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

6th June 2007

Report of the Director of People & Improvement

**CHIEF EXECUTIVE'S PERFORMANCE AND FINANCIAL YEAR END
REPORT 2006/07**

Summary

1. The purpose of this report is to inform Members of the Chief Executive's directorate 2006/07 year end position on finance and performance. The report contains outturn information on local and best value performance measures, update on key projects and revenue financial returns. Members are asked to note the year-end performance and financial position and make recommendations with regards to revenue carry forward bids.

Executive Summary

2. Over the past 12 months the Chief Executive's directorate has been implementing the changes to the directorate's structure following the review of the directorate. This has seen the appointment of the Director of People and Improvement in January 2007 and the transfer of Neighbourhood Services, Youth Offending Team, Safer York Partnership and Community Planning & Partnerships to other directorates. As a result of the reorganisation, the directorate has taken a cautious approach to managing its budgets to ensure that it achieved the £150k of savings from the restructure, which has ultimately led to a number of vacancies being held open for the majority of the year whilst also exercising the opportunity to second staff to support corporate projects, without fully backfilling their posts. Overall, this has resulted in a £231k underspend at the end of the financial year.
3. Outturn performance against the corporate measures held by the directorate on behalf of the Council is showing mixed results. Areas which continue to present a challenge in attaining across the board improvement are in the areas of absence management (sickness and stress), equalities and in influencing resident satisfaction. However, it is encouraging to see improvement in complaint handling and staff appraisals.
4. Good progress is being made against the directorate's own measures (see Annex 2), with marked improvement in the areas of sickness and appraisal management .

5. The main emphasis of the directorate's work during 2006/07 has been working with other directorates in supporting the delivery of a number of key corporate projects (easy@york, Admin. Accommodation Review, Pay and Grading and in implementing the strategy of the Organisational Effectiveness Programme (OEP), and supporting service modernisation in all directorates.
6. For the Marketing & Communications team (M&C) this has led to the prioritisation of internal communications to support these culture changing projects. In order to cope with some of the increased internal communications workload, an Internal Communications Group has been established by M&C. This looks to provide communication links to the project teams and for ways to pool resources and find synergies.
7. A key focus for the Policy, Improvement & Equalities Team has been the development of the Council's first Corporate Strategy and the definition of medium-term priorities for the organisation. A significant amount of work has since been undertaken to embed these priorities, involving other teams with the directorate and priority champions. These priorities, are at the heart of the Council's OEP – developed during the course of the last 12 months. The OEP is one of the key plans for the directorate. It shapes not only the Council's response to Comprehensive Performance Assessment (CPA) but is also the key delivery mechanism for delivering improvements to the Council's organisational culture. As such it is central to all the directorate's current (and future) service plans.
8. The key work for the Human Resources department has been supporting the difficult and complex work of the Pay and Grading Review which will present further challenges over the forthcoming year. The HR department has also launched the Leadership and Management Standards, supported the restructure of Neighbourhood Services, extended schools and workforce remodelling, and has been involved in the modernisation of services in Housing & Adult Social Services (HASS).
9. For Civic, Democratic & Legal Services, the latter part of the year has seen the successful preparations of the Elections with the additional challenges of the late introduction of new legislative changes supporting anti-fraud measures for postal voting.
10. Democratic Services have successfully implemented a committee management system which now supports the democratic process by integrating document availability to the Committee forward plan, Councillor agenda's and decisions on-line.
11. Legal have recently developed Framework Agreements with external Law firms to complement the existing in-house Legal team as well as successfully receiving re-accreditation with the Lexcel Award for Excellence by the Law Society, receiving credit for excelling in all areas recommended for improvement in the latest annual inspection.
12. Looking to the future, the directorate's focus has recently moved to responding to the changes brought about by new Councillor membership and

changes in the balance of leadership. With the impending departure of the current Chief Executive in July, this change is also expected to bring new challenges for both the directorate and the authority as a whole.

Background

13. Throughout 2006/07 Members received two monitoring reports. This is the third and final outturn report providing the year end figures for the directorate measures contained in the Council Plan and outlined in the directorate's service plans.
14. Many of the measures that make up the directorate's portfolio are either annually reported or corporate measures, for which the contributions from other directorates are required to achieve overall success, for example absence management. For 2007/08, it is intended to establish direct ownership of these corporate performance measures and targets by the Corporate Management Team which will serve to achieve greater influence to the success of these measures.
15. To help provide greater context to the performance measures now held by the directorate following its restructure, the corporate performance measures have been grouped under four distinctive headlines - see Annex 1.
 - a. Resident Satisfaction
 - b. Serving Our Customers
 - c. Promoting Equalities
 - d. Staff Health, Well-being and Turnover
16. The directorate performance measures are detailed separately in Annex 2 under Directorate Management.
17. Corporate Customer First performance measures relating to phones, letters, complaints and visitors, will in future be reported upon by the Resources Directorate as part of their new responsibilities for delivering the corporate customer priority and roll out of the new complaints and feedback procedures. However, Chief Executive's will continue to report on its own directorate customer first performance at future monitors.
18. The targets set for 2007/08 and beyond demonstrate the expectation of performance, given present resources, and indicate what service improvement is reasonable to expect. The direction of performance compared to the previous year shows whether improvement is being made, or not, towards meeting these targets.
19. Below is an outline of performance for both the corporate and directorate measures, together with an update on the directorate's key projects and revenue financial returns.

Resident Satisfaction

20. Communications - the Council has started communicating directly more frequently with residents, through the A-Z delivered to all households and through increased use of *Your City*. This complements the thinking behind the Local Government Association's (LGA) 'Reputation' campaign whose MORI research has found a direct link between satisfaction and frequent direct communications. This increased quantity of communications may start to show an improvement on the performance indicators measuring the amount of information provided by the Council that is showing a slight decline on the previous year from 46% to 44% (CG13).
21. The percentage of residents who feel that the Council takes their views into consideration when making decisions which affect them (Coli 53) fell from 29% to 25% in 2006/07. More frequent direct communications, combined with the new on-line consultation software, will allow for greater input for residents into council decisions through questionnaires and other feedback mechanisms. There was, however, a slight improvement on the percentage of people who feel the Council keeps them informed (CG12), which rose from 50% to 53% mirroring the same level reported in 2004/05.
22. The overall satisfaction with services provided (BVPI 3) fell short of its target, with an annual outturn of 44%, dropping 6% on the previous year. This reflects a national downward trend in this indicator. There is also a paradox in the resident satisfaction measures whereby most services have good satisfaction ratings but this is not reflected in the overall satisfaction figures. This is a nationwide trend across all types of government, possibly reflecting a greater national long-term disillusionment and loss of deference.

Serving our customers

23. High levels of performance can be seen in the corporate customer first results for responding to letters and in dealing with visitors (see Annex 1).
24. Despite not achieving the corporate targets, clear improvement can be seen in the handling of the 65, stage 2 complaints and 26, stage 3 complaints (CM10 & 11) received in 2006/07 compared to the previous year. This result is also supported by the improved customer satisfaction in the handling of complaints (BVPI 4), which has increased by 9%.

| Measure | 2005/06 Year end Actual | 2006/07 Year end Actual | 2006/07 Target |
|---|-------------------------------|-------------------------------|-------------------|
| Stage 2 Complaints | 76% | 83% | 95% |
| Stage 3 Complaints | 40% | 50% | 95% |
| Complainants Satisfaction with Handling of Complaints | 24% | 33% | 42% |

25. The overall corporate figure for responding to telephone calls within 20 seconds (CG2) has fallen from 93% in 2005/06 to 90% in 2006/07, falling

short of the 95% target. Previously, performance in this area was relatively stable at around 94%. This drop in performance is thought to be partly due to the change over to the Mitel system. Additional use of 'hunt group' settings in offices to manage response to calls can in fact delay the response time, thereby exceeding the 20 seconds target. Additionally, the growing use of voice mail over the past year has meant that the processing of statistics has had to be amended following recent development work to establish how these calls are handled by the system. Further work is needed to fully understand the results.

Promoting equalities

26. One of the key measures in the Council's Equality Strategy which tracks progress on promoting equalities is the Equality Standard for Local Government (BVPI2a). The Council is currently at Level 2 and the original target for this year was to achieve Level 3. However the rules governing the Standard were revised during mid 2006 making achievement of Level 3 unrealistic without an external inspection to validate that an organisation has reached this level. This will require significant extra work, time and cost – which has not been budgeted for to date. We have however developed a way forward to progress this via a 2 stage approach. Stage 1 is to undertake a full Level 3 self assessment in 2007/08 - with Stage 2 to seek external validation in the following year.
27. Part of our success in promoting equalities is measured in terms of the equality profile of the Council's workforce. The HR team currently reports on five corporate indicators based around this aspect. Of these, the council has only shown an improvement in one (% of employees classified as disabled – BVPI 11c). Improved quality processes have resulted in a more accurate picture of the number of women in the top 5% of earners, now down at 39.27% (from 44% in 2005/06) and the council is also reporting that ethnic minority employees in the top 5% of earners remains static at 0%, together with 2.5% of the top 5% of earners being disabled (down from 5.72% in 2005/06).
28. It is worth noting that the top 5% of earners (excluding schools based staff) covers approximately 160 employees, so a small reduction in numbers will have a disproportionate impact on the percentage outturn. Turnover in this group is also much lower than in other groups. Of the 924 leavers in 2006/07, only 19 were from the top 5% of earners which reduces the opportunities to improve on these measures .
29. Due to the small numbers of staff, it is useful to analyse the equalities breakdown of a wider percentage to understand the possibility of improving the figures through internal promotion. Taking the top 10% of employees, 0.96% are of an ethnic minority and 4.14% are disabled with 43% being female. Taking the top 25% of employees, 1.51% are from an ethnic minority, 3.66% are disabled and 50.7% are female.

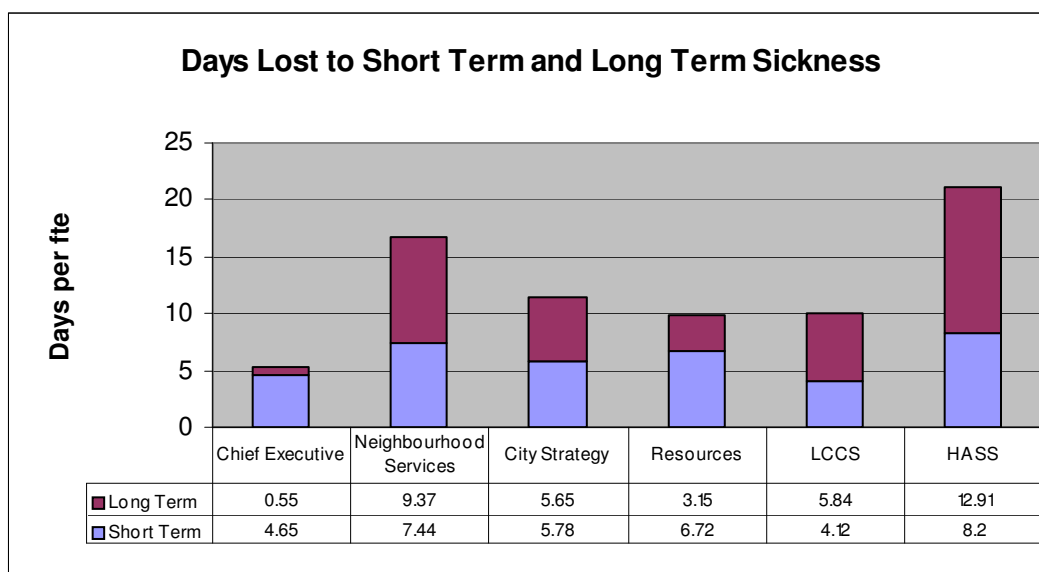
30. The percentage of employees from ethnic minorities (BVPI 17a) has dropped slightly, from 1.38% in 2005/06 to 1.27% in 2006/07. It should be noted that the definition of this indicator excludes the non British white category, e.g. eastern Europeans. If this group is included the percentage of all non British has actually increased from 2.7% to 3.4%.
31. The council is working with other authorities across North Yorkshire to attract minority groups into our workforce and the increased web presence of recruitment adverts will hopefully help to improve the figures in the long term, Key to improving the employment make up in an area like York is an overriding recruitment and attraction strategy not focusing solely on ethnic minority groups. This is one of the key priorities on the HR Service Plan for 2007/2008.
32. In order to address all of the areas of under representation in the Council, Human Resources will continue to take action corporately through the Equality in Employment Improvement Plan (EEIP). This includes the running of an equality theatre forum on the employment of disabled people and an assessment of the impact of the Council's attendance management processes upon disabled and older staff.
33. In addition, Human Resources continues to facilitate directorate Equality in Employment Improvement Plans which identify specific directorate areas of under representation and identify action to improve performance in these areas. In this respect, the Chief Executive's directorate has held a focus group to examine barriers to progression for female staff in the directorate and to consider their perception of institutional/prejudicial barriers and is encouraging work places for ethnic minority pupils in York.

Staff health, well-being and turnover

34. Sickness Absence

| Comparative Directorate Performance on Sickness Absence | | | | | | | |
|--|----------|-----------------|----------------|---------------|-----------|------|-------|
| Totals for | Outturns | Chief Executive | Neighbourhoods | City Strategy | Resources | LCCS | HASS |
| 2005/06 | 12.48 | 8.98 | 18.66 | 11.11 | 9.69 | 9.01 | 19.82 |
| 2006/07 | 12.9 | 5.07 | 16.8 | 11.43 | 9.87 | 9.96 | 21.11 |

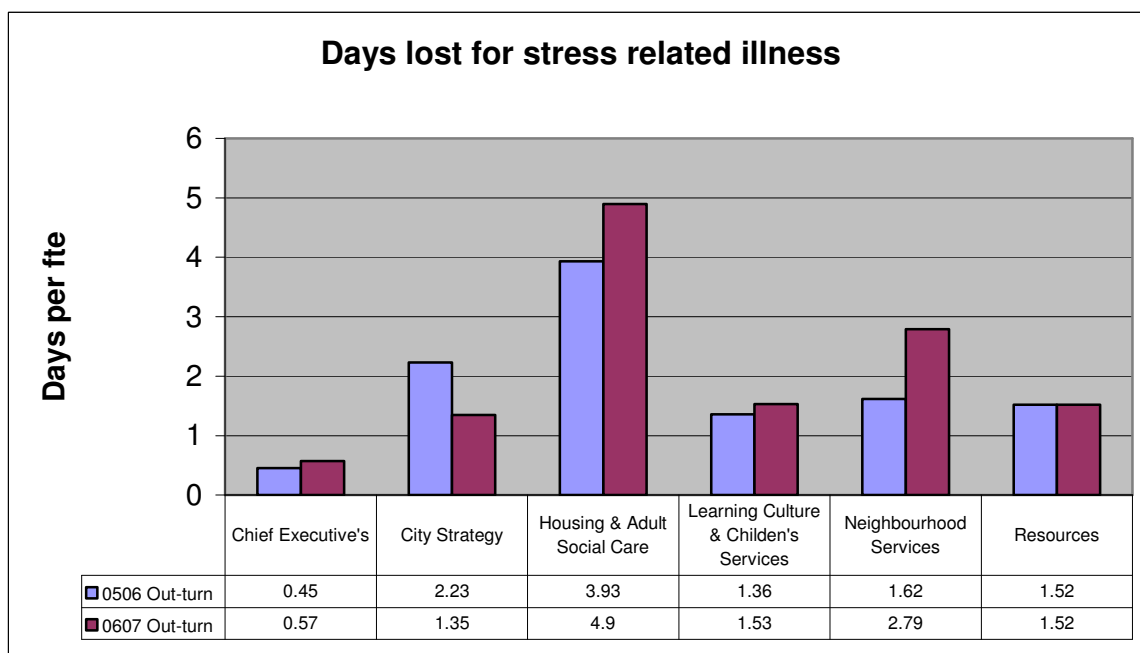
35. Levels across the council have risen slightly from 2005/06 (12.48 days) to 12.90 days in 2006/07 (BVPI 12). This result is in line with a recent CBI report which states that across the public sector, sickness levels have risen by approximately 0.5 days over the past 12 months. Even so, it is extremely likely that York will remain in the bottom quartile of unitary authorities.
36. The graph below shows the number of fte days lost per directorate broken down between long and short term absence.



37. On average 55% of days lost due to sickness absence in York are long term when research shows that this figure is normally between 60% and 65%. This indicates that as well as a focus on reducing the number and length of time taken by long term sickness cases, the council cannot afford to lose sight of the need to manage those short term absences.

38. Implementation of the procedures required to support the Council's new attendance management policy is one of the key priorities on the HR Service Plan for 2007/08. This will include the implementation of a revised series of sickness absence procedures along with a review of the Council's occupational health arrangements, with consideration being given to the benefits of proactive health promotion and creative early interventions designed to minimise unavoidable sickness absence where it occurs. This will align closely with the Council's well-being agenda and participation in the Health & Safety Executive's Strategic Intervention Programme and is expected to achieve significant and sustainable improvements in the area across the whole of the Council.

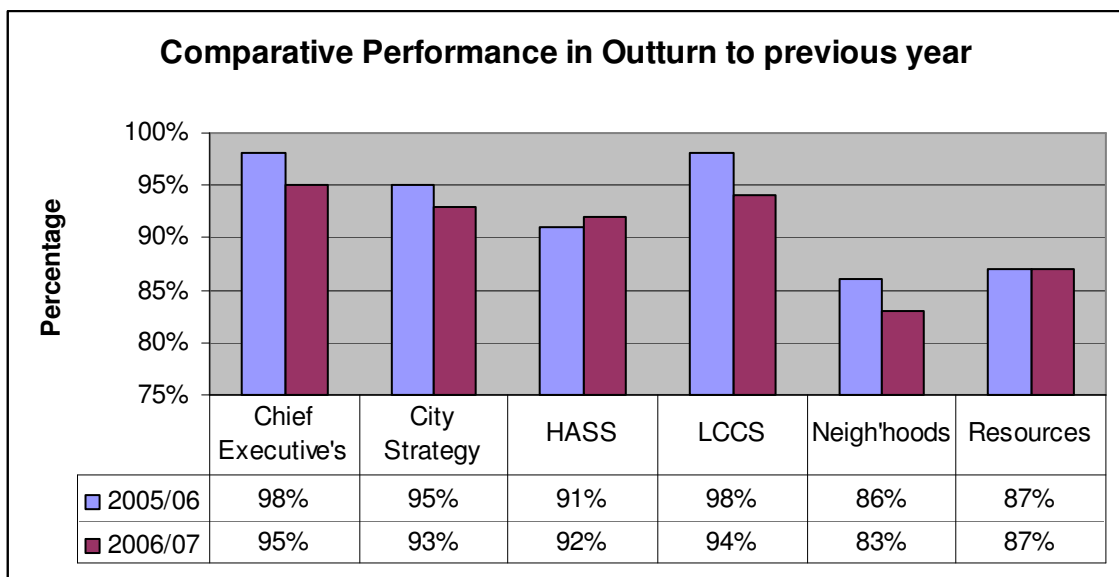
39. The graph below illustrates the outturn results for stress related illness against the previous year.



Directorate Management

40. The directorate's cross cutting measures overall show positive improvement. These are outlined in Annex 2. Exceptions are:
41. Staff Turnover (Coli 58a) - this has reduced by approximately 2% since 2005/06, giving an outturn of 14% against a target of 12%. The 2006/07 target would, in this instance, appear to have been overambitious for the directorate, and it is more likely that this level would be achievable by the end of 2007/08.
42. In comparison, it should be noted that the overall corporate turnover figures are low (12.02%) meeting the target of 12% due in the main to the low levels of turnover in LCCS. Turnover in all other directorate's is in fact above the corporate average.
43. Sickness (BVPI 12) - has also improved on the previous years results with 5.07 days per fte compared to 8.98 days, however, caution is given in that these figures are not directly comparable to previous periods due to the changes in the directorate's make-up over the last 12 months offering a different size and mix of service staff. It would be expected therefore that results should be lower in the future and targets have been reduced accordingly. As a comparator, Unitary top quartile figures for 2005/06 were 8.90 days.
44. Stress (CP13a) - although the 2006/07 result is marginally higher than the previous year (0.57 days per fte compared with 0.45), this is still within the directorate target of <1.5 days. Monitoring will continue throughout the forthcoming year to ensure that this is managed to within the directorate's lower target of 1.4 days.

45. Appraisals (CP14) – There has been a significant improvement in the number of staff appraisals conducted in Chief Executive's, with a marked increase to 91.4% compared to 45% in the previous year. The outstanding appraisals were in the main relating to those staff who were appointed after the main appraisal cycle which occurs earlier in the year. Year end calculations for this measure require that the headcount is taken from a year end establishment report, taken from the Delphi system, which highlights those staff falling outside the annual mid year cycle. Actions to address this issue in the forthcoming year will be built into the directorate's monitoring arrangements.
46. Invoice processing (BVPI8) – This best value performance indicator is designed to encourage prompt payment of invoices received. The directorate has achieved gradual improvement in its invoice processing activity which has achieved an outturn of 90.85% compared to 88% in 2005/06. This is in the main due to a review of in-house processes. But overall is still falling short against targets. Further improvement is expected to be achieved once a centralised admin pool has been established which will ensure that continuity is maintained in the processing function throughout the year to provide consistency in results.
47. Customer First (CG2)– Phone response times – In line with the corporate picture, the directorate's performance on answering phone calls within 20 seconds has fallen from 98% to 95%. See explanation outlined in para. 25.



48. Staff Satisfaction (Coli 57) – No result is currently available to support the staff satisfaction rating. Every 18 months the Marketing & Communications team conduct a satisfaction survey amongst all members of staff on behalf of Human Resources. The survey asks about staff opinions and experiences of working for City of York Council. The responses from the survey are used to inform corporate and directorate improvement plans, including the Human Resources strategy. The results of the survey conducted in April '07 are currently being analysed by an independent market research company and

the results of which will be available around mid June for reporting in the 2007/08 year.

Service Plan Key Actions/Projects

49. Organisational Effectiveness Programme (OEP) – As described in paragraph 7, the OEP represents one of the key plans for this directorate. Progress against the OEP as a whole will be reported to members separately. Driven forward by the four OEP champions, year 1 of the OEP has been targeted principally at improvements which are designed to make a direct contribution to a successful CPA corporate assessment outcome. OEP years 2 and 3 (which are being reviewed as part of the current corporate planning “refresh”) are aimed at building on, and embedding these improvements, and securing long-term improvement to our organisational culture.
50. Key improvements delivered by the directorate as part of OEP Year 1 include:
- development and launch of the Corporate Strategy
 - definition, widespread communication and embedding of clear priorities for the Council
 - simplification of the Council’s corporate planning framework
 - improvement to the service planning process
 - review and improvement to the corporate complaints process
 - development of the Local Area Agreement (LAA)
 - review of service improvement
 - initiatives to improve corporate working
 - introduction of a new Constitution including much improved delegation arrangements
 - development and roll out of agreed Leadership and Management Standards (LAMS)
51. Pay and Grading – The development of a new pay and grading structure has taken longer than anticipated and is currently still in progress. Pay modelling is also requiring longer than programmed due to the complexity of the issues under consideration. This is exacerbated by an increasingly challenging legal climate with the need to deal with fast changing case law, statutory grievances and equal pay claims from “no win no fee” solicitors. However, Equal pay road shows have been held and in excess of 90% sign-up rate has been achieved. Evaluation of jobs is now largely completed although further moderation and equality impact assessment is required. Significant progress has been made on supporting the infrastructure and on developing an approach to trade union negotiations.
52. Attendance Management – The Attendance Management Policy has now been implemented. Procedures and guidelines to support the Policy have also been developed and will be implemented during 2007/08. Significant work has also been undertaken to improve the Council’s management information in this area.
53. Comprehensive Performance Assessment (CPA) – Chief Executive’s have been leading (and will continue to facilitate) a major corporate project to

- prepare for the January 2008 CPA corporate inspection. This will be the first corporate inspection since Autumn 2002 and its importance cannot be underestimated, as it will inevitably influence the authority's relations with central government post inspection. The Corporate Management Team (CMT) are treating CPA as a significant corporate challenge which involves preparing thoroughly for the inspection and undertaking improvement work where necessary before the inspection (linked to the OEP).
54. There are two main elements to the project. Developing a comprehensive self-assessment (and evidence library), which will figure largely in the inspectors' work, and undertaking a considerable amount of awareness raising work around the inspection with staff and other stakeholders.
 55. Local Area Agreement (LAA) – The LAA is effectively the delivery plan for York's Community Strategy. Without Walls used the Community Strategy, *York – A City Making History 2004-2024*, as the foundation from which to develop the Local Area Agreement.
 56. York was part of the 3rd round of local authorities in the UK to develop an LAA. The LAA was formally signed off by Ruth Kelly (Secretary of State for Communities & Local Government) at a ceremony in London on 29th March. All local areas now have an LAA in place, and as the Local Government White Paper becomes enshrined in legislation this autumn, LAAs will become statutory. With the introduction of Comprehensive Area Assessment (to replace CPA) in April 2009, LAAs will become the means by which local performance is measured and also the major route through which local authority funding is received. Successful development of the LAA was a council-wide priority, delivered a service plan priority and also ensured York's compliance with a key Government policy initiative. Four members of the project team have now been transferred to City Strategy as part of the Chief Executive's department restructure to form the Strategic Partnerships Team, with one member of staff working across both directorates. City Strategy will therefore be responsible for reporting progress in the future.
 57. Constitution Review – In order to achieve the effective operation of the decision making process, the completion of the review of the Constitution and implementation of resulting changes was identified as one of the Democratic Services, service priorities. Work on this is now successfully completed.
 58. Framework Agreements - A comprehensive procurement exercise for the provision of legal services under a framework agreement with external law firms has been undertaken by Legal Services. Seven legal firms have been appointed who have the required expertise to complement the existing in-house legal team. The agreements commence on 1st May 2007 and will run for a period of 3 years. These should result in savings in external legal fees for the Authority.

Financial Year End Overview

59. The directorate has faced a difficult year with the need to identify £150k savings from the departmental restructure which has led to a large number of vacancies being held for the majority of the year and pressure on managers to keep spending to a minimum across the directorate. The total underspend due to holding vacant posts totalled £154k. There have also been a number of additional opportunities for staff to be seconded to support other projects without fully backfilling their posts. This has provided additional income to the directorate. It has also proved possible to contain areas of predicted overspends earlier in the year to smaller year end overspends by using positive management action. It should be noted that the underspend in staffing in Democratic Services cannot be sustained in the longer term. In particular the new administrative arrangements are likely to place additional resource requirements on Democratic Services and any vacancies would need to be filled to meet these demands.
60. The outturn for 2006/07 shows an underspend of £231k for the directorate against a gross budget excluding recharges of £6,454k a variance of 3.6%. Carry forward bids of £52k are however requested to address slippage against some projects and activities. This would leave a net underspend of £179k that can be returned to council reserves.

Financial Overview

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

| Service Plan Area | Approved Budget | | Net Budget £(000) | Prov Outturn £(000) | Variation Under/ Over £(000) | % of gross budget |
|-------------------------------------|---------------------------------|----------------------------|----------------------|---------------------------|---------------------------------------|----------------------|
| | Expenditure Budget £(000) | Income Budget £(000) | | | | |
| Chief Executive | 2,253 | 8 | 2,245 | 2,230 | -15 | -0.7 |
| Director of People & Improvement | 32 | 0 | 32 | 61 | +29 | +90.6 |
| Human Resources | 2,166 | 1,753 | 413 | 309 | -104 | -4.8 |
| Performance Improvements | 852 | 533 | 319 | 292 | -27 | -3.2 |
| Marketing & Communications | 829 | 814 | 15 | -23 | -38 | -4.6 |
| Civic, Democratic & Legal | 2,999 | 763 | 2,236 | 2,133 | -103 | -3.4 |
| Unidentified Savings | -27 | 0 | -27 | 0 | +27 | n/a |
| Total | 9,104 | 3,871 | 5,233 | 5,002 | -231 | -2.5 |

62. A breakdown of variations, where forecast outturn is significantly different to the approved estimate, can be seen in the budget monitor sheet in Annex 3. The key variances are:

Chief Executive's Policy Development and Support Team

63. The service area has underspent by £15k due to vacancies within the Policy team throughout the year. This is in line with projections at Monitor 2.

Human Resources

64. The Human Resources service area has underspent by £104k compared to a predicted overspend of £17k reported at Monitor 2. The key variances are that:

- a. There has been slippage on the job evaluation project (£-27k), which is the subject of a carry forward request.
- b. A reported projected overspend of £24k on occupational health and recruitment advertising has been brought in within budget
- c. The budget carried forward from 2005/06 for setting up a flexible benefits scheme for CYC employees has not been required (£-21k) as the scheme has been introduced in line with the base budget.
- d. The costs of temporary arrangements following the departure of the Head of HR has been below budget (£-12k)
- e. Additional income has been earned from the successful operation of the recruitment pool (£-33k)

Policy, Improvement & Equalities

65. The Policy, Improvement & Equalities service plan area has underspent by £27k which is due to staff savings within the Improvement team following an early retirement following the Chief Executive's restructure. This compares to a projected underspend of £32k at Monitor 2.

Marketing & Communications

66. The Marketing & Communication service plan area has underspent by £38k (compared to £36k reported at Monitor 2). This has been as a result of holding vacancies within the team and a freeze on all non essential supplies and services expenditure. Included in the underspend was a sum anticipated to be spent on new press office software that has been deferred into 2007/08. An element of the underspend was set aside to undertake additional focus group work arising from early indications of the ResOp results but this work too has slipped into 2007/08. These are subject to a carry forward bids.

Civic, Democratic & Legal Services

67. The Civic, Democratic & Legal Services service plan area has underspent by £103k (compared to a projected underspend of £26k at Monitor 2). The key variances are that:

- a. Underspend in Legal Services due to a staffing vacancy (£-14k) and underspend on external consultant budget (£-21k)
- b. Saving on the Coroner's budget due to lower than anticipated inquest cost and mortuary fees (£-13k)
- c. Savings within Democracy and Scrutiny services from staffing vacancies (£-54k)

Director of People & Improvement

68. There was an overspend of £29k due to the earlier than anticipated appointment of the new Director and Personal Assistant. This is slightly lower than the £33k overspend reported at Monitor 2

69. Due to slippage against a number of projects and activities Members are requested to approve the following carry forward requests, subject to approval of the Executive.

Carry Forward Requests

| | £'000 |
|---|-----------|
| Job Evaluation A budget of £350k was set aside for resourcing the job evaluation project team. This project continues into 2007/08 with a number of tasks to be completed. It is anticipated that there will be a significant resource requirement to complete the project in 2007/08 and it is therefore requested that the underspend of £27k within the year is carried forward. | 27 |
| Accommodation Moves In order to deliver future savings for the directorate the Legal services team are being relocated to the Guildhall early in the financial year. The cost of the move is being funded by the Administration Accommodation budget held in the Property services section however a sum of money has been set aside to allow for minor decorations. It is requested that a sum of £10k be carried forward to fund these costs. | 10 |
| Member Training There was an underspend on Member Training of £5k, which is requested to carry forward to support the intensive programme planned for 2007/08 following the election of a number of new Members. | 5 |
| Newsflash (Press Office Software) A planned replacement of the press office software which allows the team to monitor responses to press releases and stories was not completed. A sum of £5k from the Marketing and Communications underspend is requested to be carried forward. | 5 |
| ResOp Focus Groups The early indications of the results of the ResOp survey in February meant that it was necessary to undertake more detailed focus group work to get beneath the responses. A sum was identified within Marketing and Communications to fund this work however the majority of the work will be undertaken in the new financial year. | 5 |
| TOTAL | <hr/> 52K |

Financial Pressures 2007/08

70. There are two significant financial pressures that have been identified for 2007/08 that are not adequately budgeted which Members need to consider.
71. A report was taken to Urgency Committee (23rd May 2007) detailing the need to recruit a new Chief Executive. It is anticipated that additional costs of £60k will be incurred in dealing with the one-off recruitment costs and it is also anticipated that there will be an additional salary cost for the new appointee of up to £35k per annum. The future ongoing costs can be brought forward in a growth bid as part of the 2008/09 budget process however the costs for 2007/08 (likely to be in the region of £10k) could be funded from the underspends identified above.
72. A further issue is that the cost of the Council's Comprehensive Performance Assessment inspection in January / February 2008 is forecast at £124k which is £47k above that agreed as a growth bid in the 2007/08 budget. This cost, payable to the Audit Commission, is based on a national fee criteria and is not negotiable.

Consultation

73. No external consultation is required for this report.

Analysis

74. This performance and financial monitoring report is for information purposes only, so no options or analysis has been provided. However, the financial monitor does refer to budget carry forward requests and consideration needs to be given to the implications of further slippage to actions and projects.

Corporate Priorities

75. The directorate plays a key role in supporting the delivery of the Organisational Effectiveness Programme (OEP). The Council's four internal priorities (leadership, partnership, customer focus and efficiency/waste) are at the heart of the OE. The Chief Executive's directorate has a major role to play in the programme management, coordination and delivery of the OEP. A significant number of key actions (in particular in relation to the leadership priority) have been identified for delivery by the Policy, Improvement and Equalities Team.

Implications

76. **Financial** - Proposals relating to carry forward bids and capital slippage have implications relating to risk of slippage or non-completion of schemes and projects if not approved.
77. **Human Resources** - This has been another year of significant change for the Council and the Directorate, with considerable HR implications arising

especially on pay and grading and service modernisation. These implications are summarised in the main body of this report.

- 78. Equalities – The delivery of the key parts of the OEP and the Council's 3 year Equality Strategy are closely linked – in particular to the priorities relating to CYC leadership and customer focus.
- 79. Legal – There are no legal implications.
- 80. Crime and Disorder – There are no crime and disorder implications.
- 81. Information Technology (IT) – There are no IT implications.
- 82. Property Implications – There are no Property implications.
- 83. Other – There are no Other implications.

Risk Management

- 84. In compliance with the Council's risk management strategy, there are no risks associated with the recommendations of this report. However, Members may wish to note that there are potential implications relating to further slippage or non completion of schemes and projects, if the carry forward requests are not approved.

Recommendations

- 85. That the Advisory Panel advise the Executive Leader to note the performance and financial outturn position for 06/07 and to recommend:
 - a. Carrying forward bids totalling £52k as detailed in paragraph 69, subject to the agreement of the Executive.

Reason: To prevent further slippage or non completion on the projects and actions identified.

- b. that the Executive Leader requests Executive to consider using resources released from the underspend to fund the cost pressures re the replacement Chief Executive (£60k) and additional CPA inspection costs (£47k).

Reason: To allow for unbudgeted pressures to be funded.

Contact Details

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Report Approved **Date** 25th May 2007

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Wards Affected:

All

For further information please contact the author of the report

Background Papers:

- Leader EMAP Report dated 26th March 2007 – Chief Executive's 2007/08 Service Plans
- City of York Council - Council Plan 2006/07
- Closure of Accounts Guidance Notes 2006/07

Annexes:

Annex 1 – BVPIs & Local Indicators – Corporate Measures

Annex 2 – Best Value & Local Indicators

Annex 3 – 06/07 Revenue Financial Summary