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## **Executive Member for Corporate Services 9 September 2008 and Advisory Panel**

Report of the Director of Resources

### **RESOURCES DIRECTORATE MONITOR 1 PERFORMANCE AND FINANCE MONITOR 1 - 2008/09**

#### **Summary**

1. This report combines performance and financial information for the Directorate of Resources for Monitor 1, 2008/09. The performance element covers key and Council Plan indicators and projects, and the financial aspect deals with capital and revenue variances.

#### **Background**

2. This is the first monitoring report for 2008/09 combining financial and service performance to be brought to Corporate Services EMAP. The statutory requirement to report Best Value Performance Indicators (BVPIs) has now been removed with the introduction of new National Performance Indicators. This report contains mostly the same measures as used in the past, with notes to indicate which ones are no longer PIs. In some cases new measures have been introduced which provide more useful information for the Directorate. Where appropriate the new National Performance Indicators have been reported on with the information available to date.

#### **Financial Overview**

3. The table below summarises the financial position for the Resources Directorate by service plan area. This shows that the directorate is forecasting a net underspend of £113k compared to a budget of £6,483k. This is a forecast variance of 0.2% compared to the gross budget of £70,510k.

Note: '+' indicates an increase in expenditure or shortfall in income

'-' indicates a reduction in expenditure or increase in income

	Expenditure Budget £000	Income Budget £000	Net Budget £000	Provisional Outturn £000	Variance £000	%
Director	450	23	427	402	-25	-5.6
Public Services	44,214	41,772	2,442	2,472	30	0.1
Financial Services	2,605	2,440	165	190	26	1.0
Audit & Risk Mgt	3,923	3,695	228	165	-63	-1.6
IT&T	6,116	5,891	225	-35	-260	-4.3
EASY Project	2,936	1,489	1,447	1,438	-9	-0.3
Property Services	10,266	8,717	1,549	1,737	188	1.8
<b>Total</b>	<b>70,510</b>	<b>64,027</b>	<b>6,483</b>	<b>6,369</b>	<b>-113</b>	<b>-0.2</b>

4. The forecast financial position at this stage is relatively satisfactory there are a number of issues that need to be drawn to Members attention. The forecast underspend is due primarily to savings identified within Information Technology and Telecommunications (IT&T) service plan area partly due to efficiency improvements but also due to funded projects being cancelled. The forecast overspend in Property Services is a concern however in previous years increased workload in the second half of the year have led to the outturn being closer to budget. Details of all major variances are shown in Annex 2 of the report however the headline variances are shown below:

- a) Director – The projected underspend of £25k represents the temporary vacancy of the Directors post.
- b) Public Services – An overspend of £30k is forecast. This takes into account additional costs incurred due to the embargo on staff changes and delays in Job Evaluation, while implementing the benefits restructure. A provision for the corporate saving target of £85k is also included in this service. The additional costs are being offset by a improvement in benefits overpayments where work has been focussed on reducing fraudulent claims.
- c) Financial Services – The overspend of £26k primarily reflects the additional costs associated with the interim arrangements for covering the Head of Finance position.
- d) Audit and Risk Management – The service shows an anticipated underspend of £63k, which reflects several minor variances
- e) IT&T – This forecast underspend of £260k is made up of a number of factors including project slippage of £57k, a cancelled project, and a £100k saving as a result of work being completed in-house.
- f) Easy & York Project is projecting a small underspend of £9k, which reflects the position for both phases of the Easy Programme.
- g) Property – There is a projected overspend of £188k. This is due to forecast a shortfall of £66k within the Strategic Business and Design section as well as shortfall of income within the Commercial Property portfolio £51k and administration accommodation portfolio £86k.

## Analysis

- The analysis of performance and achievement for Monitor 1 2008/9 is broken down to cover the five elements of Resources and includes performance headlines, headline detail and relevant financial information.
- The data covers the first quarter of the year, from 1 April to 30 June 2008, unless otherwise stipulated.

## Customer First and Corporate indicators

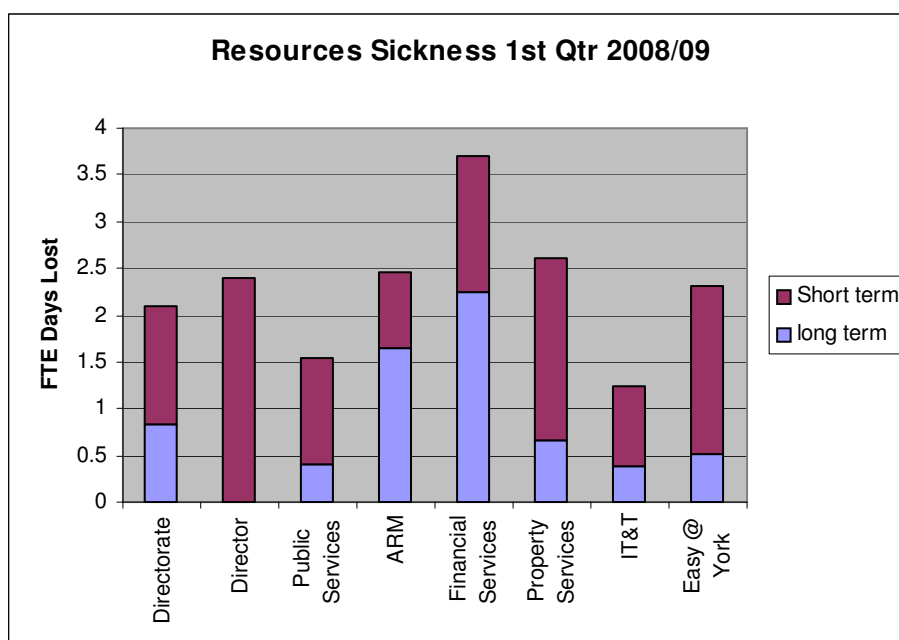
### Staffing indicators

#### Staff sickness

- The Directorate as a whole has lost 2.1 FTE days through sickness in the first quarter of 2008/9. Of this 0.84 FTE days were due to long-term sickness
- The breakdown for each division is:

	Overall Sickness	Long-term Sickness
Director	2.4	0
Public Services	1.54	0.4
ARM	2.45	1.65
Financial Services	3.69	2.24
Property Services	2.61	0.66
IT&T	1.25	0.39
Easy@York	2.32	0.51

- The graph showing the number of FTE equivalent days lost to sickness, including long term sickness, is shown below:



10. The number of days lost through stress related illnesses is 164.41 FTE days. This equates to 0.95% days lost or 0.50 days per FTE.
11. Sickness has increased by 0.09 FTE days in 2008 compared to the same time last year. Long term sickness has increased from 0.81 FTE to 0.84 FTE. Because of re-organisation within the Directorate some Divisions have shown an increase in sickness levels compared to the previous year, but overall sickness levels have remained static.

### Equalities

12. As of 30 June 2008 the establishment based on the number of people employed was:

### Male/Female Split

	No.	%
Full time male	155	42.47
Full time female	144	39.45
Part time male	5	1.37
Part time female	61	16.71
Total	365	

### Ethnicity

13. The table below shows the number of staff and a breakdown of ethnicity within the directorate.

	Total	Male		Female	
No of Staff	365	160		205	
White British	354	152	95.0%	202	98.5%
Other Ethnic Groups	11	8	5.0%	3	1.5%

### Disabled Staff

14. 10 members of staff are recorded as having a disability, which is 2.74% of the total directorate.

### Staff Survey

15. The last staff survey was carried out in 2006 and the results have been reported in previous monitors. The next survey will be undertaken in October 2008 and results will be available after December.

## Customer First

### Telephone calls

16. Figures for telephone calls for the first quarter are shown in the table below. This indicator is referenced as CG2 and the corporate target is to respond to 95% of calls within 20 seconds.

Division	Total calls answered	Answered within 0–20 seconds	% answered within 0-20 seconds
Audit & Risk Management	2,023	1,998	99.07%
Directors Office	215	213	98.76%
Property Services	6,984	6,781	97.05%
ITT	5,787	5,740	99.17%
Finance	8,108	7,911	97.77%
Public Services (inc YCC)	129,213	122,592	94.87%
<b>Resources Total</b>	<b>152,330</b>	<b>145,235</b>	<b>95.34%</b>

This represents a continued improvement in performance overall for the directorate and reflects the very significant improvements made in the York Customer Contact Centre (YCC) during 2007/8 that have been maintained and improved upon during the first quarter of 2008/9

Council Tax calls are now part of YCC and this has resulted in an increase in the volume of calls being answered by 26% when compared to previous quarters.

There are clear disparities between the numbers of calls received across divisions, purely because of the different type of service offered, some of which are not customer facing.

### Stage 2 and 3 complaints, visitors seen and letters answered:

17. Resources received no Stage 2 or Stage 3 complaints during quarter 1 (ref CM10).
18. The Directorate had 11,631 visitors during quarter 1 (ref CG4), 11,336 of whom were seen on time, that is within 10 minutes. This represents 97.46% of people seen on time against a target of 95% and is an extremely high level of customer service, taking into account the volume of customers.
19. Of these visitors, 234 needed to see another member of staff (ref CG5), and all of these were dealt with within 10 minutes. The Directorate received a total of 2,210 letters in quarter one of the year, of which 2,180 were responded to within deadline (ref CG3). This means 98.64% of all letters were answered on

time, and also well within the corporate target of 95%. This is an improvement on the figure for the first quarter 2007/8, which was 95.53%

20. All these results show high or above target performance, and reflect the high level of customer service offered by the Directorate

## **Public Services**

### **Performance headlines**

21. The Revenues, Benefits and York Customer Centre (YCC) services continue to perform well with a number of improvements already apparent in the first few months of the year.
22. The processing times for benefits claims continues to improve and the service is achieving a standard well above the national average. In Council Tax, collection rates are on track despite a further increase in the performance target to 97.8%. On the YCC we are answering more telephone calls, more quickly whilst maintaining call quality. All this has been achieved during a period of internal change with a full restructure of the benefits service in progress and revised team structures and reporting lines being implemented for the Council Tax back office and YCC
23. Claims for housing and council tax benefit now take on average 16 days to process as compared to 19 days last year. There is a new national measure which has changed the way we compile and report on our performance which is explained in more detail below.
24. There are a number of major changes underway or planned for the benefits service. As part of the work undertaken with the [easy@york](mailto:easy@york) programme a full team re-structure has been agreed and appointments to the new posts are in progress. The new structure will help us to achieve a number of objectives:
  - Better end to end control of the processing system with increased ownership of a claim by a member of staff
  - An improved customer experience with more face-to-face interviews, quicker handling of proofs and consequently better turnaround times
  - Implementation of new technology including e-benefits claim input module and integration with the existing CRM technology
  - Better resourced teams with well-trained staff working to a new rota system that enables them to handle customer queries and undertake processing work

## **The Services**

25. The YCC experienced a challenging time last year as a result of the implementation of front office Council Tax processes in March 2008. This process has now stabilised with strong results emerging for the first quarter of 2008-2009.

26. During quarter 1 the YCC handled 93,626 calls across all services. Of those calls 94% were answered within 20 seconds. Over the quarter, the rate of abandoned calls was just 1%, the call centre industry norm is 5%. A total of 21,924 service requests were logged.
27. The period after the Council Tax annual billing round is traditionally one of the busiest times for the service. Comparison of our call handling statistics for the period April to June 2007 to those for April to June 2008 shows a number of improvements:
- Calls offered reduced by 9.5% or 1,969 calls fewer
  - The rate of abandoned calls from 23.3% to just 1.8%
  - The percentage of calls answered in 20 seconds increased from 42.7% to 89%
  - The speed of answering reduced from 98 to 12 seconds
  - Finally, call handling time increased by 14%, from 4 minutes 28 seconds to 4 minutes 41 seconds demonstrating that whilst call answering statistics continue to improve more time is spent with the customer.
28. For council tax, both the collection of in-year tax (38.83%) and old year debt are ahead of the same position last year and look set to achieve the annual targets. As yet we have seen no discernible impact on collection as a result of the “credit crunch”. In July a Magistrates Court session had to be adjourned to a date in August as it fell on a day of industrial action by UNISON. Whilst this does not appear to have adversely affected income collection it will cause a peak in workloads for our Recovery team as two court dates will now fall in quick succession.
29. From late August the remaining staff in the Council Tax billing team will transfer to the YCC. To facilitate this and ensure a smooth integration both teams have undertaken job shadowing, cross-team working and further training. The Council Tax recovery team along with the Business Rates and Cashiering functions are not included in this transfer and are part of a wider round of restructures following the change of Assistant Director responsibilities within the directorate.
30. Business Rates in-year collection, at 40.61% to the end of July, is slightly behind the stage target that we have set. A fuller explanation of this is given in the next section.

## **Performance indicators**

### **Benefits**

31. From April 2009 the set of ten BVPIs for the benefits service have been replaced by two National Indicators. These are:

32. **NI180** - Number of Changes of Circumstances which affect customers' Housing Benefit (HB) and/or Council Tax Benefit (CTB) entitlement within the year (expressed as per thousand of the total benefits caseload). Known as the *Right Benefit* indicator.
33. **NI181** - Time taken to process HB and CTB New Claims and Change Events. Known as the *Right Time* indicator.
34. The Right Benefit indicator is intended to measure the amount of 'incorrectness present in each local authority's caseload'. Effectively it is counting up the number of changes in entitlement (both up and down) that we process. This is driven by the number of changes that our customers report to us and so, in part, is influenced by ease of reporting and by the methods we employ to encourage timely reporting.
35. To calculate this measure it is now necessary for the Council to submit a full monthly data file (known as the Single HB Extract or SHBE) of all our claim records to the Department of Work and Pensions (DWP). The DWP process the file and publish the results of this, and other, measures. Although intended to commence in April the DWP have been unable to process any files from any local authority due to a number of software problems. The submission of data files was due to re-start from July 2008.
36. In the meantime the Business Management team of the Benefits service have been running reports to ascertain our current position on a number of measures pending the DWP resolving their problems. We have been unable to exactly replicate the analysis that the DWP will perform for the Right Benefit measure so we are unable to report it here.
37. The Right Time indicator is similar to old BVPI measures for the processing of new claims (BVPI 78a) and processing of changes in circumstances (BVPI 78b). Whilst the new claims part of NI181 remains the same there are some differences as to what constitutes a change event. For example, previously we could only count written notifications but this is extended to telephone calls. In addition we must also count changes identified as part of data matching exercises, following an intervention and as part of a fraud investigation.
38. As with the Right Benefit measure we have not provided the DWP with any information, nor have they been able to publish any performance data. Through a combination of processes we have been able to replicate this measure internally and establish the average days figure for the first few months of 2008-2009.

MONTH	PERFORMANCE
April 2008	17 days
May 2008	17 days
June 2008	14 days
July 2008	17 days
Average for year to date	16 days



## NI 181 Time taken to process HB/CTB New Claims and Changes

39. Already we are seeing a significant improvement on the performance for last year. In 2007-2008 we took on average 29 days to handle new claims and 12 days for changes. Combining all the calculation data for news and changes would have given an equivalent of 19 days, though an exact comparison is misleading due to the change in the definition.
40. The suite of BVPIs that reported on the recovery of Housing Benefit Overpayments have also been dropped and there is no equivalent National Indicator. The Benefits service continues to monitor progress as our success in this area, in both keeping the creation of overpayments to a minimum and recovering those that are created, has an impact on our annual subsidy grant and the income collection levels for the authority. We submit this data to the DWP quarterly as part of a new (manual) process called the Housing Benefit Recoveries and Fraud (HBRF) return.
41. The percentage of HB Overpayments recovered against those identified in year, formerly BVPI79(b)(i), is 67.7% to the end of June. The underlying data suggests that recovery levels have improved on last year, when we achieved 60.85% but overall collection is also influenced by the level of new overpayments created during the year which can vary significantly by £20k - £30k each month.
42. BVPI79(b)(ii) measured recovery of both overpayments created in year and those brought forward from previous years. At the end of June we had achieved a recovery rate of 8.3% which is better than the June 2007 position of 7.2% and puts us on track to meet the target.

## Council Tax and Business Rates

43. The collection of Council Tax (formerly BVPI 9) and Business Rates (formerly BVPI 10) will continue to be monitored as before due to the direct impact on the Collection Fund (Council Tax only) and the ongoing requirement to submit data to the Department of Communities and Local Government.
44. In addition to in-year collection we also monitor the reduction of arrears for prior years. The performance for the year-to-date is as follows:

Collection Rates	July 2008	Stage Target	Last Year
<b>Council Tax</b> – In Year collection	38.83%	38.78%	38.70%
<b>Council Tax</b> – Prior year collection	11.51%	14.00%	7.94%
<b>Business Rates</b> – In Year collection	40.61%	41.03%	40.48%
<b>Business Rates</b> – Prior Year collection	26.03%	N/A	-31.87 *

\*Negative due to the impact retrospective revaluation changes and shifting cash allocation

45. Council tax collection is currently on target. The debt position will vary slightly over the summer and into the autumn as we review, and where necessary cancel, entitlement to discounts and exemptions.
46. The collection of Business Rates is behind the expected position because (a) a software issue meant that we did not commence recovery proceedings (issuing instalment reminders) as early as we have intended – this resumed in June - and (b) we may be seeing the first effects of the change in legislation on empty property relief. The law now requires us to bill properties that would previously have been subject to a 100% exemption.

## Projects

Work In progress		Update on activities
a	Benefit improvement work as part of <u>easy@york</u> programme	Assessment of Change process underway to appoint new managers, team leaders etc into new structure. Work on reviewing full on-line procedures manual for Benefits Assessors
		Testing of new software solutions underway: <ul style="list-style-type: none"> <li>• E-benefits for new claims</li> <li>• Logging of calls on CRM</li> <li>• Integration with existing back office software</li> </ul> Monitoring and upload of performance data under review pending problems with DWP
b	Legislative Changes	Planning for introduction of Employment and Support Allowance from October 2008. Staff training required, forms re-designed and software changes to test.
c	Benefits - Equalities Issues	Equalities Impact Assessments will be completed when the new “Easy” processes are in place.

d	Council Tax improvement work	<p>Move back office function into YCC. Re-assign some system and financial reconciliation work to Business Management Team (subject to resources).</p> <p>Ongoing work to identify efficiencies</p> <p>Decision on management of recovery team needed</p> <p>Further e-forms required to cater for self-reporting of changes</p> <p>Reviewing Student communication channels to improve the use of self serve to speed up the receipt of this data throughout the year and remove peaks &amp; troughs</p>
e	Improving service quality within the YCC	<p>Completion of Equality Impact Assessment of YCC policies and procedures</p> <p>Plans to extend opening hours and pilot Mon-Sat opening for 3 months.</p> <p>Looking at Mystery Shopper in conjunction with North Yorkshire partners</p> <p>Working towards central government Standard accreditation</p> <p>Develop CRM training for Benefits staff</p> <p>Capture data for National Indicator NI14 "Avoidable Contact" from October</p> <p>Customer satisfaction surveys to develop to include Neighbourhood Services</p>
f	Team structure and staff training improvements within YCC	<p>Relocation of council tax back office staff to YCC scheduled for August</p> <p>All relocated staff to attend Customer Care training programme</p> <p>Ongoing multi-skilling to cover Council Tax service to eradicate peaks and troughs of calls and admin workloads</p> <p>YCC restructure to support growth and needs of the Council</p> <p>Sign up NVQ staff training for new starters</p>

## Financial information

47. The current outturn projection for Public Services is a net overspend of £30k. There are significant additional costs of £254k being incurred due to delay in implementation of the restructure because of the Job Evaluation embargo on staff changes. This has resulted in extended use of agency staff. Meanwhile as part of the easy@york implementation, significant staff training and minor

accommodation changes are being put into place, which is incurring costs of £99k. These have been offset against a carry forward from 2007/8 and some staff savings from implementing the Local Housing Allowance.

48. Focussed work on benefits. Eligible overpayments is bringing cost reductions, in addition to the 100% subsidy being maintained on Local Authority Error overpayments, with an overall projected underspend in this area of £206k
49. The York contact Centre has a projected overspend of £89k. A savings target for this year of £50k has not yet been implemented in order to maintain service levels whilst new services are being incorporated into the service (Revenues and Benefits transferring in). Measures are being implemented to improve this position for the future. There is an under-recovery of income from Planning and Building Control and negotiations are ongoing to assess the volume of service being provided.
50. Within the projected overspend for Public Services of £30k, a provision of £85k has been made as a contribution towards the corporate restructure savings target of £200k.

## **Property Services**

### **Performance Headlines**

51. Significant progress has been made on the 'Oaklands' project. The project has two components, the provision of the new York High School and a replacement for the Edmund Wilson swimming pool and associated leisure facilities. The York High School is progressing well and incorporates a stunning atrium that will be a major selling point for the school. It is due for completion in November 2008. The swimming pool contract has now commenced with a completion date of October 2009.
52. A planning application has been made for the refurbishment and development of the St. Clements Hall community project. The council have received a grant of c £1m to support this project. The completed scheme will be transferred to a community management organisation.
53. The first Area Asset Management Plan has been completed and approved by the Executive and will form the basis for further area asset management plans for the city.
54. Planning permission for the new Council HQ was sought in May, but has subsequently been withdrawn following a letter of objection from English Heritage. A review of the project is ongoing.

### **Performance indicators**

55. Property performance indicators are reported annually at the year-end.

### **Issues**

56. Property Services is having difficulties with retention and recruitment of professional and technical staff. The department currently has 11 vacancies out of an establishment of 58.5. In order that the service is maintained the vacancies are being covered through the use of consultants, framework contracts and agency staff. The cost of this cover is greater than establishment costs and is therefore placing financial pressure upon the trading accounts that operate within Property Services.
57. The current economic climate is bound to place pressure upon small businesses. Property Services are monitoring the position of those businesses currently occupying properties within the commercial portfolio.

### **Financial information**

58. There is a projected overspend of £188k. This is due to:
- a) a forecast shortfall of £66k within the Strategic Business and Design section. This is as a result of projected fee income being lower than budgeted costs, past experience suggests that this variance will be reduced by the end of the year as more projects are let by our clients.
  - b) a shortfall of income within the Commercial Property portfolio £51k. Mainly due to low rental income from Parkside as the premises is wound down prior to redevelopment and the need to invest in certain maintenance failures on commercial properties.
  - c) administration accommodation portfolio £86k. Mainly around certain transition costs and maintenance responsibilities prior to and during the process of releasing buildings as part of the Council HQ project.

### **IT&T**

#### **Performance Headlines**

59. The department continues to provide a secure, robust, scalable and highly available ITT infrastructure including corporate and departmental systems. It is achieving the majority of its challenging, revised and agreed service level targets for 2008/09.
60. The department has received 9,337 requests for service during this period of 2008/09 and is currently achieving a successful 1st time resolution rate of 98.91%. This compares to the 98.09% achieved during the same period for 07/08 and demonstrates consistently high levels of service provision to the departments customer base.
61. The department has received 9,337 requests for service during this period of 2008/09 and is currently achieving a successful 1st time resolution rate of 98.91%. This compares to the 98.09% achieved during the same period for 07/08 and demonstrates consistently high levels of service provision to the departments customer base.

62. Despite some specific project resource limitations, work has continued on the major business projects outside the Easy programme including:

- Phase 1 of the replacement Social Care system has been completed and the first milestone of Phase 2 implemented on schedule in July 08.
- The contract for the new Financial Management system has been awarded and the base infrastructure installed. The project board has proposed a revised go-live date for General Ledger and Creditors systems of April 09, but this will be confirmed at the next meeting. This revised schedule will allow for the business process re-engineering work to be completed enabling the full benefits of the new replacement system to be realised.
- Initial planning for the replacement of the HR/Payroll system has started and a decision regarding the implementation timeframe is scheduled to be discussed and agreed early September with both the new Director of Resources and the new Head of HR.
- The priority elements of the Mobile/Flexible working project have been incorporated into the Easy programme and a Corporate mobile solution from Kirona/Vodafone has been purchased. A phased project plan in line with the Easy@york programme and other approved IT Development projects commenced August 08 and will continue through into 2010.
- The contract for the new Corporate Electronic Document and Records Management System ( EDRMS ) has been awarded and the activities to establish a new Scanning service based upon the Corporate EDRMS solution are planned for September/October 2008.

63. The year to date number of days lost resulting from staff sickness is 1.25 per FTE, of which, 0.39 are due to the impacts of long term serious illnesses with the remaining low volume 0.86 days lost per FTE associated with short term absence.

**Key Performance Indicators.**

64. To support the single Council Plan indicator, the department have developed a robust suite of local indicators to map service performance. Some of the key ones are listed below and highlight the levels of service achieved within the first quarter of 2008/09.

Description	08/09 Target	08/09 Year to Date
Number of high priority calls resolved within the SLA of 0-6 hours	90%	93.33%
% of time that the Citrix Server Farm is available during the core business hours Mon/Fri 8 am – 6	98%	99.85%

pm		
COLI 71 – % of time that the Council’s ITT systems and corporate network infrastructure is available during the core business hours Mon/Fri 8am-6pm	99.40%	99.88%
% of time that the Telephony service is available during the core business hours Mon/Fri 8am-6pm	99%	99.66%

### **Financial information**

65. Effective project management, contract negotiation and budget monitoring processes, coupled with successful income generation activities have identified a forecast £260k of surplus in year budget. £100k of this is attributable to the Social Care System replacement project where technical work originally planned to be undertaken by third parties is now undertaken by CYC staff.

### **Easy Project**

#### **Financial Information**

66. The reported underspend of £9k reflects the position from both the ongoing support costs of Phase 1 and the Phase 2 programme.
67. Phase 1 budgets of £1.26m fund the capital financing charges and the support and maintenance costs of the Phase 1 projects. For the current year there is a projected overspend of £13k, due to establishment budgets being transferred back to ITT. In future years no overspend is anticipated as support costs will reduce.
68. The Phase 2 financial model has been updated to reflect the latest position, overall there is an improved position of over £200k, although as the financial model projects over several years the final position could be influenced by other projects such as the move to Hungate.
69. For the current year there is an anticipated underspend of £22k, which reflects reduced salary costs, offset against a reduction in the level of savings anticipated for 2008/9, both reflecting delays in the programme. It should be noted that the level of savings are still on target to be achieved in future years.

### **Audit and Risk Management (ARM)**

#### **Performance headlines**

70. The Division has continued to build on the successes of 2007/08, providing high quality, low cost, customer oriented services which serve to uphold and protect the corporate needs and interests of the Council and the wider community. Particular performance high-lights in the first part of 2008/09 include:

- a) the publication of a sustainable Procurement Policy and piloting of a sustainable procurement practitioners' guidance manual (Procura+); facilitation of a 'Buyers' Day' at the Guildhall attended by all the Council's major corporate Contract suppliers to promote the use of Corporate contracts across the organisation.
- b) the implementation of electronic tendering through the Supplier Contract Management System (SCMS)
- c) the completion of the work necessary to prepare the Council's Annual Governance Statement which was approved by full council on 30 June 2008. The AGS replaced the previous Statement of Internal control and this change necessitated a detailed review of the processes in place for gaining assurance;
- d) the successful delivery of 91.6% of the 2007/8 Audit Plan (compared to 92% in 2006/7 and 91.3% in 2005/6)
- e) the preparation of a new Counter Fraud and Corruption Policy and a refresh of the existing Fraud and Corruption Prosecution Policy. The changes further strengthen and improve the Council's overall counter fraud and governance arrangements;
- f) progress on the Information Governance Strategy. The first product was the revised Data Protection Policy. The associated change management programme, needed to support the Council's move to reduced site accommodation, is continuing.

71. In addition, work is now well in hand to complete the development of the shared audit and fraud service with North Yorkshire County Council.

### **Performance indicators**

72. The Division is responsible for three new local indicators relating to Housing and Council Tax Benefit fraud investigation services. Our first quarter performance is as follows:

- a) ARM1 (Number of Housing Benefit and Council Tax Benefit (HB/CTB) fraud investigations completed by the local authority per year) – performance in the first quarter is 98.
- b) ARM2 (Number of HB and CTB prosecutions and sanctions in the local authority area) – performance in the first quarter is 16
- c) ARM3 (The total value of the fraudulent benefits payments detected by the local authority per year) – performance in the first quarter is £83.5k

### **Financial information**

73. The current projection for the outturn of this Service is a net underspend of £63k, which primarily reflects the agreed District Audit fees for 2008/9 which



are lower than anticipated by £30k. Work is continuing as to whether this a one-off saving or longer term.

74. Other underspends within this service are from staff savings of £18k due to the temporary vacancy of the Assistant Director, and CIPFA trainee posts. There is also additional commission income within the insurance and procurement services of £15k.

## **Financial Services**

### **Performance headlines**

75. In the early part of the financial year much of the focus of the service's work is on the completion of the final accounts process.
76. Despite major changes at a national level to the format of information, the draft accounts were approved by members before the statutory deadline of 30 June. Officers are now supporting the review of the accounts by external audit who must complete this process and issue their opinion on the accounts by 30 September 2008.
77. The financial management system replacement is continuing to make progress. The council is now working with the appointed contractor to identify the work needed to achieve an appropriate 'go live' date. Currently this is targeted for April 09 but will be confirmed at the next meeting. It has become clear that there is a significant amount of business change work needed because of the age of the current system and it is not feasible to do a 'like for like' replacement. Once implemented the Council will benefit from significant enhancements to its processes across all directorates. An update report will be brought to members in October 2008.
78. The payroll team are awaiting the outcome of the ballot to enable them to process the changes agreed a part of job evaluation and equal pay. This is likely to take place in October 2008.
79. The service has been responsible for BVPI 8 – the percentage of invoices paid by the Council within 30 days of receipt. In the first four months of the year performance has become worse from 94.06% in 2007/8 to 92.92% in 2008/9. to put this in context this means that of the 5,360 relevant invoices processed by the council during this period only 371 were not paid within 30 days of their receipt. If previous years performance were to be repeated this would equate to a 2008/9 outturn of approximately 95% against a target of 95%.

## Performance Indicators

Description	07/08 outturn	08/09 Target	08/09 date	to
BVPI 8 - Percentage of invoices paid within 30 days of receipt	93.29%	95%	92.92%	

### Financial information

80. There is a projected overspend of £26k in this service which primarily reflects the temporary arrangements for covering the Head of Finance
81. Within payroll the projection is based on all budgets being fully required to implement the changes required for Job Evaluation, however this position may change for Monitor 2 depending on the outcome of the ballot. There have been staff vacancies in corporate accountancy, however appointments have been made for two posts and plans are now in place to ensure that there is a full staffing complement for the Autumn.
82. The FMS Project Board is reviewing the position with regard to implementing the new FMS system late in August, at the time of writing the outcomes of the board meeting are not known, although a verbal update will be given to members at the EMAP meeting.

### Capital Programme update

83. The Resources approved capital programme totals £18,773k which includes £2,403k of slippage from 2007/08, overall there is a projected underspend against the 2008/09 budget of £12,239k. The main reason for the variance is the projected underspend of £11,789k on the Hungate - Admin accommodation project due to the withdrawal of the planning application and resulting delay in the implementation.
84. The IT&T Capital guide for the 2008/09 Development plan is £819k, a decision is yet to be made on the most efficient method of funding.

### Consultation

85. None required

### Options

86. This report is primarily for information only and therefore no options available.

### Corporate Priorities

87. This report supports the priorities of the Corporate Strategy as follows:
  - Improve our focus on the needs of customers and residents in designing and providing services

- Improve the way the Council and its partners work together to deliver better services for the people who live in York
- Improve efficiency and reduce waste to free up more resources

## Implications

### Financial

88. There are no financial implications other than those laid out within this report

### Other Implications

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

### Risk Management

90. Budget monitoring is a key element of the management processes by which the council mitigates its financial risks. This report provides members with a detailed position of the portfolio's performance to date in 2008/09.

### Recommendations

91. The Advisory panel is asked to note and comment on the financial and service performance reported, and advise the Executive Member to:
- Note the current financial situation
  - Note performance, achievements and comments
  - Approve the adjustments to the capital programme subject to approval by the Executive.

Reason – in accordance with budgetary and performance monitoring procedures

### Contact Details

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#### Chief Officer Responsible for the report:

Ian Floyd  
Director of Resources  
Resources

Report Approved  Date 28/8/08

**Specialist Implications Officers: None other than those included in the report**

**Wards Affected:**

All

**For further information please contact the author of the report**

**Background Papers:**

Documents referred to include back catalogues of Council Plans and the Resources 2007/08 outturn report for finance and performance.

**Annexes:**

**Annex 1** – Service Plan monitoring reports

**Annex 2** – Revenue variances schedule

**Annex 3** – Resources performance tables

**Annex 4** - Capital variances schedule