

Full Council Report of the Cabinet Member for Finance, Performance and Customer Service

It is now five months since I moved into the new portfolio which takes in all of the previous Corporate Services portfolio with the addition of corporate communications and emergency planning which both transferred with me from my old portfolio.

These two additions allow for the joining up of communications with customer services and emergency planning with business continuity into one portfolio, which are natural partners in each case.

Customer Service

I see a major part of my role as being to serve as the champion of good customer service in the Council. The residents of York interact with the Council in many varied ways from simply paying their council tax and paying for Respark permits, to more in-depth discussions about their home life and personal circumstances and different levels of engagement in between.

It is important that every time a resident has a reason to engage with the Council at any level, their contact is dealt with in a timely, efficient and professional way and as far as possible they view the engagement positively.

Whilst great strides forward have been made in the last two years and we have many examples of good practice with an excellent team working in customer services, I do not feel we are currently performing at the level we would like to in this regard. Improving the experience of our residents when they engage with the Council is an important focus of my work moving forward. It is vital that this is not just seen as something delivered by staff in our call centre but an integral part of the culture of the whole authority.

Benefit Changes

Recent performance in customer services have been adversely affected by the impact of benefit changes by the Government. There has been a massive increase in all forms of contact with the council since the benefit reforms took effect which have had a significant impact on our response times. To give Members an idea of the increased workloads, we have had:

- 5000 more telephone enquiries in the first quarter of 2013-14 than for the same period last year;
- 6000 more items of work in the first quarter of 2013-14 than for same period last year;
- 284 Discretionary HP applications in the first quarter of 2013-14 compared with 60 over the same period last year.

We have had 56 successful claims for the York Financial Assistance Scheme (YFAS) and a large volume of claims from people who are experiencing new hardships as a result of changes introduced by the Government.

A very significant amount of staff time is being taken up having to deal with often very complex cases of human suffering.

I would like to highlight to councillors a case study which demonstrates the difficulties being suffered by some York residents. Although this is one of the worst cases, it is by no means untypical of the cases being confronted by our staff on a daily basis.

The case study is about a single female parent and her boy.

The resident has made four applications to YFAS between July and September.

Her partner left her in 2001 and she lived in a housing association property until 2009, when she moved into private rented accommodation. In 2009, she moved into a Council property with a rent of £83.07 per week covered by Housing Benefit.

Her son receives highest rate disability living allowance for care and low rate for mobility. She receives carer's allowance as a full time carer for her son, child benefit, income support and child tax credits but was in receipt of Employment & Support Allowance until this was cancelled.

Her son has many disabilities requiring him needing full time care including: severe behavioural problems, attention deficit hyperactivity disorder, obsessive compulsive disorder, blackouts, seizures and severe violent outbursts and incontinence, mainly at night.

He was witness to his mother's abusive relationship with his father which ended up with his mother in hospital.

By acting as a full time carer she is not only giving a loving home environment to her son but she is saving tax payers considerable sums of money because if the authority had to provide for his care it would be much more costly than the sums she receives in benefits.

The result of the Government's cap on benefits is that she is £91 per week worse off and has run into extreme financial difficulties.

She applied to YFAS to 'ease exceptional pressure' on the family with a large list of household items that they needed. They included applications for basics such as food and her son's bed which was broken due to his behaviour. She has received several payments and taken up a very significant amount of Council staff time to assist her.

This customer can only make one more claim for an emergency assistance grant in this 12 month period and is unlikely to qualify for another community grant on the basis of exceptional pressure.

City of York Trading Limited (CYT)

The business was expanded in September 2013, after profitable first year's trading to take in all of the Council's casual workers. The expansion seems to have progressed successfully with some positive feedback having been received from the staff involved.

During the next six months management teams will be reviewing all contracts to ensure proper use of permanent or temporary posts and any remaining casual activity will be operated through CYT.

I am very happy to report that by April 2014 no zero hours contracts will exist within CYT, and they will become a Living Wage employer underlining the commitment of this authority to be a decent employer.

Accommodation

I am delighted to report that the move of 1,600 staff from 17 buildings into two (West Offices and Hazel Court) has gone ahead very successfully, on time and on budget. A very considerable achievement and all the staff involved rightly deserve the recognition for how well this was done.

We are in the process of disposing of the sites we have moved out of, with the clear focus on ensuring best value for the Council.

We have set out in procedures that obtaining this best value can be dealt with in a number of ways:

- Open market sale – the asset is placed on the market and offers are received with the highest one being accepted. These offers are made unconditionally and ensure a sale goes through quickly. Examples of these which have recently taken place are the sale of Hollycroft and it is proposed to sell Ashbank on this same basis.
- Open market sale with conditions – the asset is placed on the market with a planning brief and offers are invited setting out the conditions (ie. obtaining planning permission) which the offer is subject to. These offers are then considered both on price and the risk of the conditions not being fulfilled. Examples of this type of approach employed recently on the disposal of council assets are the Yearsley Bridge site and the Edmund Wilson Pool site. This approach will be followed at 17/21 Piccadilly and part of the former Manor School site which are shortly to be marketed.
- Direct negotiations with one party – this method is not often followed but is used when the other party has an interest in the property – ie. a current tenant – or there is a very good economic and financial reason for dealing directly with them such as the creation of new jobs or the assembly of a larger site for residential development. These other parties are known as ‘special purchasers’ or ‘particular buyer.’ Disposal by this method is permitted as long as an independent valuation is carried out by a firm of chartered surveyors not connected to the case showing that market value has been obtained. An example of this would be the agreement to sell the Hungate site to Hiscox and Kent Street Coach Park for the new fire station.

Two current properties under consideration for disposal are St Anthony’s House and 13/15 Redeness Street. At the time of writing both sites are recommended for disposal, subject to the approval of Cabinet.

St Anthony’s House was vacated earlier this year as part of the migration of staff to West Offices. The Council has no requirement for this building and therefore it was agreed to dispose of this property and seek to maximise the capital receipt.

York St John University (YSJU) have expressed an interest in this property as they have an urgent need for additional teaching and staff accommodation as part of the expansion plans for YSJU.

Negotiations have taken place with a property professional for YSJU and terms have been provisionally agreed.

An external firm of valuers have undertaken a valuation of this building and site, calculating the value for the current use, the proposed use by YSJU and alternative uses which could be permitted under current planning guidance such as residential.

They have confirmed that the figure agreed is the best value.

13/15 Redeness Street, Layerthorpe is let on two long ground leases from 1970 to 2064 at a combined yearly rent of £8,250. The lessee was Yorkshire Water (I should declare that I am employee of Yorkshire Water) but they ceased using the site several years ago and Maple Grove Developments are the leaseholders. This development company have also agreed to buy the adjoining site (not owned by the Council). They have approached the Council, through their development partner, Yorvale, to buy the freehold so they can develop both sites, subject to obtaining planning permission, for a 325 bed student accommodation. Initial discussions with planners have been positive.

Procurement

Significant changes over the summer have taken place in procurement as a number of senior staff left the organisation. We have recruited replacements who are implementing a review of category management and undertaking spend analysis to deliver savings and efficiencies across priority areas, starting with facilities management, building and construction.

Officers are developing a toolkit for commissioners across the authority and for local small businesses to help the trade with public sector organisations.

They have also developed mechanisms to build a living wage into future CYC contracts, starting with the Community Stadium, the Elderly People's Homes project and West Offices security contract.

Facilities Management (FM)

We have successfully established a new FM service at West offices and Hazel Court delivering a comprehensive programme of repair and maintenance, as well as programmes for business functions such as printing and scanning, the post room, cleaning, meeting room support

and security. We have also appointed a new Head of FM who will be leading a business support review to consolidate administrative functions, explore income generation opportunities for our buildings and reduce FM costs through better procurement.

Legal Services

Legal services are currently advising on most of the council's major projects including: the libraries and warden call social enterprises, elderly persons homes, the waste project, the community stadium and others. Many of these projects are novel and require significant, expert legal input. Despite this our spending on external solicitors has been half that of the last administration.

Some of Legal Services' most difficult work goes under the radar. For example, its work in children's and adult social care helping to protect vulnerable people. Adult social care is an extremely complex and developing area of law and some of the cases we deal with are at the cutting edge. We have worked on cases in recent months which have been setting new law in this area.

ICT

ICT's biggest achievement of the year was undoubtedly their contribution to the smooth office move. The long hours and hard work they put in each weekend meant that staff could leave their office on a Friday and pick up where they left off on the following Monday morning without any disruption to their work due to moving offices.

We had some disappointing news in the summer when the Government cut £1m off our successful super connected cities bid. We have though reviewed what we can deliver and a procurement process is just beginning to enable us to expand the free City Centre wi-fi provision. In the coming months we will be launching a voucher scheme which will cut the costs for local small businesses and community centres who wish to connect to super-fast broadband. We are also hopeful that we will be able to fund the cost of wi-fi on buses to and from Park and Ride sites. The latter is subject only to us being able to satisfy DCMS that this provision can be made without breaching EU law.

I hope that all Members with the means to do so will have downloaded the York tour app which is great fun as well as informative. Some Members have also been trialling the Membersphere app which will put all the information that Members routinely use in one easily accessible

place. We already have interest from a number of bodies in purchasing versions of that app from us and that is one of a number of products and services which ICT will be looking to market, possibly through CYT Limited.

Budget

It will come as no surprise to anyone that the council continues to face significant financial challenges due to continued reductions in government funding alongside pressures on a number of services, most notably adult services.

In terms, of the current financial year, the first quarter monitor highlighted a number of pressures, and work is ongoing to ensure that spending is brought in line with budget. I should stress, before opposition members get too excited, that we are in a better position now than we were in at this point last year and we came in under budget last year. It is the normal run of events in local authority finance that pressures are identified early on and plans are put in place to bring us in on budget.

Looking ahead, the challenges for 14/15 were set out in the report to council in February of this year, including planned savings of some £11m which will need to be made.

In recent weeks the Government has made a number of announcements regarding funding plans for 14/15 and 15/16. Whilst these announcements have indicated the broad level of reductions to be made to local government funding, there remains significant uncertainty and the track record of this Government is to treat local authorities as the poor relation of the public sector with last minute cuts falling on us when further savings are needed from the public purse.

Recent announcements have confirmed an additional 1 per cent cut in grant for 14/15, over and above planned cuts, meaning that a reduction in grant of some 10 per cent is likely in 14/15. For 15/16, there are continued reductions in funding, and taking account of the loss of the council tax freeze grant the overall reductions in grant are estimated at some 13 per cent.

A report will come to Cabinet in the coming weeks updating more on the impact of likely funding changes. Many areas remain concerning, including the Government's top slicing of new homes bonus, and continued uncertainty over funding for adult care.

Despite all of these challenges work is underway to present a balanced two year budget to council in February and to ensure the continued financial health of the organisation, alongside ensuring priority services are funded and our manifesto pledges are delivered. We are currently working on future budgets and I most firmly take the view that we should approach the process by reviewing how the Council spends its money so that we can realise future savings. I am very keen to avoid salami slicing of budgets wherever possible and that the approach to savings being taken is done in a strategic way.

The Audit Committee recently considered the council's accounts for 12/13, and whilst this may not attract the level of interest that the budget does, it is a key element in this council's financial management. The external auditor's report identifies no issues of concern and councillors should be reassured in terms of both the timeliness of completion of the accounts and also the strong financial health of the organisation.

In addition to work related to the accounts and the budget, the Finance team has actively supported a number of major Council projects, including amongst others the joint Waste project with North Yorkshire CC, the EPH programme and the Community Stadium. The Income Collection team continues to achieve high levels of performance in relation to council tax income and business rates and is actively pursuing work that seeks to increase income collected and reduce transactional costs. Our internal audit service continues to operate effectively through Veritau, including the provision of a highly effective fraud team who have had a number of notable successes.

In addition to being a Director on the Veritau board, I am also a Director on our other Local Authority Company, City of York Trading. In its first year the company has made a profit of almost £40,000 and we anticipate the turnover and profit to increase significantly in coming years. Both these companies are real examples of successful innovation that seek to deliver efficiency and increased income.