
**Meeting of Executive Members for City
Strategy & Advisory Panel**

11 September 2006

Report of the Chief Executive

**Chief Executive's Directorate Monitor One Finance and Performance
Report (2006/07)**

Summary

1. This is the Chief Executive's Directorate's first performance monitoring report for the current year. The report is for information purposes only, and is to inform the Executive Leader and Panel Members of progress against the directorate's service plan actions and targets, along with the current financial position.
2. Key points include:
 - The financial position is on target and forecast as a £33k underspend this year (para. 16).
 - Perception of crime is still improving (para. 25).
 - A marked improvement on directorate appraisals (para. 21).
 - Areas identified for further improvement in Chief Executive's include systems supporting letter and invoice processing (para's 23 and 24). With corporate improvement work identified in some areas of the corporate customer first results (para. 28).
 - Good progress is being made against the directorate's critical success factors (paras 29-47).

Background

3. This is the first of two mid year monitoring reports (September and December) which combines both service provision and financial performance relating to the Chief Executive's Directorate.
4. The report will look at the latest projections for revenue expenditure based on projections made by service managers at quarter one (Annex 1).
5. The attached tables in Annex 2 represent the Best Value and Local measures, which can be reported upon midyear. The tables are divided into service and corporate measures, providing a breakdown of those measures which directly

- relate to the performance of the service and those owned by the service to monitor corporate performance.
6. Progress against the directorate's annual measures will be reported in the 06/07 year end annual out-turn report.
 7. Actions relating to the directorate's critical success factors have been identified in Annex 3. A progress update can be found alongside each entry and key points and exceptions relating to these are identified within the body of this report.
 8. New to service plans for 2006/07 was the incorporation of cross cutting corporate issues relating to equalities, safer city, risk, Gershon efficiencies and competitiveness. An update is incorporated on these actions where appropriate.
 9. The directorate is continually working towards improving the quality of the data reported and work is on-going to ensure that the data provided is robust and accurate in order to improve decision making based on the results.
 10. Where appropriate, detailed information is given on the performance of indicators and actions on an exception basis below.

Management Summary

11. Over the past few months the Chief Executive's directorate has been operating in an environment of uncertainty whilst a period of active consultation with managers and staff took place on the Chief Executive's Directorate's restructure. On the 18th August, options were presented to an Urgency Committee in order that decisions on the restructuring of the Chief Executive's department could be implemented without further delay, given the imminent departure of two chief officers.
12. The proposals took account of the Organisational Effectiveness Programme (OEP) to ensure that the future structure and capacity of the directorate is best suited to implementing the OEP, whilst ensuring that the maintenance of the Council's infrastructure and operations is carried out.
13. Throughout this period the directorate has been operating with a number of vacancies, including the post of Deputy Chief Executive, pending the outcome of the restructure and to satisfy current and future budget savings targets.
14. It is pleasing, therefore, that throughout this difficult period, services have performed well and continue to achieve progress and improvement in a number of areas. In particular the development work connected to the Local Area Agreements (LAA), development of the OEP and implementation of the new electronic Committee Management System and Constitution. HR also continues to make significant progress on the modernising pay and grading project. On a more fundamental level completing appraisals, telephone response times and managing attendance are also showing good results. However, continued work is still required to some internal systems with regards to invoice processing and letter monitoring.

15. To maintain this current level of performance is now the challenge for the directorate over the forthcoming months, whilst the directorate restructure is implemented. This is particularly relevant in view of the forthcoming departure of the Head of HR and Head of Performance Improvement.

Financial Overview

16. Current projections are that the Chief Executives Department will underspend by £33k or 0.3% of the gross expenditure budget. The financial position is summarised by Service Plan area below:

Service Plan Area	Approved Budget			Variation		
	Expenditure Budget £(000)	Income Budget £(000)	Net Budget £(000)	Projected Out-turn £(000)	Under/Over £(000)	% of gross budget
Chief Executive	2,281	8	2,273	2,247	-26	-1.1
Deputy Chief Executive	-31	0	-31	27	58	-187.1
Human Resources	1,821	1,745	76	57	-19	-1.0
Performance Improvement	1,545	568	977	863	-114	-7.3
Marketing & Communications	810	839	-29	80	109	13.5
Civic, Democratic & Legal	3,038	763	2,275	2,234	-41	-1.3
Total	9,464	3,923	5,541	5,508	-33	-0.3

17. A breakdown of variations, where forecast out-turn is significantly different to the approved estimate, can be seen in the budget monitor sheet in Annex 1. The key variances are:

- £-139k arising from vacancies held within the department in advance of the Chief Executive's restructure including:

Deputy Chief Executive	£-123k
Performance Improvement	£-114k
Human Resources	£-25k
Scrutiny Services	£-45k

The total saving is net of £150k target saving agreed in the budget for the restructure.

- The budget included an assumed saving of £52k from using alternative media for staff advertising. This proposal has not been progressed thus the saving is not available.
- Anticipated shortfall on Print Unit Income £+26k.
- Additional expenditure on Electoral Support staffing £+23k

Progress on Growth and Savings Targets

18. Growth proposals totalling £192.3k was provided within the 2006/07 budget. A number of the proposals relate to functions that are now managed outside the Directorate, however those that remain within the Directorate are being progressed.
19. Savings totalling £485.5k were accepted as part of the budget process. The key issue was an assumed saving of £150k for a restructure of the department. A report detailing how this saving could be achieved was taken to Urgency Committee (18th August 2006). Whilst the full financial impact of the restructure will not be realised until 2007/08 there have been enough vacancies within the department during the year to fund the budget target. It should be noted that the projected underspends above assume that the created new posts (3 number) within the restructure are not filled until 1st April 2007. If the posts were to be filled from 1st January the overall underspend would reduce by c.£30k

Performance Overview

20. Annex 2 provides detailed performance for Best Value and Local performance indicators, including staff management targets (sickness, stress and turnover). Below are further comments relating to those areas where there is improvement or otherwise on an exception basis. At this first reporting stage against those measures which are able to be reported upon in-year, the overall position generally looks promising, with some further work required to improve some areas of corporate customer first results.

Service Measures

21. Directorate Appraisals - All service areas have completed their appraisals, with the exception of a remaining 8 staff whose appraisals are planned to be completed after the August holiday period. This is a marked improvement on the previous years out-turn of 45%. No corporate figures are available to report as a comparison as this is an annual measure.
22. Directorate sickness, stress and turnover are all looking favourable compared to the same period last year, signalling a positive move in the right direction to achieve directorate targets.

Sickness/Stress/Turnover – Chief Executive’s Directorate (Qtr 1 Comparison)

Targets	<8 days		<1.5 days		12%	
Chief Executive’s	Average days per fte	Average days per fte	Average days per fte	Average days per fte	Turnover	Turnover
	Qtr 1 – 05/06	Qtr 1 – 06/07	Qtr 1 – 05/06	Qtr 1 – 06/07	Qtr 1 – 05/06	Qtr 1 – 06/07
	Sickness	Sickness	Stress	Stress		
	1.76	1.08	0.24	0.06	3.17%	1.00%

Areas identified for improvement are:

23. Directorate Customer First (Letters) - percentage of letters replied to in 10 working days. Despite exceeding the 95% target for letter response times across the directorate with 99% in Qtr 1, ad hoc quality checks have shown that data collection systems supporting Performance Improvement, HR and Scrutiny require improvement to ensure that all letters requiring a response in these services areas are being fully captured and are robust.
24. Directorate Invoice Payments – The directorate’s payment of invoices continues to fall short of the 95% target in the first quarter with an out-turn averaging 87%. This figure, however, is misleading due to the inclusion of Neighbourhood Pride Unit’s performance contained within the overall figure for Chief Executive’s pending transfer of system data by Creditors to Neighbourhood Services. Detailed analysis shows a marked improvement in reducing the time taken to process invoices across all Chief Executive’s service areas due to actions taken to improve systems and by centralising processing in some areas. Work is ongoing to ensure the improvement is sustained.

Corporate Measures

25. Crime Perception Measures from the latest Talkabout Survey (25) are continuing to show positive results. As previously reported, it’s very difficult to provide a single reason for the improvement in performance and is inclined, at best, to be highly speculative. Police actions such as pursuing more convictions or ensuring adequate victim support may well be an influencing factor. The following perception measures have shown continued improvement demonstrating a continued level of confidence in this area and a likelihood of achieving the overall year end target:
 - ❑ % of residents will to report crime and anti-social behaviour – 78%
 - ❑ % of people concerned about going out alone in York – 26%
 - ❑ % of people concerned about leaving the house empty – 45%
 - ❑ % of people feeling that York is a safe city in which to live – 55%
 - ❑ % of residents who think that their local area is a safe area in which to live – 69%
26. Unfortunately, only part data is available against domestic burglaries, violent crime, robberies and vehicle crime, this is due to recent changes to Police district boundaries delaying the coding of subsequent performance information. The data is insufficient therefore to base any forward projections.
27. Sickness/Stress/Turnover -
 - ❑ Attendance Management is one of the key workstreams arising from the HR Strategy and has received a higher profile over the course of the last few months. Maintenance of this higher profile though continuing work on attendance management is likely to result in a slow but steady reduction in sickness absence levels on an ongoing basis.
 - ❑ Stress levels have risen slightly over the same period in 2005/2006 and these will be monitored carefully to establish whether this is an upward trend or a one off rise.

- Turnover levels have dropped significantly since quarter 1 in 2005/ 2006 but are on a par with quarters 3 and 4 last year, so there is a continuing downward trend.

Sickness/Stress/Turnover – Corporate (Qtr 1 Comparison)

Target	11.5 days		1.8 days		12%	
Corporate figure	Average days per fte	Average days per fte	Average days per fte	Average days per fte	Turnover Qtr 1 – 05/06	Turnover Qtr 1 – 06/07
	Qtr 1 – 05/06	Qtr 1 – 06/07	Qtr 1 – 05/06	Qtr 1 – 06/07		
	Sickness	Sickness	Stress	Stress		
	3.32	2.81	0.47	0.52	4.21%	2.32%

28. Customer First.

- Letters – Performance across the directorates is either stable or improving, so a positive picture at 96%, exceeding the 95% target.
- Visitors – Performance in dealing with visitors to receptions (99%) and those who require further help during their visit (97%) remains consistently high, if slightly below the aspirational 100% target.

Areas identified for improvement are:

- Telephones (89%) – Both the volume of calls and performance shows a decline compared to the equivalent period last year (April–June 93%) against a target of 95%. This is an area that will need further investigation to identify causes. However, as significant change in performance is in Resources which includes the Operators, and where 46% of the calls were handled, it is not unreasonable to suggest that the impact of the training for, and move to, the new contact centre will have played its part. There has also been a higher than usual level of telephone system changes recently and the contractors responsible for our telephone statistics are currently carrying out quality system checks to ensure statistics provided are as accurate as possible prior to taking appropriate action.
- Complaints (stage 2 90%, stage 3 29%) – Target for both measures is 95%. Housing and Adult Social Care retain the bulk of stage 2 and stage 3 complaints along with their difficulty in meeting the standard in responding to them. As mentioned in previous reports, many of the complaints they deal with relate to complex and sensitive issues requiring liaison with other agencies. Staff and managers, including the complaints manager in the directorate are keenly aware of these difficulties which have extended to dealing with Ombudsman’s enquiries. To try to address the issues behind the continuing difficulty staff in Housing & Adult Social Care and the Chief Executive will be meeting with the Deputy Local Government Ombudsman in September to consider how the Ombudsman may be able to advise and support achievement of improved timeliness in meeting Ombudsman deadlines.

A report is also being presented to the directorate management team to consider options for improvement.

Critical Success Factors & Key Actions

29. Each service area has identified a number of key activities which are critical to the success of the directorate and the authority. Annex 3 provides a breakdown per service area together with a progress update. Below are the exceptions where slippage, change or completion have occurred, and where appropriate, updates against key projects. Overall, good progress is being made in all service areas.

CX Policy Development and Support

30. CSF1 - The impact of the cancellation of the Sustainable Communities Summit to be held in 2007, has led to the Policy team having to assess how this agenda will develop, particularly in light of a forthcoming Local Government White Paper. The development of Local Area Agreements will also impact on the role and function of Local Strategic Partnerships. The team will continue to keep Chief Officers and Members briefed on developments in the Sustainable Communities agenda and the implications of these for York and the region.

Human Resources

31. CSF1 - Work is continuing on the pay and grading structure which will help to rationalise conditions of employment and ultimately ensure the fair and equitable treatment of employees. All posts have now been scored and a moderation process is now underway. A pay strategy is currently in development.
32. CSF2 & 4 - The Development of a HR Strategy and HR Policy Framework are now completed.
33. CSF3 - Work contributing to the development and promotion of an attendance management culture is progressing with the scope for the project agreed. A draft attendance policy will be ready for consideration by the Corporate Management Team (CMT) in September 2006.
34. CSF5 - Draft standards have been produced towards providing a framework for the development of leadership and management competencies, which is an initiative to build capacity through acquisition of key skills across the authority. An initial launch workshop has been held and directorate champions have been identified. Work is currently underway to develop a communications strategy to support the roll out of this project.
35. CSF6 - City of York Council is one of the leading members of the new sub regional HR group, "North Yorkshire Together", set up together with the district councils and North Yorkshire County Council, to co-operate more on recruitment activity. The development and implementation of a regional web portal, www.oneplacenorthyorks.com was project managed by City of York Council, which went live in April 2006, and to date has had over 30,000 visitors and 700,000 page impressions. All council jobs are advertised for free on the site, but

its other key function is to help drive the economy in the city and wider sub region, by promoting a positive impression of the public sector and region.

36. HR are currently looking into developing a range of flexible working opportunities linked to improved work life balance for employees. Work is due to conclude on this in September.

Performance Improvement

37. CSF1 - The adoption of a three year organisational development plan is now complete with the creation of an Organisational Effectiveness Programme (OEP) adopted by Executive on 25th July 2006. The authorities critical success factors have now also been redefined. The revised structure of the Chief Executive's Directorate will support the OEP implementation.
38. CSF2 - Agreement in principle to the first draft of the Local Area Agreement (LAA) has been sent to the Government Office for Yorkshire and Humberside and a new structure has been sent to the Local Strategic Partnership Board. Detailed work is now being carried out.
39. CSF3 - With the inclusion of the leadership actions in the new OEP leadership element and engagement of a champion for this area, the authority will be able to fulfil its commitment to achieving the standard set out in the Pride in Our Communities Strategy at the next equalities conference to be held later in the Autumn of this year.

Marketing & Communications

40. CSF1 & CSF4 - Marketing is continuing with its proactive approach to media management with the attendance at Directorate Management Team's, promoting the media protocol and raising awareness of the Press Office. Work is also on target to redefine the role carried out by the internal communications officer. This is in response to corporate changes resulting from the need to support a large number of major council wide projects such as easy@york, job evaluation, accommodation review, etc.
41. CSF3 - Work is continuing on the new council website which is on target for launch mid October. This work is on-going whilst maintaining the current site. As part of the directorate restructure arrangements the two web team members will transfer from Marketing & Communications to the Easy@york project team later this year.
42. CSF7 - The Guildhall Print Unit has ambitious financial targets and work is being carried out to look at ways of meeting this, including marketing the facility across the authority. Current anticipated shortfall on Print Unit income is £+26k.

Civic, Democratic & Legal Services

43. CSF2 - Preparations are now underway for the Local Government combined elections taking place in 2007. New legislative requirements have led to the need to acquire new software and hardware to handle new anti-fraud measures in

connection with postal voting. The directorate is currently pursuing an IT bid to satisfy this requirement in time for the 2007 elections.

44. CSF3 - There is still no further development on the government's CORE project (a Co-ordinated On-line Register of Electors) which is designed to modernise the electoral registration process by introducing a national system to provide authorised users on-line access to electoral registration data.
45. CSF5 - Phased implementation of the new Committee Management System is now complete, providing greater accessibility to information in a range of formats. Full usage of the system in relation to the Forward Plan function in Directorates has been an issue during its implementation, but this should now be resolved. Testing will be carried out in September when the next Forward Plan is rolled out to ensure that contacts can successfully operate the system.
46. CSF7 - With the delay in the introduction of the 2005 Gambling Act until 2007/08, the need to administer an efficient system/code of practice for dealing with hearings under the Gambling Act is no longer a priority for 2006/07.
47. CSF9 - Following the successful introduction of the new constitution, constitutional changes have reduced the significance of the Scrutiny co-optee support needs. This has resulted in a new leaflet on rights and entitlements which has been prepared and issued to all co-optees and scrutiny members.

Consultation

48. This performance management report has been approved by the Chief Executive and the Directorate's Management Team. As the report is primarily an information report for Members, no other consultation has been undertaken regarding the contents of the report.

Options and Analysis

49. There are no specific options for members to consider in this report. The report is for information purposes.

Corporate Priorities

50. Reporting of performance is part of the performance management arrangements contained in the Organisational Effectiveness Programme.

Implications

- **Financial** – These are addressed in the body of the report.
- **Human Resources (HR)** The Chief Executives department is part way through a period of significant organisational change and previous staff survey's have found a direct correlation between restructuring exercises and satisfaction levels amongst staff. Due to the link between staff satisfaction and high levels of performance it is critical that the ongoing change is managed appropriately in order that its impact on service levels can be kept to a minimum.

- **Equalities** – There are no Equalities implications.
- **Legal** – There are no legal implications.
- **Crime and Disorder** – There are no crime and disorder implications.
- **Information Technology (IT)** – There are no IT implications.
- **Property** – There are no Property implications.
- **Other** – There are no Other implications.

Risk Management

51. In compliance with the Council’s risk management strategy, there are no risks associated with the recommendations of this report.

Recommendations

52. That the Advisory Panel advise the Executive Leader to:

- 1) Note the first monitor position for both finance and performance relative to the Chief Executive’s Directorate.

Reason: To inform the Executive Leader on progress made against service plan targets and budget.

Contact Details

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Wards Affected:

All

For further information please contact the author of the report

Background Papers:

- Leader EMAP Report dated 26th April 2005 – Chief Executive's Department Service Plans.
- City of York Council – Council Plan 2005/06

Annexes

- Annex 1 – First Budget Monitor for 2006/07
- Annex 2 – Best Value & Local Performance Indicators
- Annex 3 - Critical Success Factors