

CUSTOMER & BUSINESS SUPPORT SERVICES FINANCE REPORT - 2010/11

Purpose of Report

1. To provide CBSS DMT with the service and financial performance update for April – June 2010, together with an analysis of areas that are reporting exceptions. Where more recent data was available (e.g. July) this has been included.

Headlines

2. The report identifies the following headlines:
 - There is a combined projected underspend of £92k,
 - Where identified, More For York savings have been excluded
 - Nearly 90% of reportable indicators are showing improvement on last year. Council Tax and NNDR collection rates have recovered to normal levels after lower than usual rates in April – June and good improvements have been made on prior year balances. Council tax/housing benefit process times are also improving on last year's performance.
 - Staff absence levels are well below the council average, but stress related sickness accounts for 1 in every 3 days taken in CBSS.

Budget Overview – Revenue Budget

3. The projected outturn position for CBSS for 2010/11 based on the latest information to 31 July 2010 is an underspend of £92k. The table below summarises this position, and Annex 1 provides further details.

Service area	2010/11 Expenditure Budget £'000	2010/11 Income Budget £'000	2010/11 Net Budget £'000	Projected outturn £'000	August variance £'000	July Variance £'000
Director	297	35	262	262	0	0
Financial Services	4,693	3,554	1,139	1073	-66	-150
Customer Service & Governance	60,990	58,806	2,184	2,201	17	22
Operational IT	4,966	7,265	-2,299	-2,369	-70	-77
IT Development Plan	1,162	0	1,162	1,162	0	0
Civic, Democratic, & Legal Services	3,024	836	2,188	2,215	27	25
Human Resources	3,115	2,940	175	175	0	0
Directorate Total	78,247	73,436	4,811	4,719	-92	-180

Note that '+' indicates an increase in expenditure, or shortfall in income and '-' indicates a reduction in expenditure or an increase in income.

Financial Services -£66k

4. This variance reflects a reduction in Audit Commission fees due to the cessation of CAA inspections and taking into account that the Audit commission is of the view that some other inspection fee will take the place of the previous Use of Resources work.
5. There is a projected staff underspend identified against staff budgets which at this stage has been earmarked as part of the M4Y Finance blueprint savings target.

Customer Service & Governance +£17k

Benefits Subsidy -£11k

6. Within the benefits system there are a number of potential budget pressures associated with the changing economic climate, for example increases in homeless cases and the associated subsidy loss on B&B accommodation. At this stage in the financial year while the number of cases is increasing it is anticipated that a combination of approaches will reduce any emerging budget pressure.

Financial Procedures +£20k

7. There are additional costs being incurred within the creditors team on temporary staff which is generating a projected overspend of £22k. Work developing the revised structures to enable the delivery of the M4Y blueprint savings is currently ongoing, to date the budget from one post has been transferred from the City Strategy Finance team.

YCC, Local Taxation and Benefits administration £0k

8. There is a projected underspend of £68k from vacant posts in the Council tax administration team during the early part of the year, this underspend is being offset against the vacancy provision target and LHA licence fees, generating a net underspend of £36k. However due to the requirement to meet M4Y savings target a nil variance is being reported at this stage in the year.

Audit, Fraud and Data Management +£7k

9. There is a projected budget pressure of £13k due to an increase in the Veritau fee of 2%, this has been offset on a temporary basis by 50% with a contribution from the DWP admin grant in respect of the benefits fraud prevention.

IT -£70k

Operational IT -£70k

10. Overall there is a projected underspend of £204k, of this it is anticipated that £134k will be used as a contribution towards the IT M4Y savings target. Therefore taking account of the M4Y savings targets the overall net underspend is £70k. The main reason for the underspend is due to support and maintenance contracts being re-aligned to fall in line with the financial year, resulting in a one-off saving of £133k, further details of other underspends are provided in Annex 1.

IT Development Plan £0k

11. The projects which form part of the IT Development plan are currently being reviewed, therefore at this stage a nil variance is being reported. The associated capital program is £1,140k, with slippage from 2009/10 of £754k, making a total capital budget of £1,894k for the current year.

Civic, Democratic, Electoral & Legal Services +£27k

12. Within Civic Services, there is an overspend of £16k projected, due most notably to additional costs being incurring in the running of the Mansion House (+£7k). The Democracy & Elections budgets are also projecting small overspends totalling £9k at present.
13. Within Legal Services there are a number of pressures which are ongoing from 2009/10, particularly in relation to the supplies and services budgets for postage, solicitors practising certificates, books and publications (+£16k). There is also a likely shortfall on the external fee income generated from planning applications and S106 agreements due to the economic downturn (+£26k). However, it is projected that the arrangements for recovery of the new Commercial Lawyers will cover any shortfall and therefore a nil variance is currently projected (-£42k). The position assumes that budget of £115k will be transferred from the ACE Directorate to fund the additional Social Care Solicitors. This growth was agreed as part of the 2010/11 budget process.

Human Resources £0k

14. Human Resources is projecting a nil variance. It currently has an underspend from savings forecast on staffing budgets across the service area, together with receipt of external funding, for example for the staff sickness absence scheme, for which the work will be undertaken by existing staff. However, a decision has been taken to use the underspend to fund fixed term staffing resources until the HR restructure has been implemented in December.
15. In addition, there are a number of adverse variances which have offset this underspend. For example, in Payroll Services, additional staff worked within the team for the first 3 months of the financial year resulting in a pressure (+£7k). This situation has now been resolved as the establishment is being more closely managed.
16. The service area has a target to save £73k in 2010/11 as part of the More for York blueprinting process. These savings will be found during the year.

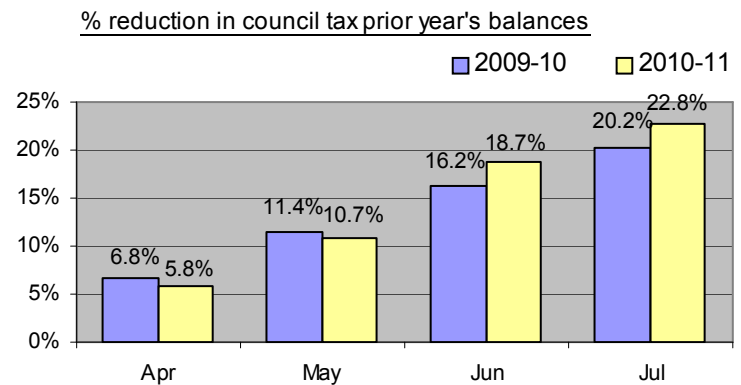
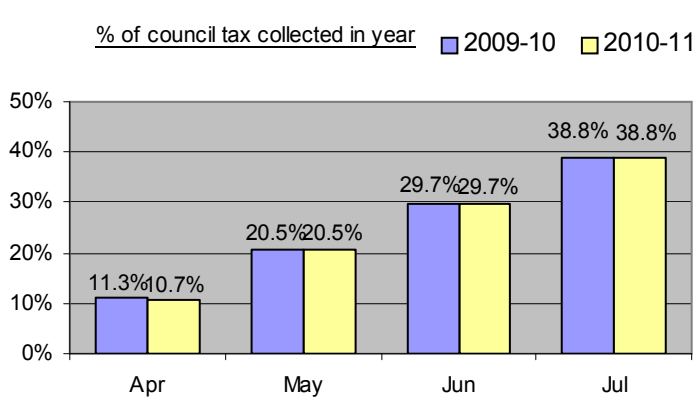
Performance Indicators

17. Annex 2 shows past and current performance for the 9 indicators which have data available at this stage of the financial year. The following provides more detailed analysis of the key indicators.

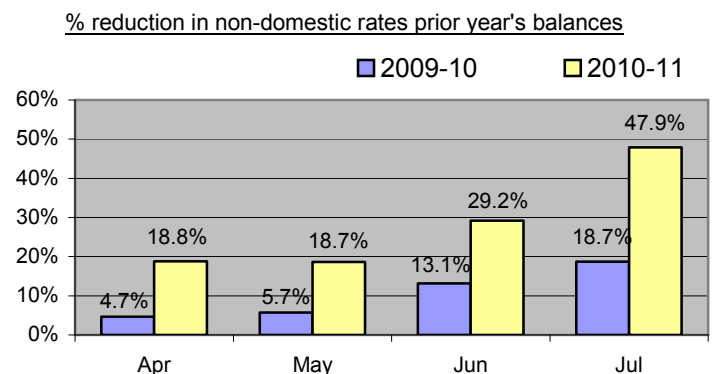
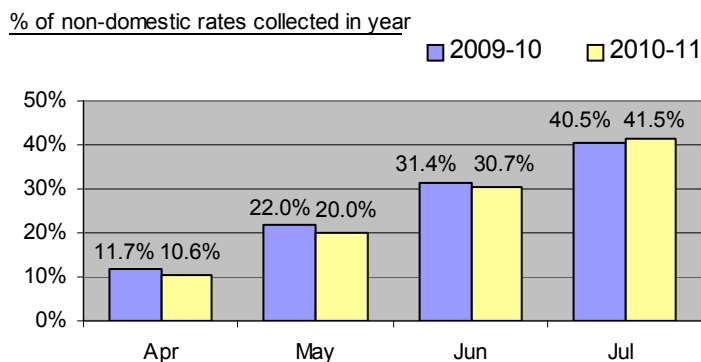
Housing & Council Tax

18. The Council Tax in-year collection rate is currently 38.8% for the end of July and is running at a similar rate to last year. The current Council Tax prior-year debt collection rate of 22.8% is 2.5% higher than the same period last year, and is 8.76% ahead of

target. Early court action taken during this financial year for balances outstanding from prior year has contributed to this improvement. The Recovery Team are also now actively promoting Direct Debit arrangements on arrears as the main payment method offered to customers.

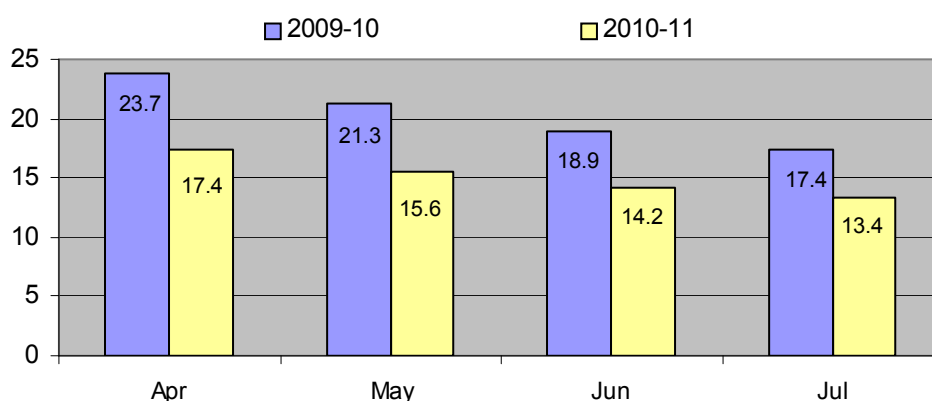


19. The non-domestic collection rate of 41.5% has increased 1% on last years rate for the same period and is 1.2% ahead of target, partly due to early Court action taken this year. The NNDR team are also currently up to date on account updates, which helps support income collection.



20. The non-domestic prior-year debt collection rates currently stands at 47.9% for April to July, a significant increase of 16.06% on the same period last year, and ahead of target by 19.1%. However these statistics have been distorted by the 2010 revaluation of all commercial properties, which takes place every 5 years. This is because where a case requires a reduction in valuation, this will be applied retrospectively to the date advised by the Valuation Office. However, where an increase in valuation is necessary this will only apply from 1st April 2010. A significant number of properties have been subject to a reduction of the rateable value by the Valuation Office, therefore the outstanding balance on prior-year has reduced.
21. Average processing times HB/CTB new claims & change events continue to show steady improvement. This is due to proactive management of the claim lifecycle at key points through monitoring and reporting. More assessments are now being made at first point of contact, which is also lowering processing times. Reductions in processing times across the board now shows a year to date figure of 19 days for new claims and 10 days for changes giving an improved overall combined figure of 13 days.

Average days taken to process HB/CTB new claims & change events



Customer Contact

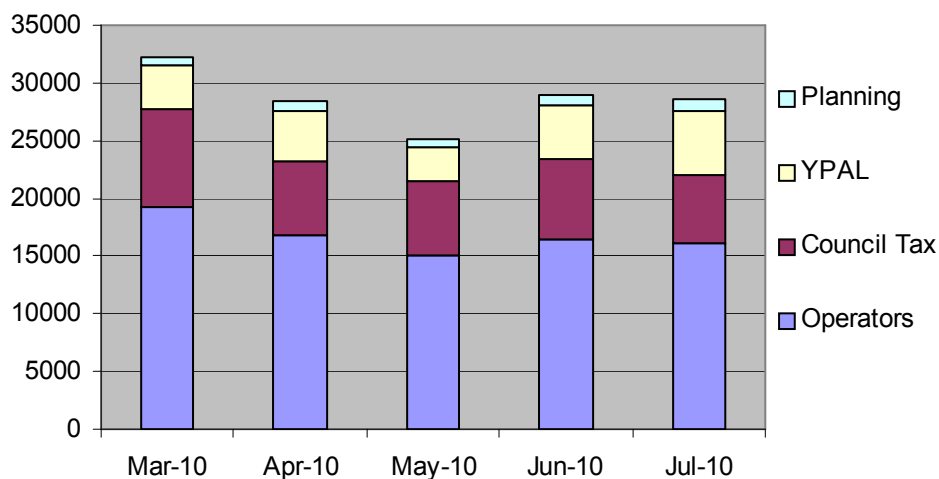
Customer First Statistics – phone answering

22. The table below shows that just over 73% of calls were answered within 20 seconds in CBSS between April and June. This is much lower than other directorates, which all performed above 94% and CBSS is now bringing the corporate average down to 93%. There are 2 main reasons for the lower than normal performance:

- The election team received 75% of all Civic Democratic & Legal Services calls and 63% of these were answered within 20 seconds. This was a ‘one-off event’ due to the calls received in the run up to the national election and this trend will not continue over the rest of this financial year. YCC are working with Elections to make arrangements to take their calls in future elections.
- YCC received 60% of all CBSS calls and only 63% of these were answered with 20 seconds. There are several days in early June where the number of calls exceeded the projected volumes by as much as 25% and this impacted on the overall performance for the month. There was also a higher than average sickness absence within YCC for the month of June totalling 73 days. Stringent sickness absence monitoring has now significantly reduced this and in July 19 days absence was reported. In the second half of June performance improved significantly and this trend has continued throughout July and August (see para 23 below).

	All calls	Answered calls	No within 0-20 secs	% within 0-20 secs
Director	182	179	161	89.94%
Civic Democratic & Legal Services	22933	22873	16458	71.95%
Customer Service & Governance	16293	16145	14838	91.90%
YCC	82544	74056	46655	63.00%
Benefits Phone Pod	6516	6131	5138	83.80%
Financial Services	2164	2155	2114	98.10%
Transformation & Efficiency	1029	1028	1008	98.05%
Human Resources & Organisational Development	8945	8922	8631	96.74%
Information Communication & Technology	4920	4916	4828	98.21%
Total for CBSS	145526	136405	99831	73.19%
Totals for other directorates				
ACE	CANS	City Strategy	Chief Exec's	Total for council
94.4%	94.9%	95.19%	98.13%	92.8%

23. In July YCC answered 27694 calls from a total of 28507 received and 7111 service requests were also recorded across all service areas. Overall 83.5% of calls in July were answered within 20 seconds, which improves YCC's average for the first 4 months of this year to 67%. Resource levels in YCC are still running at -23%, but vacancies have now been advertised internally and recruitment is almost complete. Some vacancies will still exist and attempts will be made to fill these internally before external recruitment is progressed.



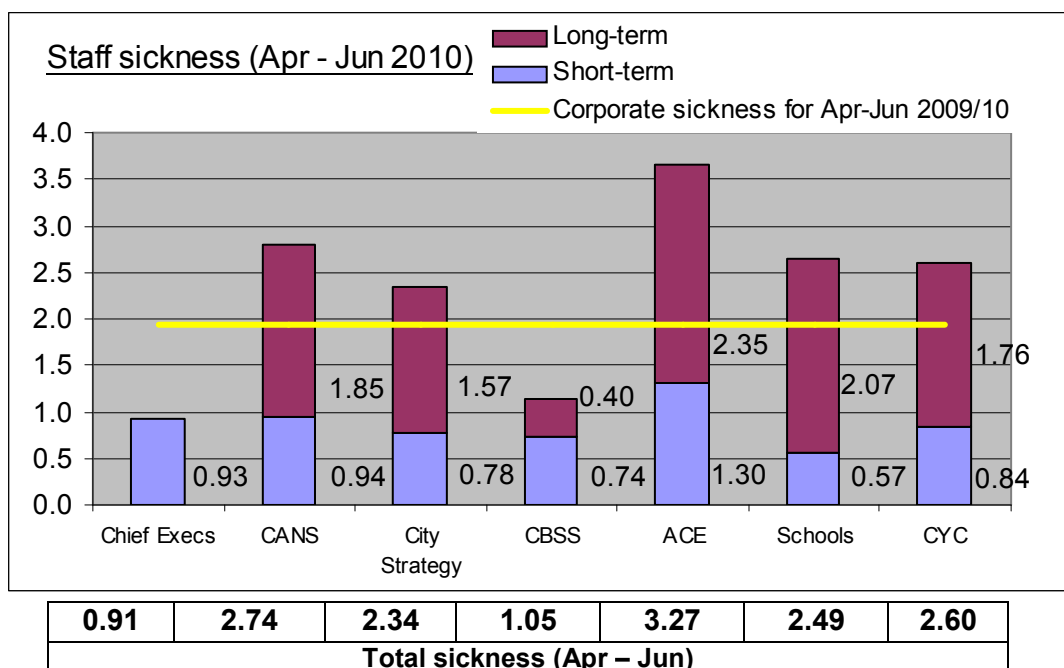
Operators	19155	16829	14996	16519	16082
Council Tax	8485	6375	6498	6832	5912
YPAL	3843	4417	2909	4678	5596
Planning	725	752	770	953	917
Total	32208	28373	25173	28982	28507

Progress on new customer contact standards

24. The Joint Customer and Transactional Services Project has completed a 3 month baselining exercise for the agreed customer service standards from the Customer Strategy (2009). Work is now underway on analysing the baselining data, alongside benchmarking against near neighbours (both in profile and location) and best performing councils. We are also reviewing the customer profiling Acxiom data (available through Yorkshire Forward) to enable layering onto the baseline data and to produce benchmarking results. This will enable us to use "customer insight" to propose a full implementation plan for customer service standards with targets, back to Project Board, DMT and MFY/CMT.
25. Future performance monitoring reports will also include information on the number of customer complaints received, how quickly they were dealt with and whether they were resolved to the satisfaction of the complainant.

Human Resources

26. Staff sickness in CBSS for Q1 was 1.05 days per FTE, which is much lower than most other directorates. Using a basic projection that takes account of higher sickness in the winter months, CBSS is heading for 5.5 days per FTE for year-end. This would be around the same result reported for the old Resources directorate in 2009-10. Around 36% of all sickness taken so far this year in CBSS was due to stress/anxiety. This is the highest across all directorates, which (on average) is running at 21.8%.



27. To respond to requests from Executive members about the cost of sickness, Corporate HR have started to provide data on this, although this really reflects lost productivity costs rather than additional costs to the council. The table below shows the lost productivity costs per FTE in CBSS for each of the past 3 months.

Month	Days lost/FTE	Total cost (pm)	Cost per FTE (pm)
Apr-10	0.50	£18,241.91	£47.46
May-10	0.08	£3,403.82	£9.07
Jun-10	0.47	£17,656.43	£46.47

Directorate Priority actions

28. A review of progress on all 23 directorate priority projects/actions showed that:
- 18 (78%) of these were on track to be delivered within the agreed timescales.
 - 4 actions are experiencing slippage and 1 has not yet started (see table below for more details).

Priority action/project	Status	Lead	Comments from Assistant Director
Ensure successful management of local elections in 2011	Not started	Head of CDLS	Project planning commences in the Autumn
Implementation of new Corporate HR/Payroll System	Slippage	Head of HR & Head of IT	Shared services opportunities have been explored and a decision taken that this is not the best option for York at the current time although the door for shared services has been left open with the contract with Midland which is due to be signed imminent.
Deliver against the HR Blueprint (including the Resourcing Strategy, new HR/Payroll system and restructuring the HR establishment)	Slippage	Head of HR	In June, CMT commissioned a feasibility review of HR Shared Services which resulted in some slippage in timescales for the contract signature and subsequent implementation of the HR/Payroll system. Revised timescales will be agreed once contract signature

Priority action/project	Status	Lead	Comments from Assistant Director
Expand the integration and use of EDRMS within all Service areas prior to move to new Council Headquarters late 2012.	Slippage	Head of CDLS & Head of IT	A number of the Directorate services use EDRMS based solutions as part of their business as usual working practices. Limited progress has been made to expand this usage or to start the back scanning process of required information including some HR/ICT Services and work in progress activities include ICT procurement, FOI requests and links into the Colin roll out. Plans to establish a Directorate work plan will support and sustain the work required to facilitate the move into the new HQ.
Implement next steps of the Pay and Grading Review	Slippage	Head of HR	Slow progress in receiving job descriptions for the Craft pay bargaining group from the relevant managers has delayed evaluations and pay modelling. All job descriptions due to be received by the end of August.

Implications

Financial

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

Other Implications

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

Risk Management

31. It is still early in the year and a number of forecasts included within the report is based on only small levels of information. The forecasts are particularly sensitive within the benefits area as there are a number of variables which determine the forecast such as increase in overpayments levels, overpayments collection and levels of bad debt.

Actions arising from the monitor Report

32. DMT is asked to:
- note and comment on the financial performance reported.
 - review the performance information and progress on priority actions and decide whether any corrective action needs taking.

Contact Details

Author:

Patrick Looker
Finance Manager, City Strategy
551633

Peter Lowe
Corporate Performance Officer
552033

Chief Officer Responsible for the report:

Ian Floyd
Director of Customer & Business Support Services

Report Approved Date

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

Annexes:

- Annex 1: Financial Revenue annex
- Annex 2: Performance Indicator update

Financial Revenue

Annex 1

CBSS performance indicator update for Q1 (2010-11)

Annex 2

<i>Corporate Health</i>									
Code	Indicator definition	2007/08	2008/09	2009/10	2010/11 Q1	Year-end Forecast	2010/11 target	On target?	Improving from 09/10?
NPI 14	Reducing avoidable contact - the proportion of customer contact that is of low or no value to the customer	N/A	24.10%	13.0%	No data Q1	N/A	Not set	N/A	N/A
NPI 179	Value for money – total net value of on-going cash-releasing value for money gains that have impacted since the start of the 2008-9 financial year	N/A	£2753k	£5,811	No data Q1	N/A	Not set	N/A	N/A
BVPI 12	Staff sickness rate in CBSS	Old directorate structure	Old directorate structure	5.5 days per FTE (Resources)	1.05 days	5.5 days per FTE	Not set	N/A	Stable
COLI 56	% of staff expressing satisfaction with their jobs	No survey	71%	No survey	No data Q1	N/A	Not set	N/A	N/A
<i>Council Tax, NNDR and Benefits</i>									
Code	Indicator definition	2007/08	2008/09	2009/10	2010/11 Q1	Year-end Forecast	2010/11 target	On target?	Improving from 09/10?
BVPI 9	% of council tax collected	97.30%	97.19%	97.46%	38.76% (Apr-Jul)	97.80%	97.80%	Yes	Yes
BVPI 10	% of non-domestic rates collected in year	98.30%	97.52%	98.27%	41.48% (Apr-Jul)	98.40%	97.80%	Yes	Yes
BR1	% reduction in non-domestic rates prior year's balances	22.30%	51.63%	37.49%	47.93% (Apr-Jul)	42.00%	42.00%	Yes	Yes
CT 1	% reduction in council tax prior year's balances	37.79%	45.94%	46.42%	22.76% (Apr-Jul)	N/A	42.00%	Yes	Yes
NPI 180	Changes in Housing Benefit/ Council Tax Benefit entitlements within the year	N/A	1,363 per 1000 caseload	1900 per 1000 caseload	Not collected - deleted	N/A	1100 per 1000 caseload	N/A	N/A
NPI 181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events DWP DSO	19 days (old rules)	15	13.72 days	13 days	N/A	13 days	Yes	Yes
BVPI 79bi	The amount of Housing Benefit overpayments (HB) recovered as a percentage of all HB overpayments.	60.85%	69.04%	75.70%	65.90%	78.00%	78.00%	Yes	Yes
BVPI 79bii	HB overpayments recovered as a percentage of the total amount of HB overpayment debt outstanding at the start of the year, plus amount of HB overpayments identified during the year.	22.71%	24.49%	27.60%	7.80%	30.00%	30.00%	Yes	Yes
BVPI 79biii	Housing Benefit (HB) overpayments written off as a percentage of the total amount of HB overpayment debt outstanding at the start of the year, plus amount of HB overpayments identified during the year.	5.00%	5.00%	7.00%	2.10%	5.00%	5.00%	Yes	Yes

