

**Executive**

**3 March 2009**

**Report of the Director of Resources**

**Third Performance and Financial Monitor for 2008/09**

**Purpose of the Report**

- 1 This report provides details of the headline performance issues from the third performance monitor period up to 31 January 2009. It also builds on this to present the latest projection of the Council's revenue out-turn for 2008/09.
- 2 Three key areas of performance are covered in this report:
  1. **Finance** - which covers service and corporate budgets
  2. **Performance** - which examines how well the council is performing across a wide range of performance indicators, at both corporate and directorate level.
  3. **Key projects and priorities** - providing an update on how well the council is delivering improvement under the 10 corporate priorities and the key projects that support their improvement.

**Monitor 3 headlines**

- 3 The first 6 pages of this report cover the main headlines for monitor 3 and the rest of the report studies each directorate in more detail. Below is a summary of the key finance and performance headlines:

**Finance - budget overview**

- 4 The General Fund budget for 2008/09 is £117,014k, utilisation of balances and reserves reduce the call on council tax to £110,471k. The current projection is that there will be a net underspend of £990k in the year, of which Treasury Management activity is contributing £1,226k.

**The General Fund**

- 5 The table following summarises the information currently available, together with a forecast for those activities that fall under the remit of the Executive. It shows that service areas are projecting an overspend of £620k compared to £170k at monitor 2. The forecast for central contingency assumes that other than the request in this report there will be no further call on the remaining budget. Central budgets are forecast to underspend by £136k and Treasury Management activity is forecast to underspend by £1,226k.

## Summary of Budgets and Variations

Variance 2007/08 £000		Monitor 2 Variance £000	Currently Approved Budget			Variations	Projected Out-turn £000
			Gross Exp. £000	Income £000	Net Budget £000	Out-turn to Net Budget £000	
	<b>Service Area</b>						
+414	Children's Services (non DSG)	+528	71,185	(42,098)	29,087	+560	29,647
+47	Leisure and Culture <sup>1</sup>	+47	13,024	(4,211)	8,813	+10	8,823
-16	Economic Development	-	5,997	(3,416)	2,581	-	2,581
-49	City Strategy	+73	37,286	(19,828)	17,458	+621	18,079
-377	Neighbourhood Services	+139	22,923	(7,155)	15,768	-115	15,653
+3	Chief Executive's Department	+60	11,538	(5,578)	5,960	-61	5,899
-170	Property	+294	10,536	(8,759)	1,777	+347	2,124
-1,363	Resources	-421	59,643	(54,973)	4,670	-608	4,062
-110	Housing General Fund	-74	11,291	(9,864)	1,427	-	1,427
-939	Adult Social Services	-476	60,934	(22,862)	38,072	-134	37,938
<b>-2,560</b>	<b>Total of Service Areas</b>	<b>+170</b>	<b>304,357</b>	<b>(178,744)</b>	<b>125,613</b>	<b>+620</b>	<b>126,233</b>
	<b>Centrally Held Budgets</b>						
-	Notional Interest	-	(13,907)	-	(13,907)	-	(13,907)
-	Contribution from Cap Fin Acct	-	-	(7,585)	(7,585)	-	(7,585)
-1,449	Other Central Budgets	-103	6,505	(691)	5,814	-136	5,678
-2,340	Treasury Management <sup>1</sup>	-1,289	11,147	(4,316)	6,831	-1,226	5,605
-200	General Contingency <sup>2</sup>	-306	248	-	248	-248	-
229	Non availability of Trading Profit						
<b>-6,320</b>	<b>Non DSG General Fund Total</b>	<b>-1,528</b>	<b>308,350</b>	<b>(191,336)</b>	<b>117,014</b>	<b>-990</b>	<b>116,024</b>

<sup>1</sup> Assumes Members agree the recommended virement between Leisure and Treasury Management

<sup>2</sup> Projection assumes that there will no further bids from EMAPs

- 6 This is a deterioration of £538k from the second monitor position. A large amount of this variation is due to the additional costs resulting from the recent extreme weather conditions, (expected to increase costs by £250k), continuing increasing demand on Children's Social care costs and also the impact of the current economic climate on the activities of Yorwaste, which are expected to reduce the dividend payment in the year by £361k. The following table shows the movements in projections:

### Comparison of Projections Monitor 2 and Monitor 3

	Monitor 2 Variance £'000	Suppl Ests £'000	Revised Variance £'000	Monitor 3 Variance £'000	Change £'000
Children's Services	+528	-182	+346	+560	+214
Leisure and Culture	+47	-	+47	+10	-37
Economic Development	-	-	-	-	-
City Strategy	+73	-	+73	+621	+548
Neighbourhood Services	+139	-	+139	-115	-254
Chief Executive's	+60	-	+60	-61	-121
Property	+294	-	+294	+347	+53
Resources	-421	-	-421	-608	-187
Housing General Fund	-74	-	-74	-	+74
Adult Social Services	-476	-	-476	-134	+342
Other Central Budgets	-103	-	-103	-136	-33
Treasury Management	-1,289	-	-1,289	-1,226	+63
General Contingency	-306	+182	-124	-248	-124
<b>Total</b>	<b>-1,528</b>	<b>-</b>	<b>-1,528</b>	<b>-990</b>	<b>+538</b>

- 7 Where increased spending pressures in service areas have been identified Departmental Management Teams are looking to identify savings and action that can be taken to reduce the net effect of these pressures. In particular Directorates currently anticipating an overspend have been asked to review carefully all expenditure commitments.
- 8 Although the projected out-turn is an underspend this is due in part to a number of one-off occurrences, particularly Treasury Management, in overall terms the Council faces a number of on-going budget pressures and future budget rounds will need to identify appropriate actions to control and mitigate them. Any overspending at out-turn will require the relevant directorate to develop an action plan to set out how they will bring back expenditure in line with budget to ensure no on-going problems. Action plans will be submitted to the Director of Resources in the first instance and where relevant further actions may be reported to the Executive.
- 9 Full details of the reasons for the service variations will be outlined in the individual EMAP reports to be presented later this month. Key parts of this are explained in paragraphs 29 to 78 and more detailed information will be presented to the individual EMAPs. An analysis of the key items which comprise current variances for other central budgets is shown in paragraphs 20 to 28.

### **Non General Fund**

- 10 There is a projected overspend of £358k against a budget of £86,389k on the Dedicated School Grant (DSG) functions. Under the terms and conditions of the DSG any in-year underspend must be carried forward to be added to next year's DSG allocation, any overspend can only either be funded from the general fund or carried forward and deducted from the following financial year's DSG. The proposal is to take the latter course of action should the projected overspend continue to the end of the financial year.
- 11 The HRA current working balance budget is £7,238k. The projected out-turn working balance is expected to be £7,419k, £181k more than the current budget. This is a small deterioration from the second monitor which was forecasting an increase of £285k.
- 12 The trading activity of Neighbourhood Services is reporting a break-even position for the year-end. Any loss or profit would result in a transfer to the Trading Reserve.

### **Reserves**

- 13 The level of revenue reserves at 31 March 2009 is projected to be in the region of £9m before any adjustment is made for net variations in the current year, as shown on the following table. The 2008/09 budget process recommended a minimum threshold level of £5,361k.

## Summary of Revenue Reserves

		2008/09 £'000
<b>General Fund Reserve</b>		
Balance at 1 April		(11,386)
Less: Committed in Annual Budget	1,992	
Underspend in previous year released in year	1,513	
Transfer to Invest for Efficiency	1,000	
Supplementary Estimates granted to date	1,519	6,024
		<u>(5,362)</u>
Add: NNDR Rebates	(50)	
Additional LABGI grant	(691)	
Transferred funds from insurance reserve	(300)	(1,041)
		<u>(6,403)</u>
<b>Expected Balance at 31 March 2009</b>		
Expected Balance on Trading Reserve at 31 March 2009		(300)
Expected Balance on Venture Fund at 31 March 2009		(2,883)
<b>Expected Balance on Revenue Reserves at 31 March 2009</b>		<b>(9,586)</b>

- 14 It should be noted that while this is above the minimum threshold of £5,361k future potential demands and agreed commitments, including commitments for the administration accommodation review and future budgets, have been identified which will reduce the available resources by the end of 2010/11.
- 15 The NNDR refunds received to date, after deducting all fees due to the Council's agents and the fee expected to be paid to property services, is £30k. It is projected that this may increase to £50k by 31 March 2009, and the latter figure has been included in the reserves statement at paragraph 13.
- 16 The latest information on the York High School fire are that costs are likely to be in excess of the sum which will be recoverable through insurance. Until the final costs and the insurers position is known the value of any shortfall cannot be identified, however there is likely to be a call on council reserves for the shortfall.

## **Performance**

- 17 Overall York is improving in 63% of indicators so far this year with 64% on target (of those with data available). However the LAA indicators are a concern as only 51% of those reported are showing improvement at this point and 54% are on target. Many of those not reported are survey based (12 indicators) or produced only on an annual basis, so a true reflection of performance will not be available until the end of the year. This is also partly due to some of the education indicators predicting results slightly below last year's. For a breakdown of the key indicators used in this report that have target or improvement data available for April to December 2008 see Annex 1. Performance per directorate is outlined along with financial performance from paragraph 29 onwards.

	Total	Number on Target <sup>*1</sup>	Number showing improvement <sup>*2</sup>
All Indicators Reported	356	103 of 162 (64%)	99 of 157 (63%)
LAA Indicators	65	13 of 24 (54%)	15 of 29 (51%)
National Indicators	205	42 of 73 (56%)	42 of 73 (58%)
Indicators supporting a Corporate Priority	74	31 of 53 (58%)	39 of 60 (65%)

*Note 1 (\*1) – the number of indicators with data (108 of 205 NI including sub-indicators) available is reduced as many indicators are either only produced on an annual basis or they are survey based due to the new performance collection arrangements and national indicators. Not all indicators have targets set for this year.*

*Note 2 (\*2) – As above but as some indicators are new not all have historical data, therefore improvement cannot be shown at this stage.*

*Note 3 – At the time of writing this report the PLACE survey indicator results were not available.*

### Improvement headlines:

- *Affordable homes* - significant progress has been made this year, with a current projected total of 150 homes being delivered against a target of 165. In the current housing market this represents an achievement.
- *Recycling and household waste* - York continues to increase the proportion of waste recycled and composted (now at 45%). Over the past 5 years significant improvement in both recycling and landfill levels have been achieved and the council is now one of the best performing unitary councils in the country. The amount of residual household waste per head of population also continues to improve (now at 626kg compared to 663 kgs in 2007/08), a drop of 6% in just one year.
- *Serious acquisitive crime* - is expected to meet the target of 3891 offences for 2008/09, mainly due to the theft from a vehicle and vehicle interference crimes performing well.
- *Youth offending* - the rate of proven re-offending by young offenders has dropped significantly and is already achieving the LAA target level.
- *Independent living* - the number of vulnerable people achieving independent living looks likely to exceed the very challenging 2008/09 LAA target of 68.5%.
- *Council Tax* - the % of council tax collected is predicted to improve again this year at 97.4%, a 5<sup>th</sup> successive improvement since 2003/04 when York was achieving 93%.
- *Staff attendance & H&S* - levels of attendance continue to show good improvement on the same period last year. If this trend continues, York will move into the second quartile of unitary authorities, a real achievement given that the council was in the bottom quartile just 3 years ago. Health & safety reported accidents have also declined sharply in comparison to the same period last year. Similarly, public incidents now running half that experienced in 2007/08, with just 4 incidents occurring outside school curriculum activity time.

### Areas for improvement:

- *Out of work benefits* - the people on out of work benefit is a concern and looks likely to exceed the target for this year, mainly as a result of the recession. Current performance however, is significantly better than the Yorkshire and Humber region and the Great Britain level.
- *Average earnings of employees in the area* - is not on target for 2008/09 and is currently at 93.8% of the English median well short of the 97.6% target for 2008/09.
- *Educational attainment* - The % of pupils (NPI 73) achieving Level 4 or above in both English & Maths at KS2, has dropped an estimated 1% from last year. The % of pupils achieving 5+ A\*-C at GCSE (or equivalent) including English and Maths, has also had a small drop of 0.7% from last year. For both indicators, York is well above both the national and regional average and are also still in the top quartile.
- *NEETs* - The % of 16-18 year olds who are not in education, employment or training has reduced to just 4.7%.

### Corporate priorities

- 18 65% of indicators that support a corporate priority are improving with 55% on target for 2008/09. The Council has performed particularly well with the waste indicators (70% showing improvement) and with improving life chances of vulnerable young people (79% showing improvement). More detail can be found in paragraph 81.

### Key projects

- 19 80% of the Council's key projects are on track to be delivered on time. Projects that have revised deadlines include the Barbican development, university swimming pool and Peaseholme hostel relocation (more detail can be found in graphs 82 to 83).

## Executive

### Finance

#### Centrally Held Budgets

- 20 These are budgets where the reporting responsibility has been reserved to the full Executive, and so any movement on them is considered as part of this report.

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Notional Interest Income	-	(13,907)	(13,907)	-
Contribution from Capital Finance Account	-	(7,585)	(7,585)	-
Other Central Budgets	-103	5,814	5,678	-136
Treasury Management	-1,289	6,831	5,605	-1,226
General Contingency	-306	248	-	-248
<b>Total</b>	<b>-1,698</b>	<b>(8,599)</b>	<b>(10,209)</b>	<b>-1,610</b>

#### Notional Interest Income and Contribution from Capital Finance Account

- 21 These are balancing items to entries in service accounts and will always out-turn at budget.

#### Other Central Budgets

- 22 These budgets cover a variety of funding held centrally and details are shown in the table below.

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Pensions - costs of early retirements	+147	704	1,035	+331
Redundancy payments	-260	649	296	-353
Park & Ride provision for staff passes	+45	55	100	+45
LABGI Grant (gross budget £691k)	-	-	-	-
Specific contingency primarily for pay and grading	-	4,045	4,045	-
Miscellaneous, including contribution to week 53 reserve, rent reviews and provision for bad/doubtful debts	-35	361	202	-159
<b>Total</b>	<b>-103</b>	<b>5,814</b>	<b>5,678</b>	<b>-136</b>

- 23 The majority of the budgets are for contractual purposes and will be fully required. The cost of the staff park and ride passes is forecast to overspend, mainly due to a budget saving taken in an earlier year not being deliverable. At the moment the budget for the additional costs of the recently agreed pay and grading review is still being held centrally. Work is currently being undertaken with each Directorate to identify how much needs to be transferred to each service area, and when the exercise is completed the budget will be transferred. At the moment indications are that the full budget will be needed.
- 24 One other area for consideration is the sum needed for bad debt provision. As part of the preparatory work for the transition from the current financial system to the new

ledger in April consideration is being given to the age/collectability of old debts. It is likely that there will be a larger than usual write-off in the year and that the provision at year-end may therefore be lower. The projections assume that these two will match.

- 25 The projection on redundancies and pensions currently shows an underspend of £22k. This estimate has been prepared using information on all known redundancy situations for the remainder of the year, most of which have arisen from 2008/09 budget savings and expected retirements under the Council's early retirement policy.

### Treasury Management

- 26 This activity is currently predicted to produce a surplus (underspend) of £1,226k, after a transfer of £106k from this activity to Leisure proposed by the Director of Resources (see paragraph 28 for further information). This is mainly due to two key events: a delay in borrowing made possible by strong cash-flows (£241k) and the overall level in interest rates throughout the year has seen cash balances earn a higher return (£1,180k after the virement of £106k mentioned above) than originally projected. This is a consequence of the prolonged dislocation of money market rates against the Bank of England Base Rate. Due to the ongoing liquidity crisis interest rates payable on the markets have sat up to 1% higher than the bank base rate.

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Delay in Borrowing	-518	4,998	4,757	-241
Provision to repay debt	+240	4,125	4,365	+240
Increase in interest receivable	-978	(2,293)	(3,473)	-1,180
Miscellaneous	-33	1	(44)	-45
<b>Total</b>	<b>-1,289</b>	<b>6,831</b>	<b>5,605</b>	<b>-1,226</b>

### **General Contingency and Supplementary Estimate Requests**

- 27 Contingency funding amounting to £800k was set aside in the budget process. As detailed in Annex 2 supplementary estimates approved to date amount to £552.1k leaving £247.9k. There is one request for further additional funding relating to fostering costs. A sum of £80k was requested at the second monitor report, and Members approved the release of £40k. A request is now made for the remaining £40k to be released. Full details of this request are shown at Annex 3, which also details how the number of looked after children has increased over the years, and in particular how the number has increased over the last twelve months. There should be no further calls at this stage in the financial year.

### **Virements Requested**

- 28 The Council's financial regulations require that any virements between service plan heads of more than £250k are agreed by the Executive as part of the budget monitoring report. There are no requests anticipated to be referred from the EMAP meetings. However the Director of Resources is requesting approval to a virement of £106k between Treasury Management and Leisure and Cultural Services. This is to provide sufficient funds to meet the costs in 2008/09 that will now need to be met for the Barbican Centre.



**The remaining pages of this report cover each directorate in more detail with an annex showing the key indicators used in this report.**

***Learning, Culture and Children's Services Directorate***

**Finance**

Children and Young People's Services

29 The current projection is for an overspend of £560k. Although the position reported at the second monitor was an overspend of £528k Members agreed that supplementary requests would be granted for £182k to reduce this projection to £346k. The current forecast is therefore an increase of £214k. Significant variances reported to Members are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Children and Families	+599	11,546	12,107	+561
Lifelong Learning and Culture	+60	391	551	+160
Partnerships and Early Intervention	-250	1,754	1,504	-250
Resource Management	+9	7,360	7,369	+9
School Improvement and Staff Development	-	555	555	-
School Funding and Contracts	+110	7,481	7,561	+80
<b>Total</b>	<b>+528</b>	<b>29,087</b>	<b>29,647</b>	<b>+560</b>

- a Within Children's Social Care an overspend of £461k is forecast resulting from increasing demand. Fostering fees of £250k is projected, after the supplementary request has been applied. The Looked After Children population has increased by 28 to 198, of these over 130 are placed with foster carers. The Schools Forum has agreed an additional £100k can be charged to Schools Budget (hence the DSG) reducing the overspend to £150k.
- b There is likely to be an overspend of £126k on the placements budget for children with complex needs. The major impact is from 3 new and unexpected residential placements and two short term children's home placements. Efforts are being made to enable some children to be returned to York. Other costs are also forecast to overspend principally due to increasing costs of £60k on the PACT scheme in Health and Disabilities Contracted Services and a £55k shortfall in the level of the Social Care Workforce Training Grant allocated to children's social workers.
- c There is a projected overspend of £95k on legal fees due to a higher than usual number of complex (expensive) court cases involving York children, together with a general increase in the cost of cases resulting from a national trend for courts to call in more expert witnesses.
- d The latest management information data on take-up of Learning and Skills Council (LSC) funded training programmes suggests that learner numbers will be significantly lower than the targets set by the LSC. As the LSC grant funding is now directly related to performance this will result in a reduction in funding of at least £100k this year.

- e The Integrated Children's Centres (ICC) revenue grant for the Children's Centres programme was allocated for a full year's staffing and activity, however actual recruitment has taken place throughout the year, there is therefore a one-off underspend of £250k.
- f There is a net projected overspend of £32k on the cost of providing transport and escorts for SEN pupils, due to rising fuel costs, an increase in the cost of for short taxi journeys and the use of a variety of replacement suppliers following suspension of a contract with a major supplier. This is after charging £150k of these costs to the DSG by agreement with the Schools Forum.
- g Based on historic profiles of expenditure there is a high risk of an overspend of £80k on the Repair and Maintenance buyback. A review of the operation of this budget will now be undertaken with colleagues in Facilities Management (who manage it on behalf of LCCS) to try and contain this overspend. If this is deemed to be a recurring issue then a review of the charges made to schools will have to be considered for 2009/10.
- h Net minor variations presented to Members produce a further overspend of £7k.

### Leisure and Culture

- 30 The latest forecast is for an overspend of £10k, assuming that Members agree to the virement request set out in paragraph 28, compared to a projected overspend of £47k at the second monitor. Significant variances reported to Members are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Lifelong Learning and Culture	+47	8,707	8,717	+10
<b>Total</b>	<b>+47</b>	<b>8,707</b>	<b>8,717</b>	<b>+10</b>

- a As previously reported a number of valuable obsolete stock items have been sold at auction and raised £95k. This income was intended to support the first phase of redeveloping the central library into a library learning centre. However, at this stage a significant shortfall against the core library income budgets of £73k is projected. Other minor variations produce savings of £18k, leading to a projected underspend for the overall library service budget of £40k.
- b Parks & Open Spaces is currently showing an overspend of £77k, however the service manager has proposed action that will bring the service budget back into line by the end of the financial year.
- c The Sports & Active Leisure area is forecasting an overspend of £146k (the main item being £106k unbudgeted costs relating to the Barbican Centre following the termination of the agreements with Absolute Leisure in January 2009). The Director of Resources has agreed to request the virement of budget from the Treasury Management to fund these additional costs. This reduces the overspend to £40k.
- d Net minor variations produce a further overspend of £10k.

## **Non-General Fund Account**

### Dedicated School Grant (DSG)

- 31 The net projected overspend has increased from £300k at monitor one to £358k, an increase of £58k. Significant variances reported to Members are:
- a Out of City placements have increased by £73k reflecting the number of pupils placed in external children's homes and residential special schools.
  - b The Nursery Education Grants budget is currently predicted to overspend by approximately £20k in 2008/09, after the DCSF have agreed the use of Standards Fund flexibility funding towards increased costs. This equates to 44 additional children claiming the free entitlement for the full year.
  - c Within the Behaviour Support Service costs of providing supply teachers is projected to overspend by £116k, and costs of provision for excluded pupils from the sixth day of their exclusion have risen by £50k.
  - d There is a forecast saving of £120k on the Area Based Grant, allowing some of the excess expenditure in Behaviour Support to be funded.
  - e There is a projected overspend of £77k on Learning Support Assistants due to an increase in the number of pupils requiring more than 15 hours support per week.
  - f The number of pupil numbers used in the calculation of the DSG for 2008/09 has now been fixed by the DCSF. The confirmed pupil numbers for DSG calculation are 20.6 fte pupils lower than the estimates (0.1%). Each fte pupil generates £3,801 resulting in £78k less grant than originally estimated.
  - g Net minor variations presented to Members produce an overspend of £64k.

## **Performance**

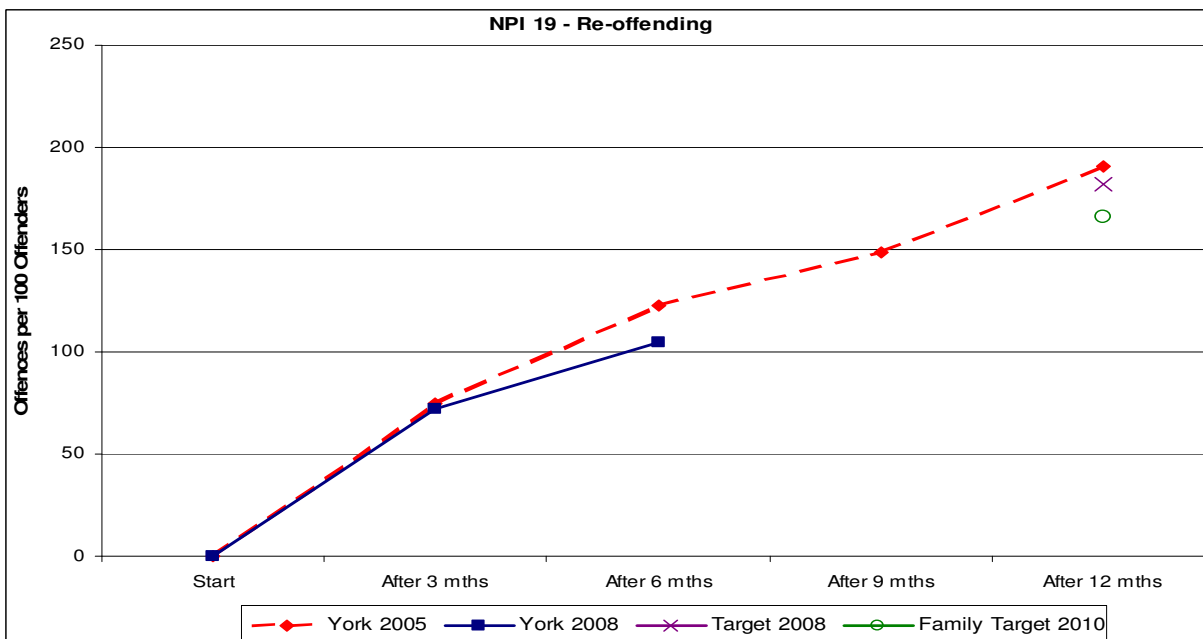
- 32 Overall 65% of indicators are showing improvement from 2007/08. Only 38% of the LAA indicators are showing improvement at this point, due to some of the education indicators (which are estimates at the moment) predicting results slightly below last years. It should be noted however, that these represent movement from very high levels, most of which have been continually improving for the past 5-6 years. In the vast majority of these cases, LCCS are still performing in the top quartile.

LCCS	Total	No on Target	No showing improvement
All Indicators Reported	141	47 of 69 (68%)	45 of 69 (65%)
LAA Indicators	30	5 of 13 (38%)	7 of 20 (35%)
National Indicators	85	21 of 37 (57%)	24 of 43 (56%)

### Improvement Headlines:

- 33 NPI 19: Youth offending - the rate of proven re-offending by young offenders is performing well against the 2005 baseline for the initial 6-month monitoring period. 105 offences per 100 offenders were committed between April and September 2008 compared to 123 in April to September 2005. Therefore York is currently performing beyond target levels for this LAA indicator.

Graph to show rate of proven re-offending by young offenders against 2005 baseline and family.



- 34 Out of school provision - the number of pupils in 'out of school' provision is expected to improve below the target of 100 and the number of days provided for those pupils is forecast to rise to 4.7 days improving from 3.6 days in 2007/08. Permanent exclusions have shown a declining trend. Secondary fixed term exclusions have halved, from 434 to 213, compared with the same period last year with only 1 permanent exclusion compared with 12 for the same term. It is a similar picture in Primary with fixed term reducing from 79 to 40 and no permanent exclusions. This reflects the work of the LA and schools who have embarked on a programme to provide innovative provision, such as Learning Support Units and nurture groups, to improve the offer for these vulnerable pupils.
- 35 NPI 60: Children's social care - improvements continue to be made with children's social care assessments being carried within the required timescales. Both indicators for initial and core assessments are due to hit targets for 2008/09.

Areas for improvement:

- 36 NPI 117: NEETs - the % of 16-18 year olds who are not in education, employment or training (NEET) is predicted to be 4.7% for this year, a slight increase on the 3.59% achieved in 2007/08, but still well below the national average. The economic downturn has had an impact on this indicator as many apprentices have lost their jobs and the number of work places available has reduced. Nevertheless, it is encouraging that NEETs are still much lower than the 5.9% recorded in 2006/07, when the economy was much stronger. Various measures have been put in place to combat these problems and continue to reduce the number of NEETs in York.
- 37 NPI 8: Adult exercise - the % of adult participants in sport (16+) is an area of concern for the LAA and may have been effected by a change to the way the survey is collected. The survey is now half the original size but more often throughout the year. However, the latest data shows that only 19.3% of adults exercise 3 times a week compared to 24.8% in 07/08.

38 NPI 110 & 115: pupil survey - there is a concern over 2 LAA indicators relying on a voluntary school pupil survey (TellUS) relating to participation in positive activities (NI 110) and misuse of drugs or alcohol (NI 115). The result used is an average of the council's statistical neighbours and not just York. This was due to a low response rate from York Schools therefore the result was not statistically viable so can't be used.

39 NPI 73 & 98: KS2 attainment - the % of pupils (NPI 73) achieving Level 4 or above in both English & Maths at KS2, has dropped an estimated 1% from last year. While the % of pupils (NPI 98) achieving 5+ A\*-C at GCSE (or equivalent) incl English & Maths, has also had a small drop of 0.7% from last year

*Note: Maths and English are merged together now where as they have been collected separately before. So a poor performing area can bring down the overall score and the KS2 measure has been affected by the poor Maths results. That said the drop at KS4 is recognised as a major priority for improvement in the forthcoming year. Increased staffing in Education Development Service and increased support for schools is being provided. There is also now additional time (1.4 FTE) provided in a numeracy consultant posts.*

40 NPI 99 & 100: Educational attainment of children in care - has reduced significantly, after major improvements achieved in 2007/08. Although a drop in performance was predicted and reflected in the targets set, the 2008/09 result falls well below this, but it should be noted the cohort was only 10 of which 6 were actually placed outside of this LA. Work to track the educational attainment through all years of in care children is being developed.

Indicator	2007/08 result	2008/09 forecast	2008/09 target
Children in care reaching level 4 in English at KS 2	80.0%	30.0%	44.4%
Children in care reaching level 4 in Maths at KS 2	60.0%	40.0%	44.4%

*Note: the indicators above are part of the group of 16 educational attainment PIs which get published in the LAA.*

## City Strategy Directorate

### Finance

#### Economic Development

41 The third monitor will, like the second one, forecast a break-even position. Significant variances reported are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Economic Development	-	2,581	2,581	-
<b>Total</b>	-	<b>2,581</b>	<b>2,581</b>	-

a £58k shortfall on Newgate market tolls continuing the underlying downward trend in market income across the country. This is offset by £4k additional income from the electricity substation in the compactor yard, £8k saving through restructuring the markets cost base from October 2008 and £8k from operational budgets.

- b £28k of miscellaneous savings have been identified to keep the spend within the budget.

### City Strategy

- 42 The current projections are for an overspend of £621k compared to the second monitor which was forecasting a net overspend of £73k. Members will note that this overspend is a significantly higher than that forecast at Monitor 2. The two main reasons for the increased overspend are the increased costs of Winter Maintenance (£+250k) which has occurred due to a colder than assumed winter and a significant downturn in the trading position of Yorwaste leading to a lower dividend than assumed at Monitor 2 (£+361k). Excluding those two events the overall budget position has improved by £63k. Significant variances reported are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
City Development and Transport	+103	15,646	15,827	+181
Planning and Sustainable Development	+130	1,326	1,585	+259
Resource and Business Management	-160	486	667	+181
<b>Total</b>	<b>+73</b>	<b>17,458</b>	<b>18,079</b>	<b>+621</b>

- a There is forecast to be a shortfall in car parking and park and ride income of £146k by the end of the financial year. The economic downturn and the national concessionary bus pass scheme are contributory factors. There is also expected to be a shortfall in fine income of £25k. Savings of £47k on car park maintenance, vehicle removal and other operation budgets have been found to partially offset the loss of income. Additional costs of supporting services managed by the North Yorkshire Concessionary Fare Partnership, principally the Coastliner services, are forecast at £300k, offset by savings of £247k from slightly lower numbers using services administered by CYC.
- b By the end of January the gritters has been out on double the normal occasions and winter maintenance costs are therefore expected to overspend by £250k, with a further £50k on flooding and cleaning footways. Work is being undertaken with staff of Neighbourhood Services to minimise the impact of this overspend. Offsetting these overspends an underspend of £89k has been identified within city development and transport due to staffing variations, savings of £202k on highway maintenance (including the use of the highways and planning delivery grant approved by Members in monitor two). Other minor variations produce a net underspend of £5k.
- c Within the planning and sustainable development section income from development control, building control and land charges are projected to produce a net shortfall of £251k (£65k additional income from development control for the year offset by a shortfall of £140k in building control income, due to the downturn in the property market, and £176k in land charges income). Additional costs of £175k have arisen due to the number of public inquiries into planning decisions. Offsetting these is additional income from the housing and planning delivery grant and climate change grant of £157k. Other minor variations produce a net underspend of £10k.
- d The increased costs within the resource and business management section result mainly from additional costs of £193k due to complex financial and legal issues

on the joint waste project with North Yorkshire and a shortfall in assumed dividend from Yorwaste of £113k resulting from problems in dealing with recyclates. Offsetting these costs there are savings of £59k following the early repayment of the Venture Fund Loan to fund the DEEDS restructure and staff and other savings across the service area £66k.

## Performance

- 43 Over 53% of indicators have improved since 2007/08 and 60% are on target. However many indicators used by City Strategy are survey based and will not be available till the end of 2008/09.

	Total	Number on Target	Number showing improvement
All Indicators Reported	83	20 of 35 (57%)	18 of 34 (53%)
LAA Indicators	15	2 of 3 (67%)	2 of 2 (100%)
National Indicators	36	4 of 7 (57%)	6 of 8 (75%)

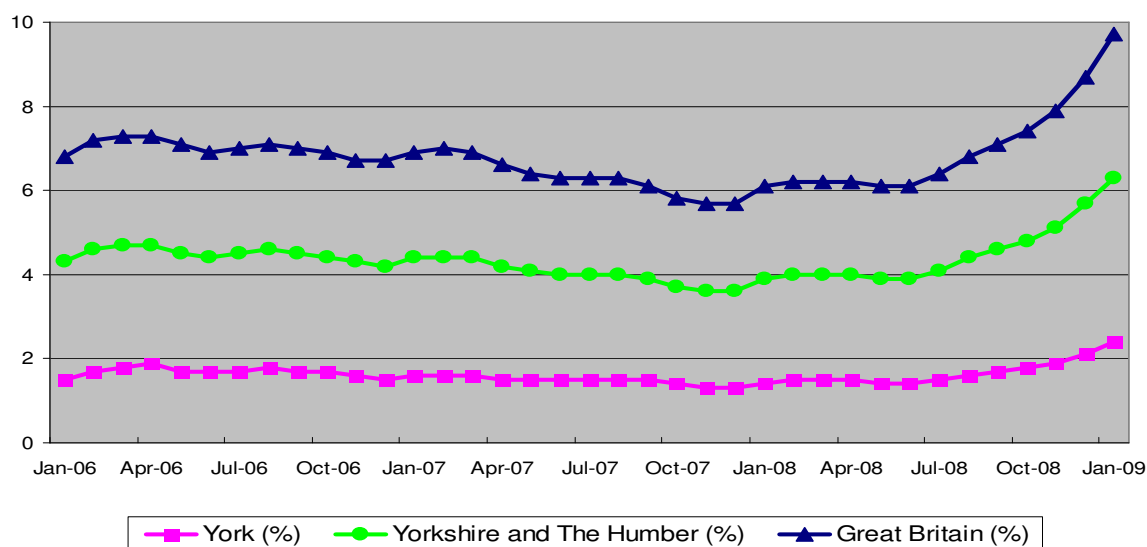
### Improvement headlines:

- 44 NPI 151: Employment - York's overall rate of employment is currently performing better at 84% compared to 78% in 07/08. There are concerns over the time lag in the information produced by the Office of National Statistics and this indicator is likely to decline, see paragraph 47.
- 45 NPI 157a: Planning - major planning applications determined within 13 weeks is performing better than target levels with 76% of applications compared to the target of 70%.

### Areas for improvement:

- 46 NPI 166: Citizen income - average earnings of employees in the area (an LAA indicator) is not on target for 2008/09 as it is currently 93.8% of the English median, which does not meet the target of 97.6%.
- 47 NPI 152: Benefits - working age people on out of work benefit (an LAA indicator) is a concern as the most recent data released by the Office of National Statistics (ONS) shows performance is at 6.98% but that is only for 1st April to 30th June 2008. This currently exceeds the target of 7.10% and the 2007/08 Quarter 1 figure of 7.16%. Furthermore this significantly better than the Yorkshire and Humber region figure of 11.90% and the Great Britain figure of 11.60%. However, more recent monthly data is available for the percentage of people claiming job seekers allowance which forms part of the calculation for NI 152 and the numbers have been getting higher over recent months, see the graph below. Therefore it is likely that NPI 152 will also increase in the next quarter. It is also an indication of a likely change to the overall employment rate as shown in paragraph 44. York is still below the regional and national average for claimant count. Given this is an LAA target it needs to be considered in the LAA refresh process.

Graph to show Claimant count for Job Seekers Allowance



## **Neighbourhood Services Directorate**

### **Finance**

#### General Fund Services

- 48 The projection for this service is that there will be an underspend of £115k at the year-end compared to a second monitor which reported a projected overspend of £139k on general fund activity. Significant variances are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Environmental Health and Trading Standards	+30	2,043	2,043	-
Licensing and Bereavement Service	-	(848)	(848)	-
Registrars Service	-	24	24	-
Neighbourhood Management	-24	982	942	-40
Ward Committees	-	976	891	-85
Neighbourhood Pride Service	+34	2,403	2,379	-24
Enforcement and Environment	-	693	693	-
Waste Management, Refuse and Recycling	+99	9,122	9,156	+34
Pest Control	-	45	45	-
Contribution to Safer York Partnership	-	328	328	-
<b>Total</b>	<b>-139</b>	<b>15,768</b>	<b>15,653</b>	<b>-115</b>

- a There is an forecast overspend on fuel of £28k in Refuse & Recycling, based on current year prices and staff costs are forecast to overspend by £88k, mainly due to bank holiday payments, the short term cost of an additional crew to supplement a recycling round and agency costs to cover vacant posts. In addition bin and container replacements are forecast to overspend by £62k, mainly due to an increase in prices.
- b Unbudgeted security costs at Towthorpe HWRC are forecast at £84k.



- c The above overspends are offset by a projected underspend of £221k on waste disposal costs, due to a reduction in tonnage of waste sent to landfill.
- d There are net underspends on Ward Committees and Neighbourhood Management Unit of £115k; however these underspends will form a request for carry forward at the year-end.
- e Net minor variations produce a further underspend of £41k.

#### Trading Activity

- 49 Current projections for the trading activities show a break-even position compared to an overspend of £93k at the second monitor. Details of the variances will be reported to the EMAP, with the significant variances being:
- a. The Civil Engineering Service is forecasting an underspend of £51k, and building maintenance an underspend of £55k.
  - b. Commercial Waste are forecasting an overspend of £74k due to a reduction in their customer base, with small overspends on other trading activities totalling £32k.

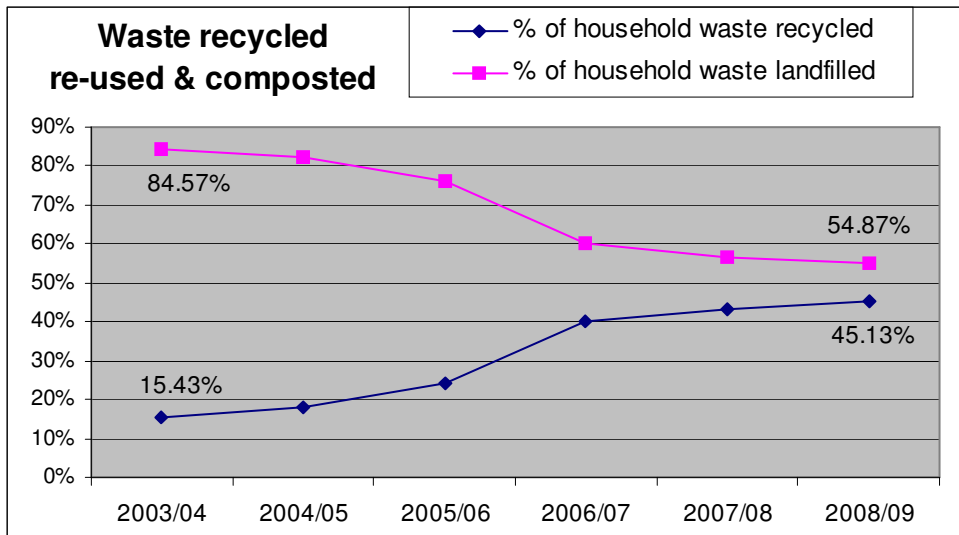
#### **Performance**

- 50 Overall 56% of indicators are showing improvement on 2007/08, although only half of the full set of indicators have data available at this stage in the year. Of the 2 out of 6 LAA targets (with data) that can be measured, both are predicted to hit their target. However, half of the NPIs reported are predicted to miss their 2008/09 targets.

NS	Total	Number on Target	Number showing improvement
All Indicators Reported	62	15 of 27 (56%)	21 of 32 (66%)
LAA Indicators	6	2 of 2 (100%)	2 of 2 (100%)
National Indicators	36	7 of 14 (50%)	6 of 14 (43%)

#### Improvement headlines:

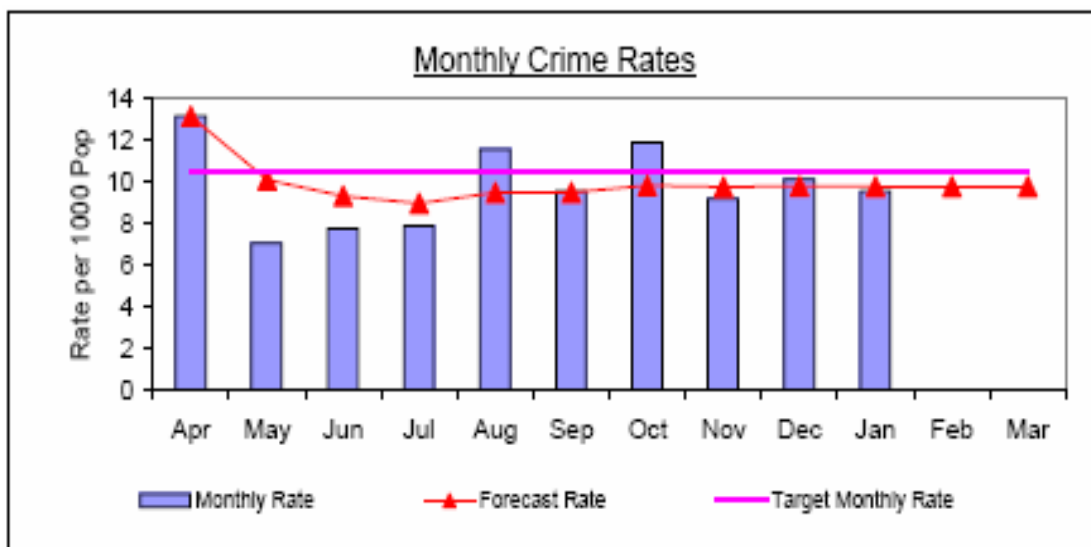
- 51 NPI 191: Household waste collected - the amount of residual household waste per head of population continues to improve (forecast to be at 626kg in 08/09 compared to 663 kgs in 2007/08), a drop of 6% in just one year. This performance exceeds the 2008/09 LAA target (640kgs) and moves York towards the 2009/10 target (617 kgs).
- 52 NPI 192: Waste recycling & landfill - York continues to increase the proportion of waste recycled and composted (now at 45.1% compared to 43.4% in 2007/08). Over the past 5 years significant improvement in both recycling and landfill levels have been achieved and the council is now one of the best performing unitary councils in the country, placing York high into the top quartile and helping to support improvement under the LAA residual waste target. The graph below shows that future improvement may be less dramatic than the improvements experienced in 2005/06 and 2006/07.



Community Safety

- 53 Many of the national indicators are entirely new. Some of those that relate to numbers of reported crimes have suffered from changes to crime classifications - and reporting by NYP will take time to settle (ie greater clarity over which offences fit to which crime classifications).
- 54 NPI 16: Serious acquisitive crime (domestic burglary, robbery of business and personal property, theft from a vehicle, theft of a vehicle and aggravated vehicle taking) - viewed as a whole the serious acquisitive crime rate is expected to meet the target of 3891 offences for 2008/09.
- 55 Performance for NPI 16 is mainly due to the theft from a vehicle and vehicle interference crimes performing well. Below is a graph showing the theft from a vehicle crime rate which forms around half of the serious acquisitive crime rate (NPI 16).

Theft from a Vehicle (inc attempts) provided by York CDRP



Areas for improvement:

- 56 A number of NPIs represent improvement under the council priority area - cleaner streets. Performance forecasts show a decline in some areas, although the overall flagship indicator (NPI 195a) should remain the same.

Indicator	2007/08 result	2008/09 forecast	2008/09 target
NPI 195a: Street cleanliness (levels of litter)	8%	8%	8%
NPI 195b: levels of detritus	9%	10%	8%
NPI 195c: levels of graffiti	2%	6%	2%
NPI 196: dealing with fly tipping	2 (effective)	3 (not effective)	2 (effective)

- 57 NPI 195a&b: Cleaner streets - these indicators relate to those areas surveyed that were found to have unacceptable levels of litter, detritus and graffiti. The 2007/08 results of 8%, 9% and 2% respectively, were the best results York achieved since the surveys were started and demonstrate a much cleaner city than in previous years. In 2003/04 30% of York's streets were assessed as having unacceptable levels of litter and detritus. The 2008/09 targets were set to maintain 2007/08 levels, which was seen as challenging without further York Pride investment experienced in previous years. After completing 2 of the 3 surveys in 2008/9, it likely that performance will stay the same for litter levels and dip below the target level for detritus. York performs well in street cleanliness using the Encams/Defra methodology, despite ongoing problems with other authorities surveying in different ways that makes comparison between councils unreliable.
- 58 NPI 195c: Graffiti - in the two graffiti surveys carried out in June and October 2008, the fail rate rose above 2% levels for the first time. A range of prevention, enforcement, and cleansing activity within Neighbourhood Services, and jointly with Neighbourhood Policing Teams and Safer York Partnership, has now started to reduce graffiti levels in the city. The success of this response will be kept under constant review.
- 59 NPI 196: Fly-tipping - this indicator is based on trends between years in a) the level of fly-tipping incidents, and b) the level of enforcement activity in response. Anything other than a fall in the recorded level of fly-tipping stops the service from being seen as 'effective'. 2008/09 has seen a new environmental enforcement team taking a much closer interest in fly-tipping, which has resulted in more incidents being recorded. However, whilst the level of incidents are up 32% in the 9 months to December, the amount of enforcement activity is up 47% in the same period - resulting in a drop to a 3 (not effective).

**Chief Executive's Directorate**

**Finance**

Chief Executive's Department

- 60 The current projections are for an underspend of £61k compared to an overspend of £60k at monitor two. Significant variances are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Corporate and Democratic Core	-	1,612	1,612	-
Chief Executive	-5	394	385	-9
Director of People and Improvement	-	212	219	+7
Human Resources	+62	81	36	-45
Marketing and Communications	+40	(51)	(13)	+38
Civic, Democratic and Legal	-37	2,430	2,378	-52
Pay and Grading	-	1,282	1,282	
<b>Total</b>	<b>+60</b>	<b>5,960</b>	<b>5,899</b>	<b>-61</b>

- a Actions have been implemented in an attempt to bring the projected overspend back into balance. Notably in Human Resources backfilling arrangements have been reviewed and where possible posts have been left vacant. Other variations within Human Resources include additional consultancy costs of £64k supporting the Health and Safety function prior to the appointment of a new manager, and additional costs of £25k incurred within Corporate HR partly as a result of backfill arrangements for Pay and Grading review, offset by additional income of £83k from the projected surplus from the recruitment pool. In addition there is slippage on the Delphi Replacement project of £71k. This latter may be requested when carry forward items are considered at out-turn.
- b Marketing and Communications are forecasting an overspend mainly comprising non-achievement from letting advertising of £20k on council boundary signs and a continued forecast shortfall of £27k from the Print Unit.
- c Democracy and Committee Services are forecasting staffing savings amounting to £89k offset by increased costs for a temporary additional childcare solicitor of £16k.
- d Net minor variations are projected to produce a further overspend of £30k.
- 61 The pay and grading project expenditure is expected to out-turn within the agreed budget. The only potential area for overspend is external legal fees, which are running at higher than the rate expected due to additional legal work. However there are other areas that are underspending which should keep the spend within the overall budget.

#### Property Services

- 62 The latest forecast is for an overspend of £347k compared to the second monitor which was projecting £294k, a further increase of £53k. Significant variances reported to Members are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Property Services	+294	1,777	2,124	+347
<b>Total</b>	<b>+294</b>	<b>1,777</b>	<b>2,124</b>	<b>+347</b>

- a Of the three staffing trading accounts two, Facilities Management and Asset and Property Management, are projected to break even, however the trading account for Strategic Business and Design is forecast to out-turn with an adverse variance

of £158k. Details of the reason for this will be set out in the EMAP report, but include the use of agency staff to fill posts currently vacant and a number of staff on long-term sickness.

- b There is a projected income shortfall of £73k within the Commercial Property Portfolio as current economic conditions lead to further voids within the sector. Emergency maintenance works on a number of properties has impacted too.
- c Administration accommodation is forecast to overspend by £109k, mainly due to an increase in hire and services charges from landlords (£72k) for additional costs of repair and maintenance. All repair and maintenance expenditure is now on hold, items will be considered on a case-by-case basis and works only undertaken to meet health & safety requirements.
- d There is a projected overspend of £43k on the management of surplus assets. As it becomes more difficult to sell properties the costs of maintaining, securing and managing surplus property will become more expensive.
- e Net minor variations produce a small underspend of £36k.

## Performance

- 63 Chief Executives have a limited number of indicators available as most of their national indicators are produced through the Place Survey and these will be reported in the year-end performance report. The Corporate Health section, paragraph 79, shows many of the other indicators produced by this directorate.

## Resources Directorate

### Finance

- 64 The latest projection is an underspend of £608k compared to £421k at monitor two, a further underspend of £187k. Significant variances are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Director	-54	278	263	-15
Public Services	-8	2,180	2,124	-56
Strategic Finance	+28	229	210	-19
Performance, Audit and Risk Management	-41	293	152	-141
IT&T	-326	-22	(401)	-379
Easy Project	-20	1,712	1,714	+2
<b>Total</b>	<b>-421</b>	<b>4,670</b>	<b>4,062</b>	<b>-608</b>

- a Within the Public Services variance the large items are additional pressures on Benefits Administration of £266k, offset by an improvement in Benefits Subsidy of £232k and £132k from additional recovery of court costs on council tax and NNDR recover action. Other net overspends amount to £42k, mainly on staffing costs.
- b Within Performance, Audit and Risk Management a budget of £50k was set up to fund the Income Collection Policy review and implementation, of this there remains £35k. The Policy was approved at Executive in September 2008 which included an 18 month implementation plan. In addition a budget of £35k set

aside for work on the Competition Strategy is not anticipated to be spent in the current year. It is requested that both these items (£70k in total) are carried forward into 2009/10 as it is envisaged that further funding will be required to implement these schemes. Other underspends totalling £33k result from staffing vacancies in the performance team.

- c Within IT&T savings totalling £166k have been realised through CYC undertaking technical work “in house” rather than through external suppliers as originally costed. In addition resourcing implications within Directorates have resulted in a number of development projects either not being completed within year as planned or being deferred completely until 2009/10, contributing a further £173k. In addition the re-scheduling of the replacement payroll/HR system has added a further £40k to the underspend.
- d Net minor variations, mainly from staffing vacancies, produce a further underspend of £70k.

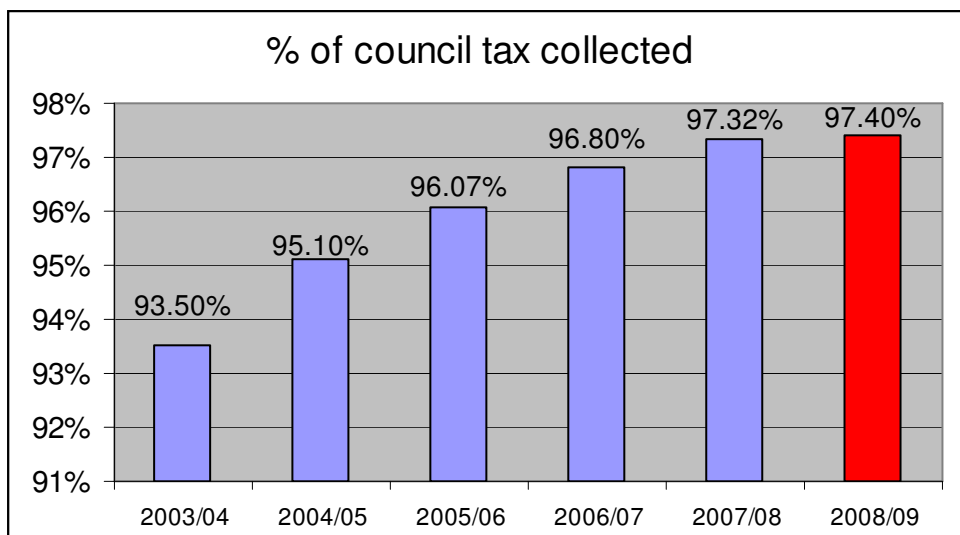
### Performance

- 65 Overall 80% of indicators are showing improvement from 2007/08, with nearly three quarters of PIs predicting to hit their 2008/09 target. There were no areas of concern for Resources performance indicators.

Resources	Total	Number on Target	Number showing improvement
All Indicators Reported	19	11 of 15 (73%)	8 of 10 (80%)
National Indicators	6	2 of 3 (67%)	1 of 1 (100%)

#### Improvement Headlines:

- 66 BVPI 8: Payment of invoices - the % of invoices paid by the authority within 30 days has improved for the 5th year running (95% compared to 92.6% in 2007/08). A review of the council’s invoice payment procedures helped achieve this year’s marked improvement.
- 67 BVPI 79: Housing benefit recovery - the % of housing benefit overpayments recovered within the financial year has increased significantly. Current performance is running at 71.4% and the forecast is to achieve 78% by the year-end, a notable improvement on the 61% achieved in 2007/08.
- 68 BVPI 9: Council Tax - the % of council tax collected is predicted to improve again this year at 97.4% compared to 96.8% in 2007/08. This is being achieved through increased recovery activity with over 15% more reminder notices and summonses issued this year compared to last. This represents 6 years of continual improvement in a crucial performance area for such a low spending authority. York has moved from bottom to 2nd quartile over this period of time. Unfortunately, business rates collection is behind target largely as a result of the impact of the economic downturn.



## ***Housing and Adult Social Services Directorate***

### **Finance**

#### Housing General Fund

- 69 The current projection is for this service to break-even at year-end. This is an improvement from the second monitor where an underspend of £74k was projected. Significant variances are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Housing General Fund	-74	1,427	1,427	-
<b>Total</b>	<b>-74</b>	<b>1,427</b>	<b>1,427</b>	<b>-</b>

- a The budget for Howe Hill Hostel is projected to underspend by £16k as a result of staff vacancies, lower repair costs, increased expenditure on utilities and equipment and higher occupancy levels. Offsetting this is £10k increased costs of storage relating to high occupancy levels in temporary accommodation.
- b An overspend forecast on repairs and utility costs at travellers sites of £62k is offset by underspends at the Homeless Advice Team (£28k) and Housing Standards and Adaptations (£18k), mainly due to staff vacancies.
- c Net minor variations produce an underspend of £10k.

#### Adult Social Services

- 70 The current projection is for a projected underspend of £134k, a movement of £342k from the £476k presented at the second monitor. Significant variations are:

	Monitor 2 Variance £'000	Net Budget £'000	Projected Out-turn £'000	Variance £'000
Corporate Services	-334	2,522	2,293	-229
Older People and Physical Disability	-85	22,941	23,143	+202
Mental Health	-95	2,317	2,218	-99
Learning Disabilities	+38	10,292	10,284	-8
<b>Total</b>	<b>-476</b>	<b>38,072</b>	<b>37,938</b>	<b>-134</b>

- a. Part of the underspend is due to the Learning Disabilities team being extremely successful in applying for Continuing Health Care funding. £534k was received in 2007/08 but the forecast for 2008/09 is £1,085k, an increase of £551k.
- b. A net underspend on corporate services of £229k, mainly due to staff vacancies in the training section and money for backfilling staff attending training not yet allocated (£99k) and other savings.
- c. Within the Older People and Physical Disability section a projected overspend of £202k is forecast. This is a deterioration from the second monitor position. There are some large variations when compared to the budget in this area. Overspends of £195k are projected in community support (a continuing pressure from 2007/08), £173k due to the increasing number of customers choosing to take a direct payment (which improves performance indicators but also leads to increased expenditure), £184k on the use of agency staff in the Intake team and £117k due to more placements than anticipated in residential and nursing care. In-house Home Care savings of £335k are being achieved in excess of those identified as part of the budget process. There is a net underspending on Elderly Persons Homes of £241k due mainly to an overspending on pay (£153k) resulting from high levels of sickness and a continued pressure to staff to minimum CSCI standards offset by an excess of income (£394k). Warden Call is projected to underspend by a net £9k, resulting from increased costs on staffing (£55k) and car allowances (£15k) offset by increased income (£79k). Yorkcraft is forecast to underspend by £62k mainly due to staffing costs. There are forecast overspends of £60k for repair and maintenance of private sector adaptations and £12k on Social Services properties, continuing pressures from 2007/08. Work is ongoing to investigate reasons for increased costs under the Repairs Partnership.
- d. The projected variance for the Mental Health section is an underspend of £99k, with the largest variances being underspends on residential and nursing care (£51k) based on current customer levels remaining constant and vacancies on the social work team (£60k).
- e. Continued pressures in Learning Disabilities results from the increase in both the number of customers and the complexity of their needs. Projected variances lead to a net underspend of £8k, however this masks some large variations. In particular there is a forecast overspend on transportation of customers (£129k) and the cessation of partnership with NYYPCT resulting in additional costs having to be met by CYC (£36k) offset by underspends due mainly to staffing savings.

### **Non-General Fund Account**

#### Housing Revenue Account (HRA)

71 The working balance budget on the HRA is £7,238k. This review indicates a net underspend of £181k which, together with the budgeted balance of £7,238k, now gives a total estimated balance of £7,419k, this is £128k lower than projected in the second monitor. The variances reported to the EMAP include:

- a. Overspends totalling £524k, the main area being repairs and maintenance, principally plumbing and roofing, amounting to £351k.
- b. Underspends totalling £705k, including £91k from increased rent income due to a reduction in right to buy sales and lower voids, £60k due to lower property charge due to the reduction in right-to-buy work, £92k on housing operations mainly due to staff vacancies, reduction in legal fees and lower than forecast payments for



the golden goodbye scheme and £200k additional income from interest earned due to having a higher than forecast working balance.

## Performance

- 72 Overall 67% of indicators reported are showing improvement from 2007/08 and 80% of the 5 LAA NPIs are predicted to hit their target. However, only half of the HASS indicators have data available at this point in the year, so the wider picture on performance will not be known until the year-end report in May.

HASS	Total	Number on Target	Number showing improvement
All Indicators Reported	31	10 of 15 (67%)	6 of 9 (67%)
LAA Indicators	8	4 of 5 (80%)	3 of 3 (100%)
National Indicators	23	8 of 11 (73%)	4 of 5 (80%)

### Improvement Headlines:

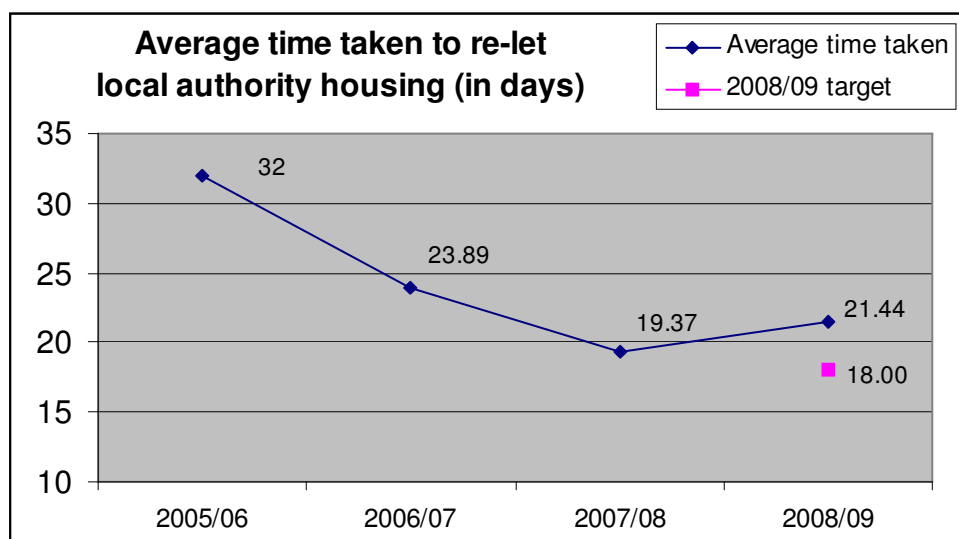
- 73 NPI 135: Carer assessments - the % of carers receiving needs assessments and/or a review is at 14.4%. However, with a further 3 months of assessments to be included before year-end, it is expected that the LAA target of 18.8% will be achieved.
- 74 NPI 141: Independent living - the number of vulnerable people achieving independent living is currently at 68.09%, just short of the very challenging 2008/09 LAA target of 68.5%. Further work will be delivered before the end of the year and it is expected that the target may be exceeded.
- 75 NPI 155: Affordable homes - significant progress has been made this year, with a current projected total of 150 homes being delivered against a target of 165. In the current housing market this represents an achievement. However, given the time lag in building homes it is unlikely that the challenging LAA targets set for 2009/10 and 2010/11 will be achieved. These were set well before the economic downturn began and these targets are currently being reviewed as part of the target refresh process.

	07/08	08/09 latest	08/09 target	LAA target?
NPI 155: Number of affordable homes delivered	51	136	165	Yes

### Areas for improvement:

- 76 BVPI 212: Relet times - following the implementation of a new voids process last summer the speed of housing relets has suffered slightly, dropping from to 19.37 to 21.44 days and well short of the 18 day target for 2008/09. However the revised process has seen an improvement in customer satisfaction. Teething problems that led to the slower relet times have now been removed, but it is unlikely that the target will be met this year. A revised target of 22 days is now more realistic and this still places York in the top quartile of unitary authorities.
- 77 NPI 132: Timeliness of adult care assessments - the number assessments completed within government target timelines is currently running at 59%, well short of the 2008/09 target of 76.5%.
- 78 NPI 156: Homelessness - the number of households living in temporary accommodation is currently at 180 compared to LAA target of 170. This target was

set before the current credit crunch and housing market problems started. This is however a significant improvement on the 209 households reported in 2007/08.



### Corporate Health - Performance

79 Overall Corporate Health has continued to improve in many areas continuing a trend from last year particularly in staff attendance levels, staff turnover and health & safety.

	Corporate Health Performance	Latest for 08/09	Change from 07/08	Good?
Sickness	Number of days lost per FTE	6.48 days	Reduced by 16%	Yes
	Long term lost per FTE	3.27 days		
	Short term lost per FTE	3.22 days		
	Stress days lost of total days lost	18.2%	Reduced by 3.5%	Yes
	Staff Turnover	4.13%	N/A definition changed	N/A
Health & Safety	Major injuries to employees	3	Reduced by 66%	Yes
	Minor injuries to employees	36	Reduced by 28%	Yes
	Injuries to non-employees (involving hospital trip)	19*	Reduced by 47%	Yes
Equalities	Equality Impact Assessments completed	11	Improved (target14)	Yes
	Council employees - Ethnic minority	3.74%	Increased by 7.5%	Yes
	Council employees - Number with a disability	2.02%	Increased by 12%	Yes
Customer First Statistics	Letters dealt with within 10 days	95%	Reduced by 2%	No
	Stage 2 Complaints dealt with within 10 days	95%	Increased of 12%	Yes
	Stage 3 Complaints dealt with within 10 days	87%	Increased by 18%	Yes
	Visitors seen within 10 minutes	99%	Stable	No change
	Those needing further help seen within 10 mins	97%	Stable	No change
	Phone calls answered within 20 seconds	94%	Stable	No change

\* 15 of 19 incidents occurred during School activities

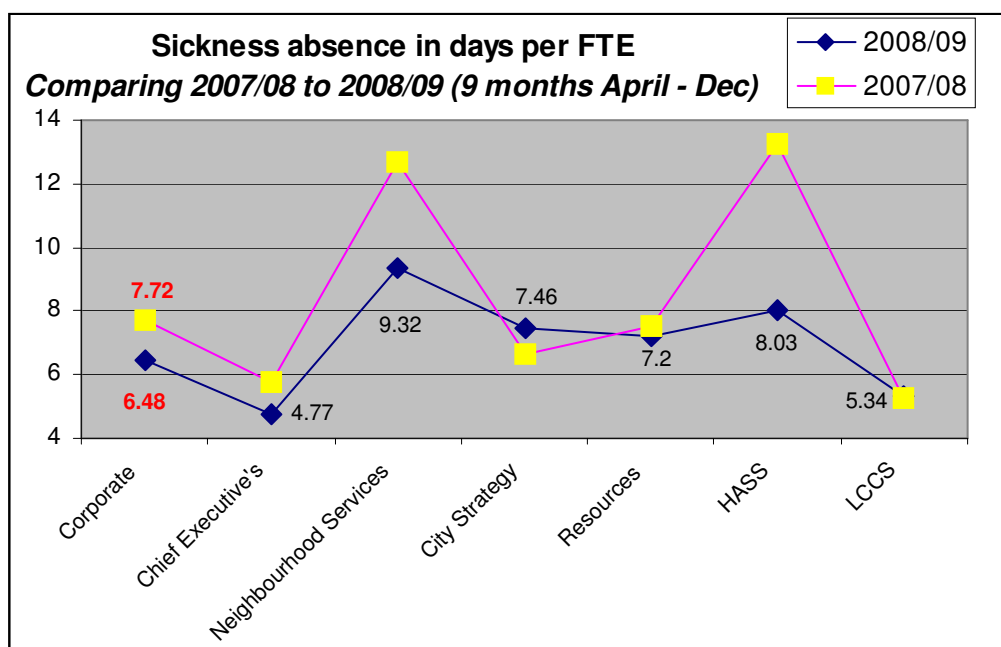
Note: 'Major Injuries' and 'Over 3 Days' incidents are reported to the Health and Safety Executive (HSE) under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1995 (RIDDOR).

### Improvement Headlines

a. Staff attendance levels continue to show good improvement on the same period last year. Levels in HASS have improved by 39% since last year and Neighbourhoods have improved by 26%. However, long-term sickness in Neighbourhood Services is still much higher than the rest of the council at 5.39

days per FTE (compared to an average of 3.27 days per FTE across other directorates). Sickness levels in City Strategy are now showing an increase on the same period last year (7.4 days compared to 6.6 days in 2007/08). However, this increase has little impact on the corporate figure (The 0.9 days per FTE increase equates to just 310 days out of 35,300 days taken across the council so far this year). If this reduced trend in sickness absence continues, York will move into the second quartile of unitary authorities, a real achievement given that the council was in the bottom quartile just 3 years ago and 45<sup>th</sup> out of 46 in ranking.

- b. Health and Safety reported accidents have declined sharply in comparison to the same period last year. The reduction in major injuries continues, with just one incident being reported since June 2008. Minor injuries are also significantly lower than the same period last year (36 compared to 50), which represents a 28% decrease. Similarly, public incidents now running half that experienced in 2007/08, with just 4 incidents occurring outside school curriculum activity time.
- c. Customer first statistics are showing significant improvement in terms of dealing with stage 2 & 3 complaints within 10 working days.



### ***Progress on priorities and key projects***

- 80 This section provides members with an update on progress on the Council's 10 corporate priorities and the key projects that drive priority improvement work and organisational effectiveness.

#### Corporate Priorities

- 81 65% of indicators that support a corporate priority are improving with 55% on target for 2008/09.
  - a. Particular improvements include waste indicators (70% showing improvement) and improving life chances of vulnerable young people (79% showing improvement).
  - b. The 2 indicators for customer focus that relate to turnover growth and confidence which have both declined due to the credit crunch.

- c. Some of the cleaner streets indicators such as levels of graffiti and detritus have not improved since the end of last year although the levels of litter has remained stable meeting the target of 8%.

Corporate priority theme	Total Priorities KPIs	Number on target	Number improving
Affordable housing	4	2 of 4 (50%)	3 of 4 (75%)
Cleaner streets	7	3 of 7 (43%)	2 of 7 (29%)
Customer focus	2	0 of 2 (0%)	0 of 2 (0%)
EF Transport	3	2 of 2 (100%)	2 of 2 (100%)
Healthy Lifestyles	11	3 of 6 (50%)	3 of 5 (60%)
Life Chances	15	7 of 9 (78%)	11 of 14 (79%)
Skills & employability	11	5 of 10 (50%)	7 of 10 (70%)
Waste & recycling	7	3 of 6 (50%)	5 of 7 (71%)
Environmental Impact	2	1 of 1 (100%)	0 of 1 (0%)
Reduce violent, aggressive & nuisance behaviour	10	3 of 6 (50%)	6 of 8 (75%)
	<b>74</b>	<b>29 of 53(55%)</b>	<b>39 of 60 (65%)</b>

### Key Projects

- 82 There are 16 key projects that are helping to drive improvement across the city and within the council. The following 13 are on track to finish within the agreed project deadline:

- Council's new headquarters;
- Nestle South;
- York Northwest;
- Waste PFI
- Kerbside recycling
- Community Stadium;
- Kingsway action project;
- Cycling City;
- Development of former Terry's site;
- School Modernisation;
- Pay & Grading \*
- FMS (finance management system) replacement \*
- Kerbside Recycling;

\* No slippage, but reported in more detail

- 83 The following 5 projects either have revised target dates, or need to be brought to the attention of executive members:

- **Barbican** - The council has now taken back control of the auditorium building and the Director of LCCS has now established a project team to consider future use and development of this site. This has led to slippage for the overall project, although the extent of the slippage is not yet known.
- **Peaseholme hostel relocation** - The contractor hired to develop the site has gone into voluntary administration. The administrator has released the property back to the council and a re-tendering process to appoint a new contractor has now been completed. Consultation with local residents and stakeholders is continuing to achieve party wall agreement and boundary access. The cost of this project has increased slightly due to these problems and the deadline for completion has now been slipped to July 2009.

- **University swimming pool** - The Swimming Pool Steering Group has produced its final report setting out recommendations for the pool configuration and facilities mix, the location of the pool and branding. An outline programme and business plan has also been produced and demonstrates that the facilities can operate at close to break even. The capital cost of the facilities has been estimated at £10.9m. To meet the 2011 deadline it would be necessary to have the funding identified imminently. However, there remains a gap of £4m in the capital funding available (on the basis of the original undertaking by the University to assign £5m to the project and CYC £2m). The Council has now met with the University to try to help them identify a way forward and has written to the Vice-Chancellor with a specific proposal.
- **Pay & Grading** - The deadline for the submission of appeals was the 9 January 2009 and just over 800 appeals were received. Appeals are now being heard in priority order based on the amount on the size of the detriment suffered and it is planned that all will be heard by the end of April. Work continues to resolve the limited number of issues that arose from implementation with the P&G Project Board continuing to meet regularly to oversee progress and CMT receiving monthly updates.
- **FMS replacement** - Overall, the FMS replacement project is still on track. All workstreams are gearing up for go live in April 2009, with system acceptance scheduled for February and end user training in March. FMS News has also been launched and the intranet updated with question and answer sheets. A new release of Authority Financials software was received 13 January with essential functionality for the system to integrate with EDRMS. This is currently being tested.

### **Analysis**

- 84 All the analysis of service performance, progress on key actions and the financial position of the Council is included in the body of the report.

### **Corporate priorities**

- 85 The proposals included in this report are designed to demonstrate progress on achieving the Council's corporate strategy and the priorities set out in it. It also provides evidence of the co-operation between CMT and the Executive in working together to drive forward prioritised improvement and address performance, delivery or financial issues of corporate concern.

### **Implications**

- 86 The implications are:
- Financial - the financial implications are dealt with in the body of the report.
  - Human Resources - there are no specific human resource implications to this report, but it does contain important information on staff management and welfare.
  - Equalities - there are no equality implications to this report
  - Legal - there are no legal implications to this report
  - Crime and Disorder - there are no specific crime and disorder implications to this report, but it does provide the Executive with crucial performance information to inform future resource allocation.

- Information Technology - there are no information technology implications to this report
- Property - there are no property implications to this report
- Other - there are no other implications to this report

## Recommendations

87 Members are asked to:

- a. Note the performance issues identified in this report.

*Reason: So that corrective action on these performance issues can be taken by CMT and directorates.*

- b. Consider the application for a supplementary estimate request of £40k for fostering costs to be funded from the contingency fund, as set out in paragraph 27 and Annex 3, and to grant approval.

*Reason: In accordance with the Executive's Constitutional powers to make decisions on the level and granting of supplementary estimates.*

- c. Consider the request from the Director of Resources for the virement between Treasury Management and Leisure and Culture as set out in paragraph 28 and decide whether to agree.

*Reason: This is a cross departmental virement where one side falls within the remit of the Executive.*

## Contact Details

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**Report Approved** ✓

**Specialist Implications Officer(s)** None

**Wards Affected:** *List wards or tick box to indicate all*

**All**

✓

## Background Working Papers

Reports to individual EMAP meetings and Directorate Management Teams

## Annexes

Annex 1 - Overview of key performance indicators used for monitor 3 (where data is available)

Annex 2 - Position on General Contingency

Annex 3 - Fostering Costs