



Notice of meeting of

Executive Member For Corporate Services and Advisory Panel

To:	Councillors Healey (Chair), Jamieson-Ball (Executive Member), Looker (Opposition Spokesperson), Pierce and R Watson
Date:	Tuesday, 11 September 2007
Time:	5.30 pm
Venue:	Guildhall

AGENDA

Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10:00 am on Monday 10 September 2007, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 13 September 2007, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

1. **Declarations of Interest**

At this point, members are asked to declare any personal or prejudicial interests they may have in the business on this agenda.

2. Exclusion of Press and Public

To consider the exclusion of the press and public from the meeting during consideration of the following:

Annexes A, B, C, and D to Agenda Item 8 (National Non-Domestic Rates/Sundry Debtors/Council Tax And Overpaid Housing Benefit Accounts Submitted For Write-Off) on the grounds that it contains information which is likely to reveal the identity of an individual and relating to the financial or business affairs of any particular person. This information is classed as exempt under paragraphs 2 and 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

Annex B to Agenda Item 9 (Yorkshire Purchasing Organisation) on the grounds that it contains information relating to the financial or business affairs of any particular person, including the authority holding that information. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

3. Minutes (Pages 1 - 6)

To approve and sign the minutes of the meeting of the Executive Member for Corporate Services and Advisory Panel held on 24 July 2007.

4. Public Participation

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Executive Member's remit can do so. The deadline for registering is Monday 10 September 2007, at 5.00 pm.

5. Forward Plan Update (Pages 7 - 20)

To receive an update on the Resources Directorate items which are listed on the Forward Plan.

Executive Member to consider the advice of the Advisory Panel upon the following items of business and to make a decision on those items or to note the information as required:

ITEMS FOR DECISION

6. Resources First Performance & Financial Monitor: (Pages 21 - 74)

This report combines performance and financial information for the Directorate of Resources for Monitor 1, 2007/08. The performance element covers key and Council Plan indicators and projects, and the financial aspect deals with capital, revenue and Treasury Management variances.

7. Shared Service Initiative for Audit & Fraud Services in the North Yorkshire Region (Pages 75 - 84)

The purpose of this report is to advise Members of discussions between York and North Yorkshire County Council (NYCC) regarding the business benefits of moving towards a shared service solution for internal audit and fraud services.

8. National Non-Domestic Rates/Sundry Debtors/Council Tax And Overpaid Housing Benefit Accounts Submitted For Write-Off (Pages 85 - 100)

This report asks for Member approval to write-off irrecoverable accounts each one over £2,000 in value, for National Non-Domestic Rates (Annex A), Sundry Debtors (Annex B), Housing Benefit Overpayments (Annex C) and Council Tax (Annex D) as per the attached confidential Schedules.

9. Yorkshire Purchasing Organisation (YPO) (Pages 101 - 110)

The purpose of this paper is to advise Members of the financial performance of the Yorkshire Purchasing Organisation (YPO) contained in Confidential Annex B.

ITEMS FOR INFORMATION

10. Supplier & Contract Management System (SCMS) (Pages 111 - 120)

The purpose of this paper is to inform Members of the progress made in implementing and deploying the Supplier and Contract Management System (SCMS) at City of York Council.

11. Introduction of the Local Housing Allowance (Pages 121 - 126)

This report advises members of the introduction of the Local Housing Allowance from April 2008 and its implications for the calculation and payment of Housing Benefit. This report is for information only and no decision is required.

12. Update On Gershon Efficiency Savings (Pages 127 - 132)

This report is for information only and gives an update on progress against the Gershon efficiency targets in the light of the 2006/07 out-turn (backward look) and the 2007/08 forecast (forward look).

13. Review and Strategy for the Council's Commercial Property Portfolio (Pages 133 - 136)

This report introduces Members to the strategic review of the commercial property portfolio which is currently being prepared, and invites Members' views on the process and options. Officers will give a presentation to introduce the scope of the portfolio and look at some future options.

URGENT BUSINESS

14. Any Other Matters which the Executive Member decides are urgent under the Local Government Act 1972.

Democracy Officer:

Name: Tracy Johnson

Contact details:

- Telephone – (01904) 551031
- E-mail – tracy.johnson@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

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اگر مناسب وقت سے اطلاع دی جاتی ہے تو ہم معلومات کا ترجمہ مہیا کرنے کی پوری کوشش کریں گے۔ ٹیلی فون (01904) 551 550

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- Public libraries get copies of **all** public agenda/reports.

City of York Council

Minutes

MEETING	EXECUTIVE MEMBER FOR CORPORATE SERVICES AND ADVISORY PANEL
DATE	24 JULY 2007
PRESENT	COUNCILLORS HEALEY (CHAIR), JAMIESON-BALL (EXECUTIVE MEMBER), PIERCE, KING (SUBSTITUTE FOR LOOKER) AND MORLEY (SUBSTITUTE FOR R WATSON)
APOLOGIES	COUNCILLORS LOOKER AND R WATSON

10. Declarations of Interest

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Cllr Healey declared a personal non prejudicial interest in Agenda Item 6 (Minute 15 refers) as an employee in the IT industry.

11. Minutes

RESOLVED: That the minutes of the last meeting held on 8 June 2007 be approved and signed as a correct record.

12. Public Participation

It was reported that there had been no registrations to speak under the Council's Public Participation scheme.

13. Guildhall Repair and Maintenance, Disabled Access and Minor Improvement Needs

Members considered a report which outlined the findings of a building survey of the Guildhall complex and considered the short, medium and long term strategy for the building.

The report advised Members that they would have to consider the short-term strategy (3 years) and the medium to long-term strategy for the Guildhall complex. As part of the short term strategy, Members considered the three identified needs of this building complex and the options available:-

1. Options for Repair and Maintenance
 - A - Priority 1 works only
 - B - Priority 1 and 2 works
 - C – Priority 1 and a selection of those listed under priority 2 in annex A
2. Options for DDA requirements
 - A – Priority 1 works only

- B – Priority 1 and 2 works
 - C – A selection of works from those listed under priority 1 and 2 in annex B
3. Options for minor improvements to support current levels of use
- A – Do nothing
 - B – Do all of the works identified in Table 3
 - C – Do a selection of works from those listed in Table 3 in the report

Members queried about the type, operation and costings of the lifts that would be replacing the existing platform lift and ramp, and whether they would be aiming for level 3 inclusion or higher. Officers reported that they would investigate the proposed new lifts and why the existing platform lift and ramp were not up to DDA standards, and email Members with their findings.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the Corporate Landlord be directed to review, consider and present options for the future use and management of the Guildhall, and that the review should include the issues identified in the body of this report;
- (ii) That the Corporate Landlord be directed to prepare a business plan that takes account of the review and includes a medium to long-term plan for investment in this building complex;
- (iii) That Option A be recommended as their preferred option for responding to identified repair and maintenance needs.
- (iv) That Option A be recommended as their preferred option for responding to identified DDA needs.
- (v) That the upgrading of the incoming mains and additional power sockets to the main hall be recommended as their preferred option for responding to identified minor improvement needs.
- (vi) That the cost of hiring sound systems for the Guildhall and whether any funds would be available to purchase a new sound system be investigated.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To discharge the council's immediate and statutory maintenance requirements until the Corporate Landlord presents the report on the medium to long term strategy of the building.
To discharge the council's immediate and statutory DDA requirements until the Corporate Landlord presents the report on the medium to long term strategy of the building.
To improve the health and safety and user experience of the Guildhall. Other enhancements should be

deferred until the medium to long term strategy of the building has been agreed.

14. Treasury Management Annual Report & Review of Prudential Indicators

Members considered a report which updated the Executive Member on Treasury Management performance for 2006/07 compared against the budget taken to Council on 01 March 2006.

Treasury Management activity was contained within the Corporate Budget, which was approved prior to outturn at £6,740k for 2006/07. The outturn was £6,280k, this results in an under spend of £460k which had been reported as part of the overall outturn report in June.

The Treasury Management in the Public Services Code of Practice recommended that Local Authorities annually review and update where necessary their Treasury Management Policy Statement and Practices. These updated documents were attached in Annex E and F. The Executive Member was requested to approve the adoption of the revised Treasury Management Policy and Practices set out in Annexes E and F, as required by CIPFA in its Treasury Management in the Public Services Code of Practice. Adopting the Policy and Practices and approval by an Executive Member was recognised as best practice and failure to adopt could result in an adverse Comprehensive Performance Assessment (CPA) score.

Members highlighted that it would be useful to have the absolute figures, with percentages, regarding the level of borrowing.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the 2006/07 performance of the Treasury Management activity, movements on the Venture Fund and the Treasury Management Outturn be noted;
- (ii) That the movements in the Prudential Indicators be noted;
- (iii) That the revised Treasury Management Policy and Practices statement as set out in Annexes E and F be approved.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: In order to comply with the CIPFA Treasury Management in Public Services Code of Practice.

15. Presentation on FMS (Financial Management System) Project

Members received a report and presentation which provided Members with an update on progress and plans for the FMS Project.

The current FMS was provided by Civica and was called Powersolve. A Development Plan Bid for a straightforward replacement was approved in 2004/2005. A further draft bid covering additional requirements that had arisen since the original submission was made had been submitted for consideration as part of the 2008/2009 IT Development Plan.

The presentation covered the following areas:

- Background and Core System
- Opportunities regarding User Friendly, Interfaces, Standardise Business Processes, Workflow, Current Technology
- Users are Involved
- Where are We Now
- How Evaluation is Done
- Scoring Functionality Services and Technical
- Future Timetable

Officers provided an update on the selection process and reported that their target remained that the system would go live in Summer 2008.

Members queried whether they would be able to view the accounts and have reports generated on the new system. Officers reported that Members might be able to have reports produced and view the accounts at a summary level, and that hopefully one of the suppliers might provide this facility already.

Members questioned whether it was possible to piggyback onto a system used by another council. Officers reported that no other council had the same pattern as York and that no expressions of interest had been received from suppliers providing such an approach.

Advice of Advisory Panel

That the Executive Member be advised:

- (i) That the progress made to date on the FMS Project be noted and the continuation of this project be supported.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: This needs to be done to ensure full business continuity and to facilitate improvements in the way we work as a Council as set out in the Corporate Priorities.

C JAMIESON-BALL
Executive Member

P HEALEY
Chair of Advisory Panel
The meeting started at 5.35 pm and finished at 8.05 pm.

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1	Breaches & Waivers of Financial Regulations	Audit & Risk Management Liz Ackroyd/ Richard Smith		14/09/07		Audit & Governance Committee 24/09/2007			Business Cycle
2	Mid-point Review of the Implementation of Internal Audit Service Recommendations (Jan 07 - June 07 Audits)	Audit & Risk Management Richard Smith		14/09/07		Audit & Governance Committee 24/09/2007			Business Cycle
3	Mid-term Client Monitoring Report on the Annual External Audit Plan	Audit & Risk Management Liz Ackroyd		14/09/07		Audit & Governance Committee 24/09/2007			Business Cycle
4	Risk Management & Insurances Mid Term Monitor	Audit & Risk Management David Walker		14/09/07		Audit & Governance Committee 24/09/2007			Business Cycle
5	Training Plan Proposals for Governance Members	Audit & Risk Management Liz Ackroyd		14/09/07		Audit & Governance Committee 24/09/2007			At Members' Request
6	Results of the National Fraud Initiative (NFI) Exercise	Audit & Risk Management Max Thomas		14/09/07		Audit & Governance Committee 24/09/2007			Requested by Report Author
7	Review by External Audit of Internal Audit	Audit & Risk Management Max Thomas		14/09/07		Audit & Governance Committee 24/09/2007			Business Cycle
8	The Code of Corporate Governance	Audit & Risk Management Liz Ackroyd		14/09/07		Audit & Governance Committee 24/09/2007			Requested by Report Author

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9	Strategic Risk Register, Annual Risk Management Report and Update on Risk Management Strategy	A&RM David Walker	To inform Members of identified strategic risks and actions taken to mitigate them. It is a regulatory requirement to report these to Members	12/08/07	CMT 05/09/2007		EBS 18/09/2007	EXEC 25/09/2007	Business Cycle
10	First Corporate Finance & Performance Monitor	Finance/Janet Lornie PIT/Peter Lowe	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to plans, mitigation for identified issues and financial adjustments (such as allocations from contingency and virements) which are reserved to the Executive.	09/09/07	CMT 19/09/2007		EBS 02/10/2007	EXEC 09/10/2007	Business Cycle
11	First Capital Monitor	Finance Tom Wilkinson	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to the capital programme and financial adjustments which are reserved to the Executive.	09/09/07	CMT 19/09/2007		EBS 02/10/2007	EXEC 09/10/2007	Business Cycle

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12	Competition Policy	Simon Wiles/ Liz Ackroyd	To set out and consider the Council's approach to competition.	23/09/07	CMT 03/10/2007		EBS 16/10/2007	EXEC 23/10/2007	Report at the Request of the Author Was originally a combined report with the Thin Client Management Arrangements report above. Deferred from the Executive Meeting of 24 July to allow for consultation with Members of Corporate EMAP
13	Thin Client Management Arrangements	Simon Wiles/ Liz Ackroyd	A review of the Client & Contractor roles within the Council - this report seeks to rationalise and streamline them.	12/08/07	CMT 26/09/2007		EBS 16/10/2007	EXEC 23/10/2007	Report at the Request of the Author Initial discussion held at EBS on 28 November Deferred from the Executive Meeting of 19/12/2006 to allow for late additions to the report and for further consultation with other Departments. Deferred again on 27/03/2007, 12/06/2007, 24/07/2007 & 11/09/2007
14	Energy and Water Management Policy and Practice*	Property Services Neil Hindhaugh/ Gary Christie	As a response to the Climate Change Agenda, Members will be informed on best practice and will be asked to approve a draft policy which will generate an Action Plan to prioritise energy and water management issues for CYC over the next 4 years. All CYC staff will be affected and it is also intended to heighten public perception of this issue through the Council's website.	30/09/07	QCG 09/10/2007		EBS 16/10/2007	EXEC 23/10/2007	This report has been deferred from the Executive Meeting of 24 July as it forms part of the Action Plan arising from the report from City Strategy on the Council's Environmental Management System (EMS)

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15	Sustainability in Design - Policy and Practice*	Property Services Neil Hindhaugh/ George Sands	As a response to the Climate Change Agenda, Members will be informed on best practice and will be asked to approve a draft policy which will generate an Action Plan to prioritise sustainability in design projects. This will specifically affect internal design projects and work with external partners.	30/09/07	QCG 09/10/2007		EBS 16/10/2007	EXEC 23/10/2007	This report has been deferred from the Executive Meeting of 24 July as it forms part of the Action Plan arising from the report from City Strategy on the Council's Environmental Management System (EMS)
16	Reducing the Maintenance Backlog	Property Services Neil Hindhaugh	Members are asked to consider the finance and performance implications of requirements under CPA/CAA and determine where CYC is to position itself. They are also asked to approve options for inclusion in a strategy.	23/09/07	CMT 03/10/2007		EBS 16/10/2007	EXEC 23/10/2007	Requested by Report Author Deferred from 24/07/2007 to allow time for more consultation with Directorates. Further deferred from 11/09/2007 because extensive input is still needed from all service areas.
17	IT Strategy 2007-2012	IT&T Tracey Carter	Members are asked to agree the strategic objectives for use of technology in the Council over the next 5 years which will drive our investment in IT	23/09/07	CMT 03/10/2007		EBS 16/10/2007	EXEC 23/10/2007	Requested by Report Author

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18	IT Development Plan 2008/09*	IT&T Tracey Carter	Members are asked to agree the funding of IT projects for 2008/9 for the whole of CYC. Members will be asked to review the benefits and risks associated with each proposal and decide which ones to fund.	23/09/07	CMT 03/10/2007		EBS 16/10/2007	EXEC 23/10/2007	Business Cycle
19	Monk Bar Garage Future Use of Site	Property Services John Urwin	Members are asked to consider options for disposal and development and approve a chosen option for the eventual sale of this site	23/09/07	QCG 09/10/2007		EBS 16/10/2007	EXEC 23/10/2007	Deferred from May, September & October Executive Meetings. Deferred again from the meetings on 31/01/2007, 27/03/2007, 12/06/2007 and 24/07/2007 in order to consider further development options.

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20	Administrative Accommodation Review: End of Stage Update Report	Property Services Maria Wood	To advise Members of Progress on the Admin Accom Review	07/10/07	CMT 17/10/2007		EBS 30/10/2007	EXEC 06/11/2007	Requested by Report Author
21	Race Course Lease Review	Property Services Philip Callow/ David Baren	Members are asked to consider and approve the request from York Race Course to further extend the existing lease for another 50 years - bringing it back to a 99 year lease - and to approve a widening of the course. They wish to make further investment and improvements by building up conference facilities. This would have an impact on citizens of York and residents in Micklegate Ward.	28/10/07	QCG 06/11/2007		EBS 13/11/2007	EXEC 20/11/2007	Requested by Report Author
22	Risk Management Policy & Practice	Audit & Risk Management David Walker		18/11/07	CMT 28/11/2007				At CMT's Request
23	Administrative Accommodation Review: End of Stage Update Report	Property Services Maria Wood	To advise Members of completion of Stage 3 of the Admin Accom Review (Finance, Timeframes, Risk & Performance of Work Streams) and identify objectives for Stage 4	04/11/07	CMT 14/11/2007		EBS 28/11/2007	EXEC 04/12/2007	Requested by Report Author

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24	Review Report: Central Government Grants & Investments	Simon Wiles/ Peter Steed	To put forward options to more Effectively Press the Government for a Fairer Grant Settlement for the City & Achieve More Investment in Local Transport Systems	10/11/07	QCG 20/11/2007		EBS 28/11/2007	EXEC 04/12/2007	Requested by Members
25	Review Report: Efficiency	Simon Wiles/ Peter Steed/ Liz Ackroyd/ Neil Hindhaugh	To put forward options for accelerating our search for efficiencies in the running costs of the Council, including plans to move out of expensive rented office accommodation	10/11/07	QCG 20/11/2007		EBS 28/11/2007	EXEC 04/12/2007	Requested by Members
26	Second Resources Finance and Performance Monitor	Sian Hansom/ Penny Hepworth	To provide Members with a further update on current in-year progress relating to identified aims and key financial & performance indicators	23/11/07		Corporate EMAP 11/12/2007			Business Cycle (To also include second Treasury Management Monitor)
27	Procurement Mid Term Monitoring Report	Audit & Risk Management David Walker	To update Members on progress against the Procurement Strategy Action Plan and the Corporate Procurement Team Development & Work Programme 2007/08	23/11/07		Corporate EMAP 11/12/2007			Business Cycle
28	Insurance Mid Term Monitoring Report	Audit & Risk Management David Walker	To update Members on the performance of the Council in managing claims, cost of premium and position of the insurance funds.	23/11/07		Corporate EMAP 11/12/2007			Business Cycle

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29	Treasury Management Monitoring Report	Finance Tom Wilkinson	To update Members on the performance of the treasury management function for the 1st seven months of the year and provide a projected outturn to 31st March 2008.	23/11/07		Corporate EMAP 11/12/2007			Business Cycle
30	Resources Departmental Strategy*	Simon Wiles	To consult and involve Members on a strategy documents which sets out the medium and long term objectives and priorities of the directorate	23/11/07		Corporate EMAP 11/12/2007			Business Cycle
31	Contract Design Management (CDM) Regulations - Implications for CYC*	Property Services Neil Hindhaugh/ Ian Asher	To raise awareness with regard to these regulations, which came into force on 1 April 2007. Members will be asked to approve a protocol which will set out where responsibilities lie and recommend appropriate risk management. This will affect all construction projects and all Directorates of the Council.	11/11/07	CMT 21/11/2007	Corporate EMAP 11/12/2007			Requested by Report Author Deferred from 24/07/2007 & 11/09/2007 because of workload pressures and the need for consultant support

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32	Review and Strategy for the Commercial Portfolio*	Property Services Philip Callow/ David Baren	A more detailed follow-up report to the Introductory report to Members at CS EMAP in September. Members will be asked to select appropriate options for the future management of the commercial property portfolio from 2008/09 onwards. Tenants of commercial properties may be affected by the Member decision.	10/11/07	QCG 20/11/2007	Corporate EMAP 11/12/2007	EBS 08/01/2008	EXEC 15/01/2008	Business Cycle
33	Mid-Term Monitor Progress against the Internal Audit & Fraud Plan	Audit & Risk Management Max Thomas		05/01/08		Audit & Governance Committee 15/01/2008			Business Cycle
34	Consultation & Shaping Session on the IAS Strategic Audit Plan	Audit & Risk Management Max Thomas		05/01/08		Audit & Governance Committee 15/01/2008			Business Cycle
35	Resources Service Plans, including Revenue & Capital Budget Proposals 2007/08 to 2009/10*	Sian Hansom/Patrick Looker		05/01/08		Corporate EMAP 22/01/2008			Business Cycle

CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FOR DECISION/ INFORMATION	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG/CMT DATE	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
36	Second Corporate Performance & Finance Monitor	Finance/Janet Lornie PIT/Peter Lowe	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to plans, mitigation for identified issues and financial adjustments (such as allocations from contingency and virements) which are reserved to the Executive.	09/12/07	CMT 19/12/2008		EBS 08/01/2008	EXEC 15/01/2008	Business Cycle
37	Second Capital Monitor	Finance Tom Wilkinson	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to the capital programme and financial adjustments which are reserved to the Executive.	09/12/07	CMT 19/12/2008		EBS 08/01/2008	EXEC 15/01/2008	Business Cycle
38	Revenue Budget 2007/08 to 2009/10	Finance Peter Steed		13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
39	Capital Budget 2007/08 to 2009/10	Finance Tom Wilkinson		13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008

CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

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40	Trrasury Management Policy 2007/08 to 2009/10	Finance Tom Wilkinson		13/01/08	CMT 23/01/2008		EBS 05/02/2008	EXEC 12/02/2008	Council 21/02/2008
41	Accounts Submitted for Write Off	Public Service Jenny Smithson	Mid-year submission of accounts for write-off by the Executive Member and details of write-offs made by delegated authority to the Head of Finance.	01/03/08		Corporate EMAP 18/03/2008			Business Cycle
42	Resources Service Plans For Approval	Business Management Sian Hansom			RMT February 2008	Corporate EMAP 18/03/2008			Business Cycle
43	Annual Audit Letter	Audit & Risk Management Liz Ackroyd/ Alastair Newell		23/02/08	CMT 05/03/2008		EBS 18/03/2008	EXEC 25/03/2008	Business Cycle
44	Bids for Funding from the Council's Venture Fund	Finance Tom Wilkinson		09/03/08	CMT 19/03/2008		EBS 01/04/2008	EXEC 08/04/2008	Business Cycle
45	The Annual Internal Audit Plan 2008/09	Audit & Risk Management Max Thomas		22/03/08		Audit & Governance Committee 01/04/2008			Business Cycle

CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FOR DECISION/ INFORMATION	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG/CMT DATE	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
46	The Annual Outturn Report of OGG (Progress against annual work Plan)	Simon Wiles/ Liz Ackroyd		22/03/08		Audit & Governance Committee 01/04/2008			Business Cycle
47	Mid Point Follow Up Review of Implementation of IAS Audit Recommendations (July 2007- December 2007 Audits)	Audit & Risk Management Richard Smith		22/03/08		Audit & Governance Committee 01/04/2008			Business Cycle
48	The Action Plan Arising from the Annual Letter of the District Auditor	Audit & Risk Management Liz Ackroyd				Audit & Governance Committee June 2008			Business Cycle
49	The Annual Audit & Inspection Plan (Audit Commission) for 07/08 & Outturn Monitoring Report for 06/07	Audit & Risk Management Liz Ackroyd/ Audit Commission				Audit & Governance Committee June 2008			Business Cycle
50	Mid Term Monitor on Progress against the Internal Audit & Fraud Plan	Audit & Risk Management Max Thomas				Audit & Governance Committee September 2008			Business Cycle
51	First Corporate Finance & Performance Monitor	Finance/Janet Lornie PIT/Peter Lowe	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to plans, mitigation for identified issues and financial adjustments (such as allocations from contingency and virements) which are reserved to the Executive.		CMT September 2008		EBS October 2008	EXEC October 2008	Business Cycle

CITY OF YORK COUNCIL - RESOURCES FORWARD PLAN

	TITLE OF REPORT	RESPONSIBLE DIVISION/ REPORT AUTHOR	FOR DECISION/ INFORMATION	FIRST DEADLINE FOR REPORTS TO DIRECTOR & CHAIR OR EARLIEST DISTRIBUTION DATE	RMT/QCG/CMT DATE	EMAP	EBS	EXEC	COMMENTS/ GENERATED BY
52	First Capital Monitor	Finance Tom Wilkinson	Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to the capital programme and financial adjustments which are reserved to the Executive.		CMT September 2008		EBS October 2008	EXEC October 2008	Business Cycle

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Executive Member for Corporate Services 11th September 2007 and Advisory Panel

Report of the Director of Resources

RESOURCES DIRECTORATE MONITOR 1 PERFORMANCE AND FINANCE MONITOR 1 - 2007/08

Summary

1. This report combines performance and financial information for the Directorate of Resources for Monitor 1, 2007/08. The performance element covers key and Council Plan indicators and projects, and the financial aspect deals with capital, revenue and Treasury Management variances.

Background

2. This is the first monitoring report for 2007/08 combining financial and service performance to be brought to Corporate Services EMAP. The year end report for 2006/07 showed considerable improvement in Directorate performance and financial management. Overall progress has been good, and targeted improvements have been set in place to ensure that this trend continues.

EXECUTIVE SUMMARY

Director's Overview

3. Resources as a department continues to make progress with most services showing continuous improvement and improving performance indicators. Recent staff survey results were good and were generally improving. Financial management and reporting is improving and a number of issues have been identified earlier in the year than usual enabling corrective action to be taken. Significant progress has been made on the key projects including the new Hungate offices, Easy@York, FMS replacement and Equal Pay/Job Evaluation. All of these projects are however slightly behind their planned timescales, with the Job Evaluation project running up to a year behind. These projects will continue to be a key focus of Resources activity for the next 18 months or more as they represent significant opportunities to bring transformational change improvements to the Council. The early identification of underspends and slippage in some areas, particularly IT, will enable the department to redirect some resources to dealing with a variety of issues that need resolving. However the majority of

the underspend will need to be redirected to address overspends in other departments. This will form part of an overall report to the Executive on the 9th October.

In terms of problems faced by the department the continuing rise in long term sickness is a major issue. Several staff are either in hospital long term or are having hospital based treatments that prevent them being able to work. This is impacting on workloads and some budgets will need to be used to make temporary staffing arrangements.

Customer focused Performance Indicators continue to improve with continued significant improvements in letter and phone answering.

Financial Overview

4. The table below summarises the forecast outturn position for Resources by service plan area. This shows that the directorate is forecasting a net underspend of £505k compared to a budget of £4,655k. This is a forecast variance of 0.8% compared to the gross budget of £65,198k.

	Expenditure Budget £000	Income Budget £000	Net Budget £000	Projected Outturn £000	Variance £000	%
Director	509	58	451	198	-253	-49.7
Public Services	41,547	39,007	2,540	2,528	-12	-0.0
Financial Services	2,495	2,307	188	69	-119	-4.8
Audit & Risk Mgt	3,816	3,598	218	304	86	2.2
IT&T	5,686	5,870	-184	-506	-322	-5.7
EASY Project	2,242	937	1,305	1,305	0	0.0
Property Services	8,903	8,766	137	252	115	1.3
Resources	65,198	60,543	4,655	4,150	-505	-0.8

5. The headline underspend of £-505k is larger than that normally identified at this early stage of the year however it includes a thorough review of spending in IT and also reflects the decision to repay venture fund loans at the end of 2006/07 the annual repayments of which are included in the directorate budget. The details of the underspends are included in the paragraphs within the report and detailed in Annex 2 however the key headline variances by service plan are:

- a) Director – The projected underspend represents the £-251k that has been saved from repaying the venture fund balances outstanding regarding the SX3 project and procurement.
- b) Public Services – An underspend of £-12k is forecast primarily due to a reduced level of Housing Benefit local authority error overpayments resulting in additional grant.
- c) Financial Services – An underspend of £-119k due to project slippage in the resourcing of the replacement of FMS. This will be required to carry forward into 2008/09 where no budget is available for the project

- d) Audit and Risk Management – The service shows an anticipated overspend of £+86k. This is due to an assessment that there will be no YPO dividend paid this year leading to an income shortfall of £40k. Further service pressures are anticipated within the service area relating to Housing Benefit investigation work.
- e) IT&T – There is a projected underspend of £-322k. This forecast underspend consists of project slippage (£-262k) primarily relating to FMS and Social Care system, projects completing under budget (£-87k), projects cancelled (£-29k) offset by small overspends (£+6k). The underspends have allowed for consultancy services to assist with the procurement of revised network arrangements (£+50k).
- f) Property Services – A forecast overspend of £+115k due to overspends on administrative accommodation and reduced income from Asset and Property management. This overspend excludes a sum of £+200k that historically is charged to capital receipts in relation to fees in disposing assets.

Analysis

- 6. The analysis of performance and achievement for Monitor 1 2007/08 is broken down to cover the five elements of Resources and includes performance headlines, headline detail and relevant financial information.
- 7. The data covers the first quarter of the year, from 1st April to 30th June 2007, unless otherwise stipulated.

Customer First and Corporate indicators

Staffing indicators

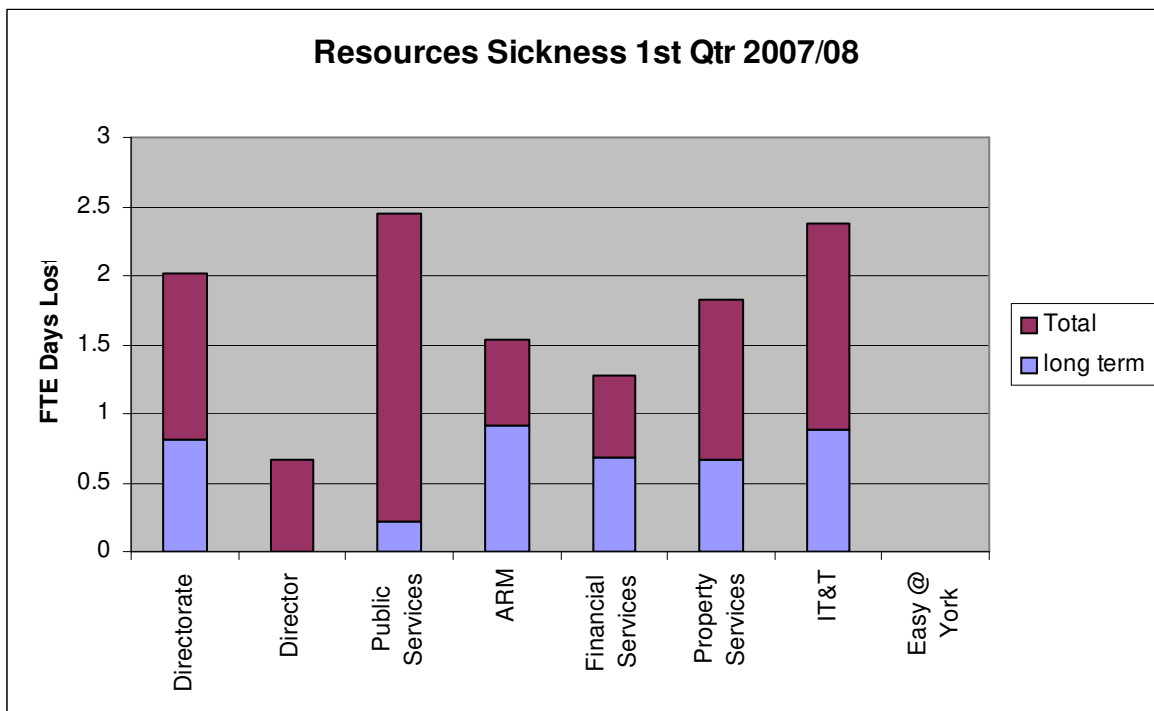
Appraisals:

- 8. Appraisals - Personal Development Reviews (PDRs) - are currently underway for 2007/08.
- 9. New paperwork has been produced by the central Human Resources (HR) team following the Leadership and Management (LAMS) training that is currently being carried out. All managers have been informed that new forms are available and have been directed to the HR Intranet site where they can be found.
- 10. At present 17 appraisals have been completed which, based on a total workforce of 369 officers, equates to 4.6%. At the end of 2006/07, 92% of all appraisals were completed against a revised target of 95%.

11. The original target for this indicator was 100%, but this is an unrealistic figure for a variety of reasons beyond the control of managers. Although some appraisals were simply not carried out, other factors included long-term sickness, refusal by the member of staff to participate, and staff absence due to maternity leave.

Staff sickness

12. Sickness is measured across the Council through BVPI 12 - the number of working days/ shifts lost to sickness absence.
13. During 2006/07 the time lost to sickness increased to 10.38 days, but was swelled by a far higher number of days lost to long term sickness at 4.41 days per FTE.
14. The current data shows that, although long term sickness is still bolstering the base figures, the Directorate as whole lost only 2.01 FTE days through sickness in the first quarter of 2007/08, with long term sickness contributing 0.81 FTE days.
15. Taken on a pro rata basis, this means that Resources will significantly improve on the outturn figure from 2006/07, and will also meet the corporate sickness target of 11.5 days lost per FTE, all of which shows a positive direction of travel.
16. The number of days lost through stress related illnesses is 67 FTE days. This equates to 0.39% days lost or 0.20 days lost per FTE.
17. The graph showing the number of FTE days lost to sickness, including long term sickness such as stress related illness, is as follows:



Equalities

18. This is the first time that equalities information has been included in this report.
19. The information is based on establishment figures as at 30th June 2007 and can be reported as follows:

Male/Female Split

Full time male	144	39.0%
Full time female	143	38.8%
Part time male	13	3.5%
Part time female	69	18.7%

Ethnicity

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

	Total	Male	Female
No of Staff	369	157	212
White British	365 (98.92%)	155 (98.73%)	210 (99.06%)
Other Ethnic Groups	4 (1.08%)	2 (1.27%)	2 (0.94%)

Disabled Staff

21. Of the 369 staff employed within resources, 10 members of staff (2.71%) are recorded as being disabled.

Staff Survey

22. The staff survey was carried out earlier in the year, and although a more in-depth analysis of the results will appear in a future report, there were some noteworthy findings. The key headlines are:
 - 70% of the staff in Resources responded (up from 47% in 2005) – this was the highest response rate from any Directorate
 - 79% of the respondents in Resources describe the Council as a good employer - up from 64% in 2005 (Council average 76%)
 - Across the last two surveys, there has been a sharp increase in the proportion of respondents from Resources agreeing that they have the resources they

need to do their jobs. Almost three-quarters (73%) now agree which is 12% higher than the council average.

- Around 80% of all respondents agree that they are able to cope with the demands of their jobs. However, 52% of those in Resources need to work more than their contracted hours to get their work done – a similar pattern across the Council
- 81% of those from Resources have received a PDR in the last 12 months; 13% higher than the council average.

Customer First

Telephone calls

23. 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.

Department	Total Calls Answered	% Answered within 0-20
Audit & Risk Management	1,946	98.30%
Directors Office	332	95.18%
Property Services	8,896	95.29%
ITT	5,208	99.02%
Finance	7,712	98.81%
Public Services	46,225	96.73%
Sub total Resources	70,319	96.98%
York Customer Centre	85,191	84.80%
Resources Total (Incl YCC)	155,510	90.31%

24. All Departments are performing above target, with the exception of York Customer Centre, although it should be noted that there is an improving month on month trend.
25. During the first 3 months of this financial year the York Customer Centre (YCC) answered more than 85,000 calls with nearly 85% of these being answered within 20 seconds. This is below the current customer first target and shows a decline compared to previously reported figures for the switchboard only.
26. The new service within the YCC is different from the way we used to deliver the service. There are a number of reasons for this :

- a) The new telephony infrastructure allows more customer to contact the council i.e. they get through rather than receiving an engaged tone which is not currently reported for customer first purposes
 - b) Each call is generally taking longer than it used to because we are understanding what the issue is and trying to resolve that issue at that first point of contact, rather than always just passing the call onto someone else.
 - c) The customer therefore often remains on the telephone to hear the job / booking reference and obtain confirmation of when the work should take place
27. Based on these factors, it is not a valid comparator with previous performance or indeed with other call answering within the Directorate/ Council, as we are not comparing "like with like."
28. To ensure that in the future the YCC staff spend their time more efficiently we plan to introduce a voice recognition system, based on the successful internal one, which we estimate will remove 200,000 calls per year from being answered in the YCC and this should improve the speed of answering for those calls where the YCC can add value and make a positive difference for the customer.
29. Finally, the customer first measures will be reviewed during the year as part of the work within corporate customer priority.

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

30. Resources received two Stage 2 complaints during quarter 1 (ref CM10), and both were responded to on time. This means a 100% performance, and target has also been met. There were no Stage 3 complaints (Ref CM 11).
31. The Directorate had 12,844 visitors during quarter 1 (ref CG4), 12,673 of whom were seen on time, that is within 10 minutes. This represents 98.67% 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.
32. Of these visitors, a further 157 needed to see another member of staff (ref CG5), and 100% of this figure were dealt with within 10 minutes.
33. The Directorate received a total of 2,974 letters in quarter one of the year, of which 2,841 were responded to within deadline (ref CG3). This means 95.53% of all letters were answered on time, and also within the corporate target of 95%. This is a slight improvement on the outturn figure for 06/07, which was 94.85%
34. 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

35. All the key Revenues and Benefits performance indicators show a much improved position on the 2006/07 actuals, with most outturn figures close to or exceeding target.

Performance indicators

36. The processing times for Housing and Council Tax Benefits are on target for new claims, taking on average 32 days in the period up to 30 June 2007. The processing of change of circumstances notifications is currently averaging 16 days, as against an annual target of 14 days. This performance is partly affected by a change in the way that bulk rent increases are counted in the performance indicator and when these are processed in March 2008 they will help reduce the average days. (See Annex 1 for more details).
37. The collection of Council Tax and Business Rates are both broadly on target, with the latter being nearly 1% ahead as at the end of the first quarter.
38. The final part of the integration of the Council Tax front-line service into the York Customer Centre went live on 30 July this year with the implementation of a suite of e-forms. These are intended to both improve our customer service and help streamline processes into back office IT systems.

Projects

39. There are a number of ongoing projects for this service area, all of which are documented in Annex 1.

Financial information

40. The current overall outturn projection for the Public Services division is a net underspend of £-12k. This underspend relates primarily to the Housing Benefits subsidy (£-41k), together with higher than budgeted income from court costs recovered (£-88k). This is offset by overspends in resourcing the Customer Contact Centre (£+44k) to manage integrating the new services. In addition a saving identified in 2007/08 in the management of revenues and benefits has not yet being actioned due to delays in transferring the work into the customer centre (£+50k). Further details are available in Annex 2.

Property Services

Performance Headlines

41. There have been a number of achievements within Property Services to date, the most notable of which are:
 - a) The completion of the capital scheme at Huntington School (£4.5m)

- b) Completion of the feasibility stage within the Administrative Accommodation Project
- c) Completion of the disposal of the historic Bonding Warehouse.
- d) Disposal of 3-4 Patrick Pool, 2 High Petergate, Lidgett Grove and Hebden Rise are all completed

Performance indicators

- 42. Property services are responsible for five major indicators, but three of them are annually reported. The remaining two can be reported as follows
- 43. BVPI 156, percentage of public buildings accessible to disabled people - target is 85% (from last years result of 81%) which means the need for 2 extra properties to become accessible. Projects are currently underway at Acomb Library, Guildhall and the Central Library which will achieve this target.
- 44. COLI 52, percentage of council floor space vacant for more than 12 months - Last year's figure was 0.15% of floorspace vacant for more than 12 months. In the last 3 months we have let 2 of these properties and 2 smaller property units have now been vacant for more than 12 months. As a result the figure has now reduced to 0.14%

Projects

- 45. The Administrative Accommodation Project reached the end of Stage 2 and a progress report was submitted to Executive in July 2007 summarising those objectives achieved, seeking approval to a revised and improved business case and highlighting those objectives planned for Stage 3.
- 46. The Partnering Team are progressing the delivery of the new York High School (£12.5m) on the Oaklands site. The project is in the detailed design stage.
- 47. Property Services are contributing to the delivery of a significant capital programme that includes Administrative Accommodation (Admin Accom) (£30m), Joseph Rowntree School (£24m), York High School (£12.5m), Pools provision (£6.5m), Peasholme (£1.4m), Danesgate (£1.8m), Acomb Library (£800k) and other miscellaneous projects.
- 48. Property Services are represented on the Joseph Rowntree School Board and are providing advice to the project team in preparing relevant procurement documentation. The new school is being delivered as a Pathfinder project through the Partnership for Schools (PfS) initiative and is valued at £28m.
- 49. Development Teams established for Oaklands, Lowfields, Manor and Yearsley Bridge. Development Teams include representation from Planning, Highways, Property, Environment, City Development, Archaeology, Conservation, Ecology, Housing, relevant service areas, service and property

managers and partner organisations as appropriate. The teams examine all of the needs, input, risks, constraints and guiding parameters that will ensure the delivery of successful projects without unwanted surprises and risks.

50. Assisting Housing Services with the redevelopment of the Discus bungalow sites. Property Services have prepared the development particulars, received the development bids and are evaluating those bids in August 2007.
51. Disposals such as the Strensall Youth Centre, Galmanhoe Lane, Parkside, Osbaldwick Lane (Derwent School), Clifton Family Centre site, Blake Street, North Carlton Farm, Acres Farm and the Monk Bar Garage are still ongoing.
52. Property database - The condition and access modules have been purchased for the Technology Forge database and populated with existing data. A Development plan for TF is being produced which will set out priorities and timescales for the development of this system to meet the authorities needs.

Financial information

53. At monitor 1 Property Services is anticipating a net overspend of £+115k.
54. There major pressures on Property Services' budgets include a projected overspend of £+54k on administrative accommodation rents and maintenance of assets. There is also reduced income from the Asset Property Management service due to a change in workload not reflecting the Service Level Agreements. Work will be ongoing to minimise the impact of these pressures over the coming months.
55. The Asset and Property Management trading account is based on an assumed level of fees for undertaking work selling assets and ensuring maximum value of capital receipts is gained. Historically this work is chargeable to the capital receipts however a change in the accounting statement of recommended practice issued in 2006/07 states this is no longer allowable and the costs must be charged to revenue. Property Services forecast to incur £+150k costs that historically would have been charged to capital receipts. There are also forecasted costs of £+50k in maintaining assets prior to sale including costs such as security, electricity, rates etc. In order to properly represent the trading account it is assumed that an equivalent income has been provided to Asset and Property Management from revenue reserves. Members are asked to recommend to Executive to agree to this accounting approach. This issue will be addressed as part of the budget for 2008/09.

IT&T

Performance Headlines

56. 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 revised and agreed service level targets for 2007/08 with the exception of the very low volume high priority fault calls

received. 17 high priority calls were received during the first 3 months of the year compared to 25 during the same period last year. This equates to an impressive 32% reduction and reflects the ongoing investment made in ITT. Of the 17, 9 were resolved within the 6 hour target. The remaining 8 fell into 3 categories:

- 3rd party issues – BT pipe severed at a building site
 - Hardware faults where workarounds were put in place during the working day to reduce customer impact and replacement work was undertaken outside of core service hours.
 - Intermittent faults that were complex in nature and required extensive investigation.
57. The department has received approx 7,700 requests for service during the first quarter of 2007/08 and is currently achieving a successful first time resolution rate of 98.09%.
58. The department's support and business development resources have been heavily involved with the Easy@york business transformational activities including the recent phase that brought Revenue's into the converged service delivery channel provided by the Customer Contact Centre.
59. Work continues on the three major development projects outside of the Easy@york programme:
- a) The phased replacement of the Social Care system project has implemented Care Management as its first module in July;
 - b) the Financial Management System replacement project has reached the tender evaluation stage
 - c) the department has started two pilots to test mobile access of Business Systems.
60. In addition to the previously approved ITT Development projects for 2007/08, a number of new Development projects that have arisen during the first quarter have been accommodated in response to new business demands.
61. The Electoral Registration system was successfully updated in time to support the new election processes introduced in May.

Key Performance Indicators.

62. 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 2007/08.

Description	07/08 Target	07/08 Year to Date
Number of high priority calls resolved within the SLA of 0-6 hours	90%	55.56%
Number of med priority calls resolved within the SLA of 3 working days	85%	93.06%
Number of std priority calls resolved within the SLA of 5 working days	85%	97.73%
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	99.30%	99.98%
% of time that the Telephony services is available during the core business hours Mon/Fri 8am-6pm	99%	99.95%

Financial information

63. Effective project management, contract negotiation and budget monitoring processes, coupled with successful income generation activities have contributed to a net underspend for the division of £-322k.
64. £-72k of this is attributable to projects and services that have been delivered under budget, £-15k income has been secured through the sale of additional services and £-29k relates to systems that have either been decommissioned or where the original project business case no longer exists.
65. A further £-174k is attributable to the FMS replacement project that is now scheduled for commissioning during 2008/09 and £-78k to the re-phasing of the replacement Social Care system programme resulting from technical and commercial complexities. Further details are available in Annex 2.

Audit and Risk Management (ARM)

Performance headlines

66. The Division has continued to build on the successes of 2006/07, 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 2007/08 include:
- a) the publication of the new Corporate Procurement Strategy, associated medium term action plan and supporting Guidance Manual for procurement Practitioners in June 2007;
 - b) the practical implementation of the new Corporate Contracts Portfolio, the 'go live' of a series of major corporate framework agreements covering Legal Services, Planning Consultancy and Recruitment & Advertising;

- c) the roll-out and co-ordination of the 5 year Strategic Procurement Programme covering strategic commissioning initiatives across the organisation;
- d) the review of Internal Audit Service by the Audit Commission which found that the service met the Code of Practice standards (a composite of challenging professional service competencies that were only introduced nationally in January 2007) and that the service had much to commend it (the results of this review will be reported in full to the September meeting of the Audit & Governance Committee);
- e) the ongoing development and extension of services provided by the Division, including the new Financial Investigations function and VFM work programme and designated officer champion roles for Information Governance and Data Quality;

67. In addition, work is now well in hand to complete:

- a) a Council competition policy and strategy by Autumn 2007;
- b) a comprehensive Information Governance Strategy and medium term action plan setting out a new policy framework and associated change management programme needed to support the Council's move to one site operations at Hungate;
- c) the 'go-live' implementation of the new Supplier Contract Management System across the organisation and with the business community.

Performance indicators

68. The Division is responsible for three Best Value Performance indicators relating to Housing and Council Tax Benefit fraud investigation services. Our first quarter performance is as follows:

- a) BVPI 76b (Number of fraud investigators per 1,000 caseload) - performance in the first quarter remains unchanged from 2006/07 at 0.50 and is in line with the target for 2007/08;
- b) BVPI 76c (Number of fraud investigations per 1,000 caseload) – performance in the first quarter was slightly below profiled expectations at 10.59, but when the performance figures for July are added in, the team achieved 19.27 for the first third of the year, which will mean the target of 45 for 2007/08 will be well exceeded if this level can be maintained across the remainder of the year;
- c) BVPI 76d (Number of prosecutions/sanctions per 1,000 caseload) – this was 1.16 for the first quarter in 2007/08, ahead of 2006/07 but slightly down when profiled on the annual target for 2007/08 of 4.9. This will be recovered across the remainder of 2007/08.

69. A comprehensive suite of 54 other key performance measures for the Division has been developed, replacing those previously included in the Directorate's

existing Performance Management Framework for ARM. Work is currently ongoing to put in place all the necessary supporting data collection systems and reporting arrangements to ensure we are able to exhaustively report on all key performance information for the purposes of the second monitor in 2007/08.

Financial overview

70. The current projection for the outturn of this division is a net overspend of £86k. The prime reasons for this are the potential shortfall income relating to the Yorkshire Purchasing Organisation dividend together with a prudent assessment of the pump-priming expenditure required for Fraud and Financial Investigation activities. Further details are available in Annex 2.

Financial Services

Performance headlines

71. 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.
72. Despite major changes at a national level to the format of information, the draft accounts were approved by members before the statutory deadline of the 30th 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 the 30th September 2007.
73. Significant progress has also been made on the project to replace the Council's financial systems. The process is now reaching its final stages with the remaining three potential suppliers being invited to demonstrate the functionality of their systems to a range of staff during September. Should these demonstrations and the remaining stages be successful it is hoped that a final supplier will be selected in January 2008. This would allow for an initial go live date in the summer of 2008 and an on-going roll-out for the remainder of that year. However funding for the project team ends in March 2008 and so in order to complete the project relevant underspends will need to be carried forward from 2007/08 into 2008/09.
74. Alongside this, the service has also had to keep up its input into a number of business critical projects. The service is leading the replacement of the council's financial systems, is a key participant in the job evaluation/ equal pay process, has a significant role to play in the on-going review of transport provision, and has supported the successful development of the Local Area Agreement. Balancing such work, much of which requires significant input at a senior level, alongside the ongoing roles and responsibilities of the service remains a major challenge.
75. At a functional level the exchequer functions are continuing to perform well in terms of accuracy and promptness. In addition the uptake of salary sacrifice continues to increase with the level of uptake of cycles having doubled.

76. The service is 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 improved from 92.62% in 2006/07 to 94.06% in 2007/08. To put this in context this means that of the 22,635 relevant invoices processed by the council during this period only 1,344 were not paid within 30 days of their receipt. If previous years performance were to be repeated this would equate to a 2007/08 outturn of approximately 95% against a target of 95%.

Performance Indicators

Description	06/07 outturn	07/08 Target	07/08 Actual
BVPI 8 - Percentage of invoices paid within 30 days of receipt	93.29%	95%	95%

Financial information

77. It is anticipated that Financial Services will underspend by approximately £119k in 2007/08. However this underspend relates primarily to funding carried forward to meet costs associated with earlier delays in the FMS Project. In order to bring the project to a successful conclusion a request will be bought forward at a later date for this underspend to be carried forward to meet unfunded project costs in 2008/09.

Capital Programme update

78. The Resources approved capital programme totals £7,463k including slippage from 2006/07. The latest monitoring information and proposed adjustments are shown in Annex 4.

Treasury Management update

Projected Outturn

79. Treasury Management is part of the overall corporate budget. The table below illustrates the approved changes since it was set, to arrive at the current budget of £7,407k.

	£000
Start Budget	7,433
Budget Transfer to cover Departmental Savings	(202)
Budget Transfer to cover costs of prudential borrowing	226
Delegated Officer Adjustment to LCCS	(50)
Current Approved Budget	7,407

Changes to the Treasury Management Budget in 2007/08

80. The forecast outturn for 2007/08 is £6,657k, an underspend of £750k against the current approved budget. The table below illustrates the key areas of

activity with the projected under or overspend against budget. The paragraphs below explain these variances.

	(Under) / Over Spend £000
Delay in Borrowing	(144)
Provision to repay debt	(39)
Increase in average Balances	(192)
Increase in rate of interest	(307)
BCCI Dividend	(61)
Minor budgets	(7)
Total	(750)

81. The delay in borrowing is expected to save the Council £144k this year and is as a result of the unfavourable cost of borrowing during the first four months of the year and an unfavourable outlook for the remainder of the year.
82. The Public Works Loans Board (PWLB) 45-50 year rate¹ started the year at 4.45% and has since risen steadily from this low point up to a high of 4.90% in both mid June and July with rates dropping back to a level of 4.55% by the end of July. Due to the rise in world inflationary expectations over the longer term it is unlikely that the PWLB rate will reach the 4.25% trigger set at the start of the year, it is therefore proposed that the target figure be reset at a level of 4.45%, which is still an aggressive target given current market conditions.
83. Strong cashflows mean that the Council can delay any borrowing until March 2009, when additional debt will have to be secured to continue to fund the capital investment programme.
84. The provision required to repay debt has decreased due to the capital programme slippage from 2006/07 and the resulting reduction in the need to borrow in 2006/07, this results in an in year saving of £39k.
85. Average balances are higher than originally anticipated and based on this the increase in interest earned will be £192k more than budgeted. The increase in average balances is due to strong cashflows caused by a number of factors including:
- Significantly higher opening balances due to the 2006/07 revenue under spend of £4m;

¹ The PWLB is part of the HM Treasury's Debt Management Office, they loan money to local authorities for the purposes of capital investment. The rates that they quote are linked to the gilts market and are extremely competitive when compared to rates offered by financial institutions. The 45-50 rate is currently the cheapest rate available and is used as a benchmark for local authority borrowing.

- Early realisation of £4m capital receipts originally scheduled for the end of 2007/08;
 - Higher opening balances as a result of a £5.7m reduction in the 2006/07 capital programme spend due to slippage against the capital budget.
86. The overall increase in interest rates throughout the year is anticipated to contribute an additional £307k in interest income in 2007/08. The consensus amongst economic market commentators at the time of setting the budget was an expectation for interest rates to be in the region of 5% for the year, with a risk to the downside. However, due to stronger than expected inflation, interest rates have steadily increased from 5.25% at the start of the year to a current level of 5.75%, with a potential peak at 6% before the end of 2007. These higher than anticipated levels have resulted in interest rates of 1.0% above the budgeted level.
87. A £61k dividend payment from the liquidators of the collapsed Bank of Credit and Commerce International (BCCI) has been received, taking the total amount of debt recovered by the Council up to 90% (£1.4m) in sterling prices.

Prudential Indicators and Performance

88. As part of the prudential code, introduced to Local Authorities in April 2004, the Council has to set a number of Prudential Indicators. The prudential code relaxed the restrictions that were in place around external borrowing. Council's are now free to borrow to invest more than they are funded for by the Government, providing it is prudent, affordable and sustainable. The Prudential Indicators were set by Council on 1st March 2006 to ensure that the Council is managing its finances in line with the code. Annex ? lists the indicators and performance to date.
89. Overall the in house treasury management team added £223k to Council income in the first four months of the year through its proactive management of cash balances when compared to retaining funds in the Council's bank account.

Consultation

90. None required

Options

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

Corporate Priorities

92. 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 it's 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

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

Other Implications

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

Risk Management

95. Risk Management is a key issue and risks in this report have been highlighted in the various different service areas. This section will be expanded upon in future reports.

Recommendations

96. 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 accounting approach of using revenue reserves for dealing with the Property Trading account to be approved by the Executive
 - Approve the adjustments to the capital programme subject to approval by the Executive.
97. Reason – in accordance with budgetary and performance monitoring procedures

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Simon Wiles
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Resources

Report Approved **Date** 24/08/2007

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

Wards Affected: N/A

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 2006/07 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

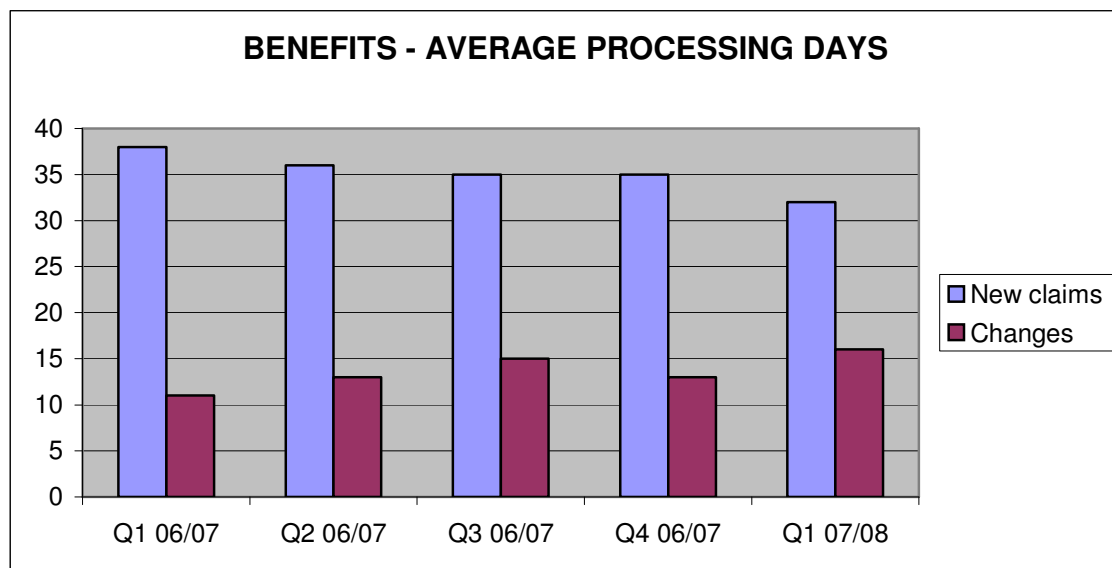
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SERVICE PLAN MONITORING
Progress update for Monitor Report 1, 2007/08

Public Services

1 Achievements

- a) Processing times for new housing and council tax benefit claims (BVPI 78a) continues to improve. Current performance (as at quarter 1) is now 32 days, an 8.6% improvement on the 2006/07 outturn of 35 days and exactly on target for the current year.
- b) The processing of benefit changes of circumstances notifications (BVPI 78b) is currently behind target at 16 days (target is 14 days) but during the year we process some bulk rent increases in respect of registered social landlord properties that all count as one day transactions and thus help to improve the annual average.
- c) We usually process bulk rent increases in March of each year, and they become effective in April. For the year 2006/07 we originally included the March 2007 bulk changes in the April 2007 statistics giving us an average for the month of 5.78 days. We have since been advised by the Department of Works and Pensions (DWP) that this approach is incorrect and that we need to report these bulk changes in the March 2007 figures. The effect of this is twofold: (1) the outturn for 2006/07 is improved by 2 days reducing from 15.41 to 12.76 days (thus different to the figure reported to EMAP on 8 June 2007) and (2) the average for April 2007 increases from 5.78 to 17.44 days and this impacts on the 2007/08 average for the year to date.



- d) The recovery of Housing Benefit overpayments identified in the first quarter (BVPI79bi) is on target at 72%, already showing a slight improvement on last year's 70.33% outturn. The measure of overpayments recovered as a percentage of the amount at the beginning of the year plus raised in the first quarter (BVPI79bii) is reported at 9.2%, as compared to 6.98% for the same period last year.
- e) From 1 April 2007 the Department of Work and Pensions (DWP) introduced a new national scheme to help combat the level of fraud and error in the benefits system. The Council's benefits service is now required to report on the number of reductions in benefit entitlement that it processes as measured against an annual target set by the DWP. In achieving the target the Council is expected to encourage the level of customer-reported change by undertaking, amongst other things, visits and reviews and targeted publicity work. We are developing more risk-based sampling work to help us identify potential claimant groups for intervention work. Based on figures as at mid-June we have already achieved 20% of the target and extrapolated figures suggest we will hit 108% of target.
- f) Council Tax collection figures (BVPI 09) have improved very slightly as at 30 June 2007. In-year collection is 29.7%, up by 0.07% on the 2006/07 figure but 0.31% down against the stage target that we have set to achieve an outturn of 97.2%.
- g) Business Rates collection (BVPI 10) shows that we are 1.38% ahead of the same position last year at 31.72% by 30 June 2007. This is 0.99% ahead of the stage target and suggests that we could achieve our 98.9% annual target.
- h) During July 2007 the York Customer Centre undertook a customer survey to establish the level of satisfaction with the service. A total of 504 customers were interviewed by telephone and the results are very encouraging:
- 92% of customers satisfied with the time taken to answer the call;
 - 100% satisfied with the person who answered the call;
 - 99% satisfied with the service they received.
- i) As highlighted in the 2006/07 outturn report, since February 2007 all Council Tax telephone queries are handled within the York Customer Centre. Since that date the service has been working with the [easy@york](#) Programme and our IT suppliers in finalising and testing a suite of e-forms that are completed within the Customer Relationship Management (CRM) software. Where the information on the forms meets certain business rules it will automatically feed into our billing system and update the customer's account. All other e-forms will be immediately routed into a back office work queue (within the CRM) for manual updating.
- j) The web team have helped to implement e-forms for most YPAL services enabling customers to directly request services without the need to print off paper forms. The team have also devolved the role of editing the Content Management System (CMS) to all directorates. The CMS manages the information that appears on the Council's website. Improvements to the intranet site are now in the early stages of development.

- k) The national implementation of the Registration Online (RON) system for births and deaths continues to be delayed and the latest anticipated date is October 2007. Implementation of the marriages system is now expected in March 2008.
- l) The number of civil partnerships has dropped significantly from 130 in 2006 to an expected 50 in 2007. Whilst the national trend for marriages is down by 10%, in York the number of ceremonies is expected to increase, which should more than offset the fall in income from civil partnerships.
- m) The service continues to take a lead role in Green Office initiatives and in the “Switch Off” campaign launched in August. The division have arranged and participated in the Environmental Management System review which started in July. We are also launching an “everything Green” area on the Resources intranet sub-site.

2 Risk Management Issues

Red Risks		Update on activities
a	Benefits - Failure to assess benefit entitlement accurately and within timescales	Mitigation includes: <ul style="list-style-type: none"> • Structure review to ensure customer-centric focus • Service improvement work as part of easy@york programme and introduction of e-claiming software • Focus on LA error cases to identify problems and better manage financial (subsidy) impact • Review of procedures manual in progress
b	York Customer Centre – Failure to have a business continuity plan in place to ensure continued service to customers	Mitigation includes: <ul style="list-style-type: none"> • Plan maintained and reviewed • BCP to be exercised
c	York Customer Centre – Failure of the telephony systems and/or CRM	Mitigation includes: <ul style="list-style-type: none"> • Message taking, call back and emergency message procedures • Incident report log maintained and reviewed weekly

Easy@york Programme

1 Achievements

- a) In April 2007, some of the Revenues service (Phase 1c) went live in the York Customer Centre
- b) These initial processes were then supplemented by the launch of a full end to end Revenues service at the end of July
- c) Additional self service e-forms have been launched on the web site for all YPAL services.
- d) Review of all Phase 1b services with improvements to processes in Planning Building Control and YPAL
- e) Review of YCC processes and performance followed by the introduction of a package of measures to maximize productivity, speed up call answering and consolidate training to address early teething problems
- f) Undertook customer satisfaction surveys
- g) Concluded contract renegotiation resulting in reduction of risk of programme failure and reductions in support costs of £55k
- h) Service improvement work on Benefits commenced
- i) Procurement of e-benefits system to deliver remaining phase 1c.
- j) Design of Benefits improvements and integration requirements specified.
- k) Decision taken to increase scope of work to cover changes of circumstance which requires additional module not yet available - leading to extension of timescale for Phase 1c to January 2008 in order to deliver more substantial improvements.
- l) Developed business case for second phase of easy focusing on the move to Hungate. Agreed by Urgency in August. Detailed benefits mapping exercise to take place over the autumn.

2. Work In Progress

Programme Phase 1b - Establishment of York Customer Centre, Core Technical solution & "to be" processes for YPAL Switchboard and Planning and Building Control, designed and configured into the technical solution.	Progress against plan	New Date
July 06 – Overall Solution design finalised	√	
August 06 – Recruitment complete (CSR's, system admin, & GIS)	√	
August 06 – e-Consultation system in place	√	
August 06 – Implementation of speech recognition for internal calls	√	
February 07 – New web site launched improved graphics/look feel – No integration.	√	
February 07 – User Acceptance testing complete	√	
February 07 –User Training completed	√	
November 06 – Phone menu introduced into switchboard and made available to the public (subject to CYC	Deferred	September 07

management decision)		
February 07 –Phase 1b Go Live	√	
April 07 – Web site: launch of further functionality including transactional capabilities	√	
Programme Phase 1c - Revenues Service “to be” processes configured into the CRM, Revs staff trained and transferred into the YCC		
January 07 –Revenues Interim Processes - Design complete	√	
March 07 – Revenues Interim Processes build complete including interfaces to I-World	√	
March 07 – Revenues Interim Processes Staff training completed	√	
March 07 - Revenues Interim Processes Go live	√	
April 07 –Revenues remaining Processes – Design Complete	√	
May 07 - Revenues remaining Processes – Build Complete	√	
May 07 – Revenues remaining Processes - User acceptance testing complete	√	
June 07 - Revenues remaining Processes - User Training complete	√	
July 07 – Revenues remaining Processes - Go live	√	
Programme Phase 1c - Benefits Service LogicaCMG led refresh and build of Benefits into YCC	Green	
April 07 - Benefits Process/Solution design commences	√	
Nov 07 – Benefits build complete	On target	
Dec 07 – Benefits user acceptance testing complete	On target	
Jan 08 – Benefits user training complete	On target	
Jan 08 – Benefits Go live	On target	
July 07 - Life events processes introduced	Deferred	Phase 2
Programme Phase 1d – New corporate INTRANET	In Planning	Unknown

3. Risk Management Issues

Red Risks		Update on activities
a	Fail to identify sufficient savings from phase 2	<ul style="list-style-type: none"> Benefits mapping exercise to be undertaken with each phase 2 service to identify improvement objectives and set savings targets.

Audit & Risk Management Services

1. Achievements

- a) New Corporate Procurement Team (CPT) went live as of 1 April 2006.
- b) Council adoption of the new Corporate Procurement Strategy, associated medium term action plan and complementary Guidance Manual for procurement Practitioners in June 2007.
- c) Corporate Contracts Management Portfolio to be managed and administered by the new CPT went live with effect from 1 April 2007.
- d) Revised arrangements for planning, budgeting and managing procurement savings to properly align management responsibilities with the appropriate contract clients across the organisation and integrate the whole process within the Council's corporate service planning and budgeting cycles and processes went live with effect from 1 April 2007.
- e) Go live of 3 new significant framework agreements covering corporate goods and services supplied in respect of Legal services, Agency Staff, Property & Planning Advice & Consultancy services. These agreements are resulting in financial savings whilst promoting compliance with corporate standards and legislation and enabling in-house services to better plan and manage budget allocations and service provision.
- f) 5 year Strategic Procurement Programme for the Council managed and administered by the CPT went live with effect from the 1 April 2007.
- g) very positive external audit review of the Internal Audit Service, service meeting Code of Practice standards (only introduced in January 2007) and regarded as having much to commend it.
- h) new Terms of Reference for the function of the Internal Audit Service drafted in accordance with the CIPFA Code of Practice, adopted by the Audit & Governance Committee on 3 April 2007 and a full review and update of the Internal Audit Procedure Manual completed.

2 Work In Progress

Work In progress		Update on activities
a	Information Governance Strategy	The IGS will be reported to CMT and the Executive in autumn 2007.
b	Competition policy, strategy and procedural handbook	The policy and strategy will be referenced to the CPS and will be reported to CMT and the Executive in autumn 2007. Work on the handbook is awaiting further work on Thin Client arrangements at the Council and it is anticipated that this will follow to report to Members in the autumn
c	Development of the Supplier Contract Management System	Work is progressing on the population of the system and associated staff training across Directorates. More work is required in respect of the supplier management module before the system is officially launched with the business community. Initial discussions have been held with the Chamber of Commerce to agree a 'partnership' approach between CYC and the Chamber in raising awareness of SCMS across the business community and providing training and workshop opportunities for local businesses and SMEs in the area
d	Exploration of a shared service initiative for Audit & Fraud services in partnership with NYCC	Discussions have taken place at officer level with NYCC to explore possible shared service options for Audit & Fraud services across the region. Work is now on-going to develop potential options and the outcome of this work and officer recommendations will be reported fully to Corporate Service EMAP in autumn 2007 for Member consideration & approval
e	Development of a 3 year medium business plan for the Division	Work on this has been suspended subject to the outcome of e/ above
f	Deliver all work and actions designated to the AD (ARM) in respect of the Corporate Efficiency Programme, the CPA UOR Action Plan, the OGG work programme, A&G Committee forward plan and the new 3 year action plan for Procurement 2007-2010	This covers a multitude of different tasks and change programmes and the associated work is in various stages of completion. Information about progress against any of the detailed tasks scheduled in the OEP and CPA action plan will be reported corporately during 2007/08. Progress against the 3 year CPS action plan will be reported separately to Corporate Services EMAP later this year

g	Review the function, performance and efficiency of procurement functions across the organisation and examine how they can be made more efficient and effective when we move to a one-site operation after 2010	This review is now in hand further to the EMAP decision for this to be done (December 2006). It is anticipated that the review will report its recommendations before Christmas 2007 for Members consideration and approval.
h	CPA UOR 2007 assessment	The 2007 self assessment has been completed and submitted to the Audit Commission for their review. It is expected that initial indicative scores will be discussed with officers in September 2007 and finalised in late autumn.

3. Risk Management Issues

	Red Risks	Update on activities
a	Failure to be effective in discharging the Division's role in developing robust governance & compliance arrangements at CYC	Mitigation includes: <ul style="list-style-type: none"> • leadership and management of the OGG work programme • professional development and capacity of the teams within ARM • planned and managed approach to the development of the Council's governance infrastructure (new Constitution, Financial Regulations, Audit & Governance Committee) • new powers and sanctions for the S151 Officer, the Monitoring Officer and the Chief Internal Auditor
b	Failure to improve the UOR CPA score for KLOE 4 Internal Control	Mitigation includes: <ul style="list-style-type: none"> • raising corporate awareness of the risks faced by CYC if UOR CPA score deteriorates and gaining CMT ownership of key actions to be taken before 31/3/07 • management of corporate action plan for development and improvement and implementation of key deliverables before 31/3/07 • review of assessment process by AC in 2006
c	Failure to plan and manage the work of the Division effectively	Mitigation includes: <ul style="list-style-type: none"> • established and capable ARM Mgt Team and development of a 3 year Business Plan • development of a performance management

		framework across the Division as part of a wider Directorate improvement initiative
d	Audit Plan not delivered to standard/insufficient coverage to hit 90% target for completion	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • introduction of new automated working papers and performance management routines • staff training and technical update work • effective staff supervision and file review • integrated CYC client function for external and internal audit
e	Audit work fails to identify control weaknesses	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • All of the above at d) and the introduction of new reporting and escalation procedures including ultimate referral to Audit & Governance Committee for remedial action as necessary from 2006/07
f	Procurement team fail to achieve the corporate savings target	Unmanageable risk has led to change in Council arrangements, devolving savings within Directorates for 2007/08, exercised through the Council's annual service planning & budget management cycles. The CPT will continue to inform and report on savings across the piece.
g	Failure to establish corporate contracts management portfolio	Portfolio identified and all corporate contract clients established. CPT responsible for managing an reporting across the portfolio for corporate assurance purposes. New arrangements went live from 1 April 2007.
h	Failure to promote compliance with procurement regulations	Mitigation focuses on governance infrastructure work (as at a/ above) effective monitoring and reporting arrangements, new SCMS system, robust IAS annual and five plans, breaches and waivers work, IAS follow up programme, staff training across CYC, greater professionalism and capacity in ARM

ITT Services

1. Achievements

- a) The department continues to provide a secure, robust, scalable and highly available ITT infrastructure including corporate and departmental systems. It is achieving all but one of its revised and agreed service level targets for 2007/08. The exception being the high priority requests for service that have mainly resulted from external network providers suffering major disruption within their own infrastructure.
- b) Support teams and development staff have assisted and supported the [Easy@york](#) phased implementation programme in a number of activities to help delivery of the successful migration of the Council's Revenue's Services into the York Contact Centre.
- c) The 3 major projects outside of the [Easy@york](#) programme are progressing well, phase 1 of the implementation of the replacement Social Care system went live in July 07 as planned. Tenders for the replacement Financial Management System have been received and short-listed. Strategic and technical steering groups have been established to guide the Corporate Mobile working project that will create a strategy and the supporting infrastructure to deliver and sustain mobile working. The department has supported both the pre and post election activities by ensuring that the Electoral Registration system was updated successfully in time for the May elections and has provided the elected Members with their individually agreed connectivity/pc requirements to enable the effective fulfilment of their Council duties.
- d) The department has successfully delivered a number of behind the scenes infrastructure projects that underpin current and future Council wide Service Delivery. The projects are supported by the continued development of effective governance controls and include:
 - I. Completion of the project to successfully upgrade the corporate virtual servers to a version that enables the department to provide a reduced recovery time in the event of individual System failures, in some cases with no disruption to the customer base.
 - II. Successfully increased the corporate storage system with minimal disruption to the customer base enabling the department to start the migration plan of moving additional Business Systems over to this more resilient storage platform.
 - III. Further improved departmental system recovery services by expanding the use of a more effective back up process enabling the support teams to reduce the restoration time taken to recover from a failed Business System scenario.

- e) Successfully expanded the corporate remote access security solution (Entrust cards) to LCCS enabling them to offer an extremely cost effective, safe and secure remote access for School staff and their support providers. The solution was delivered at less than 50% of the previously quoted external costs with the additional benefits of reduced on going maintenance costs.
- f) The department has facilitated and absorbed a high number of large-scale office moves since April 07 including the Safer York Partnership phased move.
- g) The department continues to support the corporate accommodation review project though the identified design, project and user group work streams.

2. Work in Progress

Work In progress		Update on activities
a	Framework – replacement of the Social Care System	Phased System replacement implementation plan in progress, the first go live stage was successfully delivered during July 07.
b	FMS – replacement of the Corporate Financial Management System	Procurement process in progress with an expectation of the contract being awarded during Autumn 07.
c	Corporate ITT Governance.	Further developing change control procedures through process mapping and subsequent workflow regimes. These will be incorporated into the next release of the departments Customer Support Service Desk system during 07/08. Further review/update of the Electronic Communications Policy (ECP) will be planned once feedback from the elected members is made available.
d	Continued development of departmental Business Continuity Plan (BCP).	Revised draft departmental BCP documents using the new corporate templates have been produced. Further development of the team recovery plans is in progress to ensure completeness and consistency. The departmental profile will be linked back to the Corporate BCP group as part of the Council wide response to the 2004 Civil Act.
e	Provide on going support for the delivery of the Easy@York transformational programme.	The department is heavily involved in a number of activities to support and help sustain the successful implementation of the current and future phases of the agreed programme.

f	Expansion of the network managed service contract to incorporate Broadband for Schools and Libraries and City Strategy connectivity requirements.	Reviewing the scope and requirements prior to the renegotiation of the existing voice and data network managed service contract to incorporate Broadband for Schools and Libraries and City Strategy requirements during 2007/08. The new and expanded contract is scheduled to commence Autumn 2008.
g	Implement the approved ITT Corporate Business Development and Infrastructure projects from ITT Dev Plan 06/07 and 07/08	Work has started on gathering the business requirements ahead of replacing the Corporate Personnel and Payroll System. The approved and agreed projects for HASS and LCCS have started and the key projects for Neighbourhood Services and City Strategy are scheduled to start in the Autumn.
h	Develop a forward-looking technology and major systems replacement roadmap.	Working through supplier workshop sessions to improve the department's awareness of the market place and where the Council's investment in technology is advancing. The remaining session is planned for Sept 07 that will then enable the department to establish and develop a forward-looking replacement plan during 07/08.
i	Establish a Corporate mobile working strategy and infrastructure	Strategic and technical steering groups have been established to guide the project that is looking to create a strategy and supporting infrastructure deliver and support mobile working. Evaluation projects are in progress.

3. Update on risks.

Risks		Update on activities
a	Failure of the disaster recovery procedures.	<p>Mitigation includes:</p> <ul style="list-style-type: none"> • Completion of the project to successfully upgrade the corporate virtual servers to a version that enables the department to provide a reduced recovery time in the event of individual System failures, in some cases with no disruption to the customer base. • Expanded the use of 10/12 GHS as a secondary site for locating key ITT Infrastructure. • Further improved departmental system recovery services by expanding the use of a more effective back up process enabling the support teams to reduce the restoration time taken to recover a failed Business System scenario.

b	Inadequate ITT Business Continuity Plan (BCP).	<p>Mitigation includes:</p> <ul style="list-style-type: none"> Revised draft departmental BCP documents using the new corporate templates have been produced. Further development of the team recovery plans is in progress to ensure completeness and consistency. Recovery toolkits (containing BCP documents and guidance) are being established and will be stored at two off site locations to aid incident management and recovery processes. On going testing plans to be established as part of proactive BCP testing regime.
c	Failure of corporate data/information storage service	<p>Mitigation includes:</p> <ul style="list-style-type: none"> Increased the recently installed and more resilient corporate storage system enabling the migration of additional Business Systems over platform during 07/08.
d	Significant failure of corporate data / voice network	<p>Mitigation includes:</p> <ul style="list-style-type: none"> Improved environmental facilities at locations where key network components are located. Proactive management of managed service provider and network vendors. Incorporated elements of resiliency into the network design for the YCC in Stonegate.
e	Failure to replace ageing Social Care and Financial Management systems	<p>Mitigation includes:</p> <ul style="list-style-type: none"> Approved and funded ITT development replacement projects are in progress for both systems.
f		<ul style="list-style-type: none"> FMS - procurement phase in progress as part of an agreed and achievable project timetable that takes into account resource availability and the financial year-end close down process.
g		<ul style="list-style-type: none"> Social Care – phased system replacement implementation plan in progress, the first go live stage was successfully delivered during July 07. Working with HASS to provide remote access facilities to help sustain the increased user support demands following the implementation of replacement system to an expanded user base.

Financial Services

1 Achievements for Year

- a. Despite major changes in format the service successfully closed the council's accounts by the 30th June deadline.
- b. Maintaining a level of payroll payment accuracy of 99.8%.
- c. To the end of July 94.06% of all council invoices were paid within 30 days, this compares to the equivalent 2006/07 figure of 92.62%.
- d. Continued progress on the replacement of the council's financial systems with three providers being formally invited to demonstrate their products during September.
- e. Worked to settle 90% of equal pay liabilities with eligible staff
- f. Doubled the number of staff accessing cycles via salary sacrifice.
- g. Provided financial training sessions for newly elected members.
- h. Won DCLG Innovation Funding to support further collaborative work on transport with the Ambulance Trust and the East Riding.

2 Work In Progress

Work In progress	Update on activities
a Statement of Accounts	The accounts are currently undergoing review by external audit. This process is due to be completed by the 30 th September.
b Job Evaluation / Equal Pay	Managing the development of affordable solutions has taken a major staffing input at a senior level. Work is on-going to resolve both of these workstreams.
c FMS Project	The project is now well into the formal procurement process. It is anticipated that the replacement system will go live in the summer of 2008.
d Transport Review	The service successfully bid to the Regional Assembly and Centre of Excellence to fund a collaborative study with local health providers and the East Riding of Yorkshire Council aimed at significantly reducing the impact that the council and NHS have on York's traffic. External consultants, Kendrick Ash, are currently undertaking the second phase of this review and starting to let initial contracts.
e Finance Strategy	Work is on-going to finalise the council's finance strategy for 2008/09 to 2010/11 and the medium term financial forecast for the same period. These details will inform the budget process for 2008/09.
f Income Collection	The service is managing key aspects of the review of income collection policy and procedures across the council.

3 Risk Management Issues

- a. The service is currently developing the medium term financial strategy for the council. However this process has been made more difficult by the delay in the announcement of the comprehensive spending review (which outlines the overall levels of national funding available) until the autumn. Until such details are provided accurately forecasting future financial positions is particularly difficult.
- b. The implementation of single status will have major resource implications both in terms of adjustments to the council's budgets and amendments to the payroll system.
- c. The service remains very exposed in terms of its reliance on a small number of key staff. The departure or prolonged absence of such staff would have a significant short to medium term impact on the quality of services provided. The 2006/07 closedown process has shown the importance of ensuring adequate planning mechanisms are in place.
- d. During September and October the Head of Finance will be acting as the council's nominated responsible financial officer. Any significant additional duties will impact upon the service's overall capacity to manage and respond to issues that face it.
- e. Implementation of a new financial ledger will have major resource implications for aspects of the directly managed and devolved services. Ensuring the release of properly skilled staff will be a key factor in ensuring the eventual success of the project.

Property Services

1. Achievements.

- a) Huntington School – completion of the latest extension project (£4.5m)
- b) York High School (Oaklands development) including school refurbishment, extensions and new swimming pool; masterplan complete; procurement complete; planning application made; design partnership in progress (£18m)
- c) Sustainability in Design Group established – cross directorate group focussed upon establishing policies and protocols for the design and management of buildings, operating within the council’s corporate Environmental Management System (EMS)
- d) Energy and Water Management Group (EWMG) established - cross directorate group focussed upon establishing policies, protocols and an action plan for the management of energy and water usage by the council, operating within the council’s corporate Environmental Management System (EMS)
- e) Achieved capital receipts – including the Bonding Warehouse, 3-4 Patrick Pool, 2 High Petergate, Lidgett Grove and Hebden Rise are all completed
- f) Regenerated vacant industrial units at Hospital Fields Road by investing capital and re-letting; Small businesses from Fishergate Centre now housed in this building.
- g) Invoices paid within 30 days lifted from 96.74% to 100% in July 2007.

2. Work In Progress.

Work In progress		Update on activities
a	York High School (Oaklands development) including school refurbishment, extensions and new swimming pool (£18m)	Design Partnership in progress, to be on site in October 2007
b	Fulford School – further classroom extensions (£1.6m)	Feasibility and bid stage complete; reconciliation of brief and available budget ongoing.
c	Acomb Library Learning Centre – extensions and refurbishment (£800k)	On site. To be completed in 2007/8
d	Tang Hall Library Learning Centre – extension and refurbishment (£1m)	Supporting feasibility and bid stage.
e	Joseph Rowntree School replacement under the Pfs (Partnership for schools) initiative as a pathfinder (£25m)	Providing support to LCCS and a presence on the Project Board; Procurement stage

f	Peasholme Centre – replacement facility at fishergate (£1.8m)	Planning approval in place; Start on site August 2007 and completion in May 2008
g	Programme of repairs, DDA and improvements for 2007/8	Implementation ongoing
h	Business Management developments	Project bulletins being developed to give live project status; New project database being developed for fees, time and project costs; New fee cost reports being developed for all managers
i	Reviewing and re-letting of framework contracts for the provision of design services	Schedule of options being discussed and prepared before taking advice from Legal Services, Audit and Procurement.
j	Letting framework contracts for the provision of asset and property management services	Tenders evaluated; implemented in July 2007
k	The Council's Maintenance Backlog	Work ongoing to establish an effective council strategy for the management and reduction of the maintenance backlog. Through CAPMOG (Capital Monitoring Group) and CAMG (Corporate Asset Management Group). The council's performance in this regard will contribute to its CPA rating under Use of Resources. Report to Executive in October 2007.
l	Asbestos Management	Continued programme of awareness training for building/site managers. Annual inspection of known asbestos and removal where necessary.
m	Yearsley Pool – Maintenance programme	Programme agreed with Leisure Services and on site.
n	Further development of departmental Business Continuity Plan (BCP).	Draft being prepared. The next stage is to ensure completeness and consistencies within the directorate's plans and then link them back into the Corporate BCP in support of the 2004 Civil Act requirements
o	Development Planning Team	Major sites - Lowfields, Manor and Yearsley Bridge
p	Area Asset Management Planning	Tang Hall pilot scheme reaching conclusion, agreed by Scrutiny Committee and going to Executive this autumn. Roll out to other areas in 2007/8, including New Earswick
q	Commercial Portfolio	Review nearing completion; Report to CSEMAP in September and Executive in October 2007.
r	Technology Forge Database	Developing further modules and supporting processes

s	A programme of capital receipts	Including the sale of. Strensall Youth Centre, Galmanhoe Lane, Parkside, Osbaldwick Lane (Derwent School), Clifton Family Centre site, Blake Street, North Carlton Farm, Acres Farm and the Monk Bar Garage
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3. Update on risks.

Risks		Update on activities
a	Failure to deliver the Capital Programme	<ul style="list-style-type: none"> • Closer working with Client planning teams to ensure realistic programmes and spend profiles for capital projects
b	Failure to keep an up to date corporate asset management plan	<ul style="list-style-type: none"> • A new Corporate Asset Management Plan for 2007-2012 has recently been approved by the Executive. An annual report will be submitted to the Executive that will highlight the council's performance against objectives and targets within that report and provide any updates to the Corporate document. This will meet the CPA requirement for a corporate document, framework and process for the management of assets. Risk is therefore minimised.
c	Failure to keep an up to date asset register and property management database.	<ul style="list-style-type: none"> • All reports to members requiring decisions must now have all property implications identified. Corporate Landlord should be informed of all proposals to acquire or dispose of property assets.
d	Failure to achieve capital receipt	<ul style="list-style-type: none"> • No additional activities
e	Failure to have fully accessible buildings in an acceptable state of repair.	<ul style="list-style-type: none"> • One of the priorities in the Corporate Asset Management Plan is to have an effective repair and maintenance strategy to reduce the maintenance backlog and the number of buildings in an unacceptable standard of repair • BVPI 156 - public access to council buildings is now expected to overachieve against a target of 85% in 2007/8
f	Asbestos Contamination	<ul style="list-style-type: none"> • All surveys complete, all asbestos identified, tested and removed or managed. • Contracts in place to facilitate annual inspection of known asbestos to ensure stable.

		<ul style="list-style-type: none"> • Programme of Asbestos awareness training and the appointment of Site Asbestos Liaison Officers at each premises will limit the likelihood of asbestos contamination • All building works in existing property require type 3 survey prior to commencement of works • Risk still exists in those areas where building work executed without Corporate Landlord knowledge.
g	Building failure (unplanned closure) of Operational Properties	<ul style="list-style-type: none"> • No additional activities

Property Services : Administrative Accommodation Project

1. Achievements.

- a) Feasibility Stage completed.
- b) Review of Facilities Management – brief and programme established with consultant
- c) The early release of Blake Street is progressing to sale.

2. Work In Progress.

Work In progress		Update on activities
a	Peasholme Hostel relocation	Design complete and out to tender; Planning approval achieved and start on site August 2007, completion May 2008.
b	Archaeology	Trial pits and trenches have been undertaken to establish extent of further works and to inform the overall design strategy; Initial reports suggest low impact but further work needed on small 'dwelling' find.
c	Design	Stage C
d	User Group	Review of needs and space planning with designers, impact of FM review and commencing pilot study.
e	Facilities management	Consultant appointed; model options for delivery by the end of August 2007 and implementation plan to be prepared by the end of September 2007.
f	Timetable	Feasibility study – May 2007 Sketch design options – August 2007 Detailed design options – October 2007 Planning approval – January 2008 Agreed final design and price – February 2008 Commencement of construction – April 2008 Completion – April 2010 Occupation – June 2010

3. Update on key risks.

Risks		Update on activities
a	Risk of unforeseen archaeological requirements	<ul style="list-style-type: none"> Some archaeological investigations already undertaken. York Archaeological Trust are investigating site to inform overall strategy.
b	Lack of corporate direction/vision in terms of corporate change to enable service provider to influence the design process and achieve the wider benefits.	<ul style="list-style-type: none"> Cultural change agenda is being discussed and developed at a corporate level following the outcomes of the CMT workshop 8th Jan 2007. CLG to consider in September 2007. Change agenda adopted by CMT and driven by Director of People and Improvement
c	Others	<ul style="list-style-type: none"> Risks being managed effectively through the project administration and risk register

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ANNEX 2

REVENUE BUDGET VARIANCES	Variance £'000
<u>Director of Resources</u>	
Minor staffing underspend on Directors budget	(-) 2.0
Clawback of VF repayment budgets of £201k for SX3 and £50k Procurement.	(-) 251.0
Director of Resources total	(-) 253.0
<u>Public Services</u>	
<u>Local Taxation management</u>	(+) 8.0
Minor staffing overspend on additional allowances (+£8k)	
<u>Revenues and Benefits Service</u>	(-) 16.0
Court costs income currently over-achieving for both NNDR and Council Tax and, if this continues at the same rate for a full year, would result in surplus income (-£88k). A saving was included as part of 2007/08 budget round is subject to a restructure of Revenues and Benefits area. It has not been delivered because of delays in 'EASY@york' work in the benefits service.(+£50k); Underspend due to NNDR staffing vacancies (-£40k) offset by costs of employing a temps. Assuming Overspend on Benefits Assesments staffing which relates to LPSA work and the Workload Peaks budget (+£17k). Customer Relations Improvements - part funded by Cexecs dept with matched funding to come from Resources budgets (+£9.5k).	
<u>Housing & Council Tax Benefits Subsidy</u>	(-) 41.0
Housing Benefits is currently predicted to underspend by £41k. This is mainly due to the anticipated level of 40% subsidy for LA error overpayments. A concerted effort is required to address the level of overpayment errors created by the Authority to achieve an even greater return of subsidy.	
<u>Systems Support / Business Support Groups</u>	(-) 24.0
Underspend due to staff vacancies in the Systems Support team (-£26k);Business Support Group minor underspend re staff advertising (-£1k),Overspend an annual maintenance for Anite system (+£3k)	
<u>York Customer Centre</u>	(+) 44.0
Projected staffing overspend within the YCC (+£44k). Work is ongoing to ensure that budgets are transferred from the service areas at the appropriate time and that this newly created budget is fully reviewed during the next two months. Any changes will be reflected in the second monitor.	
<u>Registrar</u>	(+) 25.0
Overspend re staffing costs (+£8k);additional costs re advertising and postages (+£4k): shortfall in Statutory Fees income (+£28k) offset by over-achievement of income on Outside Marriages and Other licences (-£15k)	
<u>Cashiers</u>	(-) 8.0
Underspends on Overtime (-£0.6k); no expenditure due on uniforms this year (-£2.5k);reduction in bank charges due to lower volumes of coin and transaction handling (-£5k).	
Public Services Total	(-) 12.0

Audit & Risk Management	
<u>Insurance team</u>	(+) 5.0
Staffing costs pressure anticipated (+ £9k) offset by additional income (-£4k)	
<u>Internal Audit</u>	(+) 4.0
Underspend on staff vacancies (-£40k) offset by expenditure on temporary staff (+£40k): Overspend on training course fees (+£0.7k): Overspend on subscriptions (+£3k)	
One off costs for setting up the new shared Audit service	(+) 10.0
<u>Fraud & Financial Investigations</u>	(+) 20.0
Overspend on training course fees (+£2.8k): Overspend on travel costs (+£6k): Legal fees pressure (+£11k);	
<u>Procurement Team</u>	
It is also unlikely that the Yorkshire Purchasing Organisation (YPO) income will be achieved this year. This will result in a £40k shortfall in the Resources budget. This issue is the subject of a separate report to Members.	(+) 40.0
The additional costs of consultancy work which is for pump priming work and supporting procurement projects across the council (£+68k) is substantially recovered from service departments and vacancies within the team (-£61k). Other small variances totalling +£1.5k.	(+) 9.0
<u>District Audit</u>	(+) 4.0
Potential for minor overspend at year end	
<u>Minor Variances</u>	(-) 6.0
Underspend forecast for Data Protection training budget (-£6k) offset by expenditure on Computer Software for which there is no budget (+£2k): Underspend on Professional Training budget staffing (-£2k).	
Audit & Risk Management Total	(+) 86.0

<u>Information Technology & Telecommunications</u>	
<u>SLIPPED/DEFERRED PROJECTS</u>	
<u>Social Care System replacement programme</u>	(-) 78.0
Project delayed due to the complexity of the programme in both technical & commercial terms	
<u>FMS Replacement project</u>	(-) 174.0
Latest FMS Project board prediction anticipates go live date during 2008	
<u>Asset Management System</u>	(-) 10.0
Final acceptance linked to FMS project . Due 2008/09	
<u>Local Area Network/Wide Area Network</u>	(+) 50.0
Budget pressure for scheme continued from previous year in relation to consultancy services which will aid the tender procurement activities across the Council. To be funded from other underspends within the directorate	
<u>PROJECTS DELIVERED UNDER BUDGET</u>	
<u>HR & Payroll System</u>	(-) 32.0
System costs now fully paid.	
<u>DLO CMS Replacement and Work Scheduling</u>	(-) 4.0
Project completed under budget	
<u>Council Performance Management System</u>	(-) 8.0
Project completed under budget	
<u>Electronic Links to the Inland Revenue</u>	(-) 4.0
Project completed under budget	
<u>Registration Software</u>	(-) 2.0
Project completed under budget	
<u>Web Authoring</u>	(-) 1.0
Project completed under budget	
<u>4 Museum Street Printing facilities</u>	(-) 9.0
Printing now moved to Central Print Unit - Guildhall. Asset replacement savings realised on hardware maintenance	
<u>Lease Buy Outs</u>	(-) 12.0
A one off surplus of funds has been generated from robust negotiations regarding lease buyout charges. This has resulted in costs that are lower than planned in 2007/08	
<u>General Income</u>	(-) 15.0
Services undertaken outside of the SLA which has resulted in non budgeted income	
<u>PROJECT CANCELLATIONS</u>	
<u>Homecare Monitoring System</u>	(-) 12.0
The original business case is no longer applicable	
<u>Tenants Choice</u>	(-) 3.0
Project terminated by the business	
<u>Further Education Awards</u>	(-) 6.0
System no longer required to support the business area	
<u>Looked After Children Computer System (LACCS) and Children's Assessment Framework (CAF)</u>	(-) 8.0
LACCS no longer in use awaiting business decision on CAF replacement	
<u>MINOR VARIANCES</u>	
<u>SX3 Project</u>	(+) 6.0
Fluctuations in interest rate charges over the life of this venture funded project have resulted in an overspend in year	
Information Technology & Telecommunications total	(-) 322.0

Property servicesAsset & Property Management

Employees	(-) 2.0
Minor underspend on staffing	
Supplies & Services	(-) 2.0
Underspend on photocopying	
Income	(+) 59.0
Underachievement of income £16k rating revaluation,£46k recharge to HRA. Offset by £3k overrecovery of fees & charges	

Facilities Management

Staffing Variances	(+) 11.0
Overspend due to use of agency staff funded by increased income through framework arrangement	
Supplies & Services	(-) 4.0
Underspends on photocopying and subscriptions	
Income	(-) 7.0
Additional recharge income above service level agreements	

Strategic Business & Design

Staffing Variances	(+) 58.0
Overspend due to use of agency staff funded by increased income through framework arrangement	
Supplies & Services	(-) 9.0
Underspends on photocopying, mobile communications and subscriptions	
Income	(-) 48.0
Additional income on capital programme.	

Administration Accommodation.

Premises	(+) 54.0
£19k overspend on maintenance contracts and £35k on rents. Rents overspend due to saving not achieved.	

Commercial Property Portfolio.

Premises	(+) 45.0
Misc Props +£23k r&m (including £15k reroof at East Lodge), +£22k r&m reroofing at Shambles.	
Supplies & Services	(-) 27.0
-£24.0k underspend on Venture Fund repayments. -£3.0k underspend on facilities hire at Parkside.	
Support Service Recharges	(+) 2.0
Additional FM fees re roof repairs at Shambles	
Income	(-) 15.0
Additional rental income -£40k at Gillygate, Misc Props and Farms offset by reduced rent and service charges at Parkside, Kings Court and Coppergate +£25k	

Property Services Total (+) 115.0

<u>Financial Services</u>	
<u>FMS Project</u>	(-) 121.0
Anticipated project slippage into 2008. It is anticipated that this will be a year end carry forward bid.	
<u>Accountancy</u>	(-) 7.0
Staffing underspend due to vacant post (-£10k) offset by overspend on 'additional allowances' paid to staff (+£3k)	
<u>Debtors</u>	(+) 11.0
Overspend re additional staff costs due to cover during long term absence (+£5k), overspend re purchase of pressure seal envelopes (+£3.5k), overspend re LAMAS annual subscription (+£5.7k) partly offset by underspend on Consultancy budget (-£3.7k)	
<u>Creditors</u>	(-) 2.0
Minor underspend on Supplies & Services area	
Financial Services total	(-) 119.0
<hr/>	
DIRECTORATE NET TOTAL	(-) 505.0

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RESOURCES PERFORMANCE TABLES

PUBLIC SERVICES

PI	06/07 performance	07/ 08 Target	07/08 monitor 1 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 9 - % of Council tax collected	96.8%	97.2%	27.7%	✗	↑
BVPI 10 - % of non-domestic rates received by the authority	98.2%	98.9%	31.72%	✓	↑
BVPI 78a – Housing and CTB – speed of processing new claims	35 days	32 days	32 days	✓	↑
BVPI 78b - Housing and CTB – speed of processing changes in circumstances	15 days	14 days	16 days	✗	↓
This figure will be helped by processing bulk rent increases of registered social landlords which all count as one day transactions					
BVPI 79a – Housing and CTB – accuracy of processing new claims	97.8%	98.4%	98.4%	✓	↑
BVPI 79bi - Housing Benefit – overpayments recovered as a % of amount identified for the period	70.33%	72%	72%	✓	↑
BVPI 79bii – Housing Benefit – overpayments recovered as a % of amount outstanding at the end of the period	22.89%	29%	9.2%	✓	↑

PROPERTY SERVICES

PI	06/07 performance	07/ 08 Target	07/08 monitor 1 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 156 - %of buildings open to the public with access for the disabled	81%	85%	85%	✓	↑
COLI 52 – Percentage of Council floorspace vacant for more than 12 months	0.15%	Not set	0.14%	N/A	↑

IT&T

PI	06/07 performance	07/ 08 Target	07/08 monitor 1 result	Target met?	Direction of travel: 06/07 year end to 07/08
COLI 71 - The percentage of time that major IT systems and infrastructure is available	99.98%	99.3%	99.98%	✓	→

AUDIT AND RISK MANAGEMENT

PI	06/07 performance	07/ 08 Target	07/08 monitor 1 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 76b – Housing & CTB – number of Fraud Investigators per 1000 caseload	0.50	0.50	0.50	✓	→
BVPI 76c – Housing & CTB – number of fraud investigations per 1000 caseload	44.59	45	10.59	✗	See comment below
Although quarter 1 figures show falling slightly below target , and just short of the 06/07 year end result, if July results are included and extrapolated to year end, both target will be met and last year’s result will be exceeded.					
BVPI 76d – Housing & CTB – numbers of prosecutions/ sanctions per 1000 caseload	4.22	4.9	1.16	✗	↑
It is expected that this figure will be recovered across the course of the year.					

FINANCIAL SERVICES

PI	06/07 performance	07/ 08 Target	07/08 monitor 1 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 8 - % of invoices for goods and services that were paid for in 30 days	93.29%	95%	95%	✓	↑

CUSTOMER FIRST INDICATORS

PI	06/07 performance	07/ 08 Target	07/08 monitor 1 result	Target met?	Direction of travel: 06/07 year end to 07/08
BVPI 12 – Number of working days lost to sickness absence	10.38 days	11.5 days	2.01 days	✓	↑
Taken on a pro rata basis, Resources are on target to significantly reduce the number of days lost from the figure of 2006/07, and will also meet target.					
CG 3 – The number of letters received responded to within 10 working days	94.85%	95%	95.53%	✓	↑
CG4 – Number of visitors seen within 10 minutes	99%	95%	98.67%	✓	→
CM 10 – The number of Stage 2 complaints received responded to within 10 working days	83%	95%	100%	✓	↑

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2007-08 Capital Programme – Resources

The original gross capital budget approved for the Resources Directorate at Budget Council was £4,007k. At year end slippage of £409k (Property) was agreed to transfer into 2007/08 giving a budget of £4,416k. In addition this annex now includes an additional £1,424k approved at Exec 24th July in relation to the Yearsley Bridge Site and the relocation of Peasholme Hostel. This now gives a revised total gross expenditure for Property of £5,840k. Slippage of £362k was also approved for IT&T related schemes and the EASY project budget for £1,261k. The revised total capital programme is currently £7,463k. Variances at monitor 1 indicate that there will be additional expenditure of £159k on various Property schemes detailed below offset by reprofiled expenditure of £450k within in the Admin Accom project. Additionally, the annual IT Development Plan related expenditure of £1,438k is to be added to the programme. This will be funded by prudential borrowing.

SCHEMES	Budget £k	Projected Outturn £k	Variance £k	Comments
PROPERTY				
35 Hospital Fields Road	141.0	170.0	(+ 29.0)	Maximum claim for electrical extras - subject to negotiation. This scheme is funded through Prudential borrowing repayment of which is funded by increased property rental income.
Access Audits/DDA work	181.0	181.0		The work consists of carrying out condition surveys, water and fire safety risk assessments required by legislation, continuing to improve access to our public buildings for disabled people, external redecorations and priority repairs to youth clubs, libraries and retained admin accom properties.
Preservation of Buildings Repairs Backlog	179.0	179.0		
Property Key Components	238.0	238.0		Re profiled expenditure for the Peasholme project and project management fees.
Admin Accom	5,010.0	4,560.0	-450.0	
Holgate Windmill	0.0	7.0	(+ 7.0)	Additional funding to be drawn down from Venture Fund "Assets in Good Repair"
Preserving Property Assets –Commercial Properties	8.0	91.0	(+ 83.0)	
Removal of Asbestos	83.0	83.0		Survey work committed, balance acts as a contingency for high risk survey outcomes.
Knapton Recreational Field	0.0	40.0	(+ 40.0)	To be funded from capital receipt per Resources EMAP 21/3/05 to achieve planning conditions.
Sub-total	5,840.0	5,549.0	-291.0	
Easy @ York project	1,261.0	1,261.0		Discussions ongoing with the contractor for the payment profile but will be on target to fully spend by year
IT&T Equipment Purchase	362.0	1,800.0	(+ 1,438.0)	
				It is anticipated that the annual level of capital expenditure on IT&T schemes will total £1.8m. Finance perform a quarterly review of spend and complete a financial appraisal on whether to purchase out right or to lease. Given the large proportion of intangible assets being procured it is more beneficial to capitalise the spend and fund from prudential borrowing. The borrowing will be financed from the existing budgets held within the ITT revenue area.
Total capital programme	7,463.0	8,610.0	1,147.0	

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Meeting of the Executive Member for Corporate Services and Advisory Panel

11 September 2007

Report of the Assistant Director (Audit and Risk Management)

Shared Service Initiative for Audit and Fraud Services in the North Yorkshire Region

Summary

- 1 The purpose of this report is to advise Members of discussions between York and North Yorkshire County Council (NYCC) regarding the business benefits of moving towards a shared service solution for internal audit and fraud services.

Background

- 2 The recent government White Paper 'Strong and Prosperous Communities' encourages local authorities to challenge traditional methods of service delivery in order to reduce waste, identify efficiencies and improve outcomes for local people. The strong message in the White Paper is that the key means for local authorities to achieve such improvements will be through greater joint working to optimise economies of scale and maximise service efficiencies.
- 3 Preliminary discussions have been held between officers from City of York Council (CYC) and North Yorkshire County Council (NYCC) to explore the potential benefits of collaboration and, in particular, the possibility of sharing certain back office finance and governance functions. These discussions have shown that there is a mutual desire to identify suitable options for greater joint working and a clear commitment to deliver greater efficiencies across both authorities.
- 4 At this stage, officers have identified audit and fraud services as suitable areas for early consideration. The idea is to treat this as a pilot exercise so as to enable the benefits of such an approach to be properly assessed in a discrete, low risk service area for both authorities. The experience gained will then inform consideration of future collaboration in other service areas.
- 5 A three phase strategic approach is proposed;
 - a) Phase I – short term management arrangement and development of business options;

- b) Phase II – implementation of the agreed service vehicle and benefits realisation;
- c) Phase III – review, evaluation and appraisal of other shared service opportunities.

Drivers for Change

6 There are a number of drivers for change;

- a) The transformational policy agenda. The Department for Communities and Local Government White Paper ‘Strong and Prosperous Communities’ is encouraging authorities to work collaboratively together, and with other public sector bodies to deliver efficiencies and value for money;
- b) Comprehensive Performance Assessment (CPA). Joint commissioning and shared services are key determinants in the Use of Resources – Key Lines of Enquiry assessment. The Audit Commission is currently consulting on the approach to be followed for the Comprehensive Area Assessment (CAA), but have already indicated that greater emphasis will be placed on organisational effectiveness, partnering, increased efficiency, and joint commissioning;
- c) Local Government Reorganisation. Whilst North Yorkshire County Council’s proposed bid for unitary status has not been successful there remains a strong expectation from government that authorities in and around North Yorkshire will in future work more collaboratively;
- d) The need to build service resilience and capacity across both authorities to maintain an effective and professional internal audit function in the face of problems in covering key staff vacancies and difficulties in being able to respond to changing priorities and increasing workload demands;
- e) The need to retain skilled and experienced staff by creating greater critical mass and providing more opportunities for career development and specialism;
- f) The need to make best use of scarce professional audit specialisms (for example contract and IT audit), particularly where both authorities have encountered difficulties in building sufficient capacity without recourse to expensive external providers.

Benefits of Collaboration

7 The key benefits of possible collaboration are;

- a) Providing greater resilience and capacity. The combined team would be better placed to manage resource pressures, including staff vacancies and/or unexpected service demands;
- b) Providing greater flexibility to respond to changing priorities, initiatives and/or new working methods;
- c) Delivering efficiencies through sharing best practice, integrating processes and reducing duplication of effort;
- d) Demonstrating a positive response to the government's efficiency and service transformation agenda;
- e) Achieving economies of scale by sharing overheads and reducing unproductive time whilst maintaining or improving current levels of performance;
- f) Enhancing the focus on service delivery, professionalism and quality;
- g) Increasing the opportunities for staff to specialise and enhancing career opportunities, resulting in greater staff satisfaction and retention;
- h) Providing greater opportunity to develop audit specialisms and reduce the reliance on bought-in services;
- i) Providing a robust shared service model which offers greater opportunity for future collaboration with other Councils in the region, particularly the North Yorkshire districts, and which helps to develop the existing market place;
- j) Providing the opportunity for both authorities to evaluate the benefits of sharing back office functions before considering more high profile transactional and/or public facing services;

Current Arrangements

- 8 The Internal Audit and Fraud teams within the Council are co-aligned within the Audit and Risk Management division. The teams are managed by the Audit and Fraud Manager. The principal functions of the audit and fraud services are set out in the Council's Financial Regulations, and include;
- a) Providing assurance to Members, Chief Officers and the general public on the effective operation of governance arrangements and the internal control environment operating at the Council;
 - b) Providing advice and making recommendations to improve controls and/or address the poor or inappropriate use of Council resources;
 - c) The examination and evaluation of the probity, legality and value for money of the Council's activities;
 - d) Providing a deterrent for all fraudulent activity, corruption and other wrong doing;

- e) Investigating any instances of suspected fraud or corruption, including alleged benefit fraud.

The scope of the services provided has been extended from 2007/08 onwards to include financial investigations and value for money studies.

- 9 The Internal Audit Service at NYCC forms part of the Central Finance Business Unit. The team is managed by the Chief Internal Auditor, although this post is currently vacant. The principal functions of the Internal Audit Service at North Yorkshire are broadly similar to those undertaken at York.
- 10 The Internal Audit and Fraud functions in both authorities deliver high quality, cost efficient services that are valued by management and other stakeholders. Both teams operate to the same professional standards and follow similar working practices and procedures. Both audit teams also use the same IT application and provide services to a number of external customers.
- 11 The provision of audit and fraud services at both authorities is limited. As a consequence, this places pressures on audit coverage, difficulties in responding to peaks in workload and problems with covering staff vacancies. Both authorities also experience difficulties with recruiting and retaining the necessary skilled and qualified staff. The view of officers is that these capacity and resilience issues could be better addressed by combining resources across a shared service arrangement which provides critical mass and service flexibility.

Proposal

- 12 A number of models exist for shared service provision, ranging from an informal partnership agreement through to a fully outsourced service involving a private sector partner. At this stage further work is required to understand the legal, financial and staffing implications of each model before any decisions can be made on the most appropriate way forward.
- 13 Members at NYCC are being advised of these proposals on 25 September 2007. It is understood that lead Members and chief officers at NYCC are supportive of the proposals set out below.
- 14 A three stage process is proposed to allow sufficient flexibility and time to explore all the options, as follows;

Phase I - Short Term Management Arrangement/Development of Business Options

- 15 It is proposed that Phase I will commence on 1 October 2007. The initial development period will last approximately 6 months, and result in the following deliverables;
 - a) A detailed options appraisal which will identify the most appropriate long term delivery vehicle(s) for a shared service;

- b) A business case for the preferred option(s);
 - c) A communications strategy;
 - d) A change management programme;
 - e) Proposals for future governance and reporting arrangements;
 - f) Baseline benchmarking data for future benefits realisation work.
- 16 Management arrangements will initially be shared across the two teams. This will involve the existing Audit and Fraud Manager at York assuming overall management responsibility for the combined team. This will provide management economies of scale whilst at the same time providing clear leadership and focus through the period of change. The two teams will continue to operate from their existing office locations and staff will retain their current terms and conditions. Staff may be deployed to work for either authority as appropriate, although any changes will be limited in the short term.
- 17 NYCC will provide approximately £32k funding to CYC (equivalent to 50% of the Audit and Fraud Manager's costs) which will provide backfill and management support. To support the Audit and Fraud Manager a local management role will be created at each site. For CYC, this role will be undertaken by one of the existing Principal Auditors who will receive additional responsibility pay. Additional backfill resources will also be created further down the audit structure at CYC to reflect the changes in management arrangements.
- 18 The Assistant Director Resources (Audit and Risk Management) will act as client for the shared service and remain the Chief Internal Auditor at CYC for constitutional purposes. Similarly, the Assistant Director (Central Finance) would fulfil the equivalent client role for North Yorkshire Council.
- 19 The development and implementation phases will be coordinated by a project board comprising the AD Resources (ARM) – CYC, the AD (Central Finance) – NYCC and the Audit and Fraud Manager. The board will be supported by a project team comprising representatives from the services involved. Finance, legal and HR will be represented on the board to provide advice as appropriate.
- 20 One-off costs of approximately £10k will be incurred during the development phase. The majority of these costs will result from the need to obtain legal and other specialist advice and to support staff communications and integration. These costs will be met from other budgets within Resources.
- 21 Details of the options appraisal together with the business case for the preferred option will be reported to Members by March 2008. A commitment to maintain the existing resources of the CYC audit and fraud team is necessary to provide certainty during this period.

- 22 Member approval will be sought before either authority commences phase II.

Phase II - Implementation and Benefits Realisation

- 23 Subject to Member approval, a shared audit and fraud service would then be established to provide services to both authorities. Work on a detailed implementation plan and contract/partnership agreement would be completed by June 2008. Together these would cover;
- a) Governance arrangements;
 - b) Client roles and reporting arrangements;
 - c) Service delivery, performance monitoring and benchmarking;
 - d) Funding and cost sharing arrangements;
 - e) Staffing arrangements;
 - f) Accommodation, IT and support arrangements.

- 24 Full implementation of the new arrangements would be expected by March 2009. The shared service would be treated as a pathfinder, giving both authorities the opportunity to formally evaluate the results of greater collaboration, before considering whether such an arrangement is suitable for other back office functions.

Phase III – Review and Evaluation

- 25 Where considered appropriate, other back office finance and governance functions could be added to the shared service and/or brought together on a similar collaborative basis.

Consultation

- 26 Staff from both authorities, together with local and regional representatives from Unison have been consulted on the proposals. CYC staff and Unison support the proposals.
- 27 In addition, senior management at both authorities have also been consulted and are supportive of the proposals. Discussions have also been held with HR, finance and legal.
- 28 Staff will be kept informed through the change process. To facilitate this a communications strategy will be developed. Formal consultation with staff and Unison will also be undertaken as part of the evaluation process to identify an appropriate long term service delivery vehicle.

Options

- 29 Members have two options to consider. The first option is to confirm the agreement, in principal, to enter into a shared audit and fraud service with NYCC, together with the proposed interim shared management arrangements. The second option is seek alternative measures to address the existing constraints on service capacity and resilience. The

first option is recommended. A detailed options appraisal will be undertaken before moving to phase II of the process.

Analysis

- 30 The benefits of entering into a shared service with NYCC for the delivery of audit and fraud services are detailed in the report. These benefits could not easily be achieved by any alternative service solution.

Corporate Priorities

- 31 This report contributes to the Council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything we do. It also contributes to all the improving organisation effectiveness priorities.

Implications

- 32 The implications are;

- **Financial** – Finance have been consulted on these proposals. Whilst there will be a need for some cost sharing between the two authorities during the interim stage, it is anticipated that the overall costs to CYC of the shared management arrangement (stage 1) will be met by the funding contribution from NYCC. The estimated one-off development costs of approximately £10k will met from other budgets within Resources. The financial implications of the long-term shared service solution will be assessed and reported to Members before any decision is made to progress to phase II.
- **Human Resources (HR)** – HR have been consulted on the implications of the proposals set out in this report. For working across boundaries in the initial Phase 1 stage, employees will be paid in accordance with their respective Council contractual terms and processes. The proposed changes in management arrangements in phase 1 will necessitate a payment of some additional responsibility allowances. The implications for staff of any long term solution will be assessed and reported to Members.
- **Equalities** - there are no equalities implications to this report.
- **Legal** – Legal Services have been consulted on the proposals. There are no legal implications associated with phase 1 of the process. The legal implications of the long-term shared service solution will be assessed and reported to Members.
- **Crime and Disorder** – there are no crime and disorder implications to this report.
- **Information Technology (IT)** - there are no IT implications to this report.
- **Property** - there are no property implications to this report.

Risk Management Assessment

- 33 The proposed collaboration offers an opportunity to deliver efficiencies and economies of scale. The financial, HR and legal risks of collaborating with NYCC to deliver audit and counter fraud services through a shared management arrangement (phase I) have been assessed and judged to be low. A full option appraisal including a detailed risk assessment will be undertaken as part of the process to identify the most suitable long term delivery vehicle.

Recommendation

- 34 Members are requested to advise the Executive Member to;
- a) Note the officer discussions to date and the agreement, in principle, to develop a shared service solution with North Yorkshire County Council for the provision of audit and fraud services;
 - b) Approve the proposed shared management arrangements as set out in this report (phase I of the proposal) from 1 October 2007 until at least March 2008, but with the option to extend this period by up to 12 months;
 - c) Approve the commitment of resources to the arrangement on the basis of the existing audit and fraud service levels and costs.

Reason

To enable Members to consider future collaboration with North Yorkshire County Council in the delivery of internal audit and fraud services.

Contact Details

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Chief Officer Responsible for the report:

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Assistant Director (Audit and Risk Management)
Telephone: 01904 551706

Report Approved

Date 23 August 2007

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers

- Department for Communities and Local Government White Paper 'Strong and Prosperous Communities'

Annexes

There are no annexes to the report.

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Meeting of the Executive Member for Corporate Services and Advisory Panel

11th September 2007

Report of the Director of Resources

National Non-Domestic Rates/Sundry Debtors/Council Tax And Overpaid Housing Benefit Accounts Submitted For Write-Off

Summary

1. This report asks for Member approval to write-off irrecoverable accounts each one over £2,000 in value, for National Non-Domestic Rates (Annex A), Sundry Debtors (Annex B), Housing Benefit Overpayments (Annex C) and Council Tax (Annex D) as per the attached Schedules.
2. The report provides details of the value of other irrecoverable accounts under £2,000 that have been written off under delegated authority in the current financial year. These accounts are for NNDR, Sundry Debts, Council Tax and Housing Benefit Overpayments.
3. This is the first submission of write-offs for 2007/08 by the Head of Finance, in line with arrangements to report on a regular basis, in order to keep accounts more up to date. The Executive Member for Corporate Services approved the last report on 20th March 2007.
4. Cases where the debt is under £2,000 have been written off under the delegated authority given to the Head of Finance, debts identified as irrecoverable this year are as follows (amounts rounded). The 'year to date' figures refer to amounts written off under delegated authority since April 2007.

Fund	Year to Date £	This submission (Cases under £2000)	This submission (Cases over £2000)	Total in 06/07 £	Value of Bills Raised in 2006/07 £
National Non-Domestic Rates	14,567	14,567	136,638	151,206	79.5m
Sundry Debtors	31,048	31,048	9,558	40,606	21.6m
Council Tax	202,044	202,044	7,093	209,137	73.9m

Overpaid Housing Benefit	35,924	35,924	32,964	68,888	0.31m
Overall Total	283,583	283,583	186,253	469,836	175.31m

Background

- 5 Since April 1990 the rates levied on all non-domestic properties have been set nationally and all monies collected are paid into the National Pool.
- 6 The amounts written-off for NNDR are offset against contributions to the Pool and, as such, all sums written off are met by Central Government rather than by local Council Tax payers.
- 7 Sundry Debtor charges are raised for goods and services that have been provided by the individual departments within the Authority. These charges include such services as commercial waste collection, shop rents, works carried out by DLO, housing repairs, homecare and warden call.
- 8 Housing Benefit overpayments occur when a customer receives more benefit than they are legally entitled to. The main reason why these occur is usually due to a failure by customers to report changes in their circumstances (whether fraudulent or otherwise). When it is not possible to recover the overpayment by reducing future payments of benefit, the customer is sent an invoice for payment.
- 9 During the process of collection of all debts, it is apparent to Managers within Financial Services that, for a number of reasons, particular debts will not be honoured by the debtor concerned. These debts become irrecoverable and must be considered for write-off to allow prudent management of the debt portfolio.
- 10 Members have given delegated authority to the Head of Finance to write-off debts up to a maximum value of £2,000 per debt. The purpose of this report is to advise Members of the amount written off by the Head of Finance under delegated authority and to propose the write-off of a number of other debts in excess of this delegated limit.

NATIONAL NON-DOMESTIC RATES

- 11 There are several accounts for fifteen individual businesses totalling £136,638.74 (para. 4) the individual accounts are listed in Annex A, which are put forward for write off under the following categories:

Customer Bankrupt – No Dividend likely

- 12 It is proposed that the Executive Member approve write-off of these Non-Domestic accounts as all the ten businesses listed are bankrupt or in liquidation and no dividend is likely. The total amount written off under this category is £101,724.57. (The Executive Member should note that all monies written off under this category have had claims registered with the appropriate bodies. If a dividend is forthcoming in future financial years, then that value will be credited back to the Government's accounts and reduce the overall amount of the debts that have been written off.)

Customer Gone- Reasonable Attempts to Trace Failed

- 13 The total debts for businesses where there is no trace of the owner totals £34,914.17. Every attempt has been made to trace the owner but we have been unable to locate the person responsible for the business rates.

SUNDRY DEBTS

- 14 For the 5 months to the end of August 2007, £21.4m of accounts have been sent out. It is proposed to write-off the £9,557.77 in individual accounts, which are listed in Annex B. The debts fall into the following categories.

Judgement Awarded – Enforcement Failed To Obtain Payment

- 15 SDREF 22 owes £4,275.00 including legal fees, which relates to bed and breakfast charges at Hillfield Lodge from 21 June to 1st October 2001. A County Court Judgement was obtained, after which, the bailiffs failed to obtain payment from the debtor.

Debtor Bankrupt – No Dividend Likely

- 16 SDREF 23 owes £2,483.37 for pre-paid waste bags and stickers. The business is listed as Under Administration and no dividend is likely. Every attempt was made to recover this debt pre the debtor going into liquidation.
- 17 There are 25 individual accounts for SDREF 24 totalling £2,799.40 the accounts all relate to the rental and service charge of units at Parkside and the accounts date from July 2004 to May 2005.
- 18 Again, the Executive Member should note that all monies written off under this category have had claims registered with the appropriate bodies. If a dividend is forthcoming in future financial years, then that value will be credited back to the Government's accounts and reduce the overall amount of the debts that have been written off.

HOUSING BENEFIT OVERPAYMENTS

- 19 It is proposed to write off £32,963.88 in respect of housing benefit overpayments listed in Annex C. The Benefits Agency has given approval for any debt, not already being recovered, over 7 years old to be written off.

Judgement Awarded – Enforcement Failed to Obtain Payment

- 20 The overpayments for HBREF 20 were for a period from 1998 to 2003 and amounts to £12,912.35. The fraud overpayment team, took this case to Magistrates Court but the judge did not award a Compensation Order. The debtor was ordered to serve a community punishment order of 200 hours. Since then we have taken this debt to civil court and the Council's debt collector has visited the property. There has been no response or payments.

Means Enquiry – Confirms Inability To Pay

- 21 HBREF 24 owes £2,640.05 for a period relating to February 2003. The Benefits Agency traced this person but were unsuccessful in obtaining payment through existing benefits. It will be 2027 by the time any payments could be taken from any benefits the claimant is receiving from the Benefits Agency. It has therefore, been decided to put the account forward for write-off.

Debtor Gone- Reasonable Attempts to Trace Failed

- 22 The overpayment for HBREF 25 dates back to February 2005 and amounts to £6,234.00. The police and fraud investigation team have been trying to locate this person but have all been unsuccessful.

Uneconomical to Pursue Further – unable to establish means after reasonable attempts

- 23 HBREF 26 owes £2,105.59, the invoice was dated December 2002. There has been no response from letters and tracing agencies. We have been unable to trace the claimants whereabouts and we can not be sure that they received any notification or letters advising of the overpayment.
- 24 HBREF 27 owes £2,489.62 for a period in 2002. Again there has been no response and the BA and tracing agents have been unable to locate this person.

Court Action Unlikely To Succeed

- 25 This overpayment relates to a period in 2000, the claimant - HBREF 28 is deaf and dumb. The amount of the debt is £2,665.02. The original balance was for £4,106.00 but this was reduced from an appeal. However, the claimant's mother wrote to the authority in August 2003 and it has been identified that we did not respond to her letter so find it unreasonable to pursue the debt after 4 years.

- 26 HBREF 29 owes £12,378.47 for period January 1996 to September 1999. Small payments were received reducing the account but ceased in 2002. Every attempt has been made to trace this claimant, bailiffs and tracing agents have been unable to locate this person.

Over 6 Years Old

- 27 This overpayment relates to a period November 1999 to March 2002. HBREF 30 owes £2,331.03. Every effort had been made to trace this claimant but to no avail. In August 2007, the debt recovery officer visited the last known address but it was found to be boarded up.

Debtor Deceased

- 28 This overpayment is for a period in June 2005 and the amount HBREF 31 owed was £2,120.10. The debtor was paying instalments of £5 per week until their death. The debtor has no assets.

COUNCIL TAX

Debtor Gone- Reasonable Attempts to Trace Failed

- 29 CTREF 01 owes £2,532.86 for 3 years accounts. Every effort has been made to trace this council tax non-payer but this was returned from the bailiff's marked 'gone away'. Further attempts to trace have all been in vain.

Debtor Bankrupt – No Dividend Likely

- 30 It is proposed that the Executive Member approve write-off of these Council Tax accounts as the two debtors listed are bankrupt and no dividend is likely. The total amount written off under this category is £4,560.58 (The Executive Member should note that all monies written off under this category have had claims registered with the appropriate bodies. If a dividend is forthcoming in future financial years, then that value will be credited back to the Authority and reduce the overall amount of the debts that have been written off.)

Consultation

- 31 Not relevant to this report.

Options

- 32 To approve for write-off the amount of £186,253 shown in para. 4 (the individual debts are listed in the attached confidential annexes.

- 33 Not to approve the total write-off figure as shown in para. 4

Analysis

- 34 The very nature of debt recovery inherently involves the identification of debts that will not be paid and a recognition that such debts become irrecoverable and must be written off. As illustrated above there are a number of reasons why debts become irrecoverable and are written off.
- 35 Financial regulations and prudent financial management dictate that provision for bad debts is made in the Council's accounts. The following provision has been made in the Council's accounts in 2006/07 (rounded to the nearest '000):

	£k
NNDR	1,440
Sundry Debtors	448
Council Tax	2,957
Poll Tax	2
Overpaid HB	1,798

- 36 In the context of the total charges raised by the Council, write offs to date represent:

Year	Total Charges Raised £	Total Value Written off £	Percentage written off £
<u>National Non-Domestic Rates</u>			
To August 07	79,485,072	Nil	<0.01%
2006/07	74,725,557	50,542	0.07%
2005/06	69,540,029	16,055	0.02%
2004/05	68,200,000	153,301	0.22%
2003/04	67,624,223	187,876	0.28%
2002/03	62,559,370	146,321	0.23%
2001/02	60,840,448	100,181	0.16%
2000/01	56,766,000	28,237	0.05%
<u>Sundry Debtors</u>			
To August 07	21,646,332	Nil	<0.01%
2006/07	52,876,432	8,554	<0.02%
2005/06	52,330,126	23,841	0.05%
2004/05	36,986,021	59,559	0.16%
2003/04	41,656,971	277,778	0.67%
2002/03	34,543,460	51,196	0.15%
2001/02	26,204,508	48,016	0.18%

<u>Council Tax</u>			
To Aug 07	73,886,114	Nil	<0.01%
2006/07	70,388,994	4,799	<0.01%
2005/06	66,564,805	96,037	0.14%
2004/05	62,900,000	128,758	0.20%
2003/04	57,100,000	109,305	0.19%
2002/03	49,800,000	428,728	0.86%
2001/02	49,900,000	441,721	0.89%
<u>Overpayment Of Housing Benefit</u>			
To Aug 07	312,207	Nil	<0.01%
2006/07	841,495	2,642	<0.31%
2005/06	1,653,350	16,162	0.98%
2004/05	725,982	47,567	6.55%
2003/04	665,271	79,494	11.95%
2002/03	516,204	73,179	14.18%
2001/02	608,528	117,094	19.24%

Corporate Priorities

- 37 The Corporate Priority relevant to this report is to 'Improve efficiency and reduce waste to free-up more resources' It would be counter productive to use Officer's time to try and recover debts that we are aware are irrecoverable. It is more efficient to utilise Officer resources in pursuing debts that are recoverable.

Implications

Financial

- 38 The values for write off this financial year fall well within the bad debt provision (para. 35)
- 39 There are no HR, Equality, Legal, Crime and Disorder, Information Technology or Property implications.

Risk Management

- 40 Not relevant to this report.

Recommendations

- 41 That the Advisory Panel advise The Executive Member :

- 42 To approve for write-off the amount of £186,253 shown in para. 4, (the individual debts are listed in the attached annexes), taking note that each debt has a greater value than £2,000.

Reason: To allow prudent management of the Authorities debt portfolio.

- 42 To note the amount of £283,583 (shown in para. 4) of accounts valued at less than £2,000 written off in the 6 months to 10th August 2007 under the Head of Finance's delegated authority.

Reason: To inform the Executive Member

Contact Details

Author:

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Resources
01904 551122

Chief Officer Responsible for the report:

James Drury
Head of Public Services
Resources
01904 551161

**Report
Approved**



Date 24 August 2007

Specialist Implications Officer(s)

Financial Implications: Peter Steed, Head of Finance

Wards Affected:

All



For further information please contact the author of the report

Background Papers

Files can be found at the Local Taxation Section and Customer Accounts Section City Finance Centre Library Square.

CONFIDENTIAL Annexes:

- Annex A – NNDR Write Offs Over £2,000
- Annex B – Sundry Debt Write Offs Over £2,000
- Annex C – HB Overpayments Over £2,000
- Annex D – Council Tax Write Offs Over £2,000

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Meeting of the Executive Member for Corporate Services and Advisory Panel

11 September 2007

Report of the Assistant Director of Resources (Audit and Risk Management)

Yorkshire Purchasing Organisation (YPO)

Summary

- 1 The purpose of this paper is to advise Members of the financial performance of the Yorkshire Purchasing Organisation (YPO) contained in Confidential Annex B.

Background

- 2 YPO was established as a Local Authority Joint Committee in 1974, operating in accordance with the provisions of the Local Authority (Goods & Services) Act 1970. It was originally formed to aggregate demand for various goods and services and generate buying efficiencies across the member authorities.
- 3 The Council became a member body of YPO shortly after becoming a unitary authority in 1996. The organisation is self-supporting and budgets each year to make a trading surplus. It is governed by a Management Committee of elected representatives from 13 constituent authorities as listed in Annex A.
- 4 Each member authority appoints two of their own Members on an annual basis to act as Members of the YPO Management Committee which is constituted to meet in March and June and on at least one other occasion each year. The Member representatives for CYC currently are Cllr Jamieson-Ball (Lib Dem) - who replaced Cllr Quentin Macdonald after May 2006 - and Cllr David Horton (Lab).
- 5 Member authorities are entitled to receive dividends paid from the annual trading surplus and allocated according to level of each authority's trading activity with the YPO¹. It is important to note that whilst dividend payments are based upon the percentage of Council spend with YPO, each member organisation is equally responsible for any losses that the YPO may incur: that is to say that should the YPO move into deficit, this Council would be obliged to fund 1/13th of any financial liability incurred.

¹ **Note:** the YPO operates on a calendar year for financial accounting purposes

Consultation

- 6 No consultation was required for this report.

Options & Analysis

- 7 As this report is for information only, there are no options or analysis included in this report.

Corporate Priorities

- 8 This report contributes to the achievement of Corporate Priority Improvement Statement 13: *“To improve efficiency and reduce waste to free up more resources”*.

Implications

- 9 The financial implications are contained in Confidential Annex B. There are no HR, Equalities, Legal, Crime & Disorder, IT or Property implications to note.

Risk Management

- 10 This is contained in Confidential Annex B.

Recommendations

- 11 The Advisory Panel are asked to advise the Executive Member for Corporate Services to:

- (i) note the contents of this report;

Reason

To inform the Executive Member.

- (ii) consider the proposed actions contained at paragraph 12 in Confidential Annex B and refer to the Executive for a decision.

Reason

To seek Members views on future financial planning before referring to the Executive for a decision.

Contact Details

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(ARM)

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Services Manager
01904 552261

Chief Officer Responsible for the report:

Liz Ackroyd
Assistant Director of Resources (ARM)

Report Approved **Date** 22 August 2007

Specialist Implications Officer(s) Liz Ackroyd who has delegated S151 Officer responsibility at CYC in respect of the Council's membership of the YPO and Acting Deputy S151 Officer for the Council.

Peter Steed (Acting S151 Officer for the Council)

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

N/A

Annexes

Annex A - Constituent Authorities of YPO
Annex B – Financial Information (**CONFIDENTIAL**)

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Constituent Authorities of YPO

- Barnsley Metropolitan Borough Council
- Bolton Metropolitan Borough Council
- City of Bradford Metropolitan Council
- Calderdale Metropolitan Borough Council
- Doncaster Metropolitan Borough Council
- Kirklees Metropolitan Council
- Knowsley Metropolitan Borough Council
- North Yorkshire County Council
- Rotherham Metropolitan Borough Council
- St Helens Metropolitan Borough Council
- City of Wakefield Metropolitan District Council
- Wigan Metropolitan Borough Council
- City of York Council

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Meeting of the Executive Member for Corporate Services and Advisory Panel

11 September 2007

Report of the Assistant Director Audit and Risk Management

Supplier & Contract Management System (SCMS)

Summary

- 1 The purpose of this paper is to inform Members of the progress made in implementing and deploying the Supplier and Contract Management System (SCMS) at City of York Council in particular:
 - a. an overview of the purpose and functionality of the system
 - b. progress in its delivery across the organisation
 - c. the development and project plan

Background

- 2 SCMS is a regional (Yorkshire & Humberside) web based supplier and contract management system. Funding for the system has been provided by the Regional Centre of Excellence for the five year period 2006 – 2011. The system is currently available to all 22 Councils in the region with future plans to extend it to other public service contracting bodies i.e. Police and Fire Service.
- 3 The system is designed to replace any existing procurement information systems/registers that may be in use across the region. While the system is not mandatory all Council's are being encouraged to use it.
4. The introduction of SCMS at York provides for the first time the opportunity to have a fully populated contracts register providing both inward and outward facing information. This will encourage a more strategic view to be taken on how goods, works, and services are procured across the organisation helping us to achieve the aspirations of the National Procurement Strategy and Gershon efficiency agenda. The public access element of the system should also reduce the number of FOI (Freedom of Information) enquiries dealt with by the team on an annual basis. The system once fully embedded should be complementary to the new FMS (Financial Management System) and

ensure a fit for purpose 21st century procurement environment at the Council.

SCMS Overview and functionality

5. The system comprises three separate but interrelated modules:

Supplier Management: The supplier management module allows suppliers to self-register with one, many or all Council's. Suppliers can maintain their own company profiles and an on-line generic prequalification questionnaire (PQQ) is under development, which will allow suppliers to apply for approved list status with all Council's. The flexibility of the system allows administrators to inform Client officers of actions they may need to take with registered suppliers i.e. provision of insurance renewal documents. Equally the module enables the Council to recruit, administer, monitor & report on suppliers. All relevant documentation with regard to suppliers can be held against their profile. The holding of all supplier information in a single database should deliver efficiencies to the Council in terms of supplier administration

Tender Management: The tender management module is an electronic tendering system that can be used for tenders both above and below the EU thresholds. It allows for the creation of workflow tasks with assigned actions and reminders. This module provides a platform for the buyer to manage a procurement exercise that is compliant with best practice, financial regulations and OJEU (Official Journal of European Union) requirements. This module will allow us to make administrative efficiencies across the organisation through the use of the resource planning tool, standard documentation and at the same time facilitate statutory compliance.

Contract Management: The contract management module provides a central repository for all awarded contracts and associated documentation including the contract document itself. As with the tender module actions can be assigned including nomination of deputy client officers ensuring continuity where the client officer is away. Client officers can create automatic reminders that are generated by the system for key events, providing improved financial management including the tracking of staged payments or savings. By holding a composite database in one place the module will allow us to understand and analyse contract spend and provide comprehensive contract information to the external community.

6. There are a number of other key benefits for suppliers using the system including:
- there is no charge for using the system, which will provide suppliers with access to contract information across the Yorkshire & Humberside region.

- the system provides a high level of security, is not complicated to use, operates in a Windows environment and requires no special software/hardware
 - the system is flexible allowing suppliers to manage their own data, provides access to contract information and utilises electronic communication allowing for tender submission out of hours
7. The system once fully populated will provide clear transparency with regard to Council contacts for all suppliers and potential suppliers. They will be able to see what contracts are let and when contracts are available to bid for. Plans to raise awareness within the local business community are already under development and preliminary consultation has already taken place with the York Chamber of Commerce to further this. The system is web based and allows access to both UK and EU suppliers. More details on the training and awareness plan are included in this report at Paragraph 11.
8. The spending of Council money in relation to FOI is deemed to be in the public domain and along with existing Council's using the system overall contract values will be published however full contract details will not be available to suppliers.

Progress in SCMS deployment

9. The Council gained live access to the system in October 2006. Progress in deploying the system to date has been complicated by significant problems in identifying Council contracts across the organisation and the need to reorganise the corporate procurement team in the first quarter of 2007 to better meet the business needs of the organisation.
10. Significant progress has now been made including:
- preliminary staff workshops to introduce the system to key client officers
 - review of existing corporate & directorate contracts
 - system configured for use at CYC
 - development of SCMS project plan
 - involvement in regional SCMS user groups

Project Plan

11. The current position of the project and development plan is shown at Annex 1 and is set out in three phases and sub stages where appropriate:
 - Phase 1 - implementation of contract register & supplier module
 - Stage 1: System familiarisation and configuration
 - Stage 2: Creation of documentation
 - Stage 3: User training and data entry
 - Phase 2 – development and implementation of performance monitoring reports
 - Phase 3 – implementation of electronic tendering module
12. The first stage of the project plan system configuration is now nearly complete with stage 2 (System familiarisation and creation of documentation) due for completion by the end of September. Once stage 2 has been completed data entry and user training sessions will be rolled out across the Council. The successful delivery of the plan requires the support of all relevant client officers and should provide the Council with a fully populated and functional contracts register by January 2008.
13. Stage 3 of the project plan is to be developed to include a training and awareness programme delivering:
 - comprehensive training to officers who need to use the system
 - ongoing training programme to deal with new users and releases
 - training and communication with suppliers
 - Member communication and training where required
 - a communication programme including news and jobs articles
 - communication to local business community through York Chamber of Commerce
 - development of the selling to York site on Council internet site
14. The system for the first time will provide the Council with visibility of all contracts their related details and information on committed

expenditure. This will allow for a more informed and strategic view to be taken with regard to what we procure across the piece and how and what we want to procure in the future. In addition it will specifically support large areas of the medium term procurement plan allowing a step change in Council performance and efficiency including:

- aggregation of spend and targeted use of framework contracts
 - review and rationalisation where appropriate of the number of suppliers
 - analysis of accurate information to drive improvement and/or innovation
 - development of an accurate procurement community including external suppliers
 - ability to provide information in relation to equality, sustainability and inclusion
15. The final Phase (3) of the current project plan will see the introduction of the electronic tendering module. Work is scheduled to start on this early in January 2008 with the intention of a phased go live from 1 April 2008. The use of electronic tendering will facilitate universal compliance with the Council's Financial regulations and EU regulations and once fully embedded will facilitate administrative efficiencies across the organisation relating to:
- reduced time elapsed through procurement process (especially during EU procurement processes)
 - reduction in process costs i.e. postage, paper & staff time
 - increased flexibility for suppliers & commissioning officers as tender opening and communication can be done electronically
 - increased transparency during the procurement process for staff and suppliers
 - consistent procurement practice and process across the organisation underpinned by the use of standard documentation reducing the risk of non-compliance, third party challenge and unlawful practice

Summary

16. The introduction of the SCMS system will significantly improve the way in which procurement is carried out at the Council providing accurate management information, transparency, formal commissioning

processes and engagement of suppliers. Once fully populated it will assist in identifying any un-contracted spend or spend outside of corporate contracts. A robust approach is been taken to its implementation to ensure the successful delivery of the project.

Consultation

17 No consultation was required for this report.

Options & Analysis

18 As this report is for information only, there are no options or analysis included in this report.

Corporate Priorities

19 This report contributes to the achievement of Corporate Priority Improvement Statement 13: *“To improve efficiency and reduce waste to free up more resources”*.

Implications

20 There are no financial, HR, Equalities, Legal, Crime & Disorder, IT or Property implications to note.

Risk Management

21 There are no risks associated with the recommendations made by this report to note.

Recommendations

22 The Advisory Panel are asked to advise the Executive Member for Corporate Services to:

- a) note the progress made to date in implementing and embedding the SCMS system.

Reason

To advise Members of the progress made to date in delivering the SCMS project plan

- b) note and comment on the Project plan attached as Annex 1 to this report.

Reason

To advise Members of the contents of the project plan developed to deliver SCMS across the organisation

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Report Approved Y

Date 23 August 2007

Specialist Implications Officer(s) Not applicable

All X

Wards Affected Not applicable

For further information please contact the author of the report

Background Papers

None

Annexes

Annex 1 – SCMS project plan

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Meeting of Executive Member for Corporate Services and Advisory Panel

11 September 2007

Report of the Assistant Director of Resources (Public Services)

Introduction of the Local Housing Allowance

Summary

1. This report advises members of the introduction of the Local Housing Allowance from April 2008 and its implications for the calculation and payment of Housing Benefit. It is the intention to present a more detailed follow-up report to a future EMAP that expands on the implications of the scheme. This report is for information only and no decision is required.

Background

2. The Welfare Reform Act was given Royal Assent on 3 May 2007. The main focus of the Act is the reform of the Incapacity Benefit system and a range of Housing Benefit reforms which includes the national rollout of the Local Housing Allowance (LHA) scheme. Regulations detailing the operation of the scheme have yet to be laid before Parliament but the Department of Works and Pensions (DWP) have outlined the scheme and it has been piloted, in a slightly different form, in 18 local authority areas.
3. The LHA provides a system of Housing Benefit assessment by basing the calculation of payments on a 'flat rate' of rental charge which takes account of household size and composition as well as the area in which the claimant lives. All local authorities with responsibility for the calculation and payment of Housing Benefit must implement the scheme with effect from 8 April 2008. The DWP will be providing start-up funding to cover the costs of software, publicity and training.

Aims of the LHA scheme

4. The Government's stated fundamental aims of the scheme are to promote:
 - **Fairness** – intention is to pay similar amounts of allowance to customers with similar circumstances in the area rather than linked to the level of rent charged.
 - **Choice** – tenants are able to take greater responsibility and choose how to spend their income in a similar way to tenants not in receipt of benefits.

They would be able to choose whether to rent a larger property, or to spend less on housing and increase their available income.

- **Transparency** – the current link between Housing Benefit (HB) and rent levels is complicated and is determined by what the Rent Officer deems reasonable. The LHA will give a clear set of allowances and enable comparison between housing costs in different areas and for different sized properties.
- **Personal Responsibility** – the LHA will be paid direct to the tenant and not the landlord in the majority of cases with the aim of encouraging people to take responsibility for budget management and paying the rent themselves. This is seen as a key factor in empowering tenants and encouraging them back into work.
- **Simplicity** – the current system of rent restrictions and referrals to the Rent Officer will be phased out. For working age customers it provides greater certainty about the help they will get with their rent both in and out of work. It should also improve processing times for HB claims by reducing the need to refer claims to the Rent Service. However, this may be partly offset by resolving questions of ‘protection’ for vulnerable customers (see para. 10 below).

Operation of the LHA scheme

5. From April 2008 the LHA rules will apply to new claims from tenants renting from a private landlord. It will not apply to Council or housing association tenants, tenancies that started prior to 1989 or residents of caravans, mobile homes, houseboats and hostels. All existing claims will continue under the current Housing Benefit regulations but if there is a break in entitlement that results in a new claim this will be processed under the LHA scheme. A change of address within the City of York area will be treated as a new claim.
6. The rates of LHA will be set by the Rent Service (an executive agency of the DWP) based on size criteria and Broad Rental Market Areas (BRMAs). The Rent Officer will provide the Council with a list of weekly Local Housing Allowance rates that it must publish to enable tenants to make an informed choice. The rates will be produced each month, though they may not necessarily vary every month, and new claims will be based on the figures applicable in the month that the claim is made. This differs from the existing scheme which calculates entitlement based on information from the Rent Officer on either a “reasonable rent” (or “claim-related rent”) or the Local Reference Rent, based on average rents for property of a similar size.
7. Members should be aware that the Rent Service are currently reviewing the BRMA for York as part of a national review. The boundary of the area is due to extend to include rural parts of the East Riding of Yorkshire and parts of the Selby area to reflect the “centre of influence” of York. Analysis of this change by the Benefits Service suggests it could reduce the level of the Local Reference Rents supplied by the Rent Officer that are used in the calculation of Housing Benefit claims. Potentially claimants would have to increase the

contribution they make towards their rent, the level of this additional contribution depending on property size.

8. The LHA rates will be based on the median rent charged by landlords in the private sector within the new wider locality. The size criteria will relate to the number of bedrooms only and takes no account of living rooms, kitchens and bathrooms. The maximum level of LHA awarded will be based on the number of bedrooms required by the applicant.
9. The amount a claimant receives will be based on the maximum rent figure and will depend on their income, capital and household composition. Where the rent is greater or equal to the LHA the benefit calculation will be based on the LHA. If the rent is less than the LHA the calculation is based on the actual rent plus £15 per week (or the actual difference where this is less than £15). This £15 limit caps the excess money that a claimant may receive and is a late addition to the scheme introduced to prevent work incentives being eroded.
10. Where a customer is considered vulnerable, payments can be made direct to the landlord. However, they will only be paid LHA up to the equivalent of the rent. If there is an excess the local authority will need to make arrangements to pay this to the tenant unless they are in arrears, in which case the excess can be paid to the landlord.
11. In preparation for the scheme the Benefits Service will be writing to all existing customers later this year to offer the facility to have their Housing Benefit paid directly into their bank account rather than by cheque.
12. The Benefits Service will be developing criteria to help identify and deal sympathetically with vulnerable tenants in co-ordination with family members, social services, voluntary agencies etc.
13. Customers will still be expected to make claims for Housing Benefit using the same claim forms (with some minor changes) and providing the same proofs required at present. The main changes relate to the rental information used to assess the level of entitlement and the method of payment (see para. 16 for further impact on claimants)

Implementation of the LHA scheme

14. The Benefits Service is devising an implementation plan to ensure that the April 2008 deadline is met. The main areas where work is needed are as follows:
 - **Software** – purchase, installation and testing of new calculation modules from our software supplier (already developed for some of the pilot authorities).
 - **Stakeholders** – communicate changes to other internal departments (e.g. HASS), landlords and advisors. Publish landlord newsletters and hold briefing forum.

- **Financial** – write to all customers offering direct payment into bank accounts. Liaise with local banks and provide advice to customers about basic bank accounts.
- **Training** – devise and deliver training sessions for all benefits staff. Produce Q&A sheets for Members and other interested parties.
- **Communication** – develop and issue tenant and landlord information. Publish initial LHA rates.
- **Policy** – develop policies on identifying and dealing with vulnerable claimants and the provision of money advice.

15. The Council will receive funding from the DWP to assist with the rollout. Funding is based on a fixed element and a variable element that takes into account a weighted benefit caseload figure. The provisional figure for the City of York is £135,283, and the value of this funding provides an indication of the size and scale of the change in Benefits legislation.

Impact of the scheme for claimants

16. As the regulations and LHA rates have yet to be published it is too early to assess the financial impact for claimants. However, we can anticipate some changes that will require action on the part of our customers:

- **Direct Payments**– in all but exceptional cases payments are made directly to the claimant so tenants will have to make their own arrangements with their landlord to pay the rent.
- **Bank Accounts** – some claimants will need to open a bank account to receive direct payments (by bank transfer) and so may require advice and assistance in doing this.
- **Moving House** – the scheme only affects new claims so where a tenant moves house the benefit claim at the new address will be paid under the LHA scheme. There is no protection or transition scheme available so, depending on the LHA rates, tenants could be adversely affected. Additional support is available under the Discretionary Housing Payments (DHP) scheme but this requires a separate application by the claimant and the DHP fund is limited, in 2007/08 it is only £28.5k.
- **Breaks in Claim** – following a break in claim (where benefit entitlement stops due to, for example, a temporary increase in earned income or a change in the number of non-dependants in the household) the claimant will be paid under the LHA scheme which is likely to be at a different rate to the benefit entitlement before the change.
- **Publication of LHA Rates** – claimants will be able to see the LHA rates in force before making a decision to move into a particular property. Depending on how the rates are split by postcode over the York area it will be important for potential tenants to know the full postal address of the

property. These rates are also be available to landlords and may have some influence on rent levels.

Consultation

17.No consultation was required for this report.

Options and Analysis

18.This is a factual information report and no decision is required, so no options or analysis are relevant.

Corporate Priorities

19.The payment of Housing Benefit contributes towards two corporate objectives:

- Improve the health and lifestyles of the people who live in York, particularly among groups whose level of health are the poorest
- Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.

Implications

20.**Financial** – the Council will receive funding from the DWP which will need to be separately accounted for and controlled to ensure that we meet the April 2008 implementation deadline.

21.**Information Technology (IT)** – the software updates to allow administration of the scheme will be installed by ITT as part of the normal maintenance of the main benefits system. Training and draft guidance notes have already been provided by the software company.

22. There are no other Human Resources, Equalities, Legal, Crime and Disorder or Property implications.

Risk Management

23. This report is for information and there are no risks to consider.

Recommendations

24. The Advisory Panel is asked to advise the Executive Member to:

- Note the content of this report
- Note that further advice will be provided to Members once the regulations have been published and the more detail about the scheme is known.

Reason: to keep the Executive Member informed of changes in legislation that impact on the processing and payment of Housing Benefit.

Contact Details

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Report Approved

Date 23 August 2007

Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Welfare Reform Act 2007
Draft LHA Guidance Manual (DWP)

Annexes: None



Meeting of the Executive Member for Corporate Services and Advisory Panel

11 September 2007

Report of the Director of Resources

Update On Gershon Efficiency Savings

Summary

1. This report is for information only and gives an update on progress against the Gershon efficiency targets in the light of: -
 - a) the 2006/07 out-turn (backward look)
 - b) the 2007/08 forecast (forward look)

Background

2. The Gershon efficiency agenda is a three-year national programme aimed at delivering a cumulative £6.45 billion of savings within local government by the end of 2007/08. These savings are, in theory, available for investment in front-line services although, in reality, they are needed to balance budgets and to try to minimise council tax increases. Each local authority has been challenged to try to achieve 2.5% of savings per annum from a base-line figure set in 2004/05. The base-line excludes education expenditure which is subject to separate targets within the DfES.
3. At least half of the annual efficiencies must be cashable, i.e. there is a real monetary saving which can be re-directed elsewhere by the Council. The remainder may be non-cashable, i.e. savings will not arise because of lower costs but because of improved performance:- e.g. an improvement in the time taken to process new benefit claimants with no increase in costs. Savings must be on-going for the whole three-year period of the programme. One-off savings are not allowable.
4. The Council's efficiency savings are reported to DCLG three times per year:-
 - a) a forward looking forecast for the coming year (April)
 - b) a mid-year update (November)
 - c) a backward looking out-turn report with actual savings made in-year (July)

Consultation

5. This section is not applicable.

Options

6. This report is for information only and members are not asked to take a decision.

Analysis

Methodology

7. The current approach for identifying efficiencies starts with a review of the savings accepted as part of the annual budget. Each of these cashable savings is assessed against the criteria given by government to identify efficiencies and those which result in either a cut or deterioration in service are excluded. These savings are then circulated to the relevant council departments to ensure that they can be classified as efficiency savings. Further reviews take place mid-year and at year-end to confirm that all, or some, of the savings reported have been achieved.
8. In addition to the cashable efficiencies identified above, improving performance indicators are used to identify non-cashable efficiencies, against which a monetary value can be calculated.
9. The final savings reported in the Backward Look must be linked to Quality Cross Checks (Performance Indicators) to ensure that Council performance has not deteriorated because of the savings made. If a performance indicator linked to a saving deteriorates over the 3 year programme the saving must be removed.
10. Each return to the DCLG must be reviewed and approved by the Leader of the Council, the Chief Executive and the Director of Resources before submission.

Progress to date

11. The targets and outcomes for 2006/07 are shown below. The Council is not obliged to meet the annual target so long as the cumulative efficiencies achieved to date exceed the cumulative target at the end of that period.

	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>
Annual Target	2,587.0	3,284.0	2,935.0
Cumulative Target	2,587.0	5,871.0	8,806.0
2005/06 Backward Look	4,633.5	4,633.5	4,633.5
2006/07 Backward Look		3,212.1	3,212.1
2007/08 Forward Look			2,920.7
Cumulative Efficiencies Achieved	4,633.5	7,845.6	10,766.3
Over Target by	2,046.5	1,974.6	1,960.3

Note: In recognition of the fact that local authorities were already embracing efficiencies to balance budgets the government allowed 2004/05 efficiencies to count towards the 2005/06 target.

The initial forecast for 2006/07 annual efficiencies was £970k above target. As discussed above, the starting point was the budget savings, for example:-

- zero inflation on cash budgets (£639k)
- restructure of children's residential care (£164k)
- relocation of Household Waste Recycling Centre (£55k)

However, because of deteriorating performance indicators, specifically in relation to non-cashable savings, certain efficiencies had to be removed. The main culprits were firstly the deterioration in sickness absence levels, which had shown an improvement in 2005/06. This resulted in a reduction of £381k in non-cashable efficiencies in 2006/07. It was also necessary to re-visit the 2005/06 non-cashable efficiency claimed due to improving attendance levels. This resulted in a further reduction of £305k to the cumulative efficiencies achieved to date. Secondly, an error in the original submission overstated efficiencies by £170k.

Cumulative progress towards the 3-year target

12. 2007/08 is the last year of the 3-year Gershon efficiency programme. The 2007/08 Forward Look (i.e. initial forecast) was submitted in April 2007. Because performance indicator information was not available at that time it contained only cashable savings identified during the 2007/08 budget process. Non-cashable savings will be added during the mid-year update and confirmed at the time of the 2007/08 Backward Look. Although the in-year cashable savings were marginally below the annual target the cumulative savings were well in advance of the 3 year target. It is anticipated that with the inclusion of non-cashable savings the annual target will also be exceeded.
13. Although the above table indicates that the 3 year cumulative target will be met there is a risk that deteriorating Quality Cross Checks (performance indicators) will result in the deletion of some efficiencies already claimed. The DCLG proforma provides a limited, and very specific, set of Quality Cross Checks, but allows councils to use "non-approved" indicators to prove their efficiencies. Where possible we use specific Best Value Performance Indicators (BVPI's), for example BVPI 79b : The amount of Housing Benefit (HB) overpayments recovered as a percentage of all HB overpayments, but the general nature of many of the cashable savings means that an overarching cross-check is used, i.e. there will be no deterioration in the relevant CPA score. As indicated in Para 11, certain efficiencies have already had to be removed because of deteriorating performance indicators.

The Efficiency Review Programme

14. The Council is working towards a more formalised and structured way of managing the efficiency agenda. The starting point was the capture of projects already underway, benchmarking exercises and dedicated meetings to identify

areas for review. This process identified an initial 36 possible projects. From this, a draft three to five year programme of efficiency reviews has been compiled and is due at Executive in September. It is hoped that a managed programme will mean efficiencies and related cashable savings will contribute to the annual budget savings target, maintain a good CPA score and also works towards any future efficiency targets.

15. The programme covers a number of different strands, for example:
- **procurement** – e.g. an approved protocol has been drafted for the commissioning of external legal services, which ensures value for money and ancillary benefits such as free training.
 - **enabling change** – e.g. the development and implementation of a model for post project review to measure quantifiable benefits and learning opportunities.
 - **high cost of services** – a collaborative transport project (with the Yorkshire Ambulance Service and East Riding of Yorkshire council) to reduce costs and increase efficiencies in the procurement and use of transport.

Comprehensive Spending Review (CSR07)

16. DCLG have published a draft document “Value for Money in Local Government” which details the national efficiency programme for the 3 year period of CSR07 (2008/09 – 2010/11). This sets the target for all public services of 3% net cashable efficiency gains per annum, which equates to a cumulative target of £4.9 billion for all local authorities. Efficiencies achieved above the 3-year target up to 2007/08 may be rolled forward and the Council is currently forecasting over-achievement of £1.9 million.
17. Reporting arrangements will be relaxed, with only two reports each financial year and no breakdown of gains by service sector or cross-cutting workstreams, i.e. the Council will report one single figure.

Corporate Priorities

18. The Gershon Efficiency Agenda plays an important role in achieving the corporate priority of improving our organisational effectiveness, specifically
- Improve our focus on the need 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.

The Council's Corporate Strategy includes 13 priorities of which a key one is efficiency. The Director of Resources is the Council's efficiency champion and is developing an improvement statement in which the process and programme for achieving efficiency targets and greater staff awareness will feature prominently.

Implications

- **Financial**
Failure to achieve the Gershon Efficiency Targets could have a detrimental effect on York's Comprehensive Performance Assessment for Use of Resources and on its budgetary position.
- **Human Resources (HR)**
There are no implications
- **Equalities**
There are no implications
- **Legal**
There are no implications
- **Crime and Disorder**
There are no implications
- **Information Technology (IT)**
There are no implications
- **Property**
There are no implications
- **Other**
There are no implications

Risk Management

19. Because this report is for information only, there are no risks attached to any decision to be made. There is a risk associated with the non-achievement of York's efficiency target, namely the potential for a detrimental score in the Council's CPA for Use of Resources. To avoid this it is essential that the Council continues to pursue efficiencies and can clearly show how they are captured and measured.

Recommendations

20. Members are asked to recommend that the Executive Member:-
 - 1) Notes the progress against the Gershon efficiency targets
Reason: To inform the Executive Member.

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Report Approved **Date** 28 August 2007

Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

None

Annexes

None



Meeting of the Executive Member for Corporate Services and Advisory Panel

11 September 2007

Report of the Corporate Landlord

Review and Strategy for the Council's Commercial Property Portfolio

1 Summary

- 1.1 This report introduces Members to the strategic review of the commercial property portfolio which is currently being prepared, and invites Members' views on the process and options.

2 Background

- 2.1 The review of the commercial portfolio is needed as part of the approved Corporate Asset Management Plan for the Council. It will form a Service Asset Management Plan as referred to in the five year corporate plan.
- 2.2 The council owns commercial properties in two categories:
- a) non-operational. Properties not directly part of a service, for example, Shambles Shops, Hospital Fields Road Industrial Estate.
 - b) Operational. Properties ancillary to service use, for example housing estate shops and the Racecourse.
- 2.3 Outline of the non-operational portfolio.
- 150 individual properties.
 - Rent roll £2M pa, for the overall council budget.
 - Capital value £30m (2005). Growth 2000-05 was 36%.
 - Total cost of management including central costs, void property costs etc £390K pa.
 - Purchased mainly for planning and regeneration purposes, not specially for purely investment purposes for example:

Shambles (about 60% council owned) in the 1940's for improvement.

Goodramgate (part) Ex Wright's factory (1970's).

Gillygate and Bootham (part) for the inner ring road.

Hospital Fields Industrial Estate Fulford – from the M.O.D. in 1972 for employment purposes.

Coppergate – Cravens factory (c1970).

- Raises capital receipts - £2.8M since 2000.
- Supports service use, for example:
 - 19 flats over shops for housing (8 Housing Association)
 - 29 Castlegate is the integrated Youth Centre.
 - 3 Blossom Street for Citizens Advice Bureau.
- Provides opportunities for small business use.

2.4 Outline of the operational portfolio.

- 70 properties.
- Rent roll £800K pa to support service budgets.
- Capital value £6m (excluding properties valued at replacement cost).
- Part of service property, for example;
 - 35 Housing Estate shops, mainly with flats over let separately.
 - 10 Historic/infrastructure lettings, e.g. Bootham Tower.
 - 11 Riverside landings.
 - 13 Leisure properties (excluding housing, allotments and grazing rights) including Rowntree Park Café, Waterworld.

2.5 Objectives of the review.

- a) With the help of performance indicators, to look at the non-operational property in detail to identify poor performing assets.
- b) To assess which non-operational properties may be saleable in the future, and under what circumstances, and which should be retained.
- c) To assess which non-operational properties should be retained to complement service use.
- d) To look at enhancing income for the full portfolio.
- e) To agree performance indicators for the future.
- f) To consider sale of some property to reinvest the receipts for better performance.

2.6 A detailed report is being prepared for the next meeting. For the current meeting, officers will give a presentation to introduce the scope of the portfolio and look at some future options, in order to inform Members and invite input for the next meeting.

3 Consultation

3.1 This report forms part of the consultation process for the forthcoming review. However, the Head of Housing Services has been consulted concerning the housing flats involved here – which he wishes to retain.

4 Options/Analysis

4.1 In this case, options and analysis will be discussed at the meeting.

5 Corporate Priorities

5.1 The council's commercial properties contribute to the following priorities:

- Improve the streetscene
- Improve employment prospects
- Improve efficiency to free resources
- Improve partnership working to deliver better services for people in York.

6 Implications

- **Financial** – There are no financial implications.
- **Human Resources (HR)** - There are no HR implications.
- **Equalities** - There are no Equalities implications.
- **Legal** - There are no legal implications.
- **Crime and Disorder** - There are no crime and disorder implications
- **Information Technology (IT)** - There are no information technology implications.
- **Property** - Property implications are in the report.
- **Other** - There are no other implications.

7 Risk Management

7.1 There are no known risks associated with this report.

8 Recommendations

8.1 That the advisory panel advise the Executive Member that:

- a) The report be received and noted as an introduction to the full strategic review of the commercial portfolio to be presented to the next meeting.
- b) The views of Members expressed at this meeting be taken on board and addressed in the full review.

Reason: To provide an input into the commercial property review and inform the full report due at the next meeting.

Contact Details

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Report Approved ✓ **Date** 28 August 2007

Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all*
For further information please contact the author of the report

All ✓

Background Papers: None

Annexes: None

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