

Corporate Scrutiny

8 September 2025

Report of the Chief Operating Officer and Chief Finance Officer

2024/25 Finance and Performance Outturn

Summary

1. This report provides a year end analysis of the overall finance and performance position for the year. This is the final report covering the financial year 2024/25.
2. There have been reports to the Executive throughout the year that have outlined an improved financial position compared to 2023/24 however one that continues to be challenging as a £2.6m overspend was projected in the Monitor 3 report in January. This was after the use of £1.1m from earmarked reserves.
3. This report provides detail that there was a budget overspend of £1.123m which has been funded from the use of contingency £576k and through the use of £547k draw down from earmarked reserves. This has been an improvement of £3.2m from the position forecast at Monitor 3 report.
4. There has been no need to draw on general reserves which stand at £7.4m.
5. The outturn position shows that most areas of the council are now broadly in budget, and it is very pleasing following significant hard work within the service that Children's social care has been reducing its overspend through the year. The key area that required continued focus is Adult Social Care where the overspend of £4.1m is putting pressure on the council's overall position.
6. 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 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 outturn position 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.

7. 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.
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 draft outturn position shown an overspend of £1.1m across service areas for the year compared to a comparable overspend of £4.3m at Monitor 3. There has been a requirement to balance the budget with a drawdown from earmarked reserve totalling £572k as well as use of contingency £576k. The year end position has improved by £3.2m compared to Monitor 3.
10. As outlined in previous reports to Executive, the financial position across the council has been less severe than was faced in the previous year. Council identified £14m of savings at its meeting in February 2024 and even though these have not all been fully delivered the result has given the council much needed resilience. There are however continued recurring overspends, primarily across Adults Social Care, which cause concerns. Many of the underspends and mitigations that we have seen us to balance the budget at year end have generally been one off.
11. 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.

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

Financial Analysis

13. The Council's net budget is £149m. Following on from previous years, the challenge of delivering savings continues with c£14m to be required in 2024/25 to reach a balanced budget. The draft outturn on a Directorate basis is shown in the table 1 below.

Service area	Net budget* £'000	2024/25 Q3 Forecast Variation £'000	2024/25 Outturn Variation £'000	Change £'000
Children & Education	35,261	994	531	-463
Adult Social Care & Integration	52,051	3,608	4,155	+547
Env. Transport & Planning	30,360	-859	-1,899	-1,040
Housing & Communities	11,613	711	688	-23
Corporate & Central Services	19,407	-149	-2,352	-2,203
Sub Total	148,692	4,305	1,123	-3,182
Contingency	576	-576	-576	0
Use of earmarked reserves		-1,089	-547	+542
Total including contingency	149,268	2,640	0	-2,640

*Budgets includes Support Service Charges totalling £20m with the offset being within Central Services

Table 1: Finance overview

14. The year end position shows that there has been an overspend across service budgets of £1,123k which can be funded from the use of contingency £576k and the need to draw down of earmarked reserves totalling £547k. This is an overall improvement of c.£3.2m compared to Monitor 3 which demonstrates the council's cost control measures are working.

Directorate Analysis

Corporate & Central Services

15. The forecast outturn position for the remaining areas of the Council is a net underspend of £2,352k primarily related to the Treasury Management budget. The table below summarises the variances by service area.

	2024/25 Budget £'000	Outturn Variance £'000	Outturn Variance %
Director of Finance	5,967	-122	-2.0%
CO HR & Support Services	10,137	-92	-1.0%
Director of Governance	3,821	-66	-1.7%
City Development	1,136	-99	-8.7%
Public Health	607	-5	-0.8%
Other Corporate & Treasury Mgt	18,942	-1,968	-10.4%
Support Services Net Income	-21,203	0	0.0%
Total	19,407	-2,352	-12.1%

*The above includes £1,036k of Support Service Charges and £21,203k of support service income

16. Within the corporate services directorates have all delivered underspends during the financial year which totalled £384k (excluding Corporate and Treasury).
17. Pressures in Finance due to External Audit fees (£157k) being higher than budgeted due to additional work undertaken as a part of the year end accounts. These have been offset by increased insurance interest (£71k) and favourable staffing variations and recharges (Finance £95k, Business Intelligence £75k and Procurement £18k).
18. Within Property there have been unbudgeted dilapidation costs of Commercial Properties (£142k, 1 Museum Street) and additional spend on external legal fees, (£137k). These were offset by additional fee income across the architects and engineering teams (£88k).
19. The Governance underspend is largely due to favourable staffing variations in Legal (£103k) which have covered overspends in Coroners (£41k) and Democracy (£21k).
20. The underspend in HR and Support Services is predominately due to staffing underspends in Business Support.

21. Across City Development the £98k savings have been achieved through staff vacancies and an additional opportunity to charge staff costs to the UK Share Prosperity Grant.
22. The Public Health Budget is showing an underspend of £5k however there was a net £60k underspend on the Public Health reserve that has been transferred into the Public Health reserve. The reserve stands at 31/03/2025 at £837k.
23. The Treasury Management budget underspent by £1,699k which was due to the levels of slippage in the capital programme and the reduced requirement for borrowing. This will not be recurring as the council is committed to the borrowing, but the timing will determine the revenue impact.

Performance – Service Delivery

24. 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
25. 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.
26. 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.

How the Council will operate (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
FOI & EIR - % Requests responded to in time - (YTD)	88.99% (2023/24)	95.32% (2024/25)	↑ Good	Monthly	Not available	Q1 2025/26 data available in July 2025
% of 4Cs Complaints responded to 'In Time'	85.54% (2023/24)	70.11% (2024/25)	↓ Bad	Monthly	Not available	Q1 2025/26 data available in July 2025
The % of the Talkabout panel reporting an 'excellent' experience when they last contacted the council about a service	10.92% (2023/24)	11.36% (2024/25)	→	Quarterly	No benchmarking as local indicator	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	34.86% (2023/24)	27.76% (2024/25)	→	Quarterly	No benchmarking as local indicator	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	34.51% (2023/24)	38.17% (2024/25)	→	Quarterly	No benchmarking as local indicator	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	19.72% (2023/24)	22.71% (2024/25)	→	Quarterly	No benchmarking as local indicator	Q1 2025/26 data available in July 2025
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	11.2 (2023/24)	12.1 (2024/25)	→	Monthly	CIPD (Public Sector) 2022/23 10.6	Q1 2024/25 data available in August 2025
York Customer Centre average speed of answer	00:00:13 (Phone) (2023/24)	00:00:42 (Phone) (2024/25)	→	Monthly	No benchmarking as local indicator	Q1 2025/26 data available in July 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						

27. **FOI and EIR – % of requests responded to in-time (YTD)** – 95% of FOI and EIR requests were responded to in-time during 2024-25, which is an increase from 89% in 2023-24 and the highest figure seen for a number of years.
28. **% of 4Cs complaints responded to in-time** – There has been a large decrease in the number of corporate complaints received over recent years and the decrease has continued into 2024-25 with 1,054 complaints (compared to 1,310 in 2023-24 and 1,866 in 2022-23). The percentage of corporate complaints responded to in time during 2024-25 was 70.1% which is a large decrease from 85.5% in 2023-24. The figures were lower during the start of the year but had increased in the second half and the March figure was 85.3% showing an improvement.
29. **% 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.

30. **Average sickness days per full time equivalent (FTE) employee** – At the end of March 2025, the average number of sickness days per FTE (rolling 12 months) had increased to 12.1 days from 11.2 in March 2024. The latest benchmarks show that the CIPD public sector benchmark is 10.6 days per FTE, putting us above national trends. The number of people off work on an average day has remained relatively stable in the last year at c.120-140 people, with the overall figure affected by the number of “long-term” sickness cases. Further detail on the organisational approach to addressing and supporting sickness actions can be found within the Staffing Matters and Urgency quarterly workforce reports.
31. **York Customer Centre average speed of answer** – Phones were answered, on average, in 42 seconds during 2024-25 by the York Customer Centre. This is slower than in 2023-24 (13 seconds) but faster than the previous few years. Call volumes have increased in the last year due to garden waste calls.

Consultation

32. Not applicable.

Options

33. Not applicable.

Analysis

34. Not applicable.

Council Plan

35. Not applicable.

Implications

36. 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

37. 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.

Recommendations

38. The Committee is asked to:
 - a. Note the finance and performance information.
 - b. Note the use of earmarked reserves in order to balance the budget.

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

Contact Details

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**Report
Approved**



Date 26/08/25

Wards Affected:

All ☒

For further information please contact the author of the report

Background Papers: None.

Annexes: Corporate Q4 24-25 Scrutiny Committee Scorecard