
Executive Members for City Strategy and Advisory Panel

2 June 2008

Report of the Director of People and Improvement

2007/08 CHIEF EXECUTIVE'S FINANCE & PERFORMANCE OUTTURN REPORT

Summary

- 1 This report presents two sets of data from the Chief Executive Directorate.
 - a) the outturn figures for revenue expenditure for the portfolio,
 - b) outturn (2007/08) performance against target for a number of key indicators that are made up of:
 - Best Value Performance Indicators owned by the Chief Executive Directorate
 - Customer First targets (letter answering and telephone calls)
 - Staff Management Targets (sickness absence)

Background

- 2 The Executive Leader has received two monitoring reports during the year and has been kept informed of expenditure and income trends for the portfolio. It should be noted that the figures reported are provisional and may be adjusted. However any changes are likely to be of a technical accounting nature and not significant in terms of impacting on the variances described in the report.
- 3 The performance data included is reported as part of the Council plan each year.

Financial Year End Overview

- 4 In considering the financial outturn it is important to note that the Directorate has been at the forefront of a number of key projects that have impacted the council during 2007/08. It has needed to continue to provide quality services along with the pressures of supporting the Pay and Grading Review, managing the Comprehensive Performance Assessment process, and administering Council elections and subsequent political changes. This has been managed broadly in line with budget despite the need to arrange costly backfill arrangements

for the Head of Human Resources, Head of Civic, Democratic and Legal Services and management of Health and Safety.

- 5 The outturn for 2007/08 shows an small overspend of £3k for the directorate against a gross budget of £9,709k.

Financial Overview

- 6 The table below summarises the outturn positions for the Chief Executive's directorate.

Service Plan Area	Approved Budget			Prov Outturn £(000)	Variation Under/ Over £(000)	% of gross budget
	Expenditure Budget £(000)	Income Budget £(000)	Net Budget £(000)			
Chief Executive	1,991	8	1,983	1,967	-16	-0.8
Director of People & Improvement	170	0	170	188	+18	+10.5
Human Resources	2,526	2,425	101	188	+87	+3.4
Policy, Imp's. and Equalities	769	480	289	216	-73	-9.5
Marketing & Communications	846	843	3	33	+30	+3.5
Civic, Democratic & Legal	3,407	850	2,557	2,514	-43	-1.3
Total	9,709	4,606	5,103	5,106	+3	+0.0

- 7 Breakdown of variations, where forecast outturn is significantly different to the approved estimate is shown in Annex 1. A number of variances are highlighted below against the service plan areas.

Chief Executive and Support Team

- 8 There was a saving of £-10k as a result of the interim arrangements following the departure of the previous Chief Executive and the arrival of the current Chief Executive. There was also underspends on transport and supplies and services budgets totalling £-6k.

Director of People & Improvement

- 9 The cost of Directorate wide projects commissioned by the Management Team totalled £+18k. This work was primarily a review of the Human Resources function and also coaching for senior managers.

Human Resources (HR)

- 10 The Human Resources service area has overspent by £+87k compared to a predicted overspend of £+66k reported at Monitor 2. In considering this outturn position it is important to note that the additional costs incurred by Human Resources totalled significantly more than the overspend (£+269k) and reprioritisation and cost

reductions elsewhere (£-182k) have reduced the overspend to a more manageable level in the context of the Directorate. The key variances are that:

- a) The net additional costs of the interim Head of HR totalled £+64k. This is £+22k higher than that assumed at Monitor 2. There are also costs of £+20k incurred in current recruitment of new Head of HR Service.
- b) The temporary management arrangements within Health & Safety has costed the Directorate an additional £+39k (in line with estimate at Monitor 2)
- c) The Directorate has funded an overspend of £+38k on occupational health costs that it has not been possible to recharge to other Directorates. This has been partly due to the lack of quality information provided by the supplier and poor invoicing arrangements and also due costs recovered by recharges in 2006/07 being charged to 2007/08. This contract has now ended and arrangements put in place with a new supplier should mean this situation will not recur.
- d) There have been additional staffing costs within HR teams supporting LCCS (£+45k) and HASS (£+10k) although this has partly been offset by additional external income from LCCS (£-33k). These overspends are not expected to reoccur in 2008/09.
- e) Additional income has been earned from the successful operation of the recruitment pool (£-86k)

Policy, Improvement & Equalities

- 11 There has been an underspend of £-73k within the Policy, Improvement & Equalities service plan area compared to a projected underspend of £-22k at Monitor 2. There have been significant number of staff vacancies held within the year (partly to offset known anticipated overspends elsewhere in the Directorate) and this led to a saving of £-51k. The inspection costs relating to the CPA inspection held in February 2008 were £-20k below that budgeted.

Marketing & Communications

- 12 The Marketing & Communication service plan area has overspent by £+30k (compared to £+19k reported at Monitor 2). The key variances are that:
 - a) The print unit continued its recent performance with income similar to that recorded in 2006/07. However, in-year cost increases in materials led to a shortfall against income of £+40k. Combined with a required surplus of £-10k this left a gap of £+50k. This is a continuing pressure and although a shortfall was predicted the position is worse than anticipated.
 - b) A budgeted income of £+20k for sponsorship of city boundary signs has not been realised.

- c) There have been a number of vacancies help within the service, offsetting known overspends elsewhere in the Directorate (£-36k)

Civic, Democratic & Legal Services

13 The Civic, Democratic & Legal Services service plan area has underspent by £-43k (compared to a projected underspend of £-22k at Monitor 2). The key variances are that:

- a) Overspend of £+49k due to interim management arrangements following the departure of the Head of Civic Democratic and Legal Services.
- b) Cost of temporary staff supporting Planning and Childcare matters (£+29k)
- c) Saving in accommodation costs following the relocation of Legal Services to the Guildhall (£-34k)
- d) Staff savings within Democracy Services and Scrutiny services within the year (£-87k).

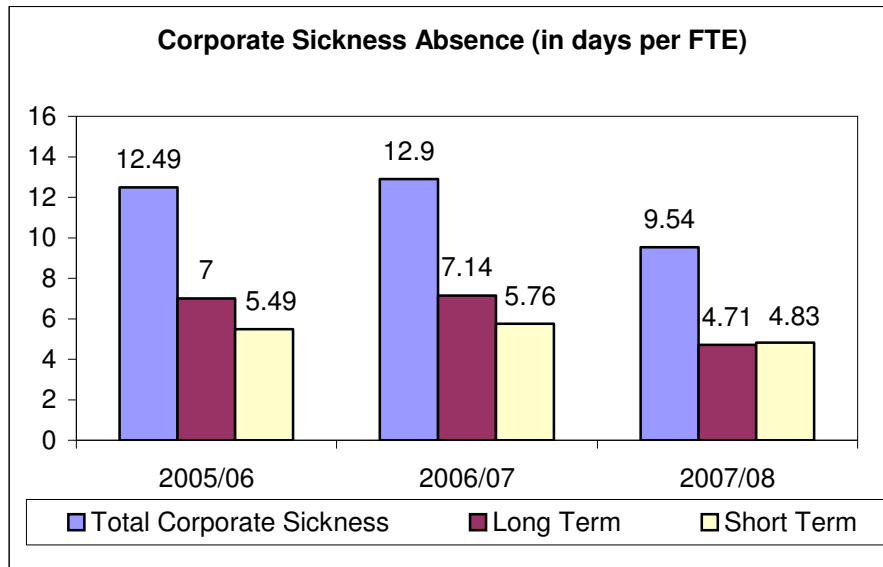
Corporate Performance Year End Overview

PI Description	06/07 outturn	07/08 target	07/08 actual	06/07 vs. 07/08	Actual vs. Target
BVPI 12 (number of staff days lost to sickness (and stress) across the Council)	12.91 days	12 days	9.54 days	✓	✓
CP11a (the number of RIDDOR accidents among Council staff across the Council)	62	59	63	✗	✗
BVPI 2a: The level of Equality Standard for Local Government	Level 2	Level 3	Level 2	Stable	✗
BVPI 2b: Duty to promote Race Equality	74%	79%	74%	Stable	✗
BVPI 3 - The % of citizens satisfied with the overall service provided by their authority	44%	47%	51%	✓	✓

14 BVPI 12 (number of staff days lost to sickness (and stress) across the Council) is 9.54 days per FTE for 2007/08. It has met the corporate target of 12 days and has significantly improved compared to the outturns in 2005/06 and 2006/07 where performance was 12.49 days and 12.9 days respectively.

15 The Council's Attendance at Work Policy was implemented on the 1st of October 2007 with a programme of supporting actions to improve staff turnover and sickness absence. Phase 1 has now been completed and Phase 2 of the project is currently being scoped. The policy as well as other corporate and directorate initiatives, including regular monitoring and firmer procedures, has improved performance.

- 16 In comparison with 2006/07 Unitary Authority data published by the Audit Commission, City of York Council is now performing in the third quartile and is better than the Unitary Authority average of 9.60 days. This is an improvement as in previous years performance has put City of York Council deep into the bottom quartile and well away from the average figure.
- 17 Set out below is more detailed information on Corporate sickness performance:



- 18 CP11a (the number of RIDDOR accidents among Council staff across the Council) performed at 63 for 2007/08. This did not meet the target of 59 and is higher than the 2006/07 outturn of 62.
- 19 A large amount of work has been done to start to promote a culture of Health and Safety across the organisation in conjunction with the Council's Corporate Management Team (CMT), the Corporate Health and Safety Steering Group (HSSG) and in liaison with the Health and Safety Executive (HSE). A strategic review of Health and Safety has been completed and a revised management system is being implemented. Consequently it is hoped that performance will improve for 2008/09 and onwards.
- 20 Both BVPI 2a (The level of Equality Standard for Local Government) and BVPI 2b (Duty to promote Race Equality) are performing below target. However performance for both indicators is stable compared to 2006/07 performance.
- 21 A corporate Equality Improvement Plan is now in place. The actions in the Plan aim to improve Council processes and systems and to ensure equalities is embedded in the culture of the organisation . The Plan has 7 improvement areas: Updating the Equality policy strategy and schemes; a sustainable programme of Equality Impact Assessments;

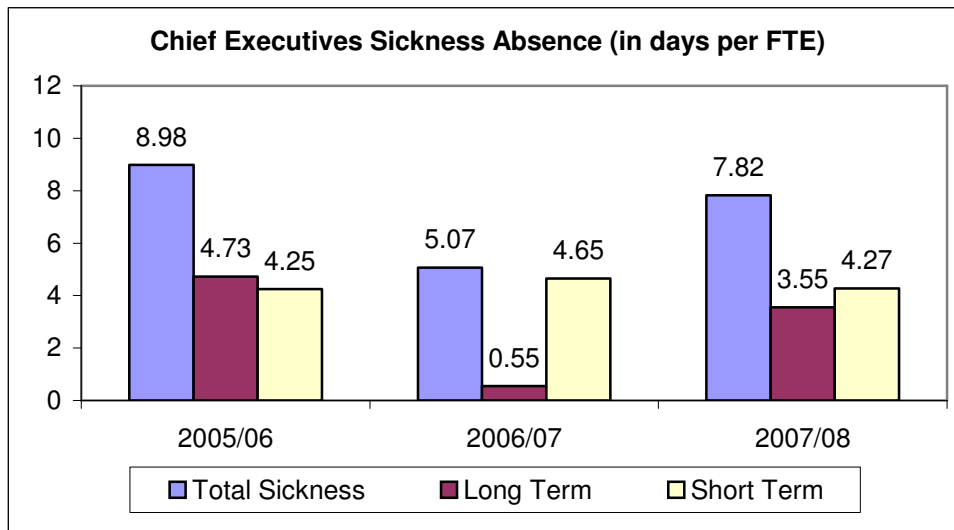
mapping collecting and using Equality data; engaging of the relevant communities of interest; corporate and directorate self-assessments against the Equality Standard for local government; on-going training and development for staff; and peer review and benchmarking.

- 22 Training and staff development as well as equality data mapping, collection, analysis and use are key to the success of the Equality Improvement Plan. Performance Officers are currently analysing available data and performance indicators to see where it is possible to undertake equality profiling in the six equality strands. Furthermore the Council has invested additional resources to employ a specialist equalities data officer to help spearhead better equalities data collection and practices across all directorates.
- 23 BVPI 3 (The % of citizens satisfied with the overall service provided by their authority) has increased by 7 percentage points from 44% in 2006 to 51% in the 2007 Residents' Opinion Survey. Performance better than the set target of 47% and puts the City of York Council in the second quartile compared to 2006/07 Unitary Authority performance figures.
- 24 The Marketing and Communications service ensure that council teams have useful research to enable understanding of the needs of customers and improvement. The research team are well-placed to offer advice and support to directorates as well as conducting key corporate research and the research team are currently establishing a panel to explore the possibilities of panel research online.
- 25 The Marketing and Communications team are continually looking for opportunities to reflect all aspects of the council's work, especially the less newsworthy positive work. Operationally the team continues to search for the proactive stories, with regular meetings with the Chief Executive and CMT and the development of a communications 'horizon scanner' which is updated weekly.
- 26 However budget savings has meant a reduction in resources for the team and there is one less talkabout a year (down to two) and one of the two research officers has been replaced by a research assistant. Additionally financial pressures mean that the team have also lost the equivalent of one press officer working day.

Directorate Performance Year End Overview

- 27 The Customer First figures show that the Chief Executive directorate answered 97.61 (representing 5,229 out of 5,357) letters in 2007/08 within the Councils 10 days standard. This exceeds the corporate target of 95%.
- 28 For Chief Executives 92.52% (representing 58,274 out of 62,982) telephone calls were answered within 20 seconds in 2007/08. This is just below the corporate target of 95% and the corporate average of 93.88%.

- 29 BVPI 12 (number of staff days lost to sickness (and stress) across the Chief Executive Directorate) has performed at 7.82 days per FTE. Performance is poor compared to 2006/07 when 5.07 days per FTE was achieved. Nevertheless performance is significantly below the corporate target of 12 days and the corporate average of 9.54 days.
- 30 Set out below is more detailed information on Chief Executive's sickness performance:



- 31 All 5,860 visitors to the Guildhall reception, and all of the 4,688 enquirers needing to speak to another officer were dealt within the Council's 10 minute standard for 2007/08. This maintains performance in the this area.

Conclusions

- 32 The provisional revenue outturn position for the portfolio shows an overspend of £+3k for the financial year. This has been achieved with key short term pressures in interim management arrangements and the successful progress made on key projects. The gross overspends within the Directorate totalled £+538k however this has been offset by efficiency savings and underspends totalling £-535k.
- 33 It is important to consider the outturn position in terms of whether any variances highlighted are of a recurring nature that will affect 2008/09. There are a two key issues that will need to be addressed in the coming year:

Print Unit

The continued deficit at the print unit will require management action to bring expenditure closer into line with income. The Head of Marketing and Communication is to look at current pricing policies to look to increase margins so that this can occur.

Interim Staffing Arrangements

Ongoing interim staffing arrangements within Human Resources will need to continue in the short-term however restructures within the Policy Improvements and Equalities Team, the end of the pay and grading project and wider corporate restructure should allow efficiencies to be realised reducing potential overspends.

These issues along with other variances across the Directorate will be regularly monitored through the regular monitoring cycle and reported to Members accordingly.

Performance Overview

- 34 Corporate sickness performance has dramatically improved for 2007/08. Effective management and stricter protocols issued alongside the implementation of the Attendance at Work Policy have allowed for a significant reduction in the number of sick days taken.

Consultation

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

Options & Analysis

- 36 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

- 37 The principal function of this report is to provide details of the directorate's financial and service performance for the 2007/08 financial year. As such it contributes to the proper financial management of the authority.

Implications

Financial

- 38 The report provides details of the portfolio revenue outturn and therefore implications are contained within the report.

Other Implications

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

Risk Management

- 40 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 into future years.

Recommendation

- 41 That the Advisory Panel advise the Executive Leader to approve the financial and performance position of the portfolio.

Reason – In accordance with budgetary and performance monitoring procedures

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Report Approved



Date 22nd May 2008

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:

2007/08 Budget Monitoring files held in City Strategy Finance
2007/08 Closedown Files held within City Strategy
Performance Management Framework held by Business and Policy Development in City Strategy

Annexes:

- Annex 1 Service Variations against budget
Annex 2 Corporate Performance Indicators
Annex 3 Chief Executive Directorate Performance Indicators