
Executive Members for City Strategy and Advisory Panel

16 March 2009

Report of the Director of People and Improvement

CHIEF EXECUTIVE'S MONITOR 3 FINANCE & PERFORMANCE REPORT 2008/9

Summary

1. This report combines performance and financial information for the Chief Executive's Directorate for Monitor 3 2008-9. This covers the period April 2008 to January 2009. The financial element will cover performance against budget and capital projects for the Chief Executive's Directorate. The performance element covers Corporate and Directorate indicators and updates on key projects from the various service areas.
2. This report is for information only and Members are asked to note the performance and financial position.

Background

3. This is the third monitoring report for 2008/09 combining financial and service performance to be brought to City Strategy EMAP.
4. Best Value Performance Indicators (BVPIs) have now been superseded by a new indicator suite, National Performance Indicators (NPIs). The NPIs which are the responsibility of the Chief Executive's Directorate will be measured by the Place Survey which is due to report early in 2009.

Directorate Financial Overview

5. The latest budget for Chief Executive's Directorate totals £6,455k. This includes the transfer in of Property Services and Payroll services into the directorate and the transfer out of the Performance, Policy and Planning team to Resources Directorate.
6. Current projections show that the directorate will overspend by £286k which equates to 1.4% of the gross expenditure budget. The financial position is summarised by service plan below:

Service Plan Area	Approved Budget			Variation		
	Expend Budget £(000)	Income Budget £(000)	Net Budget £(000)	Projected Outturn £(000)	Under /Over £(000)	% of gross budget
Corporate & Democratic Core	1,612	0	1,612	1,612	0	0
Chief Executive	404	10	394	385	-9	-2.2
Director of People & Improvement	328	116	212	219	7	2.1
Human Resources	3,863	3,782	81	36	-45	-1.2
Marketing & Communications	800	851	-51	-13	38	4.8
Civic, Democratic & Legal	3,249	819	2,430	2,378	-52	-1.6
Total excluding Property Services	10,256	5,578	4,678	4,617	-61	0.6
Property Services	10,536	8,759	1,777	2,124	+347	3.3
Total including Property Services	20,792	14,337	6,455	6,741	+286	1.4

7. The table above shows that the Directorate is forecasting an overspend of £286k. Of this overspend £347k is from the transferred in Property function with the remainder of the Directorate forecasting an underspend of £61k. The two areas are considered separately within the report.
8. A breakdown of variations, where forecast outturn is significantly different to the approved estimate can be seen in Annex 1. The key variances (excluding Property Services) are itemised below:
 - Consultancy costs supporting the Health and Safety function prior to the appointment of a new manager (£+64k)
 - Additional costs incurred within Corporate HR partly as a result of backfill arrangements for Pay and Grading review (£+25k)
 - Projected surplus from the recruitment pool (£-83k)
 - Non forecast achievement from letting advertising on council boundary signs (£+20k)
 - Continued forecast shortfall from the Print Unit (£+27k).
 - Staffing savings resulting in vacancies within democracy and committee services (£-89k)
 - Slippage on the progress of the Delphi Replacement Project (£-71k)
 - Temporary additional costs of additional childcare solicitor (£+16k)
9. In total the identified overspends total £411k and mitigating savings of £472k have currently been identified.
10. Since Monitor 2 when the Directorate was forecasting an overspend of £60k, the actions proposed by Directorate Management Team have been implemented in an attempt to bring the projected overspend back into balance. Notably in HR, backfilling arrangements have been

reviewed and where possible posts have been left vacant. In addition, expected commitments to the scrutiny budget will not be realised in this financial year.

11. A budget of £85k was set aside in 2008/09 to fund the Delphi Replacement Project and a further £170k of funding is available for 2009/10. However the project has not progressed as far as expected in 2008/09, mainly as resources have been redirected towards other priority projects. As a result, the project budget for this financial year is projected to underspend by £71k.
12. The management actions reported to this committee at Monitor 2 will continue to be monitored closely during the final quarter of the year in an effort to ensure that the Directorate outturns with the projected underspend.

Property Services Financial Overview

13. The financial position within Property Services is of concern. The latest projection is that the service will overspend by £347k. This compares to a projected overspend of £294k at Monitor 2 reported to this EMAP. The major reportable variances are as follows:
 - a) Of the three staffing trading accounts Facilities Management and Asset and Property Management are generally projected to break even.
 - b) The trading account for Strategic Business and Design is forecast to outturn with an adverse variance of £158k. This has resulted from several factors:
 - The slippage of the largest in house project, Rawcliffe Primary School.
 - The usual late surge of expenditure from client directorates has not materialised
 - A number of staff on long term sick requiring to be back-filled.
 - A number of vacancies requiring the use of agency staff.
 - c) A shortfall of £+73k is expected from within the Commercial Property Portfolio as current economic conditions lead to further voids within the sector. There have also been additional maintenance costs across the portfolio.
 - d) A shortfall of £+109k is in Administrative Accommodation. The greatest impact has been an increase in hire and services charges from our landlords (£72k) for additional costs of repair and maintenance of expensive elements of the leased buildings (e.g. boilers and heating systems). There has also been a shortfall in income within the portfolio. All repair and

maintenance expenditure on admin accommodation buildings is now on hold, items will be considered on a case-by-case basis and works only undertaken to meet health & safety requirements, protect life and limb or to meet legal and compliance obligations..

- e) The other major element of shortfall (£+43k) is on the management of surplus assets. The projected overspend includes costs incurred on Edmund Wilson Pool, Yearsley Bridge and Piccadilly. As it becomes more difficult to sell properties the costs of maintaining, securing and managing surplus property will become more expensive. The dilemma is that to sell now will mean low receipts, to delay sales until the market is healthier means greater cost of managing our redundant assets.

Corporate Performance Overview

Corporate Health- Staff Sickness across the Council

14. The number of staff days lost to sickness across the Council for April to December 2008 have reduced in comparison with the same period last year:

	April-December 2007/8	April-December 2008/9
Average days lost per full time equivalent – all sickness	7.72 days	6.48 days
Average days lost per full time equivalent – stress	1.49 days	1.18 days

Corporate Health- Health and Safety across the Council

15. The number of accidents reported to the Health and Safety Executive (HSE) under the Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR) regulations during April to December 2008 was 32. There were 53 reportable accidents in the same time period in 2007. Even allowing for over-reporting last year with the introduction of the new policy, it appears that safety measures have been successful.

Chief Executive’s Directorate Performance Overview

Customer First Indicators – Letters

16. The Customer First figures show that the Chief Executive’s directorate answered 3161 out of 3448 or 97.47% of letters between April and December 2008 within the Council’s 10 days standard. This is above the corporate target of 95%.

Customer First Indicators – Telephone Calls

17. In Chief Executive's Directorate 91.84% (or 41763 out of 45364) telephone calls were answered within 20 seconds between April and December 2008. This is below the corporate target of 95%.

Customer First Indicators – Visitors seen and Stage 2 and 3 complaints

18. 3538 customers visited the Chief Executive's reception area between April and December 2008, and 100% of them were seen within 10 minutes. 2576 of these visitors needed to be referred to another officer, and 100% of them were also seen within 10 minutes.
19. There have been no stage 1 or stage 2 complaints in the period under review.

Corporate health – Staff sickness in Chief Executive's

20. Sickness figures for April to December 2008 in Chief Executive's are shown below with last year's figures for comparison:

	April – December 2007/8	April – December 2008/9
Average days lost per full time equivalent – all sickness	5.76 days	4.77 days
Average days lost per full time equivalent – stress	0.99 days	0.34 days

21. This does show a marked improvement in sickness absence compared with the same period last year, and 1.06 days fewer per FTE than the whole Council figure. Stress related illnesses have shown a considerable drop.

Service Plan Key Actions and Projects

Human Resources

Pay and Grading

22. Following acceptance of the proposals in the ballot, the Council and the three trade unions signed the pay and grading collective agreement on the 4th December 2008. The new pay structure and allowances for the staff covered by the proposals were subsequently implemented in December 08. This included the payment of back-pay to the 1st April 08 and the six months lump sum pay protection to 'red circle' staff.

23. The implementation of the collective agreement has generally gone smoothly which, given the complexity of the changes being made and the timescales the work was undertaken, reflects the hard work of all of those involved. As was anticipated, a relatively small number of issues have arisen that are currently being addressed although none are fundamental problems and mainly concern the transition between the previous arrangements and the new arrangements. These are being dealt with by P&G team, in close association with Project Board representatives and most have already been successfully resolved.
24. The employee support line and email address have both been very busy and in order to reduce the number of multiple queries, all employees who have lodged an appeal have been written to individually, a series of FAQs have been published and a briefing for managers has been sent out.
25. The P&G Project Board continues to meet on a monthly basis with directorate representatives being closely involved in the ongoing work. Cllr Moore has taken over as project Executive Member.
26. The Joint Negotiating Group (JNG) also continues to meet on a monthly basis and will continue to do so until it is replaced by the Pay Board. The terms of reference of the Pay Board are currently the subject of discussions at the JNG having been agreed by the Project Board. It is expected that the Pay Board will start to meet in April 09.
27. A total of 839 appeals have been received, covering 515 posts. The appeals have been prioritised and a plan is in place which will ensure all appeals are heard by the end of April.

Health and Safety

28. Following a review of the CYC Safety Management System (SMS) by the new Health & Safety Manager, a paper outlining amendments to the SMS has been taken to CMT and approved.
29. The amendments to the SMS will see the Risk Assessments linked to the Corporate Risk Register, as well as initiating a wider review of Health and Safety practice across CYC to assess the level of legal compliance against relevant key performance indicators.
30. The current statistical data relating to accidents show that accident rates are lower than at the same time last year

HR Transformation

31. The Delphi Replacement and e-Recruitment Project Boards have merged to become the HR Transformation Project Board. The Board is currently meeting regularly in line with key milestones on the procurement timetable.
32. The HR Corporate Development Manager (HR Transformation Project) has been in post since November 2008.

33. The timetable for implementation of the new payroll system has been revised due to resources pressures caused by the impending roll-out of the new FMS system (April 2009). 'Go live' date still April 2010.

HR Development and People Management Review

34. The new HRMT development sessions are proving beneficial to both HR staff and associated departments. The next topic sessions include Health & Safety, Political Awareness and Equalities.
35. A People Management update paper is going to CMT in March.
36. The HR Corporate Development team restructure and office relocation has been completed and previous resources gaps have been remedied

Marketing and Communications

37. The Marketing and Communications Team's work is currently all on target and includes:
- Proactively and reactively working with national, regional and local news media
 - Being the council's corporate marketing service
 - Producing the publications *Your City, Streets Ahead* and an *A-Z of Council Services*
 - Leading corporate internal communications with the Council's staff through *News and Jobs* and *News in Depth*
 - Providing high quality research and consultation to ensure customers' needs and aspirations are understood
38. Over and above this the M & C Team has three critical success factors (CSFs) defined in their Service Plan:
- i. Write and implement external communications strategy incorporating the issue of reputation and reflecting the priorities and values of the Corporate Strategy.
 - ii. Write and implement a consultation strategy, which will ensure that the needs and requirements of the Council's customers are understood through effective research and consultation.
 - iii. Write and implement an internal communications strategy to ensure that staff understand their role in the 'golden thread' and the Council is able to communicate essential information effectively to staff.
39. The first two of these are to be incorporated into the Council's Engagement Strategy, being led by the Chief Executive with the Head of Marketing and Communications as part of the single Improvement Plan.
40. A paper updating members went to the Executive on 23 December, along with a draft strategy and draft toolkit (a 'how-to' for managers and

anyone else who may be interested). The final versions of both of these documents will be published on the council's website, along with a log and a calendar of engagement activity.

41. The documents are due to go back to members in March, having followed a full programme of consultation. This will include publication of these drafts on the council's website, discussion with members and face to face meetings with representatives of the city's various communities.
42. The last CSF, the internal communications strategy, has been delayed while work on the Council's new Intranet continues. The new Intranet will be an exciting internal communications tool which will fundamentally change the way we communicate with staff and will, therefore, affect the strategy. This work is expected for 2009 and will be allied to the engagement strategy toolkit. The Marketing and Communications team will be working closely with Human Resources in this work.

Civic, Democratic and Legal Services

43. The Legal team have once again received Lexcel accreditation after inspection by the Law society.
44. The annual canvass to complete the electoral roll has been successfully carried out. Electors can now register online for the first time. The new edition of the electoral roll was published in December 2008.
45. Work on establishing a framework for development and training for elected members is ongoing. Much of this has been incorporated within a new single improvement plan around the Council's approach to engagement with members and was approved by Executive in January 2009.
46. The Head of Civic, Democratic & Legal Services submitted a report to Council in April 2008, seeking approval for a number of constitutional changes, such as adjustments to the size of the Executive; revisions to Standing Orders; expanding the terms of reference for the Urgency Committee to including 'staffing' matters, clarifying the role of working groups; designating appropriate Champions and expanding the role of the Standards Committee. Those changes were agreed by Council and have now been implemented.
47. A project reviewing the existing Scrutiny structures has taken place. Three workshops were held over the summer with Members to set out some potential options for Scrutiny in York in the future and gather Members' views on those options and on current Scrutiny structures in York. The information gathered from those sessions was written into a formal report for consideration by CMT initially and then by Members through the decision making process. The report was considered by full

Council in November and a working group was appointed to investigate potential models for a suitable scrutiny structure. A model was chosen in January 2009 which will become effective from 21st May 2009.

Property Services

48. The Property team continue to support and lead several important workstreams within the Administrative Accommodation project. Specifically, the Land Assembly, Design and Construction, Property Exit Strategy including disposals and contributing to the development of the new approach to FM. The Assistant Director: Property Services continues to act in an advisory capacity.
49. The delay to the Admin Accommodation project will impact upon both the management of the freehold properties the council own and the management and extension of lease agreements for the leasehold properties.
50. The York High School – Cornlands Road site - was completed on time and the school opened after the Christmas break. The new school provides much improved accommodation from a sustainable build solution. The school is heated by a biomass boiler system that burns recycled wood pellets.
51. On the same site the construction of the new swimming pool is well underway.
52. Property is also working on design projects for the primary capital programme, children's centres, preparation for the Building Schools for the future programme, Changing Places, new city centre toilets, St. Clement's Hall and the 3 new park and ride sites.
53. The first Area Asset Management Plan was approved by the Executive in July and work is at various stages in developing plans for Rawcliffe/Clifton, Leeman Road, Acomb 1, Acomb 2 and the east side of York. Work continues in support of Service Asset Management Plans.
54. The Asset and Property Management section are leading and coordinating significant cross-directorate development work in support of major disposals at Lowfields and Manor school sites.
55. Property Services are facing challenges on several fronts at this time:
 - Being reorganised into Chief Executive's requires the coming together of diverse professional services and the creation and development of a new management team to deliver its services.
 - Further complicated by the temporary arrangements to be made during 2009/10 that will require Property Services to operate from within City Strategy.

- Pressures to reduce budgets in an environment that also creates pressure to improve and expand services for the customer. Capital is at a premium with the council no longer able to rely upon simply acquired capital receipts. Sales are dependant upon rationalisation of accommodation and the integration of services, all at a cost.
- Economic climate - the current crunch has slowed things down in the housing sector but not so much in public investment. Land values have dropped significantly, not a good time for sales. Our commercial tenants are struggling with significant risk of business failure. Consideration is being given to how the council can provide support to local businesses.
- Recruitment and retention - the council is now struggling to compete in the marketplace for technical professional staff. Property Services currently have 12 vacancies filled with expensive agency and consultant staff.
- The Assistant Director is looking to re-align the business and will be working with appointed consultants (Efficiency Programme) to identify delivery options for future service provision.

Equalities

56. Following the publication of CPA 2008 results, the Equalities improvement plan 2008/9 was put in place. Having the plan in place and delivering against it has contributed to the positive outcome of Use of Resources Assessment 2008. Highlights in quarter 3 include:
- The first tranche of Directorate Equality Schemes were put in place. They outline actions that Directorates will take to contribute to the corporate Equalities Improvement Plan. The actions will be fed into service plans.
 - The programmed Equality Impact Assessments (EIAs) 2008/9 progressed as planned.
 - The corporate Equality Data Project Officer started to map existing databases within CYC. 55 key databases were identified.
 - Training for officers involved in Equality Impact Assessments was delivered as planned
 - The Social Inclusion Working Group was successful in engaging with more community groups through inviting “expert witnesses” from community groups to attend and contribute to meetings. Further, the Group held its first ever Equality Impact Assessments (EIAs) Fair. 45 invited participants from 12 community groups attended to discuss with officers the findings and proposed actions arising from key EIAs. Actions that will be incorporated into service plans for 2009/10 as a result of the Fair include:

- o An accreditation scheme for taxi drivers drawn with the direct involvement of people with sensory and physical disabilities recruited via community groups engaged in the Social Inclusion Working Group
- o Standards and guidelines to make publicity about leisure facilities accessible to all including people with learning disabilities
- o Considering the promotion of leisure facilities and events in alternative ways for example through: using networks of people and community groups to promote events and pass information on; an accessible citizens guide to leisure facilities that lists information and contact details
- o A simpler accessible process for claiming housing benefit and informing the council of changes of circumstances, for example notifying the Council over the phone rather than having to write or call in
- o Promoting Safeguarding Adults in staff training and reviewing public awareness raising campaigns to take equality issues as they relate to safeguarding on board
- o Using examples of real people who benefited from Individual Budgets in publicity and road shows and supporting them to share their positive experiences

Consultation

57. The report is primarily an information report for Members and therefore no consultation has been undertaken regarding the contents of the report.

Options & Analysis

58. The report is primarily an information report for Members and therefore no specific options are provided to Members regarding the contents of the report.

Corporate Priorities

59. The principle function of this report is to provide details of the Directorate's financial and service performance for the 2008/09 financial year. As such it contributes to the proper financial management of the authority.

Implications

Financial

60. The report provides details of the portfolio projected financial position and therefore implications are contained within the report.

Other Implications

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

Risk Management

62. The report is primarily a look back at finance and service performance and therefore there are no significant risks in the content of the report. Paragraph 33 considers issues following on from the outturn position where overspends may recur in future years.

Recommendation

63. That the Advisory Panel advise the Executive Leader to note the financial and performance position of the portfolio.

Reason – In accordance with budgetary and performance monitoring procedures.

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Report Approved



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Specialist Implications Officers: None

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

All



For further information please contact the authors of the report

Background Papers:

Budget Monitoring Papers held within City Strategy Finance

Annexes:

Annex 1 Service Variations against budget

Annex 2 Corporate Performance Indicators

Annex 3 Chief Executive's Directorate Performance Indicators