

**Report by the Executive Member for  
Finance and Performance**

This is a very wide ranging portfolio which includes leading the financial strategy, collecting council tax, providing a range of professional support, ensuring compliance, and managing our facilities and assets. There is a clear emphasis on the customer and, where relevant, the Council's partners, throughout all activities making up the portfolio.

**Financial Management**

This includes the preparation of accounts, effective financial monitoring, and the setting and implementation of a financial strategy which aims to continue making the council more cost efficient whilst maintaining a proper level of front-line services, and at the same time keeping Council Tax at a reasonable and affordable level against a backdrop of continuing withdrawal of Government funding support. There are risks of course, not least in responding to the financial pressures brought about by the rapidly ageing demographic of the City, the financial position of the CCG, and so on.

The Council delivered an underspend of over £1m in the last financial year demonstrating that this administration is in control of the authority's finances, at a time when external challenges are very significant. One does not have to go far to find some other public organisations struggling in financial terms.

Our financial strategy approved in February of this year set out a wide range of affordable investment, with investment in adult care, winter maintenance, ensuring provision to maintain the park and ride service, and investment in financial inclusion.

This comes on top of a large additional programme of capital investment, funding the delivery of a wide range of capital schemes, from drainage and highways to the community stadium, the remodelling and restoration of the Guildhall complex, and of course using our financial strength to deliver schemes such as York Central. Total capital expenditure in the present 5 year programme is forecast to be £215m. It is through having strong financial health that we are able to make the prioritised investments we need to make for the City.

During the last year we have joined the West Yorkshire Transport Fund, but only on the basis that York received certain protections to limit exposure to any unaffordable increases in the payments we would make. This will see us attract some £80m of funding to invest in York Central and the Outer Ring Road.

## **Customer Services**

The primary objectives here are the effective collection of income, benefits administration and the improvement in key customer performance measurements to demonstrate how we are delivering a better customer experience.

Customer satisfaction has remained high all year, with an average of 92.5% across all channels which is an improvement over the last two years. We have successfully moved 14 highly transactional revenues and benefits services on line over the past year. Collection levels are high in relation to council tax (97.6%) and business rates (99.0%), with some £200m collected per annum.

We will be implementing a brand new system from July 2017 for customers who benefit from British Sign Language (BSL) support. This will give our residents who require BSL interpretation:

- Access to services face to face. If someone comes to West Offices and requires BSL from customer services they will be shown to a private room and provided with a video link to the interpretation service.
- Access by phone from home. If someone has the appropriate equipment (web-cam and internet access) the person can use a link from our website, contact the interpretation service who will then contact customer services by phone.

One of the biggest challenges recently has been managing the change to Universal Credit which is being fully implemented in York in July. This is expected to bring greater work pressures along with an expected increase in the number of citizens asking for financial support either through Discretionary Housing Payment (DHP) or through our social fund (YFAS).

## **Human Resources**

HR sits in this portfolio and a key priority of this service is to ensure that employees are supported and developed to be able to perform to the best of their ability.

We have introduced a set of 'values' to govern behaviour between all within the Council, and between all at the Council and external stakeholders, developed a workforce plan, and are committed to supporting staff wellbeing. However, I also recognise that we need to develop a stronger approach to issues such as absence. Many areas of the Council have very low absence rates which compare with the best organisations in the private sector, but there are some areas where performance is not as I would like and we will look to provide targeted support in these areas in order to effect improvement.

In addition, I am keen to increase the number of apprenticeship opportunities and to maximise the use of the apprenticeship levy, which is a key element of our workforce plan.

## **Asset Management**

The Council's asset management strategy is now well established and very active. The commercial exploitation of the authority's property assets is a key policy priority in growing the economy of the City, and the leveraging of the Council's holdings and capital to secure the redevelopment of key sites and the regeneration of significant parts of the city is now well underway.

Within this strategy, a number of major projects such as York Central and Castle Gateway which had been stalled for far too long are at last being brought forward to enable them to make a significant contribution to the economic and environmental future wellbeing of the City.

In addition, we are taking stock of how we use our remaining assets, with a proposal for a review of community assets during the next quarter and a report on the continuing work we are doing to deliver increased income from our commercial portfolio to deliver the large budget targets allocated to this business area to generate an additional £1m income from our commercial estate by 2020/21.

## **Major Projects**

There are a number of major projects and initiatives now in train such as:

York Central: a major partnership delivery of up to 2500 homes and 100,000 sq m of commercial office on a key brownfield site. Work is progressing well and will be the subject of a number of updates over the coming months with large scale public consultation on the developing masterplan.

Castle Gateway; the development of the area around Piccadilly, Coppergate, Castle Car Park and St George's Field car park to expand the city centre and create new commercial and residential opportunities. Business case development is under way and extensive public engagement/consultation has just started.

Guildhall; moving into construction phase for a managed office space to support small business growth with supporting commercial development and ongoing civic use of the space.

Mansion House; in construction with reopening targeted for Autumn 2017.

Housing Delivery; working in a strategic partnership with the HCA to deliver accelerated housing construction on public land. A report will be brought to Executive in the Autumn, setting out a business case containing proposals for site development and delivery mechanisms. This has significant cross over with the Housing Portfolio.

## **Delivery Efficiencies across the Directorate**

Key priorities include restructuring across a number of business areas, and generating more income across a range of services.

## **ICT**

Further development and implementation of the Digital Services Programme, enabling service transformation, easier customer interaction, and providing a greater range of services available on line.

## **ICT programme**

The programme this year as well as the delivery of specific projects, is mainly focussed on maintenance and upgrade of infrastructure, and ensuring information security as part of ICT's ongoing commitment to protect CYC from new and ever changing cyber security threats. We identified, procured and implemented Trend security during 2016/17. It provides a constantly evolving suite of protection products including anti-ransomware.

As we continue to maximise the potential and use of digital technology, it is bringing about a change in customer behaviour, for example there has been a significant reduction in call volume, for example:

- Council tax; 30%
- Waste, highways and environment; 38%

Going forward we will be bringing in webchat and a social media suite which will help us assess the types of issues that residents are concerned about.

Revenues on-line forms were launched in July 2016 and Benefits in September 2016, and we are processing 1000 forms per week electronically with 60% automation.

## **Review of Administration and Accommodation**

The financial strategy sets out a requirement to generate significant income from the Council's occupied facilities and we are well on track with this by letting space out to external partners such as Network Rail at West Offices. At this point, I would like to extend my appreciation to Council staff who have demonstrated flexibility in their working arrangements to ensure we maximise utilisation of space. Every desk at West Offices has a 'value' or opportunity cost of around £4,000 so we have to use these resources effectively. To continue to deliver efficiencies will, however, require us to consider the utilisation of other buildings, and opportunities for further rationalisation.

This area of my portfolio also provides a range of support services across all areas of the Council, some of which are;

- Supporting Savings and Change; supporting all directorates in delivery of savings plans, including changes in service delivery.

- Effective Governance; working with Directorates on information security, complaints, and performance data.
- Compliance and Assurance; ensuring effective internal audit, HR processes, and other systems and controls, including ICT security.
- Ensuring Effective Risk Management/Project Management across the organisation.
- Procurement Compliance; supporting all services on procurement, ensuring effective controls and compliance, and completion of a new procurement and commissioning strategy.

In connection with the last point, the Council has commissioned the Local Government Association to carry out a peer review of the procurement service by providing an external perspective and challenge of the Council's overall procurement model, its effectiveness, and how it operates, including accountability, capacity, and decision-making. The peer review team is due to submit its formal report shortly.