

Report of the Executive Member for Corporate Services

Since the last report there have been a number of changes in the senior management team of the Resources Directorate. A new Director joined in August 2008, and two new Assistant Directors were appointed in 2008/09. The newly formed Management Team have worked together over the year, to ensure that the Resources Directorate is able to meet the challenges facing the Council, including the impact of the economic downturn and Government decisions. The Directorate was restructured in November 2008, to align workstreams more equitably and with a view to giving increased focus to key areas such as efficiency, income collection, customer services, and ensuring key statutory functions are delivered effectively.

The Directorate is also leading the way in terms of improving the efficiency and effectiveness of the Council, through major corporate activity such as the financial strategy, the new Corporate Strategy, the new business model for the Council, implementation of the new financial management system (FMS), pay and grading, and the "More for York" programme. Also, with the Director of People & Improvement going on maternity leave, both HR and Legal and Democratic Services have been reporting to the Director of Resources. While it will take some months yet for some of the changes to become openly apparent the performance of the Directorate has improved and is expected to continue to do so.

Corporate Finance

In June, Executive received the Performance and Finance report for 2008/09. The report detailed significant areas where performance has improved during the year, including over three quarters of Local Area Agreement indicators improving and two thirds hitting or exceeding the target for the year. The council's first Place Survey results are also extremely encouraging with over half of the measures demonstrating performance in the top quartile. The results provide a positive indication of how York citizens feel about living and working in the city.

The financial performance of the Council demonstrated the organisation's robust approach to financial management, with an overall underspend of almost £1.5m against budget in 2008/09. In spite of the difficult economic climate, the Treasury Management function continued to perform well financially, although this area is expected to come under greater pressure through the current financial year. The underspend was supplemented by a net VAT refund of £1.8m as a result of a successful claim against HMRC, and this one-off windfall will be held in reserves to provide some financial stability over the medium term. York does however remain the second lowest spending unitary per head, and therefore the performance improvements achieved in 2008/09, when considered in the context of low spending demonstrate excellent value for money for the citizens of York.

The Audit and Governance Committee approved the Pre-Audit 2008/09 Statement of Accounts at the end of June, within the three-month statutory deadline required by accounting legislation. The Committee were made aware of the significant improvements made to the 'closing of accounts' process during the last 12 months, and it is expected that these improvements will be recognised by the Audit Commission when they give their opinion on the accounts to Audit and Governance Committee at the end of September.

Looking forward, Executive also received a report in June on the proposed process to support the preparation of the 2010/11 revenue budget including the how resources are to be distributed in order to facilitate achievement of the Council's strategic and corporate priorities. The process builds on the strong financial planning framework that already exists at CYC, and outlines improvements which will ensure financial planning remains effective in order to manage existing and future budget pressures through 2010/11 and the medium term.

In late summer, a review will take place of all the Council's financial reserves. The review will establish a five-year Reserves Strategy, which will be based on a fundamental understanding of identified risks and known future commitments. The Reserves Strategy will form a critical element of the Council's overall financial management framework that will need to remain strong and robust through what will be an extremely challenging financial period over the medium term.

York Customer Centre

March – May (inclusive):

Calls offered:	86,323
Calls handled:	85,432
% calls handled:	99%
Target	95% within 20 seconds

The opening hours were extended from 17:00 to 19:00 and of the total calls offered 1% were between the extended opening hours. This is early days and the staff are continuing to monitor activity. Within these extended hours 289 calls were for the York Pride Action Line and 657 were regarding Council Tax. The Contact Centre's one millionth call was received in May. The customer has been contacted and will receive ten free swimming sessions.

Business Rates

York's collection rate fell from 98.3% to 97.5% but moves up from 4th to 3rd quartile. The average collection rate for England dropped from 98.8% to 98.4% and for Unitary Authorities from 98.6% to 98.4%. The annual billing went smoothly, with nearly 84,500 Council Tax bills and 5,500 NNDR (business rates) bills sent.

Council Tax

York's rate fell only slightly from 97.3% to 97.2% but remains unchanged in the 3rd quartile, remaining mid-table for Unitary Authorities. Overall the collection rate for England also dropped 0.1% to an average of 97.0%, and for Unitary Authorities the average remained unchanged at 96.7%.

The single occupancy discount review is scheduled to start in July. This is normally carried out annually during the annual billing period. However this year a more targeted approach will take place. There will be some publicity in the local Press to give the public notice of the review so that they can contact the council if they are in receipt of a discount they now feel they may no longer be entitled to. Customers will also be encouraged to claim for a discount if they feel they may be entitled to one. The review letters will not be sent out to customer until the appropriate data checks are completed - it is anticipated this will be around mid-July. In conjunction with other local authorities CYC adapted a new Direct Debit take up campaign leaflet and distributed with reminders advising resident of the DD option and benefits to using this method of payment.

Benefits

The time taken to process new claims and change events last year stood at 15 days, compared to 19 days in the previous year. This is despite an increase of over 7% in claimants, due to the economic downturn. However, significant activity is currently being undertaken to improve benefits systems and processes which will improve processing times further. Also, approximately eight thousand customers' rent accounts had their rents reduced retrospectively from 6th April, over the weekend of 13/14th June 2009. This meant that 5,800 Housing Benefit claims had to be reassessed and new levels notified to customers. While

most of the work was done automatically it needed much preparation and testing, and around four hundred claims need to be manually checked.

Income, recovery & risk management

As part of the restructure all income and recovery functions within Resources were combined under one structure, at the same time as implementing FMS for the debtors process . This will be a workstream within the efficiency programme.

Financial procedures and financial governance have also been strengthened through the development of various procedures, such as the Asset Disposal Policy, a revised Risk Management Policy & Strategy and revised Draft Financial Regulations. There is also work planned for contract procedure rules, supplementary guidance to Financial Regulations, a debt policy. These will all be progressed with the appropriate training. Officers have also reviewed the Corporate Risk Register and analysed the impact of the Economic Downturn on council services.

Internal Audit / Counter Fraud / Information Governance

A shared service, with North Yorkshire County Council was launched on 1st April 2009. The new company is called Veritau Limited. This is expected to bring benefits in the effective use of the combined resources for both councils, e.g skills sharing, best practice, improved systems and improved coverage. The staff have ongoing successful prosecutions of benefits fraud cases, some £304,341 in value and, as members will have seen from The Press, this is a trend which is continuing into the current year.

Performance

Key achievements within this department include:

- Refresh of the Corporate Strategy
- Review of 2008/09 Single Improvement Plan
- Refresh of the Improvement Plan, with a report to Executive in July 2009.
- Development of the Business Model (officer governance model) to be launched in July 2009.
- Development of a new Performance Management Framework for the Council for finance and performance reporting.
- Positive outcomes from the Audit Commission Data Quality Audits.
- Preparations for Comprehensive Area Assessment - including completion of Use of Resources self assessment, with Local Strategic Partnership self assessment underway.
- Full Governance Review undertaken, which informed a review of the Code of Corporate Governance, the Improvement Plan and the Use of Resources self assessment.

Efficiency Review

On 7th July the Executive received a paper on the Efficiency Review and proposals for a broad transformation programme called "More for York", which will deliver the Corporate Strategy Objective to become a more Effective Organisation. The programme will deliver more for customers, more for staff and more for the Council's money.

This programme will deliver service improvements and cost savings and will build upon much of the good work undertaken over the last few years, such as easy@york. The programme includes six strands of work that sit across the Resources Directorate, to improve the delivery of HR, ICT, Customer Services, Procurement, income collection and to review management structures across the whole organisation.

This work is being undertaken in partnership with Northgate Kendric Ash (NKA) who will bring external expertise, skills and capacity to supplement the Council's own transformation efforts. NKA already have a proven track record in the transformation of the Council's transport fleet. This is an exciting programme that will shape the delivery of services for the future, helping to create excellent services that are responsive to customer requirements, culminating in the physical move to the new headquarters in 2012. The programme also plays an essential role in delivering the financial strategy, by making £15m of efficiencies required by Government, over the next three years.

Information Technology

The ICT service has completed the roll-out of 450 thin client low energy desk top devices, helping to support the corporate sustainability objective by reducing the council's CO₂ emissions by 188 tonnes per year, which is 10% of the Council's corporate target and a saving of £35,000 per year in energy bills.

The department has also successfully introduced the corporate Electronic Document Management System and is now scanning all paperwork for Benefits, Council Tax, Payroll, Finance, and will soon be taking on recruitment and Housing. It will then be able to decommission one existing DMS system, saving £30k. Back scanning of old paperwork for Children's Social Services and Environmental Health has begun, reducing future storage space for the new HQ. Work is ongoing to scan all white mail for City Strategy.

April saw the successful implementation of a new Financial Management System. Work is ongoing to ensure that business improvements are driven out and efficiencies achieved through extensive use of electronic systems, particularly for the processing of creditor payments.

In the next few days it is expected that the Council will achieve accreditation to "Government Connect", which will ensure that the systems will be able to share data with central Government.

The corporate electronic data storage system has been upgraded and has improved performance and increased capacity. This has also enabled reduction of the number of computer servers, as data will be stored centrally and processing will happen on a small number of "virtual" servers, rather than having a dedicated computer for every single system. This makes the systems more robust and has reduced the amount of electricity used.

The IT service as a whole received and resolved over 36,000 support calls last year and achieved 92% customer satisfaction.

Pay & Grading

The Council and the three trade unions signed a collective agreement on the 4th December 2008 which enabled the implementation of new pay and grading arrangements for over 6,500 employees. The new pay structure and allowances for the staff covered by the proposals were subsequently implemented in the December 2008 payroll, retrospective to 1st April 2008. Implementation of the new arrangements generally went smoothly which, given the complexity of the changes being made and the timescales the work was undertaken, reflected the detailed planned undertaken and the hard work of all of those involved. A relatively small number of issues arose, which were promptly and successfully addressed. The error rate in handing approximately 34,000 transactions was 0.88%, which is a magnificent achievement.

A significant amount of work still remains in order to fully modernise the Council's pay and grading arrangements including the modernisation of pay and grading arrangements for all of the Council's other bargaining groups, such as Craft, Solbury, Youth & Community Workers

and Chief Officers. Work also continues to manage the Council's equal pay issues, and preparation is well underway for the Employment Tribunal hearing scheduled for November 2009.

Office of the Future

The "Office of the Future" was launched with all the staff and managers involved in the pilot in May 2009. The launch event included an interactive session, where the views of staff from the pilot teams were sought to establish their 'past, present and future' working experiences and perceptions. Staff were issued with an on-line "New Ways of Working" questionnaire, with the aim of gathering staff and manager views on new ways of working. The results of the survey are due out shortly, and will serve as benchmark data as well as inform the HR workstream work and the Council's 'new ways of working' strategy, flexible working and workstyle policy development. HR have delivered a suite of flexible working policies to support this project.

The project teams workstreams are currently working closely with Champion representatives from the pilot team, to establish base line data, assess needs of the LCCS teams and prepare elements ready to be trialled later in the year.

Workforce Planning and Development

In recent months the Council has taken several significant steps in developing its approach to workforce planning and development, which address key elements of the Use of Resources CAA assessment. This work underpins key themes in the Business Model, the Improvement Plan, the Corporate Strategy and the More for York Programme.

- In November 2008 CYC signed the Skills Pledge, to commit to supporting our employees to acquire basic literacy and numeracy skills and work towards Level 2 qualifications.
- A framework is being implemented to help each directorate recruit and develop apprentices across a wide range of services.
- A new Management Development Framework will equip managers with the required skills and knowledge to operate effectively and deliver corporate objectives. It will comprise mandatory modules, bring managers up to date with current 'in year' priorities and provide a range of development opportunities to pick up needs identified at the annual Performance & Development Reviews.

The HR Transformation Project

This is a fundamental area of work for HR and the wider organisation and is one of the key elements of the "More for York" programme, the aim being that, supported by the new IT systems, the future HR service will provide seamless support to managers and staff through all phases of the employees' lifecycle within CYC.

The project covers many areas but in summary the four main work streams running concurrently include:

1. Procurement and implementation of a new fully integrated HR / Payroll IT system to replace Delphi. The decision about which new system CYC buys and how it is implemented is fundamental to the success of the wider project. CYC is now in Stage 3 of the procurement process timetable, with four suppliers being considered. A preferred IT solution supplier should be identified by the end of August.
2. Implementation of a new E-Recruitment IT system. To streamline the way the Council manages its recruitment, to bring consistency and greater efficiency to the process.

3. Process and organisational re-design. In order to make best use of the new IT systems there is a significant piece of work to be done to ensure all HR processes are reviewed and re-designed to make optimum use of the IT solutions. At the same time and in line with the process review, there is a need to streamline the way HR is delivered, to support to managers across CYC with the aim of bringing a fragmented system of delivery split between Directorates together into one HR Business Support Centre.
4. Cultural Change Across the Organisation. For all of the above to be successful on a long term basis there is a need to examine, and where necessary change, the culture in CYC to ensure managers take full responsibility for managing their staff effectively in partnership with HR, making full use of the new IT solutions that will be in place to help them on a day to day basis.

Work in all of these areas is gathering pace and HR staff are working closely with staff in the [Easy@york](#) team.

Health & Safety

The Health & Safety team have been actively rewriting the Safety Management System to provide a set of corporate policies and procedures that set the standards to be implemented across all of CYC's operations to ensure legal compliance. This process has incorporated linking the Risk Assessment process to the Risk Management system currently in use across CYC. This will improve CYC as an effective organization, as this link will enable the senior management team to become fully aware of the health and safety risks faced by the organisation and, importantly, they will also have the professional opinion of the health and safety team as to whether the controls in place for these risks are reasonably practicable and legally compliant.

The crucial stage of the implementation of the Safety Management System is approaching as the team are just in the process of rolling out training on the new system to all relevant staff to enable them to identify what needs to be actioned in their individual areas. The training programme will be running hand in hand with a programme of legal compliance checking where the health and safety professionals will be assessing levels of legal compliance, against a set of KPI's, across all departments of CYC. This information will be reported back and will be used to identify areas that require most assistance to become compliant.

The success or failure of the new safety management system is dependant upon the support from the top of the organisation including councillors , because in order to successfully manage health and safety there requires ownership of the issue at all levels, whilst incorporating health & safety issues into the everyday business processes. It is everyone's job to consider safe working environments, and to ensure that the individual's own actions do not present a danger to others.

Conclusion

I would like, finally, to thank officers at every level for the tremendous effort made over the last few months, and for their commitment to the Council. I would also like to thank officers for the welcome and support I have received over the last nine months. The level of professionalism and enthusiasm I've encountered has been encouraging and I am confident that, although the coming months will bring new challenges, the results will be positive.