

Executive Member for Corporate Services 9 December 2008 and Advisory Panel

Report of the Director of Resources

RESOURCES DIRECTORATE MONITOR 2 PERFORMANCE AND FINANCE REPORT - 2008/09

Summary

1. This report combines performance and financial information for the Resources Directorate for Monitor 2, 2008/09.

Background

2. This document is in a revised and more summarised format than previous Monitor reports and deals with three main issues. First there is a budget overview, covering both revenue and capital budgets. Secondly there is an overview of key Directorate Performance Indicators, and finally there is information in relation to progress against Directorate priorities.

Budget Overview – Revenue Budget

3. The Projected outturn position for the Resources Directorate for 2008/09 based on the second review to 31 October 2008 is an underspend of £421k. The table below summarises this position, and Annex 1 provides further details.

2007/08 Outturn variance	Service area	2008/09 Expenditure Budget	2008/09 Income Budget	2008/09 Net Budget	Monitor 1 variance	Projected outturn March 2009	Variance for the year based on Monitor2
£'000		£'000	£'000	£'000	£'000	£'000	£'000
-170	Director	419	23	396	-25	342	-54
-608	Public Services	43,939	41,767	2,172	30	2,164	-8
-332	Financial services	2,002	1,783	219	26	247	28
76	Performance, Audit & Risk Mgt	4,413	4,198	215	-63	174	-41
-250	IT&T	5,950	5,898	52	-260	-274	-326
-82	Easy Project	3,090	1,402	1,688	-9	1,668	-20
-1,366	Total	59,813	55,071	4,742	-301	4,321	-421

Note that '+' indicates an increase in expenditure, or shortfall in income and '-' indicates a reduction in expenditure or an increase in income.

Director -£54k

4. There is an underspend of £10k arising from the temporary vacancy of the Directors Post, being offset against recruitment costs. In addition budgets held within the Resources Development Fund amounting to £44k are not expected to be spent.

Public Services -£8k

Benefits subsidy -£201k

5. As previously reported there have been reductions in subsidy loss due to fewer eligible overpayment errors, especially in those cases where fraudulent claims have been made. In addition we continue to achieve 100% subsidy on local Authority Error overpayments.

Benefits administration +£266k

6. Additional staff costs have been incurred implementing the benefits restructure due to the embargo on staff changes and delays in progressing the Pay and Grading review. There has also been expenditure on training staff on revised procedures. There is a planned review of benefits overpayments which will incur additional staff costs this year, in order to generate future years savings.

York Contact Centre -£28k

7. The council tax administration and recovery teams have now been integrated with the contact centre and previously reported staff overspends are being reduced through integration of the staff teams. The staff overspend is being offset against an over-achievement of income on court costs associated with the recovery of council tax and NNDR outstanding debts. There is a planned review of the single persons discount which will incur additional staff costs this year, in order to generate future years savings.

Support services -£45k

8. This underspend is primarily due to the position of Systems Support and Development Manager being held vacant, which is to be reviewed as part of the Resources restructure.

Financial Services +£28K

Exchequer +£17k

9. Within the Creditors section staff shortages have meant that additional cover has been needed to keep up with work demands. A shortfall in the claims fees recovered has resulted in an overspend in Debtors.

FMS Project +£14.5k

10. This overspend relates to additional salary, software & licensing costs.

Performance, Audit & Risk Management -£41K

Audit & Fraud +£15K

11. There are cost pressures associated with covering long term sickness combined with additional legal fees which have arisen as a result of two significant fraud prosecution cases currently progressing through the courts. Some of the additional costs are being offset by holding staff vacancies.

DA Fees - £20K

12. As previously reported the annual DA fees for 2008/09 are expected to be lower than provided for, although there have recently been some additional costs added associated with the Annual Governance report.

13. There are several other minor variances within this service primarily associated with staffing vacancies.

IT&T -£326k

14. Savings totalling £166k have been realised through CYC undertaking technical work "in house" rather than through external suppliers as originally costed.

15. Resourcing implications within Directorates have resulted in a number of development projects either not being completed within year as planned or being deferred completely until 2009/10. This has contributed £155k to the total ITT projected underspend.

Easy Project -£20k

16. A range of issues have resulted in amendments to the Programme's plans, and therefore the budget profile is being reviewed. This project is being funded from LPSA Grants of £1.39m and future efficiency savings being delivered by the Easy Programme. The projected underspend reflects in year salary savings and minor variances from the Phase 1 programme.

Budget Overview - Capital

17. The capital budget for Resources now comprises of the projects from the IT Development Plan only, and is dealt with under revenue in the IT&T paragraph.

Performance Indicators:

18. Set out in **Annex 2** are key performance measures for the Directorate. Areas to note include:

- Time taken to process housing benefit/council tax this has decreased by two days from the 19 days reported in 2007/8 based on a slightly different definition of this measure.
- % Invoices paid on time – this has increased from around 93% to 95%. This is part of a general trend for improvement across all directorates, especially over the last four months. It may be the result of a request to review procedures to ensure prompt payment which was sent out earlier this year.
- Housing benefit overpayments recovered as % identified in year – this has increased from 58% to 70%. This is due to a 42% decrease in the value of overpayments created in the year so far.
- The percentage of calls answered within 20 seconds has increased from 93% to 96%.
- We have aligned our requirement to record and report against NI 14 (the proportion of customer contacts that are of low or no value to the customer) in the definition service areas to reflect our priorities for service improvements within Phase 2 of the Easy @ York Programme. We are looking to procure a standalone product which will be implemented during January and March 2009 to enable our first report to be submitted in April 2009. No baseline or targets have been set for this indicator and the DCLG have stated it will not be used as a "comparator" indicator, which the Audit Commission supports

Progress against key Directorate Priorities

19. The progress against the detailed Directorate Priorities is set out in **Annex 3**. Key issues to note include:

- a) FMS replacement – good progress being made, with the implementation date of 1 April 2009.

- b) Preparation for Use of Resources/CAA – action plan being drawn up, corporate steering group in place for CAA.
- c) Resources Restructure – final proposals agreed, subject to report going to Staffing Matters and Urgency Committee in December 2008.
- d) Corporate Efficiency programme – selection of Performance Partner, with a view to commencement of scoping study early 2009, and a three year programme of efficiency reviews commencing thereafter.
- e) Budget Monitoring – review almost completed, with a view to revised finance and performance monitoring arrangements being introduced in part early 2009, and full implementation from April 2009.
- f) Final Accounts – good progress is being made in relation to responding to previous Auditor comments regarding the completion of the Accounts.
- g) Easy Programme – work is going well but five streams are now running concurrently and this has stretched resources. The delay in the Admin Accom project means that a revised plan will be necessary to make sure that the programme continues in the new HQ.
- h) Income collection and debt management – as part of Resources restructure these are brought together and are a priority area for improvement.

Staff and Customer Statistics

20. Statistics relating to staff performance and customer service will be reported at the end-of-year monitor in June 2009.

Consultation

21. None required

Options

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

Corporate Priorities

23. 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

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

Other Implications

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

Risk Management

26. 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

27. 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
28. Reason – in accordance with budgetary and performance monitoring procedures

Contact Details

Author:

Barbara Boyce
Business and Performance Manager
552014
Jean Lewis
Accountant, City Strategy
551162

Chief Officer Responsible for the report:

Ian Floyd
Director of Resources
Resources

Report Approved **Date** 27-11-08

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:

None

Annexes:

Annex 1 - Financial Revenue annex

Annex 2 – Key performance indicators

Annex 3 – Directorate Priorities