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**Corporate Services, Climate Change and  
Scrutiny Management Scrutiny Committee****10 March 2025**

Report of the Chief Operating Officer and Chief Finance Officer

**Finance and Performance Monitor 3, 2024/25****Summary**

1. This report sets out the projected 2024/25 financial position and the performance position for the period covering 1 April 2024 to 31 December 2024. This is the third report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.
2. This report outlines the Council's continued challenging financial position with a forecast overspend for 2024/25 of £2.6m which is a huge improvement on the c£11m forecast overspend we have previously seen at this stage in the financial year. The forecast also assumes we can release some earmarked reserves to offset the overall position.
3. However, this is still a forecast overspend and therefore, whilst it is incredibly positive that the position is much improved, there is work still to do to ensure the continued financial resilience of the Council. It remains that the Council cannot afford to keep spending at this level. The general reserve is £6.9m and, whilst we have other earmarked reserves that we could call on if required, continued overspending will quickly see the Council exhaust its reserves.
4. As outlined in previous reports, the existing cost control measures remain in place, and further action is needed to bring spending down to an affordable level, both within the current financial year and over the medium term, to safeguard the Council's financial resilience and stability. The impact that this work is having can be clearly seen in this latest forecast and the Council's track record of delivering savings, along with robust financial management, provides a sound platform to continue to be able to deal with future challenges.

5. If we continue to take action and make any difficult decisions now, this will ensure the future financial stability of the Council and that we can continue to provide services for our residents. It is vital that mitigations are delivered, and the forecast overspend is reduced.
6. Local government continues to be in challenging times, with worsening performance in a number of sectors nationally. The majority of performance indicators chosen to support and monitor the Council Plan in York, continue to show a generally positive and stable trend against this difficult financial picture and shows the hard work from staff, partners and the city to tackle these challenges.
7. We are listening to residents within **Our Big Budget Conversation**, a consultation on budget priorities taking place over 4 stages during 2024-25. The final stage of the consultation closed at the end of Q3 and asked people to provide thoughts on proposals to help the council balance its budget based on feedback from the previous two stages. York remains committed to improving stock condition and tenant experiences, and results from the 2023-24 Regulator for Social Housing return were published for residents with the current consultation underway.
8. Council Plan Progress Reports, providing an update of activity against each of the plan's seven priorities, will be published on an annual basis and sit alongside a six-monthly snapshot of progress available on the Council's website (<https://www.york.gov.uk/council-plan-1/snapshot-progress-council-plan/5>). The reports complement the Finance and Performance Monitor, providing a narrative for the steps that the Council is taking to meet its ambitions.

## **Background**

### **Financial Summary and Mitigation Strategy**

9. The current forecast is that there will be an overspend of £2.6m. This is despite the additional budget allocated through the 2024/25 budget process and ongoing action being taken by managers across the Council to try and reduce expenditure. Adult Social Care remains an area of concern, however action is being taken within the directorate to mitigate against this forecast overspend.
10. If the Council continues to spend at the current level, and no action is taken, then we will continue to overspend and will exhaust our reserves and any other available funding. The current level of expenditure is unaffordable and therefore we must continue the work started in the

previous financial year to identify and take the necessary actions to reduce expenditure.

11. As outlined in previous reports to Executive, we have continued to see recurring overspends across both Adult and Children's Social Care. However, the underspends and mitigations that have allowed us to balance the budget at year end have generally been one off. Whilst the use of reserves to fund an overspend is appropriate as a one-off measure, it does not remove the need to identify ongoing savings to ensure the overall position is balanced. The budget report considered by Executive in February 2024 also included an assessment of risks associated with the budget, which included the need to secure further savings and effectively manage cost pressures.
12. Members will be aware that the financial position of local government is a national challenge and that the pressures being seen across both Adult and Children's Social Care are not something that is unique to York. Many Councils are experiencing significant financial pressures and struggling to balance their budgets now, so it is vital that we continue the work started last year to reduce our expenditure down to a sustainable level both within the current financial year and over the medium term.
13. Given the scale of the financial challenge, and the expected impact on budgets in future years, it is vital that every effort is made to balance the overall position. It is recognised that this will require difficult decisions to be made to protect services for vulnerable residents. The Financial Strategy report elsewhere on this agenda outlines proposals for balancing the budget in 2025/26.
14. Corporate control measures are in place, but it is possible that they will not deliver the scale of reduction needed within the year. Other savings proposals, including service reductions, may also be needed. Officers will continue to carefully monitor spend, identify further mitigation, and review reserves and other funding to make every effort to reduce this forecast position. However, it is possible that it will not be reduced to the point that the outturn will be within the approved budget. The Council has £6.9m of general reserves that would need to be called on if this were the case. As outlined in previous reports, any use of the general reserve would require additional savings to be made in the following year to replenish the reserve and ensure it remains at the recommended minimum level.

15. The delivery of savings plans continues to be a clear priority for all officers during the year. Corporate Directors and Directors will keep Executive Members informed of progress on a regular basis.

### Financial Analysis

16. The Council's net budget is £149m. Following on from previous years, the challenge of delivering savings continues with c£14m to be achieved to reach a balanced budget. The latest forecasts indicate the Council is facing net financial pressures of £2.6m and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below.

Service area	Net budget £'000	2024/25 Q2 Forecast Variation £'000	2024/25 Q3 Forecast Variation £'000
Children & Education	28,659	1,111	994
Adult Social Care & Integration	46,807	3,286	3,608
Transport, Environment & Planning	23,464	-610	-859
Housing & Communities	6,779	790	711
Corporate & Central Services	42,983	-132	-149
<b>Sub Total</b>	<b>148,692</b>	<b>4,445</b>	<b>4,305</b>
Contingency	576	-576	-576
Use of earmarked reserves		-1,089	-1,089
<b>Total including contingency</b>	<b>149,268</b>	<b>2,780</b>	<b>2,640</b>

Table 1: Finance overview

### Directorate Analysis

#### Corporate & Central Services


17. The forecast outturn position for the remaining areas of the Council is a net underspend of £149k and the table below summarises the latest forecasts by service area.

	2024/25 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Director of Finance	3,296	-275	-8.3%
CO HR & Support Services	11,628	161	1.38
Director of Governance	3,795	64	1.69
City Development	710	0	0
Public Health	13	0	0
Other Corporate & Treasury Mgt	23,541	-99	0.4
<b>Total</b>	<b>42,983</b>	<b>-149</b>	<b>-0.3</b>

18. Within the corporate services directorates it is forecast at that expenditure can be broadly contained within budgets.

## Performance – Service Delivery

19. This performance report is based upon the city outcome and council delivery indicators included in the Performance Framework for the Council Plan (2023-2027) which was launched in September 2023. Wider or historic strategic and operational performance information is published quarterly on the Council's open data platform; [www.yorkopendata.org.uk](http://www.yorkopendata.org.uk)
20. The Executive for the Council Plan (2023-2027) agreed a core set of indicators to help monitor the Council priorities and these provide the structure for performance updates in this report. Some indicators are not measured on a quarterly basis and the DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly.
21. A summary of the city outcome and council delivery indicators by council plan theme are shown in the paragraphs below along with the latest data for the core indicator set.

Housing: Increasing the supply of affordable housing (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of dwellings with energy rating in A-C band in the EPC Register - Snapshot	45.3% (Q2 2024/25)	45.6% (October 2024)	 Good	Monthly	National Data 2023/24 59.7% Regional Data 55.3%	Q3 2024/25 data available in February 2025
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

22. **% of dwellings with energy rating in A-C band in the EPC register –**  
An Energy Performance Certificate (EPC) gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years. Apart from a few exemptions, a building must have an EPC

assessment when constructed, sold or let. Whilst the EPC register does not hold data for every property, it can be viewed as an indication of the general efficiency of homes. The rating is based on how a property uses and loses energy for example through heating, lighting, insulation, windows, water and energy sources. Each area is given a score which is then used to determine the A-G rating and a rating of A-C is generally considered to be good energy performance.

23. The % of properties on the register for York with an EPC rating of A-C at the end of October was 45.6%. This measure has increased incrementally month on month since CYC began reporting on the information in March 2023 when 42% of properties were rated A-C. The largest changes in York continue to be in the middle categories with around 3% less properties rated D-E and around 3% more rated C. Data is based on the last recorded certificate for 62,027 properties on the register for York, some of which will have been last assessed more than ten years ago. When looking at certificates added or renewed in the past year only for 2023-24, 58.5% of certificates were rated A-C for York compared to 59.7% Nationally and 55.3% Regionally.

Sustainability: Cutting carbon, enhancing the environment for our future (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
The average of maximum annual mean Nitrogen Dioxide concentration recorded across three areas of technical breach (at points of relevant public exposure) - Calendar year	44.1 (2022/23)	38.8 (2023/24)	⇒	Annual	Not available	2024/25 data available in April 2025
Carbon emissions across the city (tonnes of carbon dioxide equivalent) - (Calendar Year)	816 (2020)	906 (2021)	⇒	Annual	Not available	2022 data available in November 2025
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

24. **Average of maximum annual mean Nitrogen Dioxide concentration recorded across three areas of technical breach** – this indicator considers an average of the maximum annual mean concentrations of nitrogen dioxide (NO<sub>2</sub>) in 3 areas of the city where we have recorded exceedances of health-based air quality objectives in recent years (Gillygate/Lord Mayor's Walk, Blossom Street/Holgate Road and Rougier Street/George Hudson Street). The baseline 2022 figure for this indicator is 44.1µg/m<sup>3</sup> and in the 3 specific areas mentioned there has been around a 25% reduction in this figure since 2012. Whilst the rate of improvement has not been consistent (it has slowed considerably in recent years), CYC's Fourth Air Quality Action Plan (AQAP4) aims to maintain a continued average 2.5% annual reduction in this indicator over its lifetime.

25. Within the 5-year lifetime of AQAP4, it is expected that this indicator (and all 3 areas respectively) will be confidently below 40µg/m<sup>3</sup> and within health-based standards. The target for 2023 was 43µg/m<sup>3</sup>, which was met based on an indicator value of 38.8, which is a positive result.
26. Despite the overall indicator being 38.8, there was still one area that was above the health-based objective of 40 in 2023 (the maximum concentration of NO<sub>2</sub> recorded on Gillygate was 43µg/m<sup>3</sup>). We aim to improve air quality further in this area through measures such as further electric buses and the traffic signal trial due to commence in January 2025.
27. **Level of CO<sub>2</sub> emissions across the city and from council buildings and operations** – Emissions associated with council operations have been reducing across every category we measure, due to the work underway to improve the energy efficiency of our buildings and fleet electrification. However, improvements to the scope and accuracy of our reporting methodology mean that new emissions are now being recorded, resulting in an overall increase in reported operational emissions. Fully understanding our emissions is an important step in managing and mitigating our impact. Further details are available here: <https://democracy.york.gov.uk/documents/s179414/Report.pdf>. City-wide emissions have experienced a small increase in 2021, following post-covid restrictions. While this rebound is not unexpected, emissions have not returned to pre-covid levels following the long-term trend of emissions reduction since 2005. The rate of reduction over this time, however, is not sufficient to meet our net zero by 2030 ambition and significant emissions reductions are needed over the remaining years. Further details are available here: [https://democracy.york.gov.uk/documents/s179439/EMDS\\_City%20Wide%20Emissions%202024.pdf](https://democracy.york.gov.uk/documents/s179439/EMDS_City%20Wide%20Emissions%202024.pdf)

How the Council will operate (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
FOI & EIR - % Requests responded to In time - (YTD)	98.06% (Q2 2024/25)	98.04% (November 2024)	↑ Good	Monthly	Not available	Q3 2024/25 data available in January 2025
% of 4Cs Complaints responded to 'In Time'	73.66% (Q2 2024/25)	91.78% (November 2024)	↑ Good	Monthly	Not available	Q3 2024/25 data available in January 2025
The % of the Talkabout panel reporting an 'excellent' experience when they last contacted the council about a service	11.07% (Q1 2024/25)	11.36% (Q3 2024/25)	→	Quarterly	Not available	Q1 2025/26 data available in July 2025
The % of the Talkabout panel reporting a 'good' experience when they last contacted the council about a service	29.07% (Q1 2024/25)	27.76% (Q3 2024/25)	→	Quarterly	Not available	Q1 2025/26 data available in July 2025
The % of the Talkabout panel reporting a 'satisfactory' experience when they last contacted the council about a service	37.02% (Q1 2024/25)	38.17% (Q3 2024/25)	→	Quarterly	Not available	Q1 2025/26 data available in July 2025
The % of the Talkabout panel reporting a 'poor' experience when they last contacted the council about a service	22.84% (Q1 2024/25)	22.71% (Q3 2024/25)	→	Quarterly	Not available	Q1 2025/26 data available in July 2025
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	11.17 (November 2023)	11.66 (November 2024)	→	Monthly	CIPD (Public Sector) 2022/23 10.6	Q3 2024/25 data available in February 2025
York Customer Centre average speed of answer	00:01:05 (Phone) (Q2 2024/25)	00:00:25 (Phone) (November 2024)	→	Monthly	Not available	Q3 2024/25 data available in January 2025
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

28. **FOI and EIR – % of requests responded to in-time (YTD) – 98% of requests were responded to in-time during the year up to the end of November 2024 which is the highest figure seen for a number of years.**
29. **% of 4Cs complaints responded to in-time –** In 2023-24, there had been a large decrease in the number of corporate complaints received compared to 2022-23 (1,310 in 2023-24 compared to 1,866 in 2022-23). This decrease has continued into 2024-25 with 759 corporate complaints received in the first eight months of 2024-25 (compared to 948 in the first eight months of 2023-24). The percentage of corporate complaints responded to in time during November 2024 was 91.8% which is a large increase from 73.7% in Q2 2024-25.
30. **% of the Talkabout panel reporting an excellent, good, satisfactory or poor experience when they last contacted the council about a service –** The results for this indicator for Q3 2024-25 show that the majority of the panel report having a 'good' (28%) or 'satisfactory' (38%) experience when they last contacted the Council, with 11% reporting an 'excellent' experience and 23% reporting a 'poor' experience, consistent with Q1 2024-25.



31. **Average sickness days per full time equivalent (FTE) employee** – At the end of November 2024, the average number of sickness days per FTE (rolling 12 months) had increased slightly to 11.7 days from 11.2 in November 2023. Recently released benchmarks show that the CIPD public sector benchmark is 10.6 days per FTE, putting us in line with national trends.
32. **York Customer Centre average speed of answer** – Phones were answered, on average, in 25 seconds in November 2024 by the York Customer Centre. This is the shortest time of answer seen since May, when the volume of calls received by the Customer centre increased due to garden waste calls.

### **Consultation**

33. Not applicable.

### **Options**

34. Not applicable.

### **Analysis**

35. Not applicable.

### **Council Plan**

36. Not applicable.

### **Implications**

37. The recommendations in the report potentially have implications across several areas. However, at this stage
- **Financial implications** are contained throughout the main body of the report. The actions and recommendations contained in this report should ensure the continued financial stability and resilience of the Council both in the current year and in future years.
  - **Human Resources (HR)**, there are no direct implications related to the recommendations.
  - **Legal** The Council is under a statutory obligation to set a balanced budget on an annual basis. Under the Local

Government Act 2003 it is required to monitor its budget during the financial year and take remedial action to address overspending and/or shortfalls of income.

- **Procurement**, there are no specific procurement implications to this report.
- **Health and Wellbeing**, there are no direct implications related to the recommendations.
- **Environment and Climate action**, there are no direct implications related to the recommendations.
- **Affordability**, there are no direct implications related to the recommendations.
- **Equalities and Human Rights**, there are no direct implications related to the recommendations.
- **Data Protection and Privacy**, there are no implications related to the recommendations.
- **Communications**, there are no direct implications related to the recommendations.
- **Economy**, there are no direct implications related to the recommendations.

## **Risk Management**

38. An assessment of risks is completed as part of the annual budget setting exercise. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.
39. The current financial position represents a significant risk to the Council's financial viability and therefore to ongoing service delivery. It is important to ensure that the mitigations and decisions outlined in this paper are delivered and that the overspend is reduced.

## **Recommendations**

40. The Committee is asked to:
  - a. Note the finance and performance information.
  - b. Note that work will continue on identifying savings needed to fully mitigate the forecast overspend.

Reason: to ensure expenditure is kept within the approved budget.

## Contact Details

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**Report  
Approved**



**Date** 7 February 2025

**Wards Affected:**

**All**



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

**Background Papers:** None.

**Annex 1:** CSCCSM Q3 24-25 Scrutiny Committee Scorecard