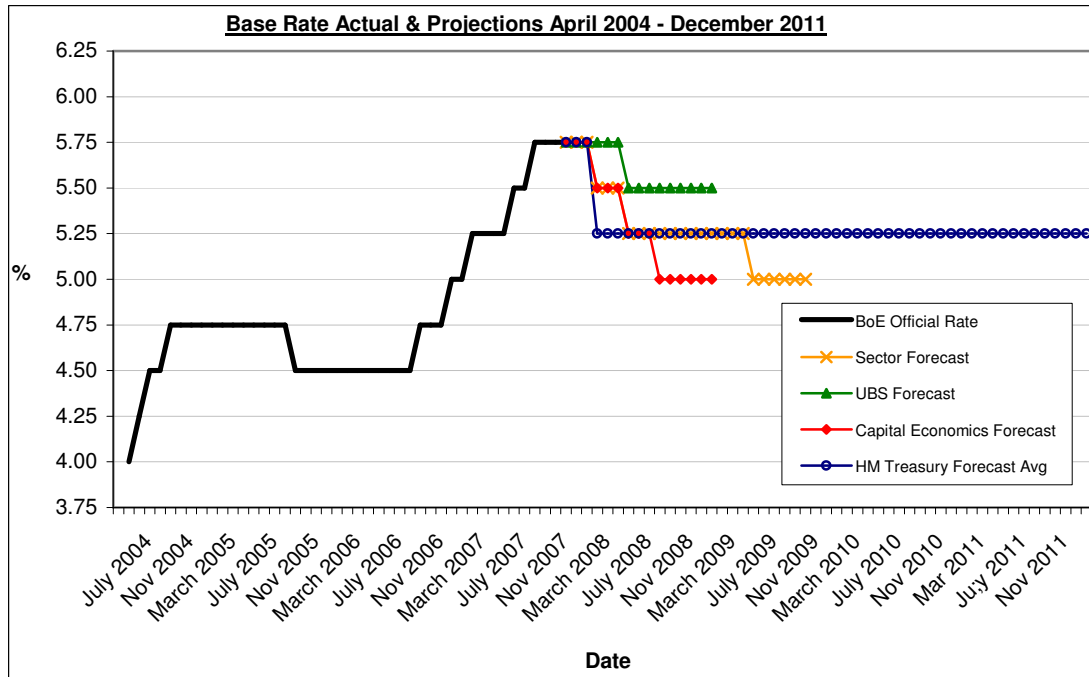


Figure 1 - Base Rate 2004 –2011 as at October 2007

- c) With regard to long term borrowing, the Public Works Loan Board (PWLB) 45-50 year rate started the year at 4.45%. Rates have risen steadily from this low point up to a high of 4.90% in both mid June and July with rates dropping back to a level of 4.60% by the end of October. Although these rates are relatively low historically the current levels are currently underpinned by the rise in world inflationary expectations over the medium to long term.
- d) Investment rates have risen since the beginning of the financial year when the 1 year rate was at 5.82% (1 month rate at 5.42%) to a level of 6.04% and 5.96% respectively by the end of the October. Rates peaked at 6.50% in the 1 year and 6.60% in the 1 month range.
- e) A number of large UK banks keen to accept Local Authority investments have been offering competitive rates on call accounts paying Bank of England base rate as a minimum. Towards the start of the year some of the accounts were paying more than the 1 to 2 months money market deals. The Council has taken advantage of such accounts and actively operates 4 call accounts:
- i. Bank of Scotland 7 day notice base plus account is offering between 0.08% and 0.71% (averaging 0.23%) above base during the period .
 - ii. Anglo Irish Star call account paying on average 0.06% above base rate.
 - iii. Alliance and Leicester call account (opened in July) paying on average 0.29% above base rate.
 - iv. Abbey call account paying base rate.

Short Term Investments

8. The Council's average cash balances available for investment for the first 7 months of the year has been £68.558m, a £30.206m increase compared to the same period in 2006/07 (£38.352m). The reasons for the increase are:
 - a) Significantly higher opening balances as a result of the 2006/07 revenue under spend of £4m and a £5.7m reduction in the 2006/07 capital programme spend due to slippage against budget,
 - b) Early realisation (between April and July) of £4m capital receipts originally scheduled for the end of March 2008,
 - c) Early receipt of over £8m of grants from government departments which will not be spent until 2008/09 financial year,
 - d) Projected capital programme slippage (based on current spending levels) and revenue under spend forecast of £4m.
9. Day to day cash balances vary in relation to the Council's receipt and payment cycles. Cash balances reduce at the end of the month due to the monthly payroll and increase at the beginning, and to a lesser extent mid month, with the receipt of council tax and non domestic rates. Annex A shows the movement in daily cash balances over the period April to October along with the full year projection for 2007/08. All surplus cash balances are invested with authorised counterparties in accordance with the Council's Treasury Policy Statement.
10. Trading activity during the first seven months earned interest of over £2.28m, equivalent to a 5.70% rate of return. This is 0.04% better than the average 7 day London Inter-Bank Deposit rate (LIBID) of 5.66% and 0.11% higher than the average base rate for the period.
11. Taking into account the direct cost of dealing the in-house team achieved a net trading surplus of £2.269m. This is equivalent to a return of 5.67%, which is 1.08% above the average rate paid by the bank on credit balances held in the Council's accounts, as shown in Annex B. The bottom line added by the Council's money market trading activities is estimated at £434k.
12. During the first 7 months of the financial year the Council has made 104 investments totalling £238m, compared with 84 investments totalling £183m for the same period in 2006/07. The increase in activity is due the proactive management of the bank accounts in light of the improved money market returns on offer. This has resulted in an increase in the percentage of money market transactions from 21% in 2006/07 to 48% in 2007/08. Figure 2 shows the split of money market investments between the Council's four money market brokers. Annex C provides more detail about the scale of the money market operations year to date.

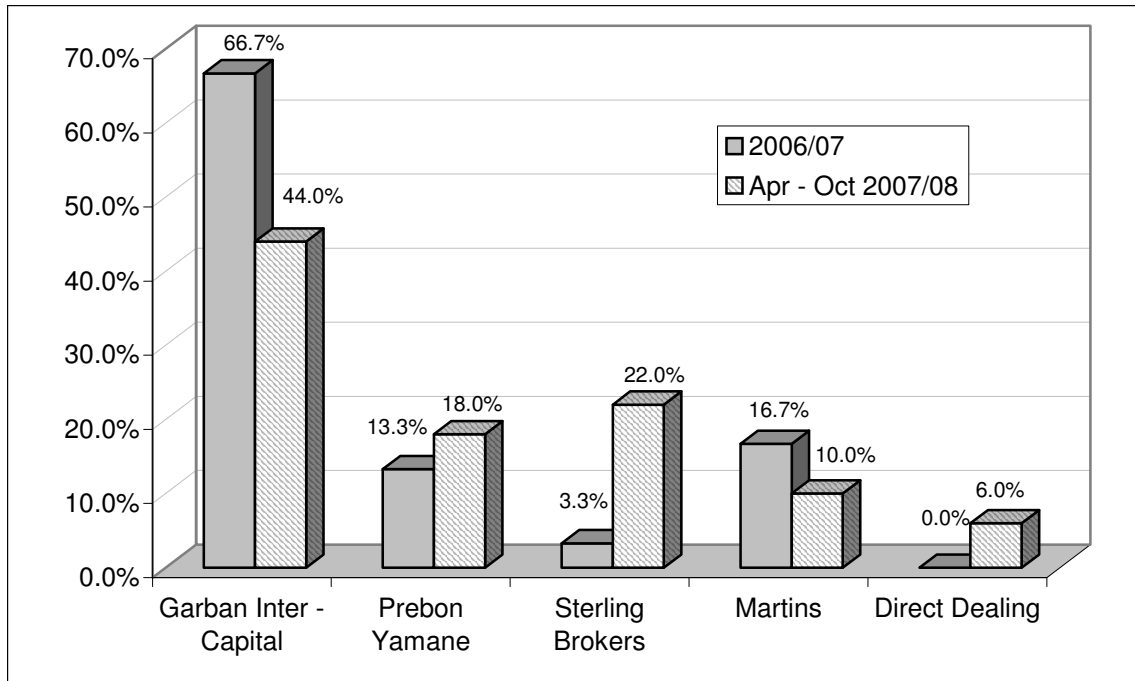


Figure 2 – Money Market Investments by broker used

13. The Council has made 50 investments via the money market brokers during the first 7 months of 2007/08. Of these 15 have been for a week or less with 29 being for a period of greater than one month. Annex D gives details of investments for periods greater than 1 month. This shows that the Council has invested £9.85m with the Northern Rock Bank during the period with £1.5m of investments being outstanding as at 31st October. The £1.5m matured on the 15th November and no further deposits will be placed with the bank.
14. Figure 3 shows the investments for periods over 1 month in duration in comparison to the range of rates (between 1 month and 1 year) being offered on the money markets at the time investments were made.
15. The two investments that became live at a rate below the prevailing market rate were forward deals arranged one year prior to investing. These deals were entered in to based on the economic forecasts for interest rates at the time. They were intended as a hedge against a projected falling interest rates. The investment made at 5.08% for £3m was taken at a time when interest rates were forecast to be between 4 and 4.5% over the investment period. The investment made at 5.3% for £4m was taken when rates were forecast to be between 4.5% and 4.75% during the investment period. These loans represent £7m out of projected average balances of £68m. If rates were to have fallen in line with projections then £61m would have been affected by the general fall in the market, rather than the £7m that has been affected by the rising market.

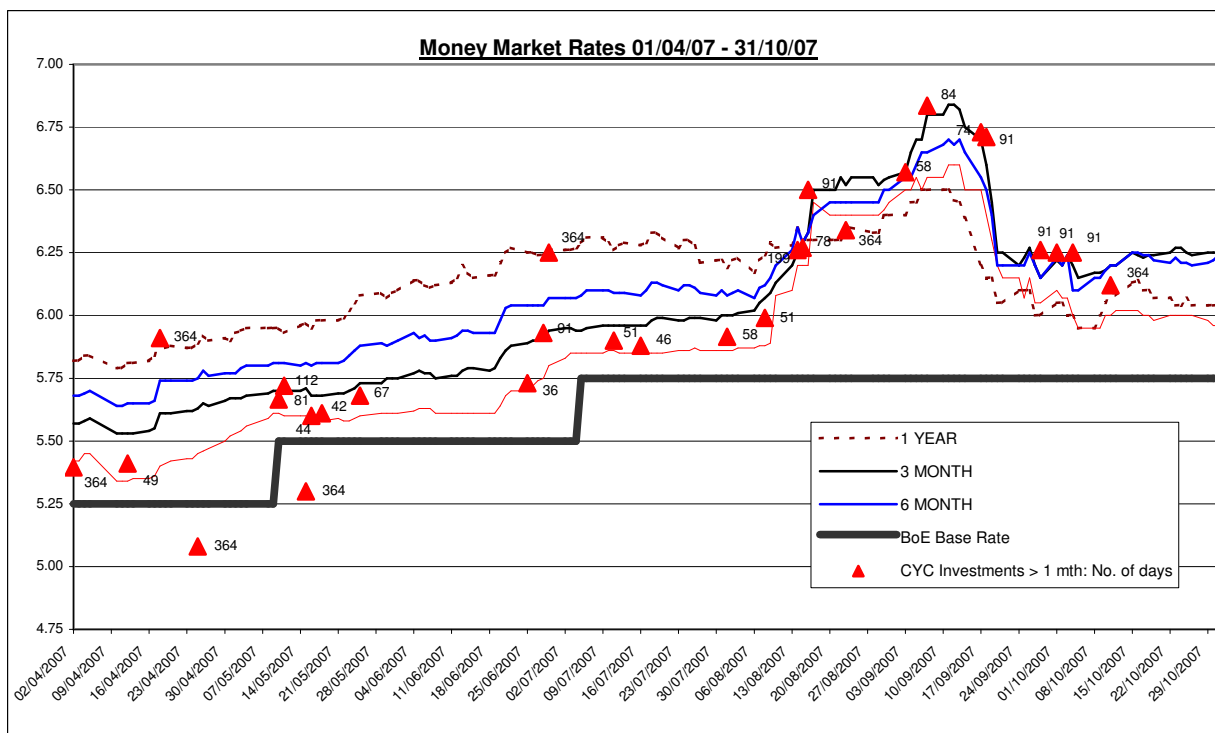


Figure 3 CYC Investments vs Money Market Rates

Long Term Borrowing

16. The Council is allowed to borrow to invest in capital projects, and all borrowing is therefore secured against its asset base. The majority of Council borrowing is funded by the Government through the Revenue Support Grant (RSG), which provides the Council with revenue funding to allow it to meet the interest and repayment costs of borrowing. The introduction of the Prudential Code in April 2004 has given the Council the flexibility to borrow without Government support. Under the Code Councils are free to borrow up to a level that is deemed prudent, affordable and sustainable and within their prudential indicator limits.
17. The Council's long term borrowing started the year at a level of £103.4m with no new loans being taken out or repaid to date. One loan of £4m with a fixed interest rate of 4.35% was repaid on 5 November. Figure 4 shows the PWLB rates (the grey area showing rates between 25 and 50 years) since April 2006 and when borrowing took place.
18. The Council's borrowing strategy is to borrow from the PWLB when rates are low and hold off from taking new borrowing when rates are high following advice taken from the Councils contracted treasury management advisors (Sector Treasury Services). During the current financial year the Council has set a trigger for long term borrowing of 4.25%. Long term borrowing rates started the year at a level of 4.45% and have since fluctuated for the first seven months of the year between 4.45% and 4.90%. The borrowing that took place in September and November 2006 illustrate this strategy and was taken in advance of

need. This means that the Council do not have to borrow in this financial year which also means an aggressive trigger point can be set.

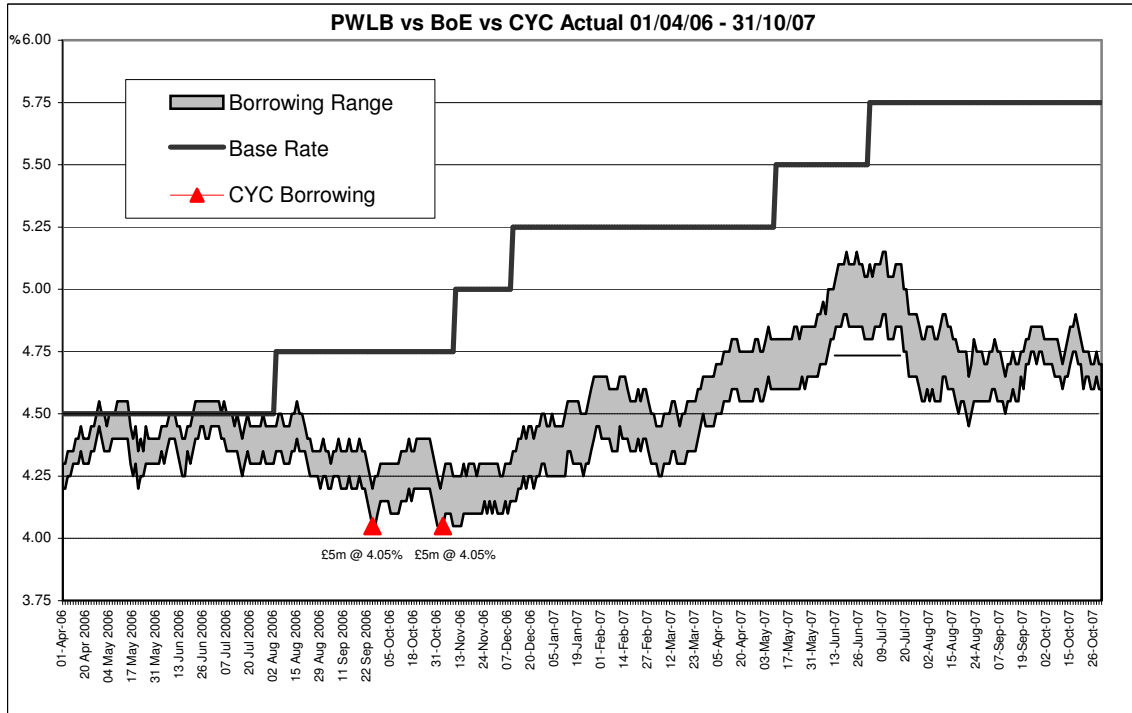


Figure 4 – PWLB rates vs CYC Borrowing Levels

19. Figure 5 illustrates the 2007/08 maturity profiles of the Council's debt portfolio.

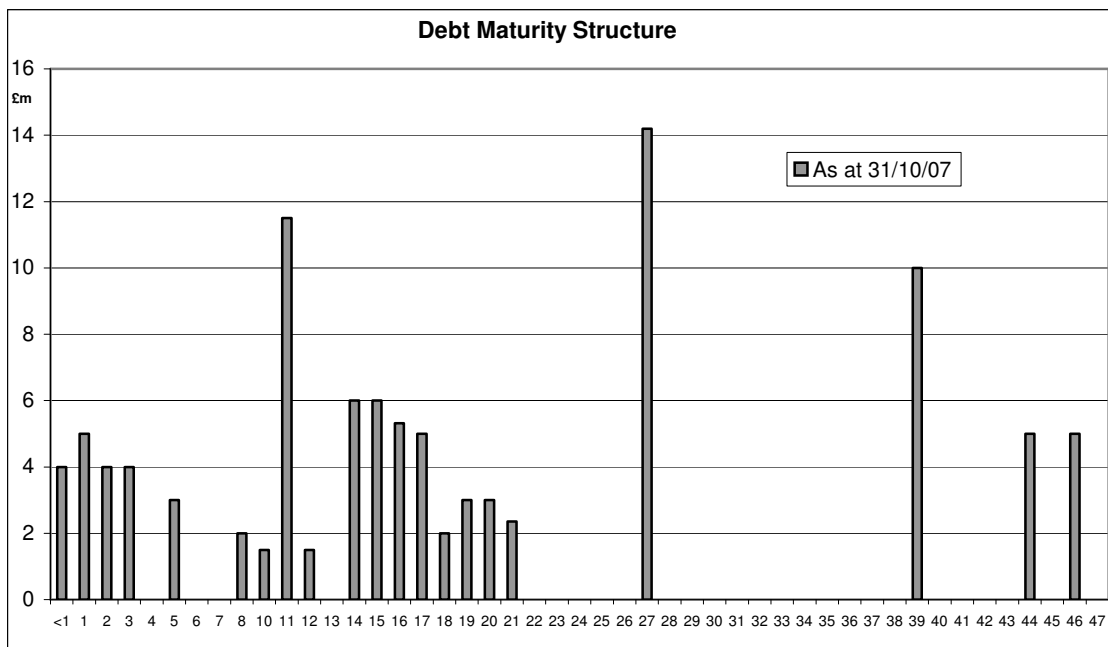


Figure 5 – Debt Maturity Profile 07/08

20. The average rate of interest on the Council's long term borrowing is 4.63%. This is 1.56% lower than the latest available average long term borrowing rate (source Sector 2005/06) for unitary authorities of 6.19%. Long term borrowing rates are expected to be around the 4.50 – 4.70% level for the latter part of 2007/08 having seen rates in the 45-50 year reach levels of 4.90% in the early stages of the financial year.

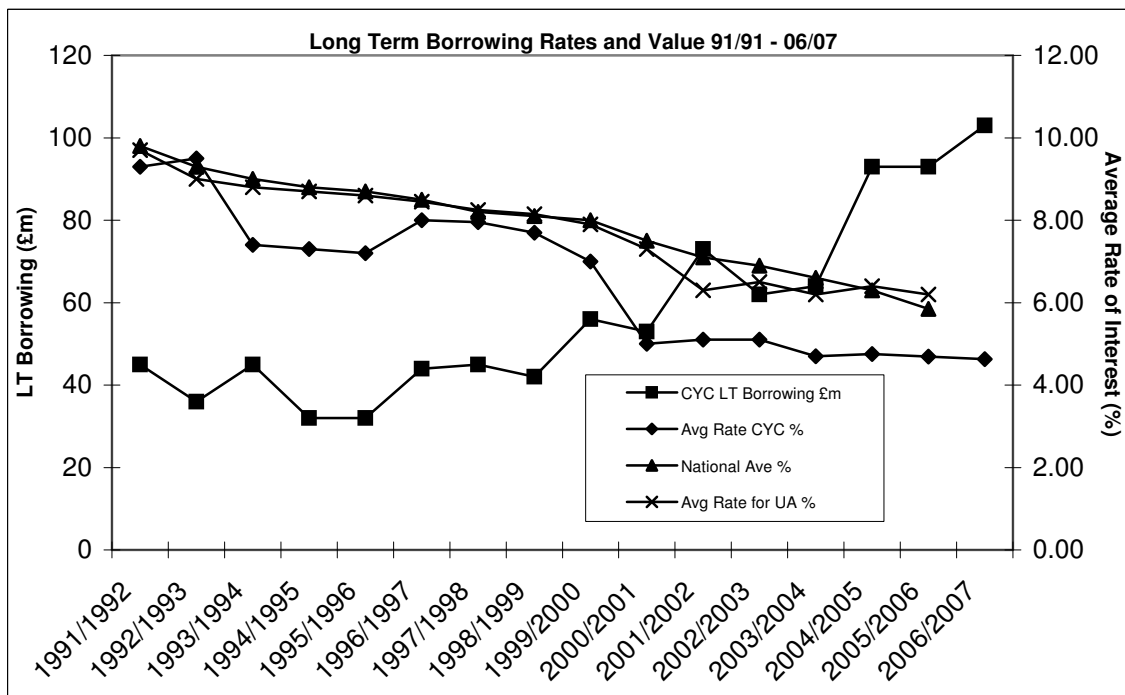


Figure 6 – CYC borrowing vs. National Average vs. Unitary Authority

Debt Restructuring

21. No debt restructures have taken place during the first seven months of the 2007/08 financial year. The Council continues to benefit from restructure made in previous years which have reduced significantly the average rate of interest on the Council's debt.

Venture Fund

22. The Venture Fund is used to provide short to medium term investment for internal projects which provide new revenue streams or generate budget savings and contribute to operational benefits of policy objectives. The projected movements on the Venture Fund for the year are shown in table 1.

	£'000
Balance at 1st April 2007	1,611
New Loan Advances	(1,306)
Loan Repayments	1,611
Net Interest Received	(18)
Balance at 31st March 2008	1,898

Table 1 – Projected Venture Fund Movement 2007/08

23. Proposed loan advances for 2007/08 are £1,210k for Local Public Service Agreement 2 (a temporary loan until the government allocation is received) and £96k for Assets in Good Repair with repayments being received from a total of 10 schemes.

Treasury Management Budget

24. Treasury Management activity is contained within the Corporate Budget and has a current approved budget of £7,407k. The projected outturn is £5,651k resulting in a estimated under spend of £1,756k. Table 2 details the individual components that make up this under spend.

	(Under)/Over Spend £000
Delay in borrowing	(294)
Provision to repay debt	(44)
Increase in average balances	(872)
Increase in rate of interest	(423)
BCCI Dividend	(61)
Minor Budgets	(62)
Total Under spend	(1,756)

Table 2 – Treasury Management Budget 2007/08

25. The expected Treasury Management under spend is driven by the four main areas:

- a) The delay in borrowing is a result of PWLB borrowing interest rates (which are a reflection of yields on the UK Gilt market) remaining above the target level set at the start of each year. PWLB rates in the 45-50 year period have been at a low of 4.45% twice in this financial year,
- b) The increase in the rate of interest earned is due to the increase in the base rate and the higher than normal market interest rates, which were not forecast when the budget was set.
- c) The increase in average balances is attributable the capital and revenue underspends in 2006/07, the early payment of capital grants from central government, the early receipt of some capital receipts and projected slippage in capital expenditure in 2007/08.
- d) A £61k dividend payment from the liquidators of the collapsed Bank of Credit and Commerce International (BCCI) is due to be received this financial year, taking the total amount of debt recovered by the Council up to 90% (£1.4m) in sterling prices.

Review of the Prudential Indicators

26. In accordance with the Prudential code, the Prudential Indicators set by Council on 21 February 2007 must be reviewed. The Council remains within its prudential limits and full details of the indicators are given in Annex E, however, the key points are:

- a) Size of the Capital Programme (Indicator 1) – The indicator set for the size of the 2007/08 Capital Programme was an estimate of £42.761m. Slippage from the 2006/07 financial year and additional spend on schemes in 2007/08 (as reported to The Executive in the Capital Programme Monitor 1 on the 9 October 2007) has increased the programme to a level of £52.525m.
- b) Net Revenue Stream (Indicator 2) – This indicator represents how much borrowing the capital programme will cost as a percentage of the Council net budget. The General fund indicator is currently 4.28% compared to a level of 6.0% when the indicators were set. This decrease is attributable due to the high level of cash balances and a delay in borrowing. Both these factors reduce the net level of debt of the Council. The Housing Revenue Account (HRA) indicator for 2007/08 is 3.28% compared a budgeted figure of 3.31%.
- c) Capital Financing Requirement (CFR) (Indicator 5) – The Council's CFR which represents the underlying need to borrow for capital expenditure purposes is £103m against a budget figure of £112m. The reduction is due the increased level of voluntary set-aside at the end of the 2006/07 financial year which was not included in the original budget. Voluntary set-aside can only be established once the capital programme has been financed at close down and was largely because of the sale of St Leonard's Place.
- d) Authorised Limit / Operational Boundary (Indicator 6) – The Council's level of debt as at 31 October stands at £103.4m. No new borrowing has been taken during this financial year and the Councils debt remains within the level of £158.2m set at the budget.

Human Resources Implications

27. There are no HR implications as a result of this report.

Equalities

28. There are no equalities implications as a result of this report.

Legal Implications

29. Treasury Management activities have to conform to the Local Government Act 2003, which specifies that the Council is required to adopt the CIPFA Prudential Code and work to its Treasury Management Policy and Treasury Management Practices. As a result the Council can only invest and borrow from approved institutions as set out in sections 1 and 12 of the Act.

Crime and Disorder Implications

30. There are no crime and disorder implications as a result of this report.

Information Technology Implications

31. There are no IT implications as a result of this report.

Property Implications

32. There are no property implications as a result of this report.

Risk Management

33. The treasury management function is a high risk area because of the level of large money transactions that take place. As a result of this there are procedures as set out in the Treasury Management Practices statement that aim to reduce the risk associated with high volume high value transactions.

Recommendations

34. Members are requested to:

- Note the performance of the Treasury Management Activity;
- Note the projected underspend of £1.756m;
- Note the movements in the Prudential Indicators.

Reason – to ensure the continued performance of the Council's Treasury Management function.

Contact Details

Author:

Ross Brown
Corporate Accountant
Tel No: 551207

Tom Wilkinson
Corporate Finance Manager
Tel No: 551187

Chief Officer Responsible for the report:

Peter Steed
Head of Finance

Tel 551127

Report ✓ **Date** 27/11/07
Approved

Wards Affected: None

Specialist Implication Officers: None

For further information please contact the author of the report

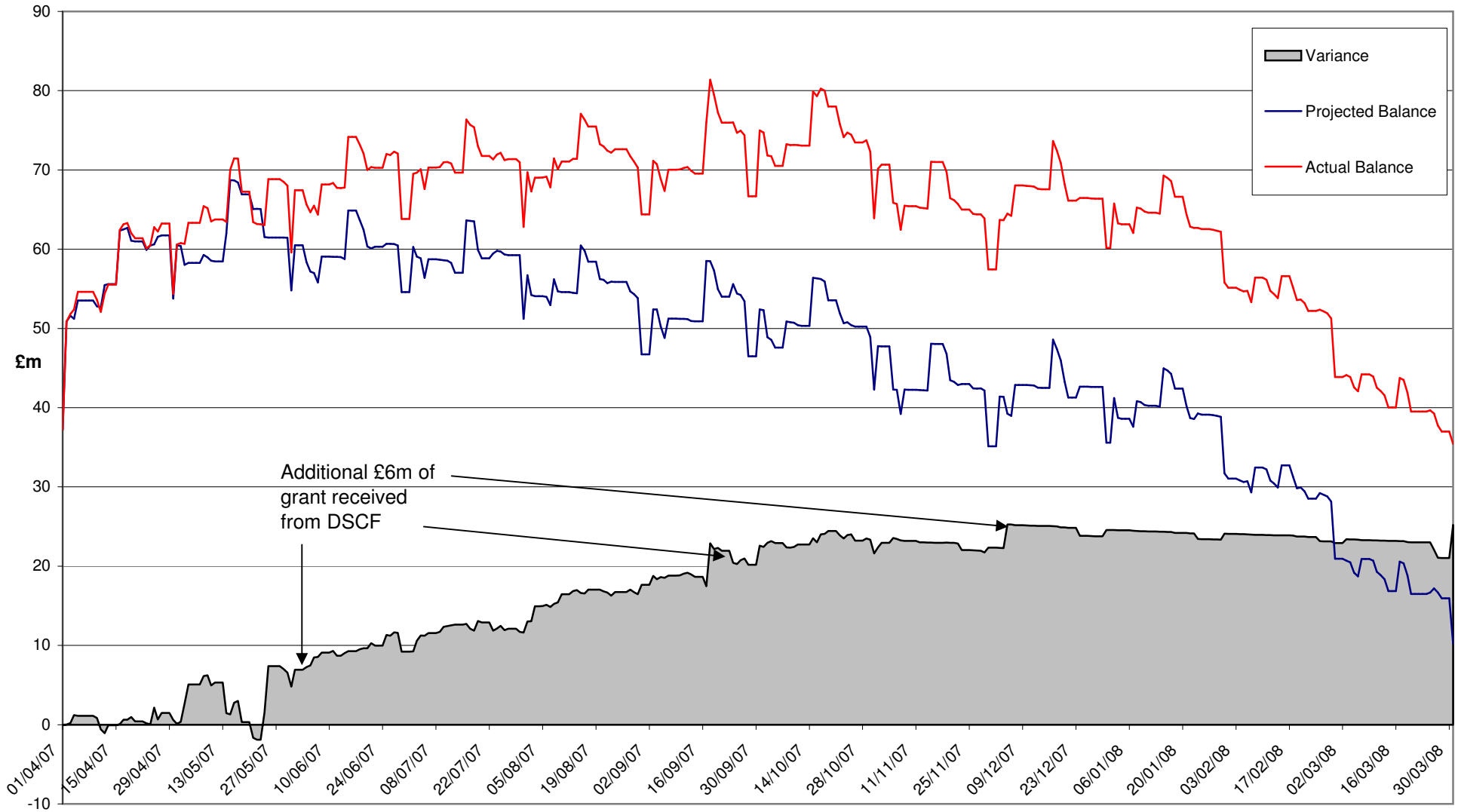
Background Papers

Cash-flow Model 07/08, Investment Register 07/08, PWLB Debt Register, Capital Financing Requirement 07/08 , Venture Fund 07/08, Prudential Indicators 07/08, Statistics 07/08.

Annexes

- Annex A – Cash Balances Graph
- Annex B – Surplus on Money Market Trading
- Annex C – Money Markets Trading Statistics
- Annex D – Investments over 1 month in duration
- Annex E – Prudential Indicators 07/08

Daily Cash Balances 2007/08



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Surplus on Money Market Trading Activity
for 01/04/07 - 31/10/07

	£	Rate of Return %
Interest received from trading	2,280,558	
Less: Interest paid on temporary borrowing	0	
Gross trading surplus	2,280,558	5.70%
Less: Estimated direct running costs		
- Staff	7,982	
- IT Equipment	408	
- Brokers fees	0	
- Subscriptions	2,333	
- Bank Charges	640	
Total	11,364	
Net Trading Surplus	2,269,194	5.67%
Less: Added value adjustment for notional Bank interest	1,835,640	4.59%
Notional Value Added by Trading	433,554	1.08%
Weighted Average Balance for the period	£39,992,166	
Average 7 day LIBID		5.66%

Note: The added value adjustment reduces the net trading surplus by the amount that would have been achieved if the daily cash balance had simply been invested with the bank.

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Money Market Trading Statistics
Financial Year 2007/08 (April - October)

2006/07		Institutions Lent To		2007/08	
No of Deals	%		No of Deals	%	
52	36%	<i>UK Banks</i>	33	32%	
6	4%	<i>Building Societies</i>	16	15%	
0	0%	<i>Local Authorities</i>	0	0%	
86	60%	<i>International Institutions</i>	55	53%	
144	100%	<i>All Institutions</i>	104	100%	

2006/07		Brokers Used		2007/08	
No of Deals	%		No of Deals	%	
20	14%	<i>Garban Intercapital</i>	22	44%	
4	3%	<i>Prebon Yamane</i>	9	18%	
1	1%	<i>Sterling Brokers</i>	11	22%	
5	3%	<i>Martins</i>	5	10%	
114	79%	<i>Direct Dealing</i>	3	6%	
144	100%	<i>All Brokers</i>	50	100%	

2006/07		Maturity of Deals		2007/08	
No of Deals	%		No of Deals	%	
4	3%	<i>Overnight</i>	8	8%	
4	3%	<i>up to 1 week</i>	7	7%	
5	3%	<i>1 week - 1 month</i>	6	6%	
5	3%	<i>1 month - 3 months</i>	20	19%	
12	8%	<i>over 3 months</i>	9	9%	
114	79%	<i>Business Reserve</i>	54	52%	
144	100%	<i>All Deals</i>	104	100%	

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Financial Institution	Base Rate at time	Rate of Interest	Value	Start Date	Duration (days)
Clydesdale Bank *	5.25%	5.395%	£4.0m	02/04/07	364
Heritable Bank	5.25%	5.410%	£2.5m	12/04/07	49
Clydesdale Bank	5.25%	5.910%	£3.0m	18/04/07	364
Bank of Ireland ^	5.25%	5.080%	£3.0m	25/04/07	364
Ulster Bank Ltd	5.50%	5.720%	£2.6m	11/05/07	112
Northern Rock Plc	5.50%	5.665%	£2.6m	11/05/07	81
Bank of Ireland #	5.50%	5.300%	£4.0m	15/05/07	364
Portman BS	5.50%	5.600%	£1.4m	16/05/07	44
West Bromwich BS	5.50%	5.610%	£3.0m	18/05/07	42
Bradford & Bingley	5.50%	5.680%	£3.0m	25/05/07	67
Skipton BS	5.50%	5.730%	£1.75m	25/06/07	36
Anglo Irish Bank	5.50%	5.930%	£1.0m	29/06/07	91
Ulster Bank Ltd	5.50%	6.250%	£3.0m	29/06/07	364
Heritable Bank	5.75%	5.900%	£2.6m	11/07/07	51
Heritable Bank	5.75%	5.880%	£1.8m	16/07/07	46
Northern Rock Plc	5.75%	5.915%	£3.75m	01/08/07	58
Heritable Bank	5.75%	5.990%	£3.45m	08/08/07	51
Northern Rock Plc	5.75%	6.260%	£2.0m	14/08/07	78
Irish Intercontinental Bank	5.75%	6.270%	£2.0m	14/08/07	199
Northern Rock Plc	5.75%	6.500%	£1.5m	16/08/07	91
Clydesdale Bank	5.75%	6.340%	£2.0m	23/08/07	364
West Bromwich BS	5.75%	6.570%	£3.0m	03/09/07	58
Heritable Bank	5.75%	6.835%	£2.0m	07/09/07	84
West Bromwich BS	5.75%	6.730%	£3.3m	17/09/07	74
Bradford & Bingley	5.75%	6.710%	£3.5m	18/09/07	91
Anglo Irish Bank	5.75%	6.260%	£1.0m	28/09/07	91
Heritable Bank	5.75%	6.250%	£2.0m	01/10/07	91
Bradford & Bingley	5.75%	6.250%	£2.0m	04/10/07	91
Banco Espirito Santo SA	5.75%	6.120%	£2.0m	11/10/07	364

* Forward deal arranged in November 06 becoming live in 07/08. The decision to enter into this forward investment was taken due to economic forecasters predicting rates to be in the region of 5.0 – 5.25% at the date of the investment becoming live.

^ Forward deal arranged April 06. Economic forecasters predicting rates to be in the region of 4.0% - 4.50% at the date of the investment becoming live.

Forward deal arranged May 06 becoming live in 07/08. Economic forecasters were predicting interest rates to be at a level of 4.5% when the investment became live and at a level of 4.75% on maturity.

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PRUDENTIAL INDICATORS		2007/08 Estimate	2007/08 Forecast	2008/09 Estimate	2009/10 Estimate	2010/11 Estimate
1) Capital Expenditure To allow the authority to plan for capital financing as a result of the capital programme. To enable the monitoring of capital budgets to ensure they remain within budget	Non - HRA	£'000 36,456	£'000 45,072	£'000 66,545	£'000 29,584	£'000 10,340
	HRA	7,293	7,453	7,044	7,457	7,873
	TOTAL	43,749	52,525	73,589	37,041	18,213
2) Ratio of financing costs to net revenue stream This indicator estimates the cost of borrowing in relation to the net cost of Council services to be met from government grant and council tax payers. In the case of the HRA the net revenue stream is the income from Rents	Non - HRA	6.00%	4.28%	5.95%	7.12%	8.12%
	HRA	3.31%	3.28%	3.53%	3.60%	2.63%
3) Incremental impact of capital investment decisions - Council Tax Shows the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council tax is used in financing the capital programme and any related revenue implications that flow from it.		£ p	£	£	£	£
	Increase in Council Tax (band D) per annum	4.34	4.34	6.52	1.81	0.31
4) Incremental impact of capital investment decisions - Hsg Rents Shows the actual impact of capital investment decisions on HRA rent. For CYC, the HRA 2006/07 planned capital spend is based on the government's approved borrowing limit so there is no impact on HRA rents.		£ p	£	£	£	£
	Increase in average housing rent per week	0.00	0.00	0.00	0.00	0.00
5) Capital Financing Requirement as at 31 March Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The	Non - HRA	96,268	86,181	98,302	116,039	126,039
	HRA	15,669	16,669	17,669	18,669	19,669
	TOTAL	111,937	102,850	115,971	134,708	145,708
6a) Authorised Limit for external debt - The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could	borrowing	179,700	179,700	194,000	214,000	234,000
	other long term liabilities	0	0	0	0	0
	TOTAL	179,700	179,700	194,000	214,000	234,000
6b) Operational Boundary for external debt - The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a	borrowing	158,200	158,200	180,800	192,600	210,600
	other long term liabilities	0	0	0	0	0
	TOTAL	158,200	158,200	180,800	192,600	210,600
7) Adoption of the CIPFA Code of Practice for Treasury Management in Public Services Ensuring Treasury Management Practices remain in line with the SORP.	Treasury Management Policy Statement		24-Jul-07			
	12 Treasury Management Practices Policy Placed Before Council Annual Review Undertaken		24-Jul-07 21-Feb-07 24-Jul-07			
8a) Upper limit for fixed interest rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts	Net interest re fixed rate borrowing / investments	150%	150%	150%	150%	150%
	Actual Net interest re fixed rate borrowing / investments	n/a	140%	113%	112%	117%
8b) Upper limit for variable rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in interest rates which can have an adverse impact on the revenue budget if it is overly exposed to variable rate investments or debts	Net interest re variable rate borrowing / investments	20%	20%	20%	20%	20%
	Actual Net interest re variable rate borrowing / investments	n/a	-40%	n/a	n/a	n/a
9) Upper limit for total principal sums invested for over 364 days To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long term loans mature in different periods thus spreading the risk.	Current Investments over 364 days	£10,000 £0	£10,000 £0	£10,000 n/a	£10,000 n/a	£10,000 n/a
10) Maturity structure of new fixed rate borrowing during 2006/07 The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.		Actual £'000	Lower Limit	Upper Limit	Actual £'000	Actual %
	under 12 months	0	0%	10%	4,000	4%
	12 months and within 24 months	4,000	0%	10%	5,000	5%
	24 months and within 5 years	13,000	0%	25%	11,000	11%
	5 years and within 10 years	5,000	0%	25%	3,500	3%
	10 years and above	81,365	20%	90%	79,865	77%

Glossary Of Abbreviations

HRA Housing Revenue Account

CYC City of York Council

CFR Capital Financing Requirement

SOF Statement of Recommended Practice - for Local Authority Accounting

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