

CBSS FINANCE & PERFORMANCE REPORT FOR Q2 - 2010/11

Purpose of Report

1. To provide CBSS DMT with the service and financial performance update for April – September 2010, together with an analysis of areas that are reporting exceptions.

Headlines

2. The report identifies the following headlines:
 - The service areas now reflect the organisational review structure.
 - The primary reason for the improvement in the projected outturn is from cost reductions within Operational IT.
 - 5 out of 8 recordable indicators are showing improvement on last year. NNDR collection rates and reduction in prior year balances show improvement on the same period last year.
 - Council Tax and Housing Benefit processing times have improved by 3 days on the same period last year.
 - Council Tax collection rates and percentage reduction in prior year balances show a slight decline on the same period last year.
 - Staff sickness levels are well below the council average but over 27% of absence is due to stress/anxiety/depression. This is above the council average of 21%.

Budget Overview – Revenue Budget

3. The projected outturn position for CBSS for 2010/11 based on the latest information to 30th September 2010 is an underspend of £107k. The position has improved since September by £32k. The table below summarises this position, and Annex 1 provides further details.

Service area	2010/11 Expenditure Budget	2010/11 Income Budget	2010/11 Net Budget	Projected outturn	October variance	September variance
	£'000	£'000	£'000	£'000	£'000	£'000
Director	315	55	260	260	0	0
Financial Services	9,480	8,654	826	785	-41	-41
Benefits & Subsidy	48,894	49,018	-124	-121	3	-20
Customer Services	7,403	5,286	2,117	2,117	0	0
Human Resources	3,089	2,941	148	148	0	0
Civic, Democratic, & Legal Services	3,161	836	2,325	2,362	+37	+52
Operational IT	5,168	7,361	-2,193	-2,299	-106	-67
IT Development Plan	1,133	0	1,133	1,133	0	0
Directorate Total	78,643	74,151	4,492	4,385	-107	-75

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

Financial Services -£41k

4. As part of the organisation review Financial Procedures and the client side for Shared Services are now included within this Department (previously reported within Customer Service and Governance). Overall there is little change in the projections previously reported. The main budget pressure is within the Creditors team (+£23k) which is due to additional hours being worked in the first half of the year. The Income collection teams within Financial Procedures have projected staffing underspends of £33k although these form part of the MFY savings targets and are not included within the reported position.
5. As previously reported the Audit Commission fees have reduced as a result of the cessation of CAA inspections and a rebate against the IFRSA work (-£71k), and the Client side of the Shared services has a reported overspend of £7k reflecting a proportion of the increased fee from Veritau.
6. Within the Accountancy teams there is no reported variance, although there are staffing underspends of £41K which are earmarked to contribute towards the MFY Finance blueprint savings target.

Customers & People +3k

Benefits Subsidy +£3k

7. The projected outturn has slipped by £23k since the previous monitor which reflects the budget pressure from increased homeless cases being placed in B&B against which there is a high subsidy loss. There are a number of preventative measures already in place to minimise the use of B&B accommodation and more options are being considered by the Housing team, especially with reference to young adults. The position regarding the increasing trend of DHP (Discretionary Housing Payment) claims is also being monitored carefully, although to date no budget pressure is emerging.

YCC, Local Taxation and Benefits administration £0k

8. There is no change in the anticipated outturn for YCC of a nil variance, although there is a high level of activity in respect of delivering M4Y work streams and savings. There is an underlying staff underspend of £74k from vacant posts in the Council tax administration team during the first half of the year, which is being offset against the vacancy provision target and LHA licence fees. However due to the requirement to meet M4Y savings target a nil variance is being reported.

Human Resources £0k

9. Human Resources is projecting a nil variance; again there is only a small change in the position since the last monitor. HR 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 some of the underspend to fund fixed term staffing resources until the HR restructure has been implemented. The remainder will be put towards the More for York savings target (-£47k).
10. 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 (+£5k). This situation has now been resolved as the establishment is being more closely managed.

11. The service area has a target to save £73k in 2010/11 as part of the More for York blueprinting process. The balance of these savings will be found during the year.

Legal and Governance -£69k

Civic, Democratic, Electoral & Legal Services +£37k

12. The change in position overall for this service area is a reduction in overspend from £52k to £37k. This is mainly due to an underspend being identified on the Members Allowances (-£22k). Within the rest of Democratic Services an overspend on the printing budget is still projected (+£14k). The Head of Civic, Democratic & Legal Services has expressed concern that the increasing size of committee reports and the relevant distribution lists has led to this overspend. Action will be taken by Democracy Services to enforce the Reporting Protocol in an effort to reduce this overspend by the year end.
13. Within Electoral Services, the unfunded costs of the Hull Road By-Election are still projected at £10k. Further small overspends in the area total £7k.
14. For the Civic Services budgets, an overspend of £17k is projected, due most notably to a pressure on the Mayoralty budgets (+£8k). Further small overspends in the area now total £9k.
15. Within Legal Services there are a number of pressures which are ongoing from 2009/10, particularly in relation to the budgets for postage, solicitors practising certificates, photocopying and books and publications (+£25k). There is also a likely shortfall on the external fee income generated from planning applications and S106 agreements due to the economic downturn (+£6k). At this time, a staffing pressure is also projected due to external cover for a maternity leave absence (+£27k). However, it is projected that the arrangements for recovery of the new Commercial Lawyers will mostly cover these pressures (-£52k) and therefore only a small variance is projected at this time (+£6k).
16. The position for Legal Services 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. It also assumes that a corporate provision will be made available to fund a number of late Pay & Grading appeals within the team, which have been resolved recently.

IT -£106k

17. Overall there is now a projected underspend of £264k for this service area, of this it is anticipated that £158k will be used as a contribution towards the IT M4Y savings target leaving a net underspend of £106k. Since the previous monitor the projections have improved by £39k due to ongoing maintenance costs for three systems being reduced (-£39k). Other underspends of £225k relate primarily to ongoing 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 are provided in Annex 1.

IT Development Plan £0k

18. The projects which form part of the IT Development plan are 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.

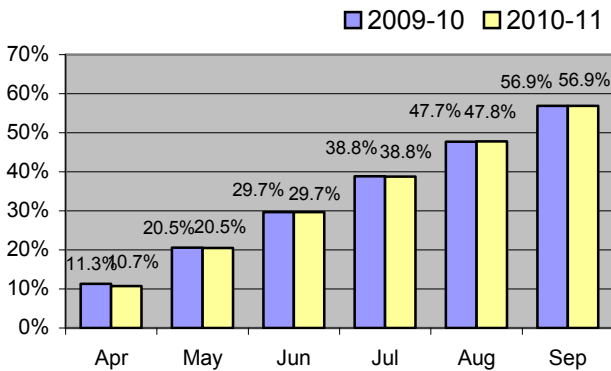
Performance Indicators

19. Annex 2 shows past and current performance for the 8 indicators, which have data available at this stage of the financial year. The following provides more detailed analysis of the key indicators.

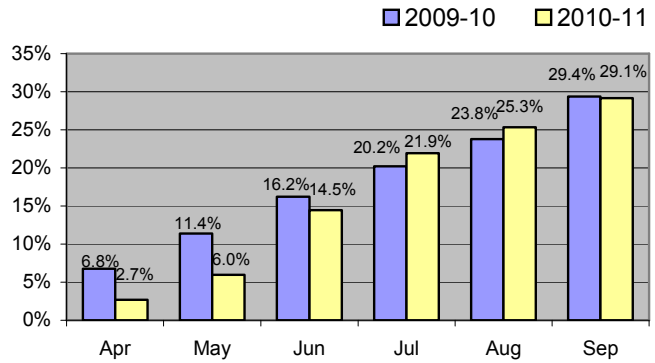
Revenues & Benefits

20. Council Tax collection stands at 56.87% (0.17% below target) and compared to 56.91% for the same period last year.

% of council tax collected in year

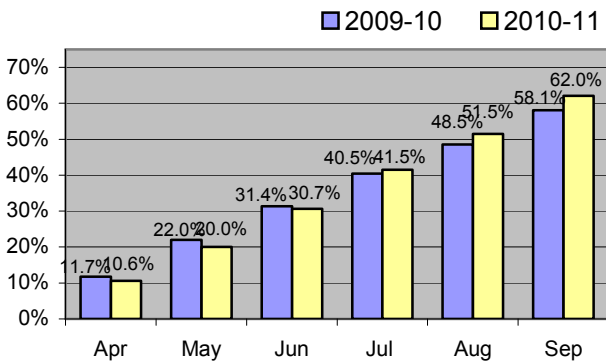


% reduction in council tax prior year's balances

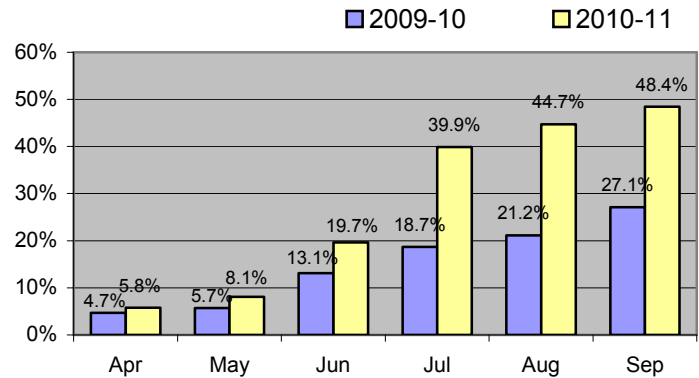


21. NNDR collection stands at 62.04% (0.66% ahead of target) and compared to 58.05% at the same period last year. The trend should be favourable in coming months due to 1100 bill payers benefiting from the Small Business Relief concessions introduced by the Government in October 2010 (doubling of relief for period to 31st March 2011.) Rate payers are also seeing benefit from reduced 2010-11 bills following successful rateable value appeals.

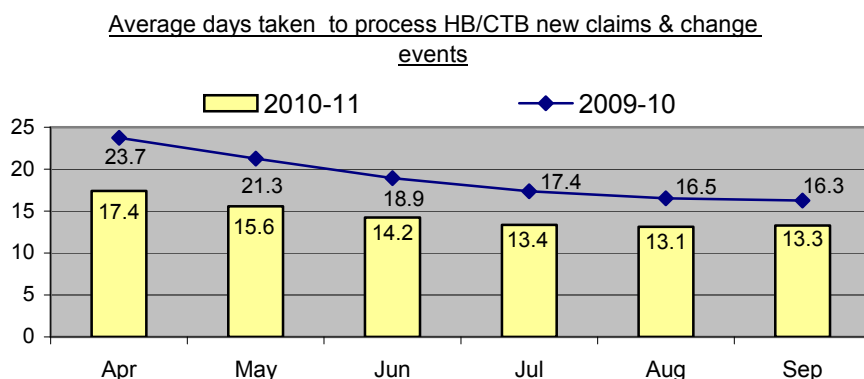
% of non-domestic rates collected in year



% reduction in non-domestic rates prior year's balances



22. The number of days taken to process HB/CTB new claims and change events remains steady at 13 days (see graph on next page). The amount of Housing Benefit overpayments recovered shows improvement on Q1. Procedures and processes are in place to maintain and build on this level of performance. Staff refresher training is also taking place.



Customer Contact

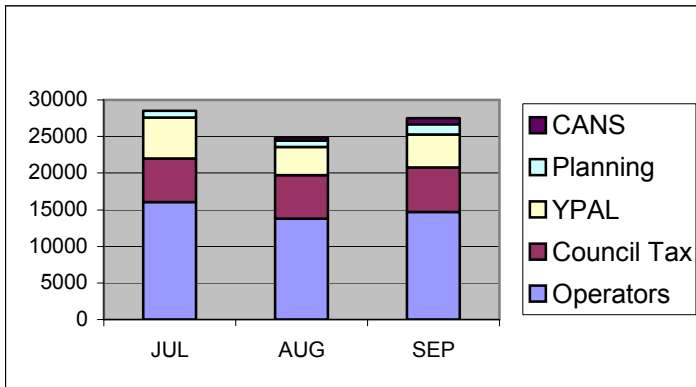
23. The table below shows that 85.36% of answered calls to CBSS were answered within 20 seconds, an improvement on the 73.19% achieved in Q1. This is still lower than all other directorates. Calls to YCC account for 65% of calls to CBSS and the 80% achieved by YCC has brought down the overall CBSS total.

	All calls	Answered calls	No within 0-20 secs	% within 0-20 secs
Director	168	168	151	89.88%
Civic Democratic & Legal Services	5272	5235	4807	91.75%
Customer Service & Governance	15375	15361	14343	93.36%
YCC	80904	77791	62310	80.10%
Benefits Phone Pod	5941	5883	5565	94.6%
Financial Services	1557	1554	1518	97.68%
Transformation & Efficiency	1051	1051	1043	99.24%
Human Resources & Organisational Development	8588	8565	8227	96.04%
Information Communication & Technology	5024	5022	5012	99.8%
Total for CBSS	123880	120630	102976	85.36%

Totals for other directorates				
ACE	CANS	City Strategy	Chief Exec's	Total for council
95.07%	95.79%	95.64%	96.51%	95.22%

York Contact Centre

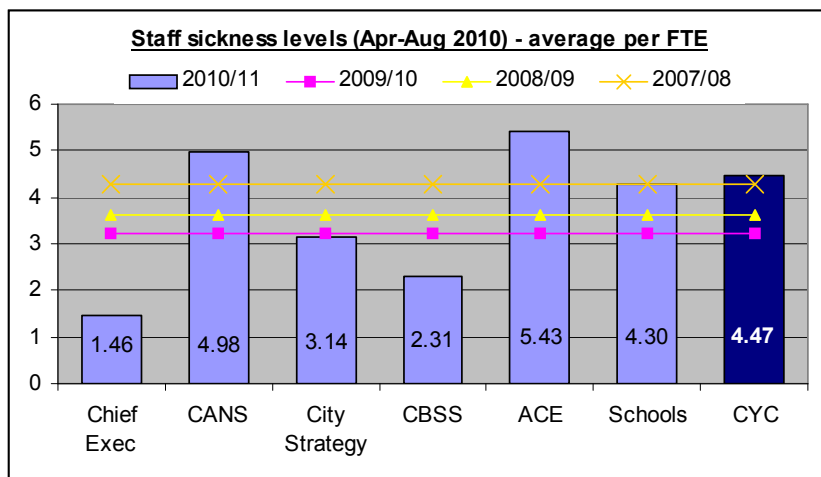
24. In the period July to September YCC answered 96% of calls (77,791 from a total of 80,904 received.) 19,294 service requests were also recorded across all areas. Overall 80% of calls from July to September were answered within 20 seconds, a significant improvement on the 63% achieved in Quarter 1 and bringing YCC's average for the first 6 months of this year to 72%. Further work continues to consolidate progress made in performance including closer working relationships with the Neighbourhood Services Refresh Programme which goes live on 4th October 2010, close monitoring of customer service availability and call quality monitoring.



	Jul	Aug	Sep
CANS	0	459	842
Planning	917	884	1413
YPAL	5596	3830	4487
Council Tax	5912	5896	6053
Operators	16083	13817	14715
Total	28508	24886	27510

Human Resources

25. Staff sickness in CBSS April - August was 2.31 days per fte, the second lowest in CYC with OCE the lowest (1.46 days). The 2.31 days are fairly evenly distributed between short and long term sickness with 1.05 days long term and 1.26 days short term. The main causes of absence are stress/anxiety/depression (27.85%) and muscular-skeletal problems (27.81%). CBSS has the highest percentage of stress related absence of any directorate and this equates to 0.64 days per fte. This compares to a CYC average of 0.24 days per fte.



Cost of sickness

26. In response to the Executive's request for information about the cost of sickness the data provided by HR shows lost productivity costs rather than additional costs to the council. The table below shows lost productivity costs per fte in CBSS for each of the past 3 months. For August CBSS has the second lowest cost per fte in the council. City Strategy is lowest at £44.81 per fte.

Month	Days lost/FTE	Total cost (pm)	Cost per FTE (pm)
Jun-10	0.47	£17,656.43	£46.47
Jul-10	0.78	£28,855.35	£76.62
Aug-10	0.45	£17,298.21	£46.55

Directorate Priority Actions

27. A review of progress on all 23 directorate priority projects/actions shows that:

- 16 of these are on track to be delivered within the agreed timescales. 1 has already been completed.
- 6 actions are experiencing slippage (see table below.)

Action	Lead Responsibility	Comments from lead on progress to date
Review and update Customer and Business Support Services Business Continuity Plans and Directorate Business Impact Analysis document	Head of IT	Phased work programme in progress 1) Work with Emergency Planning Team to secure new Corporate templates before applying to CBSS plans. 2) Update existing directorate and departmental services plans 3) Establish new plans as required to ensure directorate wide coverage. need to raise awareness and importance within some areas of CBSS.
Implementation of new Corporate HR/Payroll System	AD - Customers & People & Head of IT	Go live Phase 1 moved to June 2011 to allow for effective dual testing of payroll system and more BPR work to be completed. Phase 2 on track for Oct 2011.
Expand the integration and use of EDRMS within all Service areas prior to move to new Council Headquarters late 2012.	AD - Customers & People & Head of IT	Wip - Limited progress has been made to date and some back scanning and active in line scanning has taken place/is part of BAU activities within of some of the CBSS functions including HR files, some of ICT paper based records, Debtors, Over payments, Legal and the Recovery Team.
Review and refresh of the Income Policy in light of fees and charges review (see transactional Services Blueprint) to reinforce governance and maximise efficient channels available for collection	AD - Customers & People	Due to need to reflect outcomes of M4Y work, the 2011/12 budget process and to conduct effective consultation - this has been deferred to Jan 2011.
Deliver against the HR Blueprint (including the Resourcing Strategy, new HR/Payroll system and restructuring the HR establishment)	AD - Customers & People	Slippage in resourcing efficiency savings, mitigation action being implemented. Restructure consultation ongoing.
Implement next steps of the Pay and Grading Review	AD - Customers & People	All job descriptions now collected and pay modelling due to commence.

Implications

Financial

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

Other Implications

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

Risk Management

30. There are no risk management implications within the report.

Actions arising from the monitor report

31. 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

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Chief Officer Responsible for the report:

Ian Floyd
Director of Customer & Business Support
Services

Report **Date**
Approved

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 2: Performance Indicator update